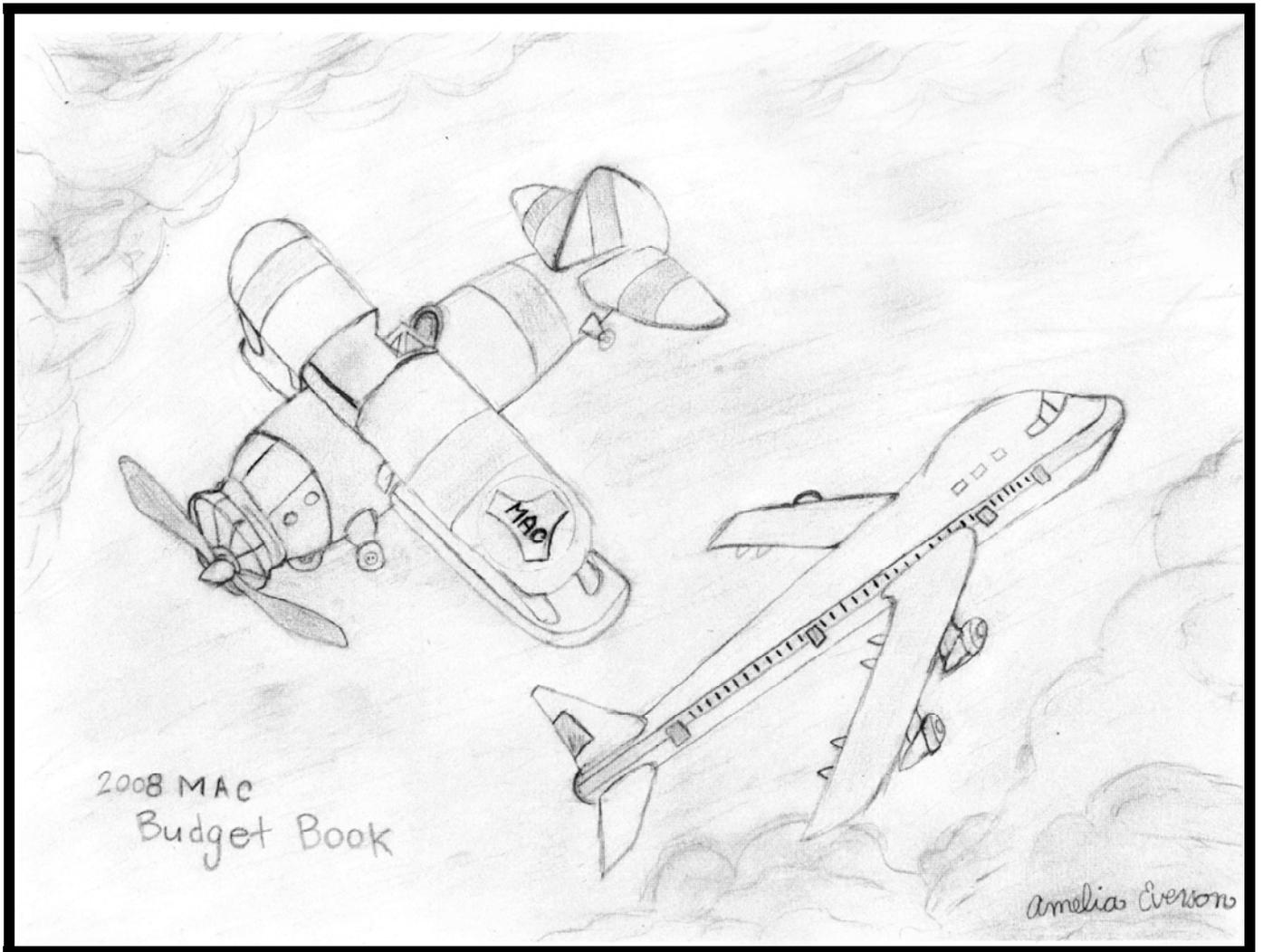
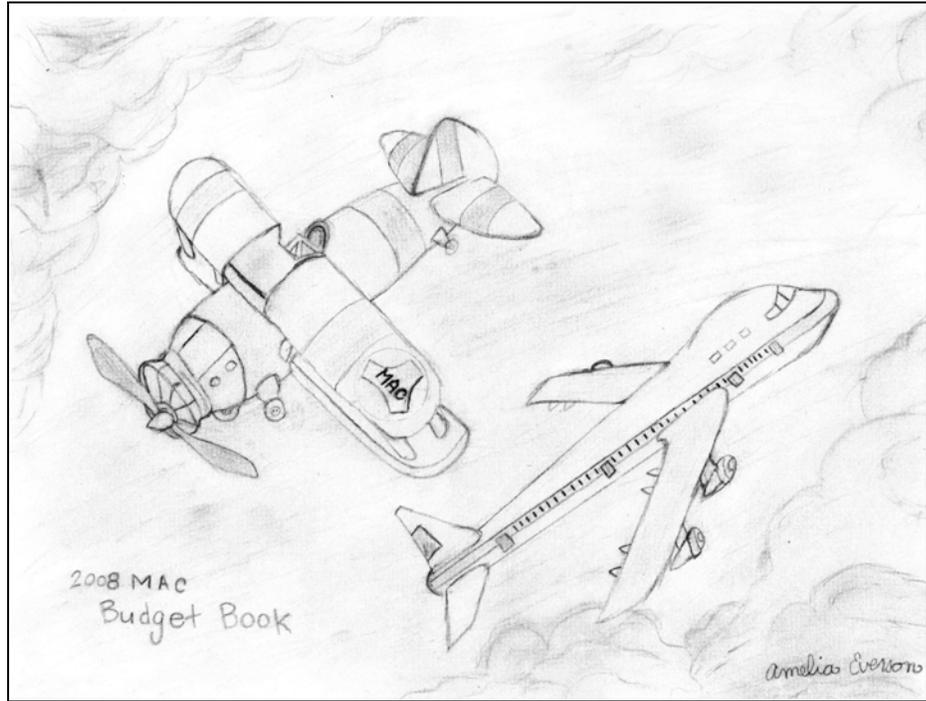


**Minneapolis/St. Paul Minnesota \* Metropolitan Airports Commission**



**2008 Operating Budget**



**Drawing by:** Amelia Everson – Age 13  
**Father:** Mike Everson  
Police



## *Mission*

Setting the Standard for Excellence in Airports

## *Vision*

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

## *Values*

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

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**BUDGET MESSAGE – 2008 OPERATING BUDGET**

December 17, 2007

To The Public:

We are pleased to present the 2008 Metropolitan Airports Commission budget that was adopted by the Commission on December 17, 2007. Total operating revenue for 2008 is projected to be \$254,623,353 and operating expense is \$251,979,336. The fourth quarter of 2008 and the final preparation of the 2008 budget continued to be a very difficult time for all involved in the air transportation system.

When staff began the 2008 budget process last summer, the economic forecast continued to be cautious. There was still concern over when the aviation industry would continue to recover. The Finance, Development and Environment Committee, staff, and the airlines worked very hard to put together a budget package for 2008.

A number of significant issues were presented to staff and the Commission throughout the year. Some of these include: Noise Lawsuit and Settlement, Financial Market Turmoil, Concessions Contracts, Mesaba/Delta Bankruptcies and, to a much greater degree, the Northwest Airlines Bankruptcy. Associated with the emergence of Northwest from bankruptcy in the Second Quarter of 2007 was the final negotiation of the Third Amendment to the Airline Lease. Some of the key components of the new Amendment were:

- Convert the current rate methodology in the Airline Use and Lease Agreement from one of charging depreciation and interest on completed projects to charging debt service (MSP is the only major airport charging depreciation and interest).
- Limited concessions revenue sharing. Certain parameters were agreed upon whereby if particular conditions were met, the Commission would share a portion of its Food, Beverage, News, Retail and Auto Rental revenues.
- A prorated charge back to all airline rate base areas totaling \$15.9 million (escalated at 3%) for repair and rehab projects.
- Protections to maintain a total annual debt service coverage of at least equal to 1.25x.
- Various lease adjustments to Northwest facilities (those which could be rejected in bankruptcy).
- Assumption of all leases by Northwest Airlines.
- Effective date of all changes would be retroactive to January 1, 2006.

The components listed above, along with the other negotiated relief for all carriers, totals approximately \$280 million over the term of the lease (2006 – 2020). This resulted in staff preparing the 2007 budget under both methodologies. Because a decision had not yet been made by the Commission as of the date of final budget approval (December 18, 2007), an interim action was taken giving the airlines \$15 million in relief for 2007. All of the information presented in this budget for 2008 is based upon the methodology (debt service) per the Third Amendment of the Airline Use and Lease Agreement. No credits/rebates were issued until all airlines signed the Amendment. In December, 2007, with all Amendments signed, the Commission rebated/credited the airlines \$18 million for 2006. The credit/rebate for 2007 is estimated at \$22 million and will be issued in May. In association with this Amendment, the Commission negotiated stronger hub and headquarter covenants with Northwest Airlines in the event of a merger. Staff continues to evaluate the impact of a potential merger. The Commission is committed to doing everything in its power to protect the hub status, Minnesota jobs and the headquarters of Northwest.

**BUDGET MESSAGE – 2008 OPERATING BUDGET**

The Operating Budget Summary follows:

<b>2008 OPERATING BUDGET SUMMARY - 2008 OPERATING BUDGET</b>					<b>2007 Estimate vs 2008 Budget</b>	
<b>(\$=000)</b>						
	<b><u>2006 Actual</u></b>	<b><u>2007* Budget</u></b>	<b><u>2007 Estimate</u></b>	<b><u>2008 Budget</u></b>	<b><u>Dollar Change</u></b>	<b><u>% Change</u></b>
<b>REVENUE</b>						
Total Airline Rates & Charges	\$69,382	\$86,954	\$79,108	\$81,922	\$2,814	3.56%
Total All Concessions	\$108,381	\$113,432	\$112,449	\$118,916	\$6,467	5.75%
Total Other	\$46,364	\$52,391	\$47,900	\$53,785	\$5,885	12.29%
<b>Total Operating Revenue</b>	<b>\$224,127</b>	<b>\$252,776</b>	<b>\$239,457</b>	<b>\$254,623</b>	<b>\$15,166</b>	<b>6.33%</b>
<b>EXPENSE</b>						
Personnel	\$54,258	\$61,850	\$59,917	\$61,721	\$1,804	3.01%
Administrative Expenses	\$1,240	\$1,553	\$1,500	\$1,728	\$228	15.18%
Professional Services	\$4,091	\$5,880	\$6,000	\$6,052	\$52	0.87%
Utilities	\$14,820	\$14,983	\$15,650	\$16,574	\$924	5.90%
Operating Services/Expenses	\$14,485	\$16,003	\$16,200	\$18,938	\$2,738	16.90%
Maintenance	\$19,417	\$21,116	\$21,500	\$23,264	\$1,764	8.21%
Other	\$3,323	\$3,999	\$3,650	\$3,703	\$53	1.44%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>\$111,633</b>	<b>\$125,384</b>	<b>\$124,417</b>	<b>\$131,979</b>	<b>\$7,562</b>	<b>6.08%</b>
Gross Depreciation	\$111,429	\$118,498	\$118,000	\$120,000	\$2,000	1.69%
<b>Total Operating Expense</b>	<b>\$223,063</b>	<b>\$243,882</b>	<b>\$242,417</b>	<b>\$251,979</b>	<b>\$9,562</b>	<b>3.94%</b>
<b>Operating Income</b>	<b><u>\$1,064</u></b>	<b><u>\$8,894</u></b>	<b><u>(\$2,960)</u></b>	<b><u>\$2,644</u></b>	<b><u>\$5,604</u></b>	
*Commission approved expense budget adjustments for the following service centers:						
Air Service Business Development				Professional Services	\$125,000	
Internal Audit				Personnel	\$54,000	
Internal Audit				Other	\$6,000	
Internal Audit				Administrative	\$18,000	
Airport Development				Professional Services	\$105,000	
Personnel Costs - 18 Positions					\$415,363	
Approved by Commission						
Total					<u>\$723,363</u>	

The budget process for 2008 started in May of 2007. The Finance, Development and Environment Committee approved targets in June. Targets were established in the areas of Operating Revenue/Operating Expense, Airline Cost/Enplaned Passenger, Debt Service Coverage and Operating Reserve (See below).

**BUDGET MESSAGE – 2008 OPERATING BUDGET**

**COMMISSION/COMMITTEE STRUCTURE**

The Metropolitan Airports Commission currently has three standing Committees which report directly to the Full Commission (the Board).

<b>Committee</b>	<b>Meeting Time</b>	<b>Meeting Place</b>
Finance, Development & Environment	Meetings are held on the first Wednesday following the first Monday of each month at 10:00 a.m.	Lindbergh Terminal
Management & Operations	Meetings are held on the first Wednesday following the first Monday of each month at 1:00 p.m.	Lindbergh Terminal
Human Resources & Affirmative Action	Meetings are held quarterly and are scheduled before the Full Commission meeting.	Lindbergh Terminal
Full Commission	Meetings are held on the third Monday of each month at 1:00 p.m.	Lindbergh Terminal

**FINANCE, DEVELOPMENT AND ENVIRONMENT COMMITTEE**

During 2007, the Finance, Development and Environment Committee reviewed and/or acted on the following major financial activities:

- Audits
  - Financial Audit
  - Tenant Audits
  - Internal Policy/Procedure Audits
  - Internal Audit Plan
- Operating Budget
  - Monthly Reports
  - Ratification of 2006 Expenditures
  - Distribution of 2006 Net Revenues/Unrestricted Cash
  - 2008 Budget Targets
  - 2008 Preliminary and Final Budgets
- Capital Budget (Program)
  - Contractor Payments
  - Contractor Bids
  - Project Adjustments
  - Environmental Issues
  - Federal & State Grants
  - 2007 – 2013 Capital Program
- Bonds/Debt/Capital Funding
  - 2007 Series A/B Bond Refunding (1998A/1999A/2001A/2001C)
  - 2008 Series A Bond Refunding (1998B)
  - Capital Plan Funding
  - Noise Program Funding Settlement
  - Acquisition of Ford Power Plant
- Other
  - Northwest/Mesaba Bankruptcy
  - Airline Rate Relief/Airline Lease Amendment
  - Jet Bridge/Luggage Handling System Acquisitions
  - Airline Mergers
  - 2006 Airline Concessions Credit

**BUDGET MESSAGE – 2008 OPERATING BUDGET**

With regard to the Operating Budget for 2008, in June the Committee established the following general financial targets:

**Target 1:** Maintain a coverage ratio of 1.4x on General Obligation Revenue and Senior General Airport Revenue Bonds

**Result:** 2.22 (without transfer) (Met)

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

**Result:** \$66,071,500 (transfer will be made 1/2/08) (Met)

**Target 3:** Airline Cost/Enplaned Passenger will be in lower half of large hub airports

**Result:** \$5.47(Met)

**Target 4:** The percentage increase in Operating Expense, Net of Depreciation, will be less than the percentage increase in Operating Revenue (Met)

**Result:** Operating Revenue Increases 6.33%

Operating Expense Increase 6.08%

All targets were met.

**BUDGET MESSAGE – 2008 OPERATING BUDGET**

**FUND OVERVIEW**

The Metropolitan Airports Commission (MAC) is accounted for as an Enterprise Fund. For internal purposes, MAC maintains three funds corresponding to three major functions: Operating Fund (Budget), Construction Fund (Budget - Capital Improvement Program) and Debt Service (Budget). The Operating Fund balance, as set by Commission Policy, is six months working capital (\$66.1 million as of 1/1/08). This balance is larger than many airports. However, under the current economic conditions, the Commission decided to increase the reserve from five months to six months during 2006. Transfers from this fund are made to the Debt Service Fund (based upon the required balance) and to a reserve account until the Commission takes action on the use of this amount. The Commission's debt is paid from the Debt Service Fund.

The table below shows a consolidated schedule of all funds. The individual sections of this table are shown and explained in their respective areas of this document.

<b>Consolidated Enterprise Fund</b>	<b>2006</b>	<b>2007</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
\$ = 000	<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>
<b>Sources All Funds</b>						
Total All Balances 1	\$ 647,676	\$ 636,205	\$ 635,464	\$ 617,910	\$ 577,614	\$ 570,804
Operating Fund Revenues						
Airline Rates & Charges	69,382	79,109	86,954	81,922	87,500	89,164
Concessions	108,381	112,449	113,432	119,103	123,000	126,690
Other Operating Revenues	46,364	47,900	52,391	53,598	55,000	56,650
Interest Earnings	12,888	14,500	9,016	9,335	9,621	9,171
Other & Self-Liquidating Revenue	3,252	3,213	3,003	3,200	3,200	3,200
Construction Fund Revenues						
PFC Funding	62,306	63,425	63,878	64,059	65,340	67,301
Federal Grants	29,804	9,881	15,521	14,363	40,825	6,450
State Grants	909	586	7,400	7,400	-	-
Interest Earnings	13,172	13,808	7,274	8,819	7,280	6,389
Bond Proceeds	-	-	-	-	-	-
Commercial Paper Program	6,900	-	-	20,150	18,612	20,700
Other Receipts	31,475	500	-	-	-	-
Federal Letter of Intent (LOI)	7,500	7,000	5,000	5,000	5,000	5,000
Transfers In	18,834	48,900	62,543	46,837	52,200	55,800
Debt Fund Revenues						
Interest Earnings	8,069	10,571	7,923	7,400	7,368	7,218
Bond Proceeds	-	638,593	-	-	-	-
Self-Liquidating Payments	26,136	26,115	26,269	26,370	27,170	27,190
Transfers In (PFCs and Garb Require.)	100,826	99,697	105,988	110,078	109,268	106,062
Total All Receipts	\$ 1,193,874	\$ 1,812,452	\$ 1,202,056	\$ 1,195,544	\$ 1,188,999	\$ 1,157,789
<b>Uses All Funds</b>						
Operating Fund Expenses						
Personnel	\$ (54,258)	\$ (59,917)	\$ (61,381)	\$ (61,721)	\$ (66,190)	\$ (69,499)
Administration	(1,240)	(1,500)	(1,535)	(1,728)	(1,780)	(1,833)
Professional Services	(4,091)	(6,000)	(5,650)	(6,052)	(6,294)	(6,546)
Utilities	(14,820)	(15,650)	(14,983)	(16,574)	(17,568)	(18,623)
Operating Services	(14,485)	(16,200)	(16,003)	(18,938)	(19,696)	(20,483)
Maintenance	(19,416)	(21,500)	(21,116)	(23,264)	(23,962)	(24,681)
Other/Insurance	(3,323)	(3,650)	(3,993)	(3,702)	(3,813)	(3,927)
Equipment Purchases	(8,093)	(8,000)	(6,627)	(7,876)	(7,500)	(7,500)
Transfers Out - Reserved Cash	(18,834)	(48,900)	(62,543)	(46,837)	(52,200)	(55,800)
Transfers Out - Debt	(69,885)	(72,318)	(70,000)	(77,937)	(76,993)	(73,785)
Other Operating Expenses	(23,536)	-	-	-	-	-
Construction Fund Expenses						
Capital Project Costs	(138,734)	(135,071)	(191,209)	(139,775)	(134,634)	(175,974)
Commercial Paper	(7,000)	-	(5,000)	(7,500)	-	-
Debt Service Reserve	(31,429)	(29,473)	(31,500)	(32,141)	(32,275)	(32,277)
Capitalized Interest	-	-	-	-	-	-
Prior Approved Pay Go PFCs	-	-	(32,378)	(31,918)	(33,065)	(35,024)
Debt Fund Expenses						
Bond Series 2007A/B Refunding	-	(640,090)	-	-	-	-
Bond Principal & Interest Payments	(142,756)	(136,477)	(146,846)	(143,018)	(143,044)	(143,277)
Total All Costs	(551,900)	\$ (1,194,746)	\$ (670,764)	\$ (618,981)	\$ (619,014)	\$ (669,229)
Working Capital Changes and Transfers	(5,769)	204	779	1,051	819	1,442
Net Balance All Funds	\$ 636,205	\$ 617,910	\$ 532,071	\$ 577,614	\$ 570,804	\$ 490,002

1 Includes Operating Fund, Construction Fund and Debt Service Fund.

**BUDGET MESSAGE – 2008 OPERATING BUDGET****OPERATING BUDGET**

Staff prepared the budget based on the current economic conditions of the aviation industry and the current Airline Use and Lease Agreement including the signed Third Amendment. The guidelines identified previously were used as a basis to establish the budget. See the Operating Budget Section - Revenue and Expense Assumptions for details.

The following table is a summary of the 2006 Actual, 2007 Estimate, 2007 Budget, and 2008 Budget Revenue and Expenses. (It does not include non-operating items such as interest income, other & self-liquidating revenue equipment purchases or transfers.)

<b>2008 OPERATING BUDGET SUMMARY - 2008 OPERATING BUDGET</b>						
<b>\$ = 000</b>						
	<u>2006</u>	<u>2007</u>	<u>2007</u>	<u>2008</u>	<b>2007 Estimate vs 2008 Budget</b>	
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>	<u>Budget</u>	<u>Dollars</u>	<u>Percentage</u>
<b>OPERATING REVENUE</b>						
Airline Rates and Charges	\$ 78,452	\$ 89,117	\$ 95,954	\$ 92,944	\$ 3,827	4.3%
Concessions	\$ 108,381	\$ 112,449	\$ 113,432	\$ 119,103	6,654	5.9%
Other	\$ 46,364	\$ 47,900	\$ 52,391	\$ 53,598	5,698	111.9%
Airline Concessions Credit	\$ (9,070)	\$ (10,008)	\$ (9,000)	\$ (11,022)	\$ (1,014)	100.0%
<b>Total Operating Revenue</b>	<b>\$ 224,127</b>	<b>\$ 239,458</b>	<b>\$ 252,777</b>	<b>\$ 254,623</b>	<b>\$ 15,165</b>	<b>6.0%</b>
<b>OPERATING EXPENSE</b>						
Personnel	\$ 54,258	\$ 59,917	\$ 61,850	\$ 61,721	\$ 1,804	3.0%
Administrative Expenses	\$ 1,240	\$ 1,500	\$ 1,553	\$ 1,728	228	15.2%
Professional Services	\$ 4,091	\$ 6,000	\$ 5,880	\$ 6,052	52	0.9%
Utilities	\$ 14,820	\$ 15,650	\$ 14,983	\$ 16,574	924	5.9%
Operating Services	\$ 14,485	\$ 16,200	\$ 16,003	\$ 18,938	2,738	16.9%
Maintenance	\$ 19,416	\$ 21,500	\$ 21,116	\$ 23,264	1,764	8.2%
Other	\$ 3,323	\$ 3,650	\$ 3,999	\$ 3,702	\$ 52	1.4%
<b>Total Operating Expenses</b>	<b>\$ 111,633</b>	<b>\$ 124,417</b>	<b>\$ 125,384</b>	<b>\$ 131,979</b>	<b>\$ 7,562</b>	<b>6.1%</b>
<b>(Excludes Depreciation)</b>						
Gross Depreciation	\$ 111,429	\$ 118,000	\$ 118,498	\$ 120,000	\$ 2,000	1.7%
<b>Total Expenses</b>	<b>\$ 223,062</b>	<b>\$ 242,417</b>	<b>\$ 243,882</b>	<b>\$ 251,979</b>	<b>\$ 9,562</b>	<b>3.9%</b>
<b>Net Revenues*</b>	<b>\$ 1,065</b>	<b>\$ (2,959)</b>	<b>\$ 8,895</b>	<b>\$ 2,644</b>	<b>\$ 5,603</b>	

\*Required as a contribution to debt service and if available for use in construction program financing.

The Budget, as presented in early December to the Commission, calculated airline rates and charges per the Airline Use and Lease Agreement including the signed Third Amendment. Airline rates and charges incorporate fully the revised calculation using Debt Service rather than Depreciation and Interest including the Airline Concessions credit portion. In total this area will increase \$2.8 million (\$3.8 million Airline Rates & Charges less \$1.0 million reduction for Airline Concessions credit) which can be attributed to expenses. (The majority of the Airline Rates & Charges are calculated based on expenses - See Revenue Assumptions – Airline Rates and Charges.) Concessions are projected to increase \$6.7 million from the 2007 estimate due to Parking (continued increased utilization) and implementation of the final phases of the new Concessions Program (See Revenue Assumptions – Concessions). Other Revenue is forecast to increase \$5.7 million. This increase can be attributed to added activity at the Humphrey Terminal (Sun Country Airlines, Air Tran, Midwest and Iceland Air) and other building rentals which increased – primarily the Customer Facility Charge (CFC) for the Auto Rental firms. (See Revenue Assumptions – Other.)

Personnel expenses are up three percent or \$1.8 million due to wage and contract adjustments, additional employees, and reducing the vacancy factor. Administrative Expenses are up due to travel and memberships/dues. The increase in Professional Services can be attributed to Planning/Engineering and Reliever Airport Zoning. Utilities are expected to increase \$.9 million due to natural gas prices, electricity costs, and fuel clause adjustment charges. Service Agreements associated with the Parking Management Contract, Computer Services (extended service to 24/7/365 coverage), Loading Dock and Information Systems are the primary reason for Operating Services increasing \$2.7 million. Maintenance Expenses show an increase of \$1.8 million. This is due to a variety of items including re-lamping of certain areas, new mechanical contracts, cleaning associated with the full opening of the North Terminal addition and budgeting for average winter snow and weather conditions. Other Expense is forecast to be up \$53,000. This can be attributed primarily to increased General Insurance premiums. (See Expense Assumptions section for detailed explanation of all categories.)

**BUDGET MESSAGE – 2008 OPERATING BUDGET**

**CAPITAL IMPROVEMENT PROGRAM**

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

Approved Capital Projects for 2008 total \$121.1 million. Funding for the program will come from funds on hand, federal and state grants, passenger facility charges, Federal Letter of Intent, interest income and current bond funds on hand. A summary of the Capital Improvement Program by facility for 2008 compared with 2007 is as follows:

<b>CAPITAL IMPROVEMENT PLAN (CIP) SUMMARY</b>		
<b>(\$=000)</b>		
	<u><b>2007</b></u>	<u><b>2008</b></u>
Minneapolis/St. Paul International Airport		
Field & Runway	\$ 33,450	\$ 24,620
Environmental	-	7,800
Terminals & Landside	<u>27,850</u>	<u>69,105</u>
Total Minneapolis/St. Paul International	61,300	101,525
Reliever Airports	<u>32,370</u>	<u>19,620</u>
Total All Airports	<u><u>\$ 93,670</u></u>	<u><u>\$ 121,145</u></u>

As stated earlier, the industry economic conditions and forecasts continue to impact the construction program for 2008. Only essential projects (primarily rehab or repair) or specific projects agreed upon between MAC and the tenants will move forward. These total approximately \$121.1 million. The Capital Program, as presented to the Commission (and approved), totaled approximately \$1 billion for the period 2008 – 2014. Some of the major components of this plan are \$123 million for the Noise Mitigation Program based on the various settlements, Lindbergh and Humphrey Terminal modifications associated with “Demand Driven” expansion (passenger traffic increase must justify the expansion) - \$300 million, Parking Facility expansions in phases - \$105 million, a new relocated Control Tower (Demand Driven) - \$60 million and Reliever Airport improvements - \$69 million.



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

**BUDGET MESSAGE – 2008 OPERATING BUDGET****DEBT ACTIVITY – 2003-2007**Commercial Paper

The Commission in September 2002 approved an additional \$75 million Commercial Paper Program. This new Commercial Paper Issue was in addition to the existing \$125 million issue. The current program has \$46 million outstanding. Both of these programs were renewed in 2005 and the agreement with the Letter of Credit Providers was extended through 2010 and 2015 respectively. The outstanding amount of Commercial Paper is anticipated to increase in 2008 through 2014. The increase can be attributed to the use of Commercial Paper to fund a portion of the Noise Mitigation costs. Based on changes in market conditions, fees for Letter of Credit Providers were reduced greatly in 2007. Staff reviewed this area during the second quarter of 2007 to determine if it was economical to re-bid the Commercial Paper Agreements. The Agreements were re-bid for the same period of time with significantly reduced fees.

2006 Activity

In late 2006, staff began exploring the possibility of refunding the 1998A, 1999A, 2001A and 2001C General Airport Revenue Bonds. Initially, gross savings were estimated at \$30 million with the present value percentage at 3.5 percent. This level of percentage savings was marginal. As year-end moved closer, it became apparent that the market had moved significantly enough that if MAC were to take advantage of these savings, quick action would be required. However, due to the status of the Northwest bankruptcy and the Airline lease negotiations, a traditional refunding path could not be taken. Staff formalized a Private Placement Agreement on December 18, 2006 with a current member of MAC's Underwriting team and realized gross savings in excess of \$50 million and a present value percentage savings of 5.16 percent. The refunding closed in January, 2007.

2007 Activity

In late 2007 staff reviewed the possibility of a current refunding of the 1998B Bonds and a forward refunding of the 1999B Bonds. Market conditions in early December 2007 were extremely favorable for both transactions. However at the time all documents were finalized, the market retreated. In early 2008 a window of opportunity opened for the refunding of the 1998B Bonds and the transaction was completed with present value savings of 3.32%. (This transaction is not reflected in this document.) The forward refunding of the 1999B Bonds has not yet moved ahead based on market conditions. In addition, staff is reviewing action on the 2004A Auction Rate Securities. This action includes converting to Long Term Debt, other Short Term Debt or complete take out of the bonds.

**BUDGET MESSAGE – 2008 OPERATING BUDGET****FUTURE OUTLOOK**

There are three key issues which will have a significant impact on MAC operations in 2008. The first, and by far most important, is the continued economic recovery and potential mergers in the airline industry. The second issue is the environment. The third issue is Strategic Planning/Goals and Objectives.

**Airline Industry & Bankruptcy**

With the emergence of Northwest and Delta Airlines during the Second Quarter of 2007 from bankruptcy, the industry appeared to finally be headed down a path of financial stability. However, the turmoil in the financial markets and the combined high price of oil appear to have pushed the carriers into the merger/acquisition mode in order to stabilize themselves. The leading candidates seem to be Northwest and Delta. Staff will continue to monitor this situation closely so that if a merger occurs, the proper action by the Commission can move forward. It should be noted that during the bankruptcy of Northwest, MAC strengthened the hub and headquarters language significantly and prepared various analysis associated with different scenarios in order to be able to respond quickly to this type of situation.

**Environment**

As we continue to move forward, it is apparent that the industry needs to be cognizant of the impact our actions have on the environment. MAC has and will continue to evaluate opportunities to become more "green." Some of the areas that the Commission has taken action on include energy improvement projects. Working directly with our utility companies, MAC has reduced electrical costs and heating/cooling costs by replacing equipment, upgrading equipment and lighting fixtures. In addition, in 2007 the Commission worked very hard and developed a competitive detailed bid proposal to acquire the hydroelectrical plant that was owned and operated by Ford Motor Co. Unfortunately, the bid was not awarded to MAC. The Commission will continue to explore these types of opportunities.

**Strategic Planning/Performance Leadership**

In 2005, the organization changed its strategic planning process from a one-year focus to a five-year plan. Six five-year strategies were identified and supported by organizational goals. Divisions and departments link their objectives to these strategies and the organizational goals. The ultimate value in this process is an integrated organization moving in the same direction.

Improved use of technology in planning and reporting allows managers to monitor progress toward goals on an ongoing basis. Annual updates to the Strategic Plan are provided to the Commission, managers, and employees.

MAC's Performance Leadership process is linked to the Strategic Plan through individual plans, ongoing coaching, feedback and performance reviews. Clear expectations, frequent feedback, and performance reviews at all levels drives organizational performance.

**AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Minneapolis-St. Paul Metropolitan Airports Commission for its annual budget for the fiscal year beginning January 1, 2007.

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

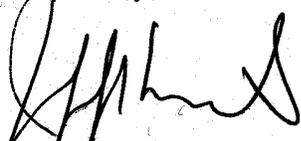
The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**GFOA AWARD – 2008 OPERATING BUDGET**

**ACKNOWLEDGEMENT**

The budget is the result of countless hours of work by the staff of the Finance Department and by Commissioners who served on the Finance, Development and Environment Committee. A special thanks to all MAC staff who worked especially hard under the current circumstances to develop the final 2008 Budget. Through this hard work and effort, we hope that the MAC will continue to be one of the most efficient and cost effective airport operators in the nation.

Respectfully submitted,



Jeffrey W. Hamiel  
Executive Director



Stephen L. Busch  
Director of Finance



**OTHER AWARDS – 2007 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards 1993 to Present</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2006	Institute for Environment & Sustainability/Int'l Interior Design Association	Twin Cities Guth Award for Interior Lighting Design – MSP Light Rail Transit Tunnel & Station	Section Level International Illumination Design Award for Interior Lighting
2006	MN Chapter of Public Works Association	Project of the Year Award – Runway 17/35 – MSP International Airport	Airports
2006	MN Society of Professional Engineers	Merit Award – MSP Runway 17/35 for Distinguished Engineering Achievement in the Seven Wonders of Engineering Competition	Airports
2006	MN Department of Transportation	Merit Award – Construction Excellence for Anoka County-Blaine Airport Runway 9-27 Extension	Intermediate Airports
2006	Concrete Pavement Association of Minnesota	Merit Award for South End – Runway 17/35 Construction	Concrete Paving - Airports
2006	American Consulting Engineers Council	Grand Award for Runway 17/35	Airports
2006	American Civil Engineering Companies	ACEC Grand Award – MSP Light Rail Transit Tunnel & Station	ACEC National Awards – National Level
2006	American Civil Engineering Companies – MN Chapter	ACEC Grand Award – MSP Light Rail Transit Tunnel & Station	ACEC State of MN Level Competition
2005	American Concrete Pavement Association	National Award for Excellence in Concrete Pavement in Recognition of Outstanding Design and Construction for Runway 17/35 Construction – Gold Winner	Commercial Service & Military Airports
2005	Federal Aviation Administration	Minneapolis OEP Runway 17/35 for Successfully Commissioned on-time with full operational capability	Airports
2005	MN Concrete & Masonry Contractors Association	Honor Award for “Outstanding use of Poured-in-place Concrete” on the Humphrey Parking Facility	Commercial - Functional
2005	International Parking Institute	Award of Excellence – Innovation in Parking Operations	Organizations which manage worldwide parking operations
2005	National Institute of Governmental Purchasing	Best Practices - Lost & Found Program	Agencies implementing an innovation or best practice within the past 2 years resulting in cost savings or implementation benefit.
2003	J.D. Power and Associates	Global Airport Passenger Satisfaction Study – MSP ranked 3 <sup>rd</sup> place internationally for passenger satisfaction	61 worldwide large airports (more than 30 million passengers per year)
2003	US Police Canine Association (USPCA)	4th place out of 50 contestants to Police Officer Amy Kilian and her K-9 partner, Ginger	Regional K-9 competition (police officers and K-9 partners)
2007	US Police Canine Association (USPCA)	1 <sup>st</sup> Place – Region 12 Narcotic Detection Team	Regional K-9 competition (police officers and K-9 partners)

**OTHER AWARDS – 2007 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards 1993 to Present</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2007	US Police Canine Association (USPCA)	2 <sup>nd</sup> Place – Narcotic Detection Department Team	National K-9 competition (police officers and K-9 partners)
2007	US Police Canine Association (USPCA)	4 <sup>th</sup> Best in the Country – Overall Search Nationwide	National K-9 competition (police officers and K-9 partners)
2003	MN Chapter of the American Society of Landscape Architects (MASLA)	Honor Award in Public Design for the Inbound/Outbound Roadway Project	Nominated engineering achievements in Minnesota
2003	American Council of Engineering Companies of Minnesota (ACEC)	Engineering Excellence Grand Award for the Inbound/Outbound Roadway Project	Nominated engineering achievements in Minnesota
2003	Airport Revenue News (formerly Airport Retail News)	1st Place: Large Airport with Best Concessions Program Design	Airport concessions throughout North America (airports with more than 10 million enplaning passengers.)
2003	Airport Revenue News (formerly Airport Retail News)	1st Place: Large Airport with Best Overall Program	Airport concessions throughout North America (airports with more than 10 million enplaning passengers.)
2002	J.D. Power and Associates in the Dec. 2002 issue of "Meetings & Conventions"	MSP Ranked in the top five for passenger satisfaction. Top five large airports (> 30 million pax/year) are Chek Lap Kok in Hong Kong, McCarran in Las Vegas, Schiphol in Amsterdam, Phoenix Sky Harbor and Minneapolis-St. Paul.	Forty-six major airports worldwide
2002	ACI-NA	Excellence in Marketing and Communications	Airport publications/marketing from 64 airports
2001	National Asphalt Paving Association (NAPA)	Quality in Construction Award	Hot mix asphalt pavement projects
2003, 2002, 2001, 2000, 1999	International Air Transport Association	Airport Service Excellence Award- Best Large North American Airport - "Overall Customer Satisfaction". "Large" defined as handling over 25 million passengers per year.	Airports throughout the world (up to 52 in number)
2002, 2001, 2000	International Air Transport Association	Airport Service Excellence Award – Runner Up Best Airport-Worldwide. Category: 25-40 million passengers.	Airports throughout the world (up to 52 in number)
2002	International Air Transport Association	Airport Service Excellence Award – "Best Airport for Domestic Passenger Satisfaction"	Airports throughout the world (up to 52 in number)
2005, 2001, 2000	Airport Retail News	Best Concessions Mgmt. Team	Airport concessions throughout North America
2001, 2000	Airport Retail News	Best Concessions Program Design	Airport concessions throughout North America
2001, 2000	Airport Retail News	Best Redeveloped Concessions Program	Airport concessions throughout North America
2005, 2001, 2000	Airport Retail News	Best Overall Concessions Program	Airports throughout North America
2001	Airport Retail News	Among top 5 airports-Most Innovative Services Award	Airport concessions throughout North America
2001	Airport Retail News	Best New Specialty Retail Concept-Travel Mart	Airport concessions throughout North America

**OTHER AWARDS – 2007 OPERATING BUDGET**

<p align="center"><b>Metropolitan Airports Commission Awards 1993 to Present</b></p>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2001	Airport Retail News	Best Airport Retail Store Design-Minnesota Store	Airport concessions throughout North America
2001	Airport Retail News	Best Airport Restaurant Design-Starbucks	Airport concessions throughout North America
2001	Airport Council International	Best Food & Beverage Program -1st Place	Airport concessions throughout North America
2001	Airport Council International	Best Overall Concessions Program- 1st Place	Airport concessions throughout North America
2001	Airport Council International	Best Retail and Specialty Program- 2nd Place	Airport concessions throughout North America
2001	Federal Aviation Administration	Airport Safety Excellence Award	Large airports in the Great Lakes Region (O'Hare, Detroit, etc.) Nominated and selected by the FAA Safety/ Certification Office in Des Plaines, IL.
2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, 1995, 1994, 1993	Government Finance Officers Association	Distinguished Budget Presentation Award	Submitted budget documents from various government organizations.
Winters of 2000-2001, 1996-1997, 1991-1992	International Aviation Snow Symposium-American Association of Airport Executives	Balchen-Post Award	Large hub U.S. Airports
2003, 2002, 2001, 2000, 1999	Minnesota Safety Council	Meritorious Achievement Award in Occupational Safety	Outstanding Achievement Award
2001	International Council of Shopping Centers	International Design & Development Award-presented to Architectural Alliance (MAC consultant)	
2001	International Parking Institute	International Award for Best Design --Honorable Mention AWARD	Parking structures with 800+ spaces.
2001	MNDOT & Concrete Paving Association	Best Project of Type	
2001	MNDOT & Concrete Paving Association	Best Project of Type	
2001, 2000	Wall Street Journal	One of Best Airports in the Country	20 largest airports in U.S.
2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, 1995, 1994, 1993	Government Finance Officers Association	Certificate of Achievement for Excellence in Financial Reporting	Submitted report must be easily readable and efficiently organized.
2000	Airports Council International	Best Overall Airport Program	
2000	Airports Council International	Excellence in Communications: Media Guides (1st Place); Newsletters/External 2 colors or less (1st Place); Newsletters/Internal (2nd Place)	

**OTHER AWARDS – 2007 OPERATING BUDGET**

<b>Metropolitan Airports Commission Awards 1993 to Present</b>			
<b>Year</b>	<b>Source of Award</b>	<b>AWARD</b>	<b>Group Judged/Rated</b>
2007	Airports Council International	1 <sup>ST</sup> Place – Marketing Campaigns – MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2007	Airports Council International	1 <sup>ST</sup> Place – Radio Advertising– MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2007	Airports Council International	1 <sup>ST</sup> Place – Creative Innovations Using Technology – MSP Sure Park real-time parking availability information program	ACI-North America Excellence in Marketing and Communications Contest
2000	Airports Council International	Richard A. Griesbach Award of Excellence	
2000	Airport Retail News	Best New or Renovated Enclosed Center	
2000	American Consulting Engineers Council	Engineering Excellence Award	
2000	Consulting Engineers Council of Minnesota	Honor Award to the MAC	
2000	Consulting Engineers Council of Minnesota	Grand Award to the MAC	
2000	Board of Directors of Partnership of Minnesota	Certificate of Commendation	
2000		National Superior Achievement in Design and Imaging (SADI) Award	
1999	AIG Aviation	1999 Medallion Award	Airports throughout North America
1999	Airport Retail News	Minnesota Shopping Center Starr Award	
1999	Twin Cities Area Labor Management Council	Earl Willford Labor Management Cooperation and Partnership Award	Twin City Area Labor Management Council affiliates
1999	MNDOT & Concrete Paving Association	Merit Award for Outstanding Performance	
1999	World Retail News	Best Airport Retail Design-Small Concessionaire Award-awarded to CBR (Carole Howe), Inc.	
1998	American Concrete Pavement Association	National Award for Excellence -- Best Portland Cement Concrete	Commercial & military runways poured in 1998
1998	MNDOT & Concrete Paving Association	Merit Award for Outstanding Performance	
1996	Minnesota Council of Airports	Award of Excellence/Project Awards	
1996	MNDOT & Concrete Paving Association	Merit Award for Outstanding Performance	
1996	Municipal Treasurer's Association of the U.S. and Canada.	Certificate of Excellence	Cities, Counties, municipal entities
1995	FAA-Great Lakes Region	MSP Police Department	
1994	Society of the American Institute of Architects	Honor Award	

**OTHER AWARDS – 2007 OPERATING BUDGET**

Metropolitan Airports Commission Awards 1993 to Present			
Year	Source of Award	AWARD	Group Judged/Rated
1993	Minnesota Society of Professional Engineers	Award for Distinguished Engineering Achievement	
2007	Minnesota Society of Professional Engineers	Merit Award – MSP Runway 12R-30L Reconstruction Segment 2	Seven Wonders of Engineering
2007	Minnesota Department of Transportation	Merit Award – MSP Runway 12R-30L Reconstruction Segment 2	Commercial Service and Military Airports (Category 8)
2007	CenterPoint Energy	Conservation Customer of the Year	Recognized as dramatically improving the energy efficiency of the heating and cooling plant at MSP.

**OTHER AWARDS – 2007 OPERATING BUDGET**

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**2007 ORGANIZATIONAL GOALS & OBJECTIVES – PROGRESS REPORT**

2007-2011 Organizational Strategies

1. Ensure Long Term Financial Viability
2. Match Employee Talent with Changing Business Needs
3. Enhance Customer Service
4. Leverage Technology
5. Strengthen Partnerships & Alliances

<b>Strategy</b>	<b>Goal</b>	<b>2007 Key Initiatives</b>	<b>Results</b>
<b>Ensure Long Term Financial Viability</b>	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA-bond rating.	Revise financial and operational contingency plans.	<ul style="list-style-type: none"> <li>• Contingency plans in place for best case, worst case, and most likely financial scenarios.</li> </ul>
		Maintain appropriate financial reserves.	<ul style="list-style-type: none"> <li>• Six-month cash reserve maintained.</li> <li>• Exceeded 1.4x debt service ratio.</li> <li>• Maintained AA- bond rating.</li> </ul>
		Implement cost saving measures – process improvement, cost/benefit analysis, assessment and negotiate service levels.	<ul style="list-style-type: none"> <li>• Savings identified and plans implemented across the organization.</li> </ul>
		Expand three-year business planning tied directly to the strategic plan throughout the organization.	<ul style="list-style-type: none"> <li>• Resources for the development of three-year business plans where made available. This continues to be an on-going effort.</li> </ul>
<b>Match Employee Talent with Changing Business Needs</b>	Ensure that MAC has the right people with the right skills and experience to fulfill its mission.	Design and integrate next phase of leadership development process.	<ul style="list-style-type: none"> <li>• Senior level leadership development advisory group was formed to explore various leadership development options. Individual development plans were used as opposed to a formal leadership development program. We will continue to use this format in 2008.</li> </ul>
		Expand transition planning to mid-level positions.	<ul style="list-style-type: none"> <li>• Department and/or position specific plans have been initiated for positions with anticipated retirements.</li> </ul>
		Ensure employee wages and benefits remain competitive	<ul style="list-style-type: none"> <li>• MAC remains competitive in the marketplace and is able to attract and retain quality talent.</li> </ul>
		Expand employee training programs.	<ul style="list-style-type: none"> <li>• Training was expanded with emphasis on computer skills and supervisory management.</li> </ul>

**2007 ORGANIZATIONAL GOALS & OBJECTIVES – PROGRESS REPORT**

<b>Strategy</b>	<b>Goal</b>	<b>2007 Key Initiatives</b>	<b>Results</b>
<b>Enhance Customer Service</b>	Ensure that MAC provides and champions excellent customer service.	Promote MSP to international and domestic airlines in order to increase service levels.	<ul style="list-style-type: none"> <li>Increased number of international and domestic airlines serving this market.</li> </ul>
		Leverage the MSP customer service culture, along with completion of the 2010 plan and the concessions development program, to market MSP domestically and internationally.	<ul style="list-style-type: none"> <li>Customer satisfaction perception of MSP improved from 3.95 to 4.14.</li> </ul>
		Review roles and responsibilities for customer service between the airlines and MAC as the airline business model continues to evolve.	<ul style="list-style-type: none"> <li>Plan created in concert with tenants identifying respective service responsibilities.</li> </ul>
<b>Leverage Technology</b>	Improve performance, increase productivity and deliver cost effective services.	Make strategic investments in new equipment and technology based on current industry standards.	<ul style="list-style-type: none"> <li>Upgraded equipment and electronic technology in place that improve productivity.</li> </ul>
		Distribute software updates, patches, and new programs electronically.	<ul style="list-style-type: none"> <li>Updates and installations completed resulting in greater productivity.</li> </ul>
		Develop strategy to replace or upgrade existing financial, HR, payroll, and project accounting systems.	<ul style="list-style-type: none"> <li>Decision on direction for various systems completed with choices identified and evaluated.</li> </ul>
		Evaluate common use systems and support services at Humphrey Terminal.	<ul style="list-style-type: none"> <li>Common use systems upgraded, as required.</li> </ul>
<b>Strengthen Partnerships and Alliances</b>	Strengthen our effectiveness through interdepartmental relationships and alliances with regional businesses, public agencies and governmental units.	Enhance internal partnering.	<ul style="list-style-type: none"> <li>Improved effectiveness through cross department communication, coordination, and sharing of resources.</li> </ul>
		Partner with state agencies and regional businesses to grow cargo operations.	<ul style="list-style-type: none"> <li>Interagency strategy in development to increase the percent of air cargo moving through MSP.</li> </ul>
		Strengthen partnerships with Federal and State agencies.	<ul style="list-style-type: none"> <li>Improved communications and coordination of efforts with Federal and State agencies.</li> </ul>
		Strengthen partnerships with the regional business communities.	<ul style="list-style-type: none"> <li>Greater shared understanding between MAC and the regional business communities.</li> </ul>

**2008 ORGANIZATIONAL GOALS & OBJECTIVES**

2008-2012 Organizational Strategies

1. Enhance Customer Service
2. Match Employee Talent with Changing Business Needs
3. Ensure Long Term Financial Viability
4. Leverage Technology
5. Strengthen Partnerships & Alliances

<b>Strategy</b>	<b>Goal</b>	<b>2008 Key Initiatives</b>	<b>Measurable Outcome</b>
<b>Enhance Customer Service</b>	Ensure that MAC provides and champions excellent customer service.	Increase customer satisfaction at MSP.	<ul style="list-style-type: none"> <li>• Improved customer satisfaction levels and decreased complaints.</li> </ul>
		Improve Reliever Airport System customer service levels.	<ul style="list-style-type: none"> <li>• Customer Service enhancements are developed to address identified needs.</li> </ul>
		Promote Reliever Airports to the general aviation community.	<ul style="list-style-type: none"> <li>• Increased awareness of the facilities available and benefits of using the Reliever System.</li> </ul>
		Promote MSP to international and domestic airlines.	<ul style="list-style-type: none"> <li>• Increased options via non-stop flights to preferred destinations.</li> </ul>
<b>Match Employee Talent with Changing Business Needs</b>	Ensure that MAC has the right people with the right skills and experience to fulfill its mission.	Ensure MAC's ability to attract and retain quality talent.	<ul style="list-style-type: none"> <li>• MAC has the talent available necessary to meet demands and expectations.</li> </ul>
		Expand employee training and development programs.	<ul style="list-style-type: none"> <li>• Employees have the knowledge, skills and abilities to accomplish the mission of the organization.</li> </ul>
		Expand transition planning to mid-level positions.	<ul style="list-style-type: none"> <li>• Process in place to preserve organizational knowledge and performance.</li> </ul>
<b>Ensure Long Term Financial Viability</b>	Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations and maintain our AA-bond rating.	Improve effectiveness through cost-saving measures, process improvement, cost/benefit analysis, and assessment.	<ul style="list-style-type: none"> <li>• The highest and best use of available resources.</li> </ul>
		Initiate three-year business planning and budgeting linked to the strategic plan.	<ul style="list-style-type: none"> <li>• The majority of key business units have three-year business plans in place.</li> </ul>
		Increase non-aeronautical revenue and funding.	<ul style="list-style-type: none"> <li>• Non-aeronautical revenue as a percent of total revenue increased and new revenue streams identified.</li> </ul>

**2008 ORGANIZATIONAL GOALS & OBJECTIVES**

<b>Strategy</b>	<b>Goal</b>	<b>2008 Key Initiatives</b>	<b>Measurable Outcome</b>
<b>Leverage Technology</b>	Improve performance, increase productivity and deliver cost effective services.	Upgrade financial, human resources, payroll and project accounting systems.	<ul style="list-style-type: none"> <li>• Complete initial phases of changeover to new systems.</li> </ul>
		Install new automated learning management systems.	<ul style="list-style-type: none"> <li>• Software is installed and necessary functionality delivered.</li> </ul>
		Identify future opportunities for leveraging resources and technology.	<ul style="list-style-type: none"> <li>• Plans developed for strategic investment in resources and technology.</li> </ul>
<b>Strengthen Partnerships and Alliances</b>	Strengthen our effectiveness through interdepartmental relationships and alliances with regional businesses, public agencies and governmental units.	Implement the 60-65 DNL noise abatement program.	<ul style="list-style-type: none"> <li>• Initial phases of the program implemented.</li> </ul>
		Proactively build public support for MAC policies and initiatives through outreach activities.	<ul style="list-style-type: none"> <li>• Enhanced understanding of MAC's positions and activities resulting in broader public support.</li> </ul>
		Expand relationships with the regional business communities.	<ul style="list-style-type: none"> <li>• Greater shared understanding between MAC and the regional business communities.</li> </ul>

**2008 ORGANIZATIONAL GOALS & OBJECTIVES KEY SUCCESS MEASURES**

Performance Indicators	2004 Results	2005 Results	2006 Results	2007 Results
<i>Safety</i>				
◆ <b>MSP Runway Incursions &amp; Airfield Violations</b>				
■ Airfield Operations Area (AOA) Violations	(July – Dec.) 4	(July – Dec.) 2 (Jan. - Dec.) 3	(July – Dec.) 9 (Jan. - Dec.) 13	5
■ Citations Issued	(July – Dec.) 21	(July – Dec.) 15 (Jan. - Dec.) 35	(July – Dec.) 18 (Jan. - Dec.) 43	79
■ Warning Citations Issued	(July – Dec.) 80	(July – Dec.) 17 (Jan. - Dec.) 56	(July – Dec.) 19 (Jan. - Dec.) 47	35
■ Runway Incursions	1	1	0	0
◆ <b>Employee Accidents &amp; Incidents</b>				
■ Total Employee Injuries	82	91	107	84
■ OSHA Recordable Injuries	33	29	34	28
■ Injuries Per FTE**	0.15	0.15	0.19	.15
■ Lost Work Days Per FTE**	0.61	0.69	0.41	.33
■ Workers Comp Experience Rating Modification Factor	0.73	0.86	1.05	.97
■ MAC Vehicle Accidents	45	64	50	37
◆ <b>Airport User Accidents &amp; Incidents</b>				
■ Claim Cost Per Million Enplaned Passengers	\$127,462	\$79,442	\$120,956	\$156,145
■ Number of Accidents & Incidents	313	294	186	205
<i>Security</i>				
◆ <b>Security Breaches &amp; Violations</b>				
■ Failure to Display Security Badge	20	13	11	12
■ Piggybacking	47	26	17	9
■ Failure to Challenge	13	45*	14	16

\*This upward spike is due to increased staffing in the Aviation Security Division and education efforts.

\*\* Full Time Equivalent Employees

## 2008 ORGANIZATIONAL GOALS &amp; OBJECTIVES KEY SUCCESS MEASURES

Performance Indicators	2004 Results	2005 Results	2006 Results	2007 Results
<i>Financial Responsibility</i>				
◆ <b>Cost Performance</b>				
■ Operating Cost Per Enplaned Passenger	\$5.78	\$6.18	\$6.51	\$7.35 est
■ Operating Cost Per Enplaned Passenger (with depreciation)	\$10.52	\$11.50	\$12.89	\$13.65 est
■ Airline Operating Expense Per Enplaned Passenger	\$4.55	\$5.06	\$5.23	\$5.21 est
◆ <b>Debt Management</b>				
■ Senior Debt Service Coverage	1.72x	2.03x	2.14x	2.05 est
■ Long Term Debt as % of Total Assets	53.0%	56.3%	51.1%	Unavailable
■ Debt Service as % of Operating Revenue	63.8%	56.3%	57.7%	Unavailable
◆ <b>Revenue Performance</b>				
■ Operating Revenue Per Enplaned Passenger	\$11.15	\$12.56	\$14.56	\$14.05 est
■ Non-Aeronautical Revenues as % of Operating Revenue	51.8%	51.5%	59.1%	66.86% est
◆ <b>Operating Performance</b>				
■ Operating Income Margin	5.64%	8.44%	11.47%	Unavailable
■ Operating Income Per Enplaned Passenger	\$0.63	\$1.06	\$1.67	Unavailable
■ Revenue-to-Expenditure Ratio	1.06	1.09	1.13	Unavailable
◆ <b>Disadvantaged Business Enterprise</b>				
■ % of Concession \$ Oct. 1 – Sept. 30	9%	9.76%	22.5%	21.4%
<i>Airport Operations</i>				
◆ <b>MSP</b>				
■ Enplaned Passengers Per FTE	33,940	32,288	32,138	32,291
■ Operations Per FTE	1093	971	890	862
◆ <b>Reliever Airports</b>				
■ Operations Per FTE	24,257	21,577	21,718	18,687
■ Tenants Per FTE	37.3	30.3	33.38	33.38
■ Based Aircraft Per FTE	67.6	67.6	72.25	71.71
■ Annual MSP Subsidy	\$4,069,000	\$3,100,000	\$2,150,000	Unavailable

**2008 ORGANIZATIONAL GOALS & OBJECTIVES KEY SUCCESS MEASURES**

Performance Indicators	2004 Results	2005 Results	2006 Results	2007 Results
<i>Airport Development</i>				
◆ <b>Disadvantaged Business Enterprise</b>				
■ % of Construction Contract \$	9.5%	16.6%	8.9%	6.6%
◆ <b>Targeted Group Business</b>				
■ % of Total Construction Contract \$ (July-July)	3%	5.2%	2.8%	2.5%
<i>People</i>				
◆ <b>Overtime as % of Total Wages</b>	9.61%	10.9%	8.57%	11.40% est
◆ <b>Operating Revenue Per Employee</b>	\$366,276	\$410,190	\$447,973	\$432,284 est
◆ <b>Operating Expense Per Employee **</b>	\$190,095	\$202,276	\$200,229	\$226,004 est
◆ <b>Personnel as % of Total Cost Operating Expense*</b>	27.2%	28.5%	24.3%	24.23% est
◆ <b>Terminal Square Feet Per FTE Employee</b>	4,482	5,571	5,541	5,641
◆ <b>Airfield Pavement Square Feet Per FTE Employee</b>	2,703	3,421	3,396	3,464
◆ <b>Employee Job Satisfaction</b>	4.86 of 6	4.8 of 6	4.8 of 6	4.73 of 6
◆ <b>Annual Employee Turnover</b>	4.75%	7.45%	4.11%	7.06%
◆ <b>Affirmative Action</b>				
■ Female Employees	23%	22.7%	23.84%	24.41%
■ Minority Employees	9%	9%	9.61%	8.89%
■ Disabled Employees	2%	1.8%	2.14%	2.53%
<i>Environmental Stewardship</i>				
◆ <b>Violations Identified by a Regulatory Agency</b>	0	1	0	0
◆ <b>Reduction in Discharged De-Icing Material to River</b>	80%	83%	79%	87%
<i>Customer Service</i>				
◆ <b>Airport Service Performance Rating***</b>	3.89 of 5.0	3.87 of 5.0	3.82 of 5.0	4.08 of 5.0
◆ <b>Complaints Per 100,000 Passengers</b>	.91	1.02	1.40	1.59

**2008 ORGANIZATIONAL GOALS & OBJECTIVES KEY SUCCESS MEASURES**

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**OPERATING BUDGET SUMMARY AND TARGETS – 2008 OPERATING BUDGET**

The 2008 Operating Budget contains two sections. One incorporates the total revenues and expenses detailed from operations along with those items which are non-operating. Non-Operating items include interest income and transfers to other funds. (See the Budget Message and Cash Flow sections.) The other section presents only revenue and expense derived from operating the Commission's facilities. The budget for the Commission is prepared based on an accrual basis which is also MAC's accounting method. Revenue derived from user fees includes various fees from the airlines, concessions and miscellaneous/utilities/rental fees. The expense detail includes Personnel, Administrative, Professional Services, Utilities, Operating Services, Maintenance, Other, and Gross Depreciation. Capital equipment purchases are also detailed in the Capital Equipment section.

The Budget Process section is presented in 3 parts: Operating Budget Summary and Budget Targets, Budgeting and Amendment Process, and Financial Policies.

**REVENUE AND EXPENSES WITH BUDGET TARGETS**

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

<b>2008 OPERATING BUDGET SUMMARY - 2008 OPERATING BUDGET</b>							<b>2007 Estimate vs 2008 Budget</b>	
	<b>2006 Actual</b>	<b>2006 Budget</b>	<b>2007* Budget</b>	<b>2007 Estimate</b>	<b>2008 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>	
<b>REVENUE</b>								
Total Airline Rates & Charges	69,381,842	96,337,586	86,953,769	79,108,265	81,922,397	2,814,132	3.56%	
Total All Concessions	108,381,222	99,830,393	113,431,680	112,449,000	118,916,318	6,467,318	5.75%	
Total Other	<u>46,364,059</u>	<u>50,985,661</u>	<u>52,390,854</u>	<u>47,900,000</u>	<u>53,784,638</u>	<u>5,884,638</u>	12.29%	
<b>Total Operating Revenue</b>	<b>224,127,123</b>	<b>247,153,640</b>	<b>252,776,303</b>	<b>239,457,265</b>	<b>254,623,353</b>	<b>15,166,088</b>	<b>6.33%</b>	
<b>EXPENSE</b>								
Personnel	54,257,893	59,724,357	61,850,000	59,917,000	61,721,232	1,804,232	3.01%	
Administrative Expenses	1,239,975	1,213,734	1,553,166	1,500,000	1,727,651	227,651	15.18%	
Professional Services	4,090,522	3,899,551	5,880,375	6,000,000	6,051,902	51,902	0.87%	
Utilities	14,820,141	15,751,077	14,982,520	15,650,000	16,573,638	923,638	5.90%	
Operating Services/Expenses	14,485,102	16,360,784	16,003,253	16,200,000	18,937,940	2,737,940	16.90%	
Maintenance	19,416,778	19,294,127	21,115,796	21,500,000	23,264,316	1,764,316	8.21%	
Other	<u>3,322,924</u>	<u>3,384,323</u>	<u>3,998,872</u>	<u>3,650,000</u>	<u>3,702,657</u>	<u>52,657</u>	1.44%	
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>111,633,336</b>	<b>119,627,953</b>	<b>125,383,981</b>	<b>124,417,000</b>	<b>131,979,336</b>	<b>7,562,336</b>	<b>6.08%</b>	
Gross Depreciation	<u>111,429,382</u>	<u>117,965,237</u>	<u>118,497,916</u>	<u>118,000,000</u>	<u>120,000,000</u>	<u>2,000,000</u>	1.69%	
<b>Total Operating Expense</b>	<b>223,062,718</b>	<b>237,593,190</b>	<b>243,881,897</b>	<b>242,417,000</b>	<b>251,979,336</b>	<b>9,562,336</b>	<b>3.94%</b>	
<b>Operating Income</b>	<b><u>1,064,405</u></b>	<b><u>9,560,450</u></b>	<b><u>8,894,406</u></b>	<b><u>(2,959,735)</u></b>	<b><u>2,644,017</u></b>	<b><u>5,603,752</u></b>		
*Commission approved expense budget adjustments for the following service centers:								
Airservice Business Development				Professional Services	\$125,000			
Internal Audit				Personnel	\$54,000			
Internal Audit				Other	\$6,000			
Internal Audit				Administrative	\$18,000			
Airport Development				Professional Services	\$105,000			
Personnel Costs - 18 Positions					<u>\$415,363</u>			
Approved by Commission								
					<u>\$723,363</u>			
Total								

**OPERATING BUDGET SUMMARY AND TARGETS – 2008 OPERATING BUDGET****Revenue**

MAC's total Operating Revenues of \$254.6 million is \$15.2 million or 6.33% above the 2007 estimate of \$239.5 million.

The projected budget for Airline Rates and Charges is \$81.9 million for 2008. Because of the slow economy and the lack of recovery in the aviation industry, airline rates and charges were held constant in 2002, 2003 and 2004. Actual revenue for 2005 and 2006 was based upon the rates and charges formula in the Airline Agreement 2006. Due to the unstable condition of the airline industry including bankruptcies of some of the airlines serving MSP, and to maintain MSP's low cost attractiveness, the Commission approved the elimination of both the 2005 and 2006 amounts due to the Commission from year-end reconciliation of airlines rates and charges as outlined in the Airline Agreement. Airline Reconciliation Adjustment credits are reflected in the 2005 and 2006 actual.

The 2007 estimate and the 2008 budget are based upon the 2007 Third Amendment to the Airline Use Agreement that incorporates debt service in the calculation of rates and charges instead of depreciation and interest, limited revenue sharing and other components (See Budget Message). The increase between 2007 estimate and 2008 budget of \$2.8 million for Rates and Charges (also includes a \$1.0 million increase in reduction for the Concession Rebate), is due to an increase in expenses for the airfield service centers along with an increase in landed weight.

Concessions, is estimated to increase 5.75% or \$6.5 million from 2007 estimate to 2008 budget. The greatest increase is in the Parking revenue due to a higher projected utilization by the traveling public (See Revenue Assumptions for details.) The Concessions Rebate of \$11.0 million represents a rebate to the Airlines. Concession revenue shown for 2008 is the gross dollar figure.

Other Revenue is projected to rise \$5.9 million or 12.29%. See Revenue Assumptions for details.

**Expense**

MAC's total Operating Expense of \$252.0 million is 3.94% above the 2007 estimate (including gross depreciation) of \$242.4 million. Detailed explanations are provided in the Expense Assumptions section of the budget book.

**OPERATING BUDGET SUMMARY AND TARGETS – 2008 OPERATING BUDGET**

**TARGETS**

The targets for the 2008 Operating Budget were approved on June 18, 2007 at the Commission meeting. All four targets were met. Each target is discussed separately below.

**Target 1: Maintain a coverage ratio of at least 1.4x on General Obligation Revenue and Senior General Airport Revenue Bonds.**

	<b><u>Estimate 2007</u></b>	<b><u>Target</u></b>	<b><u>Budget 2008</u></b>
<b>Debt Coverage Ratio</b>			
<b>(Without Transfer)</b>	2.05x	1.40x	2.22x

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

	<b><u>Budget 2007</u></b>	<b><u>Budget 2008</u></b>
<b>Operating Fund Reserve</b>	\$62,331,000	\$66,071,500

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

<b>Budget 2008</b>
MSP ranked 14 <sup>th</sup> out of the 29 large hub airports at \$5.47 Airline Cost/Enplaned Passenger.

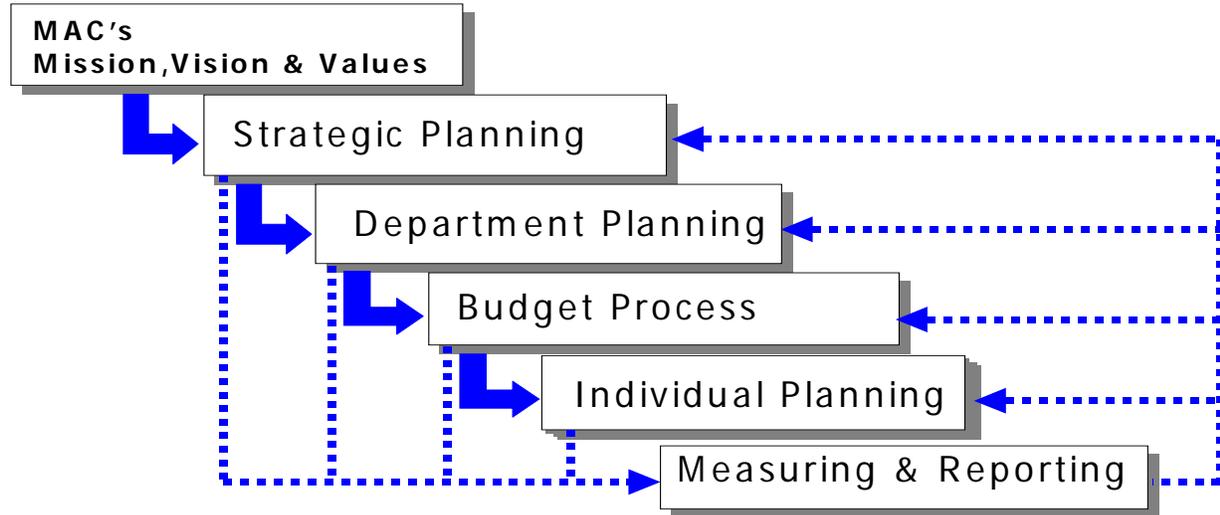
**Target 4: The percentage increase in Operating Expense, Net of Depreciation will be less than the percentage increase in Operating Revenue.**

<b>Budget 2008</b>	
Result: Operating Revenue Increase	6.33%
Operating Expense Increase	6.08%

**BUDGETING AND AMENDMENT PROCESS – 2008 OPERATING BUDGET**

**BUDGETING PROCESS**

The budget process is designed to be the third step in MAC’s annual planning process. Strategic Planning is driven by MAC’s Mission “Setting the Standards for Excellence in Airports”, MAC’s Vision – “We Provide and Promote Safe, Convenient, Environmentally Sound and Cost-Competitive Aviation Services for our Customers” and MAC’s Values – “Integrity, Fiscal Responsibility, Innovation and Excellence, Commitment to the Community and the Environment” and Teamwork. Annually the five-year strategic plan is updated and organizational priorities are established for the next year. Departments develop and link their objectives to these priorities following this process:



The third step is to develop the budget requests for the resources necessary to complete these objectives. Position requests were evaluated for fiscal impact in terms of revenue generation, cost reduction or cost containment. Departments prioritize requests using the following criteria:

<b>FTE Additions</b>	
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.
<b>Other Costs</b>	
First priority	Additional costs required to meet security requirements.
Second priority	Imbedded cost increases (i.e., scheduled increases in contracts, salary adjustments for organized labor, utility rate increases, etc.)
Third priority	Costs to maintain additional facilities completed in 2005, 2006 and 2007.

The budget process is prepared on an accrual basis in accordance with GAAP (Generally Accepted Accounting Principles) as this is the same method used for MAC accounting. The accrual basis of accounting attempts to record financial transactions in the period they occur rather than recording them in the period they are paid.

**BUDGETING AND AMENDMENT PROCESS – 2008 OPERATING BUDGET**

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

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

Budget packages are distributed in June. All service centers have four weeks to complete their budget. Finance reviews all packages and summarizes information. The staffing matrix is the first item reviewed by Senior Staff. The Executive Director requests preliminary approval for additional positions, if any, from the Finance, Development and Environment Committee. The interim approval permits the organization to plan accurate projections.

August is spent compiling summary reports and completing the revenue budget, with the exception of airline rates and charges. Senior staff determines final budget cuts and revenue figures are compiled. Airline rates and charges are calculated. The expense budget must be complete in order to determine the rates and subsequent revenue. Once airline rates and charges are calculated and final revenue figures are available, total revenue and expense is completed. Staff revisions are completed as required to ensure, at the minimum, a balanced budget. A balanced budget refers to budgeted operating revenue equal to budgeted operating expense plus depreciation. During September, presentations and supporting documents are prepared for the Finance, Development and Environment Committee, senior staff, and airlines. In addition, a draft budget is sent to the Minnesota State Legislature. The month of October is reserved for presentations to the Finance, Development and Environment Committee and revisions prior to requesting final approval.

The Finance, Development and Environment Committee will receive updates from staff during October and November. The recommendation from the Finance, Development and Environment Committee for final approval is typically requested at the December Commission meeting. Final approval of the 2008 Operating Budget was given at the December Commission meeting. Rate changes are sent out as usual at the beginning of December based upon assumed approval from the full Commission. (Changes, if necessary, are made and distributed.)

**BUDGETING AND AMENDMENT PROCESS – 2008 OPERATING BUDGET**

**AMENDING PROCESS**

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

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

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

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

The individual line-items will include the following:

**Personnel**

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

**Administrative Expenses**

**Professional Services**

**Utilities**

**Operating Services**

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

**Maintenance**

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

**Depreciation**

**Other**

- General Insurance
- Other
- Total Other

**Total Expense**

**BUDGETING AND AMENDMENT PROCESS – 2008 OPERATING BUDGET**

This calendar gives an overview of the process:

Month	Responsibility	Task
April	Finance, Development and Environment Committee Finance Department Department Manager Finance Department	1. Propose budget targets to Finance, Development and Environment Committee. 2. Prepares Service Center historical information. 3. Identifies Budget Specialist 4. Determines templates necessary for budget input.
May	Finance Department	5. Adoption of budget targets after 30 day public comment period. 6. Distributes budget packages (in late May and/or early June). Begins training of Budget Specialists. 7. Recommends information regarding inflation factors, wage, and contract adjustments to the Departments. 8. Starts the historical information gathering process. 9. Prepares preliminary budget.
June	Finance Department	10. Presents preliminary budget to Finance, Development and Environment Committee (required in compliance with State Statutes – Taxing Purposes).
July	Finance Department  Finance Department and MAC Staff	11. Compiles positions and headcount requests summary. 12. Compiles summary of capital assets requests. 13. Presents budget update to Finance, Development and Environment Committee. 14. Presents budget requests to Executive Director.
August	Senior Staff Executive Director Finance Department	15. Approves preliminary position and headcount requests. 16. Approves preliminary summary of capital assets requests. 17. Prepares summary of controllable expense requests and supporting schedules. 18. Concurrently, initiates budget revisions, as needed, for controllable expenses. 19. Compile revenue analysis and projections. 20. Presents budget update to Finance, Development and Environment Committee. 21. Completes revenue forecast.
September	Finance Department  MAC Staff/Finance and Senior Staff Finance Department Finance Department	22. Compiles presentation information. 23. Distributes budget packages to airlines, State Legislature and the Finance, Development and Environment Committee. 24. Presents draft budget to Finance, Development and Environment Committee and the airlines. 25. Implements revisions, as needed, to projected expenses. 26. Presents budget to MAC Staff.
October	Finance Department and Senior Staff	27. Presents budget update to the Finance, Development and Environment Committee. 28. Revise budget as required.
November	Finance Department	29. Presents budget update to Finance, Development and Environment Committee. 30. Revise budget as required.
December	Finance Department Finance, Development and Environment Committee Full Commission	31. Presents preliminary notice of rate changes to all tenants. 32. Approves budget for recommendation to full Commission.  33. Approves budget. 34. Notice of any changes in rates from preliminary information to all tenants.
February	Finance Department	35. Complete Budget Book.

**FINANCIAL POLICIES – 2008 OPERATING BUDGET****FINANCIAL POLICIES – OPERATING BUDGET**

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

**A. Operating Budget Policies**

1. The Commission will pay all current expenditures from current revenues.
2. The Commission will maintain a working capital balance approximately six months of operating expenses. If the Commission deems it appropriate to reduce working capital for the portion above the formula amount, such reductions shall not exceed 50% of the excess in any one year.
3. The operating budget will be submitted with revenues exceeding expenditures with a sufficient margin to provide for replacement of property, plant and equipment.
4. In the event of a revenue shortfall in a current budget year, the Executive Director may recommend a transfer from the Commission's Operating Fund.
5. The budget will provide for adequate funding of all retirement systems.
6. The Finance Department will prepare monthly variance reports comparing actual versus budget revenue and expense.
7. The budget will provide summary information regarding the Operating Fund, Construction Fund and Debt Service Fund projected for the next three years.
8. Where possible, the Commission will integrate performance measurement and/or efficiency indicators in the budget.
9. Department heads will review monthly reports comparing actual revenues and expenses to budgeted amounts. Any variance in revenue, spending category or capital expenditures for their department as a whole projected to exceed \$100,000 by year-end, will be reported in writing to the Director of Finance and the Executive Director.
10. The operating budget shall be submitted which has adequate revenues to cover all accrual based expenses except for depreciation on PFC or non-airport owned assets (airport noise abatement of off airport property).

**B. Operating Reserve - established by Finance, Development and Environment Committee at six months working capital.**

**FINANCIAL POLICIES – 2008 OPERATING BUDGET**

C. Investment/Cash Management Policies

1. Cash Management
  - a) All securities are safekept at one institution.
  - b) All deposits must be insured or collateralized.
2. Investments
  - a) Investment purchases are made only from dealers with offices located in the State of Minnesota.
  - b) All investment purchases require bids to be taken from several different dealers.
  - c) Investments purchased will be diversified under legal requirements trying to maximize Rate of Return.
  - d) The average Rate of Return will exceed the six-month Treasury bill.
  - e) All repurchase agreements are required to be collateralized.
  - f) The maturity of any investment shall not exceed three years.
  - g) To the extent possible, the MAC will attempt to match its investments with anticipated cash flow requirements.
  - h) The MAC will have at least 98% of its cash funds earning interest.
  - i) The addition of new accounts shall require the written authorization of the Finance Director and Executive Director.
3. Collateral
  - a) Collateral must always be held by an independent third party with whom the MAC has a custodial agreement.
  - b) A clear marked evidence of ownership (safekeeping) must be supplied to the entity and retained.
  - c) To the extent that funds deposited are in excess of the available Federal Deposit Insurance, the MAC shall require the financial institutions to furnish collateral, security or corporate surety bond executed by a company authorized to do business in the State.
  - d) The MAC shall not own investments held in Government Accounting Standard No. 3 Risk Category Three for longer than four days and in no event shall Risk Category Three exceed 5% of the MAC's investment.

**BASIS OF BUDGETING – 2008 OPERATING BUDGET****Basis of Budgeting**

Each year the Finance Department, with the aid of Airport Development and Commercial Management, projects revenue for the upcoming budget year. The annual operating budget is prepared based on targets established by the Commission. Typically the budget is prepared to generate an operating surplus after providing for all operating expenditures (including pension and post retirement requirements), capital equipment purchases, debt service requirement and the six-month operating reserve.

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 projects).

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):

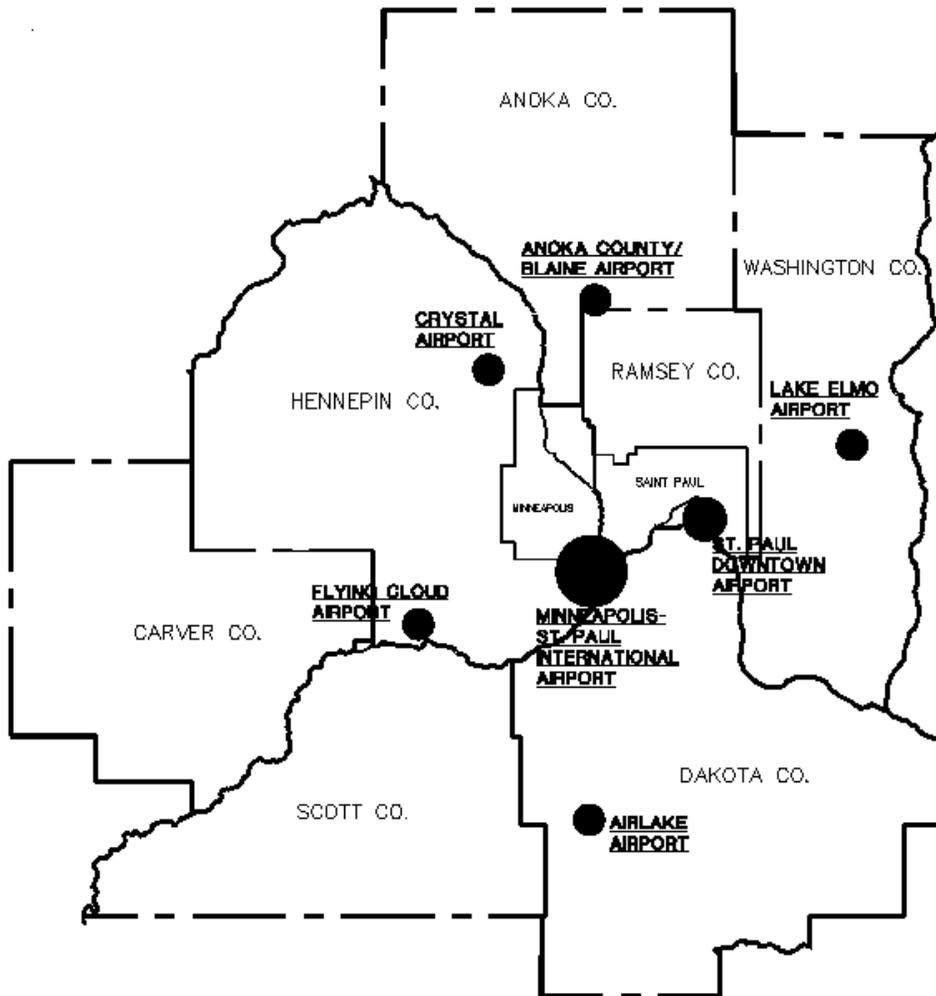
- The activity is financed with debt that is secured *solely* by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity’s costs of providing services, including capital costs (such as depreciation or capital debt service), be recovered with 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).

The budgets for all three Segregated Funds identified above are prepared using the accrual basis of accounting as this is the same method used for MAC accounting. 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, that 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.

**GENERAL DESCRIPTION – 2008 OPERATING BUDGET**

The Minneapolis/St. Paul Metropolitan Airports Commission was created by an act of the Minnesota State Legislature in 1943 as a public corporation of the State. This was done for the following reasons: 1) to promote air navigation and transportation, international, national and local, in and through the State of Minnesota; 2) to promote the efficient, safe and economic handling of air commerce; and 3) to assure residents of the Metropolitan Area of minimum environmental impact from air navigation and transportation. The area over which the Commission exercises its jurisdiction is the Minneapolis/St. Paul Metropolitan Area which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, and which extends approximately 35 miles out in all directions from the Minneapolis and St. Paul City Halls. The Commission owns and operates seven airports within the Metropolitan Area including the Minneapolis/St. Paul International Airport, which serves the scheduled air carriers, and six Reliever Airports, serving business and general aviation.



**Commission Jurisdiction 35 Mile Radius**

**GENERAL DESCRIPTION – 2008 OPERATING BUDGET**

Fourteen Commissioners and a Chair govern the Airports Commission. The Governor of the State of Minnesota appoints twelve Commissioners. Of these twelve, eight are from designated districts within the Metropolitan area and four are from outstate. The Mayor of St. Paul and the Mayor of Minneapolis also have seats on the Commission with the option to appoint a surrogate to serve in their place. The Chair of the Commission is appointed by the Governor for a four-year term.

<b>Chair:</b>	John Lanners
<b>Commissioners:</b>	
District A	Sherry Stenerson
District B	Molly Sigel
District C	Lisa Peilen
District D	John Williams
District E	Andy Westerberg
District F	Robert Nelson
District G	Thomas Foley
District H	Bert McKasy
City of Minneapolis	Daniel Boivin
City of St. Paul	Pat Harris
Representing Greater Minnesota Area:	Greg Warner Mike Landy Paul Rehkamp Robert Mars
Executive Director:	Jeffrey W. Hamiel

The Commission has set up three standing committees. Two of the committees (Finance, Development & Environment and Management & Operations) meet on a monthly basis. The remaining committee, Human Resources & Affirmative Action, meets the first month of each quarter. The committees are responsible for all aspects of business which fall under their respective jurisdiction. Recommendations on all action items are made by the committees to the full Commission which meets monthly.

**CHART OF ORGANIZATION – 2008 OPERATING BUDGET**

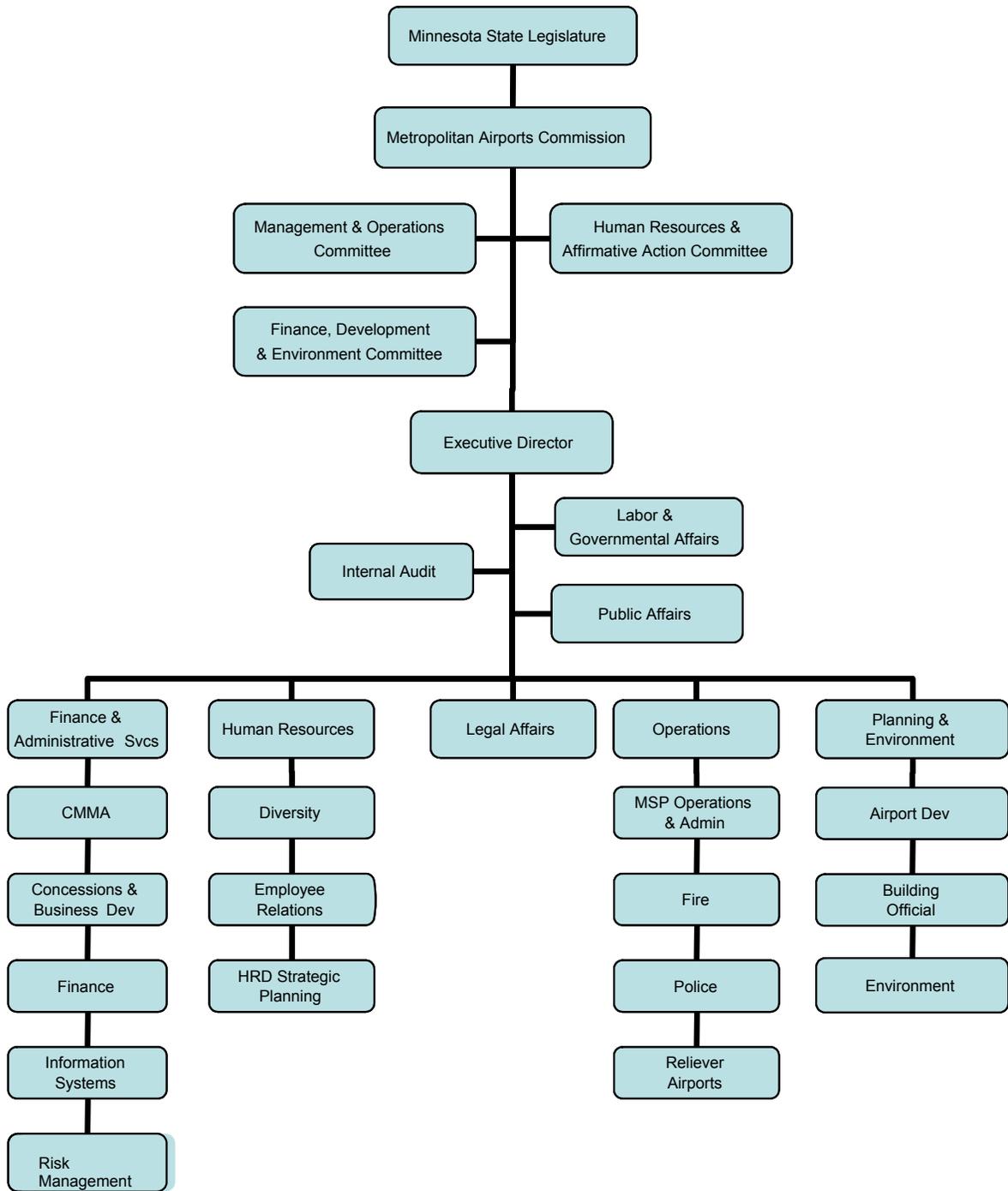
This section details information on the organizational structure. The organizational chart on the next page identifies the structure by division and department levels. Supporting detail for this chart is shown on the following page. The next table lists the divisions, associated departments and service centers roll-up. The six divisions are: Executive, Finance & Administrative Services, Human Resources, Legal Affairs, Operations and Planning & Environment.

In the past, Commercial Management/Airline Affairs and Air Service Business Development service centers were part of the Executive Division. In 2007, these service centers along with a newly created “Concessions & Business Development” service center were placed under the Finance & Administration Division. Air Service Business Development continues to report to Commercial Management/Airline Affairs.

In 2007, the Internal Audit service center became part of the Executive Division (from Finance & Administration Division). In addition, the Safety service center was incorporated into the Risk Management service center and the Wellness service center reporting changed to the Risk Management service center.

These changes were made to better reflect the service center responsibilities and reporting structure. The Concessions & Business Development service center will focus on the Commissions strategy of identifying alternative revenue sources. The six division summary sections contain the following information by department or service center: expenses by major category, explanation of major changes, position summary and a brief description of the department’s responsibility/function.

**CHART OF ORGANIZATION – 2008 OPERATING BUDGET**



**DEPARTMENT LIST – 2008 OPERATING BUDGET****Divisions**

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

**Department**

A department represents a combination of service centers. These service centers are responsible for specific functions that relate to one another. The department format is also a way that department heads can review functions they manage.

**Service Center**

Service centers are the lowest levels of the department budget detail. Many of the departments at MAC include several areas of responsibility and control. These areas have been identified as service centers. Previously there was not a separate budget for each service center. Budgeting for these areas was included in the department balance. This prevented a department director from having a separate budget for each service center. Now departments can budget at the service center level of detail.

**Subledgers**

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

**Budget Specialist**

The budget specialist is an employee from each department or service center who is responsible for making sure all budget forms are completed. The budget specialist acts as the department's budget expert and liaison to the Finance Department. Each year budget process overviews are conducted specifically for the budget specialist.

**Controllable Expenses**

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

**DEPARTMENT LIST – 2008 OPERATING BUDGET**

<b>Organizational Structure by Division, Department, and Service Center</b>			
<b>Division</b>	<b>Department</b>	<b>Service Center</b>	
		<b>Number</b>	<b>Name</b>
Executive Director / Commissioner	Executive / Commission	75000	Executive – General / Special Projects
		75100	Executive – Commissioners / Chair
	Public Affairs	76000	Public Affairs
	Labor and Governmental Affairs	79500	Labor and Governmental Affairs
	Internal Audit	78300	Internal Audit
Human Resources	Human Resources	75700	Human Resources
	HRD & Strategic Planning	76600	HRD & Strategic Planning
	Employee Relations	81500	Employee Relations
	Diversity	80600	Diversity
Finance & Administrative Services	Finance & Administrative Services	75600	Finance & Administrative Services
	Commercial Mgt./Airline Affairs	80000	Commercial Mgt./Airline Affairs
		76100	Air Service Business Development
	Concessions & Business Development	80100	Concessions & Business Development
	Risk Management	76800	Risk Management
		76700	Wellness
	Information Services	79000	Information Services
	Finance	78000	Finance
		78100	MAC General
		78200	Purchasing
Legal Affairs	General Counsel	81000	General Counsel
Planning & Environment	Planning	75500	Planning
	Environment	85000	Environment – General
		85100	Environment – Environmental
		85300	Environment – Aviation Noise Program
	Airport Development	77000	Airport Development
	Airport Development – Building Official	77100	Airport Development – Building Official

**DEPARTMENT LIST – 2008 OPERATING BUDGET**

Organizational Structure by Division, Department, and Service Center			
Division	Department	Service Center	
		Number	Name
Operations	Deputy – Operations MSP Operations & Administration	75800	Deputy – Operations
		82000	MSP Operations & Administration
		82050	Conference Center
		82060	Call Center
		82600	Airside Operations
		83400	Landside – Administration
		83000	Landside – Operations
		83300	Landside – Parking
		85500	Facilities – Humphrey Terminal
		89000	Field Maintenance
		86100	Facilities – Lindbergh Terminal
		86300	Facilities – Energy Management Ctr.
		88400	Trades – Administration
		88000	Trades – Electricians
		88100	Trades – Painters
		88200	Trades – Carpenters
		88300	Trades – Plumbers
		83600	Fire
	84200	Police	
	82700	Emergency Communications	
	90000	Relievers – Administration	
	90200	Relievers – St. Paul	
	90300	Reliever – Lake Elmo	
	90400	Reliever – Air Lake	
	90500	Reliever – Flying Cloud	
	90600	Reliever – Crystal	
90700	Reliever – Anoka		
	Reliever Airports		

**DEPARTMENT LIST – 2008 OPERATING BUDGET**

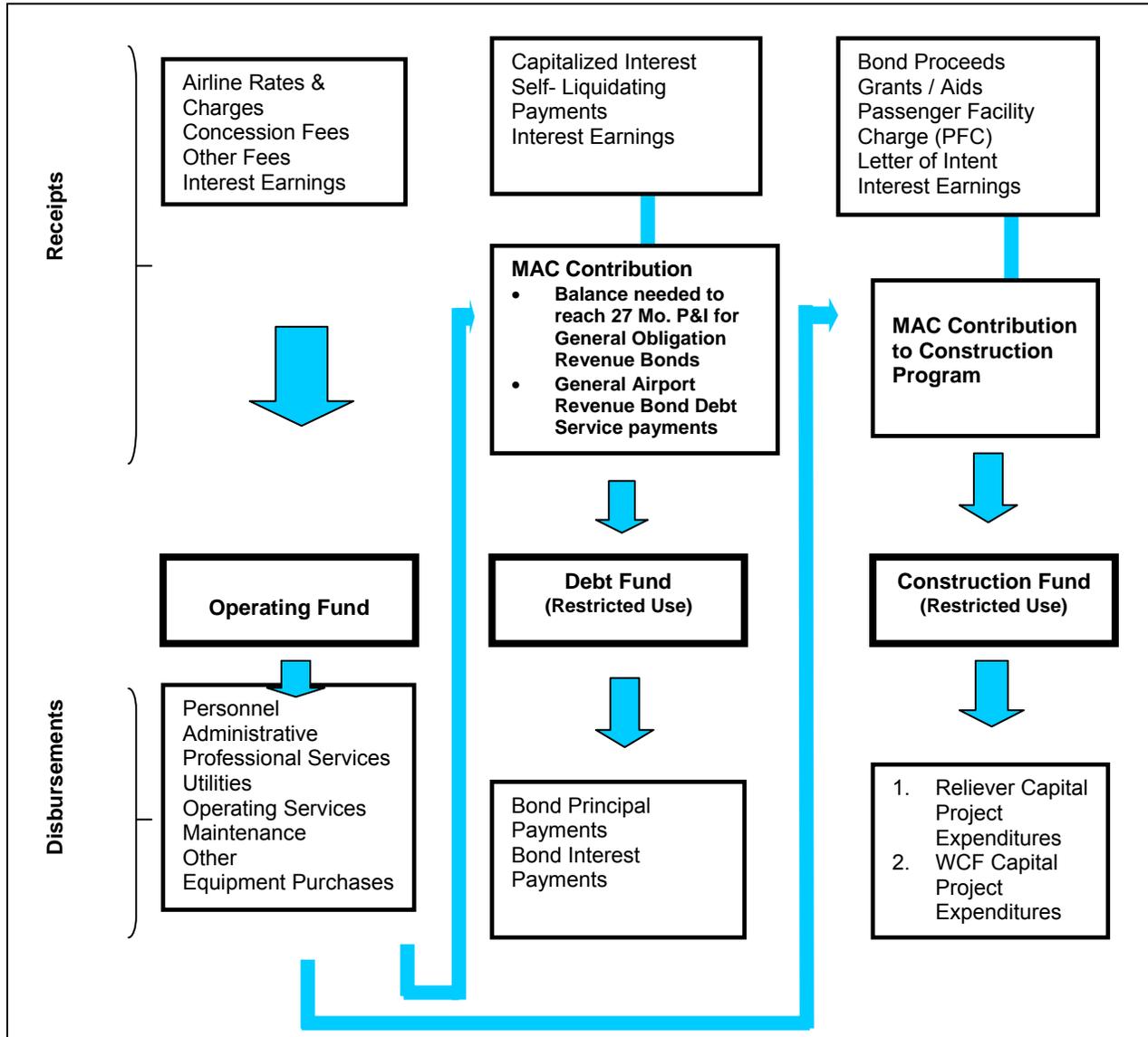
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**FLOW OF FUNDS – 2008 OPERATING BUDGET**

The MAC is accounted for as an Enterprise Fund. An Enterprise Fund accounts for all cost allocations including depreciation while its cost of services are recovered through user fees/charges. Amounts are restricted for construction and debt redemption. For internal purposes, MAC maintains three funds corresponding to three major functions: Operating Fund, Construction Fund and Debt Redemption Fund.

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



**FLOW OF FUNDS – 2008 OPERATING BUDGET**

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

<b>FUND BALANCE SUMMARY - 2008 BUDGET</b>						
<b>(\$ = 000)</b>						
	<b>2006</b>	<b>2007</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Budget</b>	<b>Budget</b>	<b>Projection</b>	<b>Projection</b>
<b>OPERATING FUND</b>						
1/1 Balance	\$ 59,814	\$ 62,331	\$ 62,331	\$ 66,071	\$ 69,651	\$ 72,796
Total Sources of Funds	240,267	257,171	264,796	267,158	278,321	284,875
Total Uses of Funds	(231,981)	(253,635)	(263,831)	(264,629)	(275,996)	(282,678)
Transfers & Working Capital Changes	(5,769)	204	779	1,051	819	1,442
Ending Balance	\$ 62,331	\$ 66,071	\$ 64,075	\$ 69,651	\$ 72,796	\$ 76,436
<b>CONSTRUCTION FUND</b>						
1/1 Balance	\$ 313,266	\$ 307,003	\$ 306,260	\$ 286,559	\$ 241,854	\$ 231,137
Total Sources of Funds	170,900	144,100	161,616	166,628	189,257	161,639
Total Uses of Funds	(177,163)	(164,544)	(260,087)	(211,334)	(199,974)	(243,274)
Ending Balance	\$ 307,003	\$ 286,559	\$ 207,789	\$ 241,854	\$ 231,137	\$ 149,502
<b>DEBT SERVICE FUNDS</b>						
1/1 Balance	\$ 274,596	\$ 266,871	\$ 266,874	\$ 265,280	\$ 266,110	\$ 266,872
Total Sources of Funds	135,031	774,976	140,180	143,848	143,806	140,470
Total Uses of Funds	(142,756)	(776,567)	(146,846)	(143,018)	(143,044)	(143,277)
Ending Balance	\$ 266,871	\$ 265,280	\$ 260,208	\$ 266,110	\$ 266,872	\$ 264,065
<b>TOTAL ALL FUNDS</b>						
1/1 Balance	\$ 647,676	\$ 636,205	\$ 635,465	\$ 617,910	\$ 577,614	\$ 570,805
Total Sources of Funds	546,198	1,176,247	566,592	577,634	611,384	586,985
Total Uses of Funds	(551,900)	(1,194,746)	(670,764)	(618,981)	(619,014)	(669,229)
Transfers & Working Capital Changes	(5,769)	204	779	1,051	819	1,442
Ending Balance	\$ 636,205	\$ 617,910	\$ 532,072	\$ 577,614	\$ 570,804	\$ 490,003
Funds are described in detail and show all sources/uses of funds in their respective section of the document.						
Net change in working capital represents fluctuations in year end operating payments, receivables and transfers.						

The major change in the total of all funds balance from estimated 2007 (\$617.9 million) to projected 2010 (\$490.0 million) can be attributed to the timing of construction projects and the use of restricted construction dollars.

**TAXING AUTHORITY – 2008 OPERATING BUDGET**

**TAXING AUTHORITY**

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

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

Although the Commission may levy property taxes for operation and maintenance expenses, the Commission is not currently levying taxes for these purposes. The Commission has entered into agreements in accordance with the Airport Law and the Resolution, whereby rental received by the Commission, together with other charges, rates, and fees imposed by the Commission, are sufficient to meet all expense of operation and maintenance of the Commission's property.

If the Commission were to have levied a tax based on the 2006/2007 taxable market value, the maximum amount available for maintenance and operations of the Commission would have been approximately \$15.5 million.

**TOTAL OPERATING BUDGET SUMMARY – 2008 OPERATING BUDGET**

In this section of the Operating Budget revenues and expenses from operating the facilities are combined with non-operating revenues and expenses.

The summary below illustrates how dollars are received and disbursed.

<b>OPERATING FUND (\$ = 000)</b>	<b>2006 Actual</b>	<b>2007 Estimated</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>2009 Projection</b>	<b>2010 Projection</b>
<b>Sources</b>						
1/1 Balance	\$ 59,814	\$ 62,331	\$ 62,331	\$ 66,071	\$ 69,651	\$ 72,796
Airline Rates & Charges	69,382	79,109	86,954	81,922	87,500	89,164
Concessions	108,381	112,449	113,432	119,103	123,000	126,690
Other Operating Revenues	46,364	47,900	52,391	53,598	55,000	56,650
Interest Earnings 1	12,888	14,500	9,016	9,335	9,621	9,171
Other & Self-Liquidating Revenue	3,252	3,213	3,003	3,200	3,200	3,200
<b>Total Sources</b>	<b>\$ 300,081</b>	<b>\$ 319,502</b>	<b>\$ 327,127</b>	<b>\$ 333,229</b>	<b>\$ 347,972</b>	<b>\$ 357,671</b>
<b>Uses</b>						
Personnel	\$ (54,258)	\$ (59,917)	\$ (61,381)	\$ (61,721)	\$ (66,190)	\$ (69,499)
Administration	(1,240)	(1,500)	(1,535)	(1,728)	(1,780)	(1,833)
Professional Services	(4,091)	(6,000)	(5,650)	(6,052)	(6,294)	(6,546)
Utilities	(14,820)	(15,650)	(14,983)	(16,574)	(17,568)	(18,623)
Operating Services	(14,485)	(16,200)	(16,003)	(18,938)	(19,696)	(20,483)
Maintenance	(19,416)	(21,500)	(21,116)	(23,264)	(23,962)	(24,681)
Other/Insurance	(3,323)	(3,650)	(3,993)	(3,702)	(3,813)	(3,927)
Equipment Purchases	(8,093)	(8,000)	(6,627)	(7,876)	(7,500)	(7,500)
Transfers Out - Reserved Cash	(18,834)	(48,900)	(62,543)	(46,837)	(52,200)	(55,800)
Transfers Out - Debt	(69,885)	(72,318)	(70,000)	(77,937)	(76,993)	(73,785)
Other Operating/Non Operating Exp.	(23,536)	-	-	-	-	-
<b>Total Uses</b>	<b>\$ (231,981)</b>	<b>\$ (253,635)</b>	<b>\$ (263,831)</b>	<b>\$ (264,629)</b>	<b>\$ (275,996)</b>	<b>\$ (282,678)</b>
Working Capital Changes/ Transfers 2	(5,769)	204	779	1,051	819	1,442
<b>Ending Balance</b>	<b>\$ 62,331</b>	<b>\$ 66,071</b>	<b>\$ 64,075</b>	<b>\$ 69,651</b>	<b>\$ 72,796</b>	<b>\$ 76,436</b>

1 Interest Rate Assumed 4.00% for 2006 - 2010.

2 Change in working capital represents fluctuations in year end operating payments, receivables and transfers.

**SOURCES AND USES – 2008 OPERATING BUDGET****SOURCES AND USES****SOURCES**

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

1. The 1/1 Balance reflects the Operating Reserve established by the Commission. Prior to 2005, this amount was four months of operating expenses. In early 2005, the Commission changed this to five months of operating expenses and in late 2006 changed the reserve to six months of operating expenses. This figure for 2008 is \$66.1 million.
2. Operating Revenues consist of Airline Rates & Charges, Concessions and Other Operating Revenues. The changes in each of these areas are explained in detail in the Revenue Assumptions Section. In general, Airline Rates and Charges increased from the 2007 estimate because of added costs. (Airline Rates and Charges are calculated based on expenses.) Concessions rose because of continued growth in parking activity and the nearly completed new Concessions Agreements. Other Revenue increases can be attributed to the opening of new facilities and rent changes. Operating Revenues total \$254.6 million for 2008.
3. Interest Earnings are assumed to be in the 4% range for 2006-2010. Interest is earned on the balance in the Operating Fund and on MAC funded leases (i.e., Self-Liquidating – those facilities built by MAC and then leased to the tenant). The total for 2008 is \$9.3 million and is down from 2007 estimates because of lower interest rates and an earlier transfer to the Construction Fund than anticipated.
4. Other and Self-Liquidating revenue represents primarily principal payments from tenants for facilities constructed with MAC cash, not debt (bond) related. This amount is \$3.2 million.



***Retail Shops – Minneapolis-St. Paul International Airport***

**SOURCES AND USES – 2008 OPERATING BUDGET**

## USES

In general, there are five uses of operating revenues.

1. Operating expenses consist of Personnel, Administration, Professional Services, Utilities, Operating Services, Maintenance and Other/Insurance. Details of changes for each of these areas are identified in the Expense Assumption Section. The total for 2008 is \$132.0 million.
2. Equipment Purchases represent capital equipment (cost greater than \$5,000) approved by the Commission. The anticipated amount for 2008 is \$7.9 million.
3. Transfers Out – Reserved Cash 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. \$46.8 million is anticipated for 2008.
4. Transfers Out – Debt is the required transfers that are made to cover all debt service. On October 10<sup>th</sup> of each year, MAC must contribute from its Operating Fund to the Debt Service Fund an amount necessary to bring that fund balance up to the 27-month principal and interest level required by law (for General Obligation Bonds). (See Debt Service Budget for complete details.) In June and December, the Commission must then transfer the required amount for the GARB (General Airport Revenue Bond) reserve. This transfer in 2008 is expected to be \$77.9 million.
5. Other Operating/Non-Operating Expenses represent uses of funds other than transferring to the Construction Fund. In the past, the Commission transferred any excess revenue to the Construction Fund. However, in 2004 and 2005, other uses such as increasing the Operating Reserve from four months to five months (2004), extraordinary Pension and Post Retirement expenses have been identified as alternative uses. There are no anticipated transfers in 2008.

**2008 OPERATING BUDGET SUMMARY - 2008 OPERATING BUDGET**

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007* Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<u>2007 Estimate vs 2008 Budget Dollar Change</u>	<u>% Change</u>
<b>REVENUE</b>							
Total Airline Rates & Charges	69,381,842	96,337,586	86,953,769	79,108,265	81,922,397	2,814,132	3.56%
Total All Concessions	108,381,222	99,830,393	113,431,680	112,449,000	118,916,318	6,467,318	5.75%
Total Other	46,364,059	50,985,661	52,390,854	47,900,000	53,784,638	5,884,638	12.29%
<b>Total Operating Revenue</b>	<b><u>224,127,123</u></b>	<b><u>247,153,640</u></b>	<b><u>252,776,303</u></b>	<b><u>239,457,265</u></b>	<b><u>254,623,353</u></b>	<b><u>15,166,088</u></b>	<b><u>6.33%</u></b>
<b>EXPENSE</b>							
Personnel	54,257,893	59,724,357	61,850,000	59,917,000	61,721,232	1,804,232	3.01%
Administrative Expenses	1,239,975	1,213,734	1,553,166	1,500,000	1,727,651	227,651	15.18%
Professional Services	4,090,522	3,899,551	5,880,375	6,000,000	6,051,902	51,902	0.87%
Utilities	14,820,141	15,751,077	14,982,520	15,650,000	16,573,638	923,638	5.90%
Operating Services/Expenses	14,485,102	16,360,784	16,003,253	16,200,000	18,937,940	2,737,940	16.90%
Maintenance	19,416,778	19,294,127	21,115,796	21,500,000	23,264,316	1,764,316	8.21%
Other	3,322,924	3,384,323	3,998,872	3,650,000	3,702,657	52,657	1.44%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b><u>111,633,336</u></b>	<b><u>119,627,953</u></b>	<b><u>125,383,981</u></b>	<b><u>124,417,000</u></b>	<b><u>131,979,336</u></b>	<b><u>7,562,336</u></b>	<b><u>6.08%</u></b>
Gross Depreciation	111,429,382	117,965,237	118,497,916	118,000,000	120,000,000	2,000,000	1.69%
<b>Total Operating Expense</b>	<b><u>223,062,718</u></b>	<b><u>237,593,190</u></b>	<b><u>243,881,897</u></b>	<b><u>242,417,000</u></b>	<b><u>251,979,336</u></b>	<b><u>9,562,336</u></b>	<b><u>3.94%</u></b>
<b>Operating Income</b>	<b><u>1,064,405</u></b>	<b><u>9,560,450</u></b>	<b><u>8,894,406</u></b>	<b><u>(2,959,735)</u></b>	<b><u>2,644,017</u></b>	<b><u>5,603,752</u></b>	

\*Commission approved expense budget adjustments for the following service centers:

Airservice Business Development	Professional Services	\$125,000
Internal Audit	Personnel	\$54,000
Internal Audit	Other	\$6,000
Internal Audit	Administrative	\$18,000
Airport Development	Professional Services	\$105,000
Personnel Costs - 18 Positions Approved by Commission		\$415,363
Total		<u>\$723,363</u>

<b>OPERATING REVENUES - 2008 OPERATING BUDGET</b>
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	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<u>2007 Estimate vs 2008 Budget Dollar Change</u>	<u>% Change</u>
<b>Airline Rates &amp; Charges</b>							
Landing Fees	36,648,881	52,022,149	52,491,844	47,900,000	49,274,821	1,374,821	2.87%
Ramp Fees	4,407,920	5,994,807	5,854,798	5,500,000	5,745,956	245,956	4.47%
Terminal Rentals - Agreement	33,919,710	35,061,200	34,126,192	32,200,000	34,300,643	2,100,643	6.52%
Terminal Rentals - Other	420,765	420,765	420,765	420,765	420,765		0.00%
Terminal Rentals - IAF	2,849,479	2,658,393	2,865,641	2,900,000	2,997,970	97,970	3.38%
Carrouseles & Conveyors	205,110	180,272	194,529	195,000	204,255	9,255	4.75%
Concessions Rebate	(9,070,023)		(9,000,000)	(10,007,500)	(11,022,013)	(1,014,513)	10.14%
<b>Total Airline Rates &amp; Charges</b>	<u>69,381,842</u>	<u>96,337,586</u>	<u>86,953,769</u>	<u>79,108,265</u>	<u>81,922,397</u>	<u>2,814,132</u>	<u>3.56%</u>
<b>Concessions</b>							
<b>Landside</b>							
Parking	64,266,359	63,538,867	69,006,140	68,100,000	71,201,180	3,101,180	4.55%
Auto Rental	15,699,301	10,552,065	14,500,000	14,600,000	16,295,207	1,695,207	11.61%
Ground Transportation Fees	<u>4,555,988</u>	<u>3,889,790</u>	<u>4,140,215</u>	<u>4,300,000</u>	<u>4,350,749</u>	<u>50,749</u>	<u>1.18%</u>
<b>Total Landside</b>	<u>84,521,648</u>	<u>77,980,722</u>	<u>87,646,355</u>	<u>87,000,000</u>	<u>91,847,136</u>	<u>4,847,136</u>	<u>5.57%</u>
<b>Terminal/Other</b>							
Food & Beverage	11,552,029	10,889,408	13,049,029	13,000,000	14,008,640	1,008,640	7.76%
News	2,695,573	1,720,400	3,158,000	3,160,000	3,591,313	431,313	13.65%
Retail	5,819,868	5,188,477	5,855,138	5,414,000	5,059,243	(354,757)	-6.55%
Passenger Services	2,373,763	2,653,411	2,354,468	2,425,000	3,146,986	721,986	29.77%
Other Concessions	1,418,340	1,397,975	1,368,690	1,450,000	1,263,000	(187,000)	-12.90%
<b>Total Terminal/Other</b>	<u>23,859,573</u>	<u>21,849,671</u>	<u>25,785,325</u>	<u>25,449,000</u>	<u>27,069,182</u>	<u>1,620,182</u>	<u>6.37%</u>
<b>Total All Concessions</b>	<u>108,381,222</u>	<u>99,830,393</u>	<u>113,431,680</u>	<u>112,449,000</u>	<u>118,916,318</u>	<u>6,467,318</u>	<u>5.75%</u>
<b>Other</b>							
Building Rentals	11,398,632	16,749,740	16,871,041	12,350,000	16,540,411	4,190,411	33.93%
Lobby Fees - HHH Terminal	6,207,675	5,423,963	6,817,540	6,500,000	6,922,062	422,062	6.49%
Ground SW/Westside Develop	1,540,580	2,080,991	1,017,784	1,200,000	2,412,085	1,212,085	101.01%
Infield Development	3,012,778	4,937,456	3,107,499	3,125,000	3,136,368	11,368	0.36%
Ground - Other	3,439,051	2,180,503	3,598,160	3,550,000	2,852,858	(697,142)	-19.64%
Utilities	2,383,849	2,436,975	2,469,927	2,500,000	2,540,381	40,381	1.62%
Other	14,456,214	14,076,033	15,335,903	15,500,000	16,205,473	705,473	4.55%
Reimbursed Expense	<u>3,925,280</u>	<u>3,100,000</u>	<u>3,173,000</u>	<u>3,175,000</u>	<u>3,175,000</u>		0.00%
<b>Total Other</b>	<u>46,364,059</u>	<u>50,985,661</u>	<u>52,390,854</u>	<u>47,900,000</u>	<u>53,784,638</u>	<u>5,884,638</u>	<u>12.29%</u>
<b>Total Operating Revenue</b>	<u><u>224,127,123</u></u>	<u><u>247,153,640</u></u>	<u><u>252,776,303</u></u>	<u><u>239,457,265</u></u>	<u><u>254,623,353</u></u>	<u><u>15,166,088</u></u>	<u><u>6.33%</u></u>

<b>OPERATING REVENUES - 2008 OPERATING BUDGET</b>
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	2008 Budget				2007 Estimate vs 2008 Budget		
	Mpls.- St.Paul	Reliever Airports	2007 Budget	2007 Estimate	2008 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>							
Landing Fees	49,274,821		52,491,844	47,900,000	49,274,821	1,374,821	2.87%
Ramp Fees	5,745,956		5,854,798	5,500,000	5,745,956	245,956	4.47%
Terminal Rentals - Agreement	34,300,643		34,126,192	32,200,000	34,300,643	2,100,643	6.52%
Terminal Rentals - Other	420,765		420,765	420,765	420,765		0.00%
Terminal Rentals - IAF	2,997,970		2,865,641	2,900,000	2,997,970	97,970	3.38%
Carrousel & Conveyors	204,255		194,529	195,000	204,255	9,255	4.75%
Concessions Rebate	(11,022,013)		(9,000,000)	(10,007,500)	(11,022,013)	(1,014,513)	10.14%
<b>Total Airline Rates &amp; Charges</b>	<b>81,922,397</b>		<b>86,953,769</b>	<b>79,108,265</b>	<b>81,922,397</b>	<b>2,814,132</b>	<b>3.56%</b>
<b>Concessions</b>							
<b>Landside</b>							
Parking	71,201,180		69,006,140	68,100,000	71,201,180	3,101,180	4.55%
Auto Rental	16,295,207		14,500,000	14,600,000	16,295,207	1,695,207	11.61%
Ground Transportation Fees	4,350,749		4,140,215	4,300,000	4,350,749	50,749	1.18%
<b>Total Landside</b>	<b>91,847,136</b>		<b>87,646,355</b>	<b>87,000,000</b>	<b>91,847,136</b>	<b>4,847,136</b>	<b>5.57%</b>
<b>Terminal/Other</b>							
Food & Beverage	14,008,640		13,049,029	13,000,000	14,008,640	1,008,640	7.76%
News	3,591,313		3,158,000	3,160,000	3,591,313	431,313	13.65%
Retail	5,059,243		5,855,138	5,414,000	5,059,243	(354,757)	-6.55%
Passenger Services	3,146,986		2,354,468	2,425,000	3,146,986	721,986	29.77%
Other Concessions	1,263,000		1,368,690	1,450,000	1,263,000	(187,000)	-12.90%
<b>Total Terminal/Other</b>	<b>27,069,182</b>		<b>25,785,325</b>	<b>25,449,000</b>	<b>27,069,182</b>	<b>1,620,182</b>	<b>6.37%</b>
<b>Total All Concessions</b>	<b>118,916,318</b>		<b>113,431,680</b>	<b>112,449,000</b>	<b>118,916,318</b>	<b>6,467,318</b>	<b>5.75%</b>
<b>Other</b>							
Building Rentals	16,469,662	70,749	16,871,041	12,350,000	16,540,411	4,190,411	33.93%
Lobby Fees - HHH Terminal	6,922,062		6,817,540	6,500,000	6,922,062	422,062	6.49%
Ground SW/Westside Develop	2,412,085		1,017,784	1,200,000	2,412,085	1,212,085	101.01%
Infield Development	3,136,368		3,107,499	3,125,000	3,136,368	11,368	0.36%
Ground - Other	2,852,858		3,598,160	3,550,000	2,852,858	(697,142)	-19.64%
Utilities	2,540,381		2,469,927	2,500,000	2,540,381	40,381	1.62%
Other	11,192,235	5,013,238	15,335,903	15,500,000	16,205,473	705,473	4.55%
Reimbursed Expense	3,175,000		3,173,000	3,175,000	3,175,000		0.00%
<b>Total Other</b>	<b>48,700,651</b>	<b>5,083,987</b>	<b>52,390,854</b>	<b>47,900,000</b>	<b>53,784,638</b>	<b>5,884,638</b>	<b>12.29%</b>
<b>Total Operating Revenue</b>	<b>249,539,366</b>	<b>5,083,987</b>	<b>252,776,303</b>	<b>239,457,265</b>	<b>254,623,353</b>	<b>15,166,088</b>	<b>6.33%</b>

**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

Total revenue for 2008 is \$254,623,353 that is a \$15,166,088 or 6.33% increase compared to 2007 estimates. The greatest increase in revenue is in Concessions (increase of \$6,467,318 of which Parking is \$3,101,180). The detailed explanations for other major changes in revenue are included in this section.

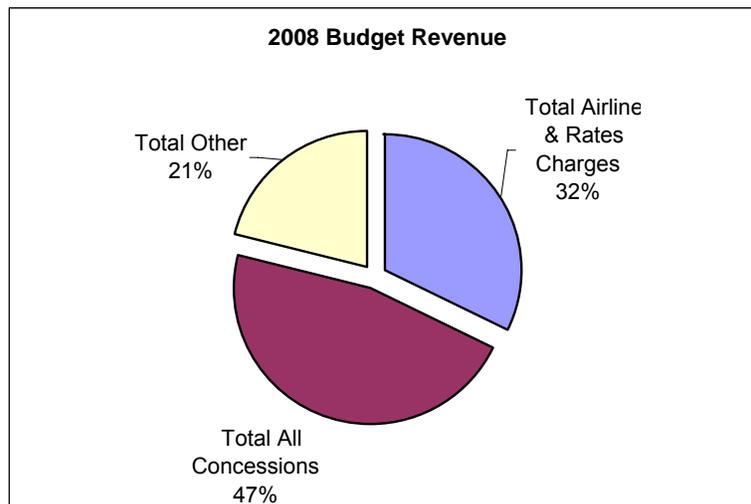
REVENUE	2006	2006	2007	2007	2008	2007 Estimate vs 2008 Budget	
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Estimate</u>	<u>Budget</u>	<u>Dollar Change</u>	<u>% Change</u>
Total Airline Rates & Charges	69,381,842	96,337,586	86,953,769	79,108,265	81,922,397	2,814,132	3.56%
Total All Concessions	108,381,222	99,830,393	113,431,680	112,449,000	118,916,318	6,467,318	5.75%
Total Other	<u>46,364,059</u>	<u>50,985,661</u>	<u>52,390,854</u>	<u>47,900,000</u>	<u>53,784,638</u>	<u>5,884,638</u>	12.29%
<b>Total Operating Revenue</b>	<b><u>224,127,123</u></b>	<b><u>247,153,640</u></b>	<b><u>252,776,303</u></b>	<b><u>239,457,265</u></b>	<b><u>254,623,353</u></b>	<b><u>15,166,088</u></b>	<b>6.33%</b>

The revenue budget is divided into three categories: Airline Rates and Charges (including the Concessions Rebate), Concessions and Other. Airline Rates and Charges, which is \$81,922,397 (including Concessions Rebate) or 32.2% of MAC total revenue for 2008, consists primarily of revenue paid by the airlines as user fees for landing fees, ramp fees, and Lindbergh Terminal building rates.

The Concessions category, which is \$118,916,318 or 46.7% of total revenue for 2008, includes revenue from the following areas: parking, ground transportation fees, taxicab license fees, auto rental, food, beverage, news and retail and passenger services. The rates charged for parking are approved by the Commission while ground transportation fees and taxicab license fees are authorized according to MAC ordinances. The revenues from auto rental, food, beverage, news and retail and passenger services are based on various lease agreements, which allow the concessionaires to operate in MAC facilities. Concessions are projected to increase \$6,467,318 or 5.75%.

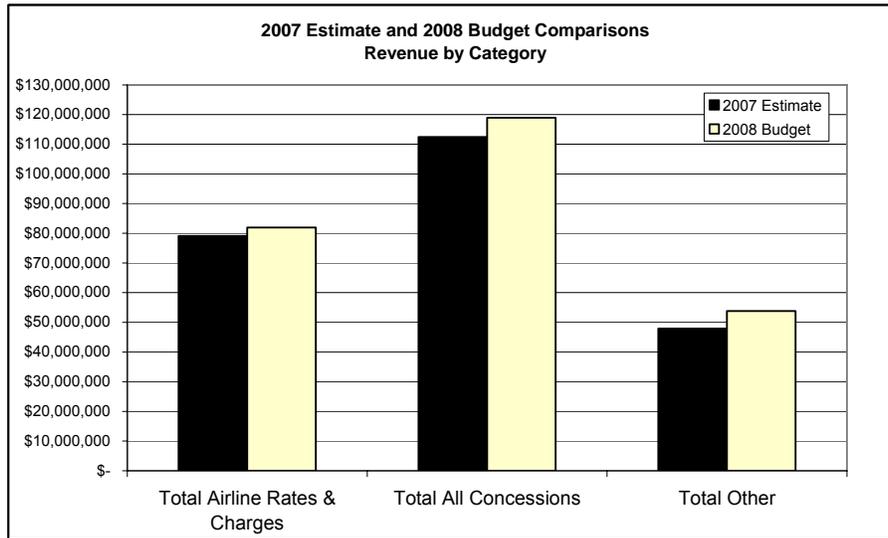
Other revenue, which is \$53,784,638 or 21.1% of total revenue for 2008, consists of building rental (excluding the airline terminal building), ground space, utilities, general aviation fees and reliever airport fees. All of these Other revenue sources are based on leases and agreements, except Ground Rent and the HHH Terminal common use fees, which are based on MAC Ordinances.

The following chart shows the revenue sources:



**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

The following chart compares 2007 estimate and 2008 budget revenue by category:



**Revenue Assumptions/Guidelines:**

The revenue projections for 2008 are based on the following assumptions and guidelines:

- Revenue will be prepared on an accrual basis
- The revenue projections are based on estimates compiled from the following sources:
  - Lease agreements
  - Contracts
  - Projected enplaned passengers and operations activity provided by the airlines and other users of MAC facilities
  - Expense projections which determine rates and charges per the Airline Agreement
  - Historical trends
- Airline rates and charges are based on the 2007 Third Amendment to the Airline Lease Agreement.

The explanations for revenue assumptions are based on a comparison of 2007 estimates versus 2008 budget figures.

**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**



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

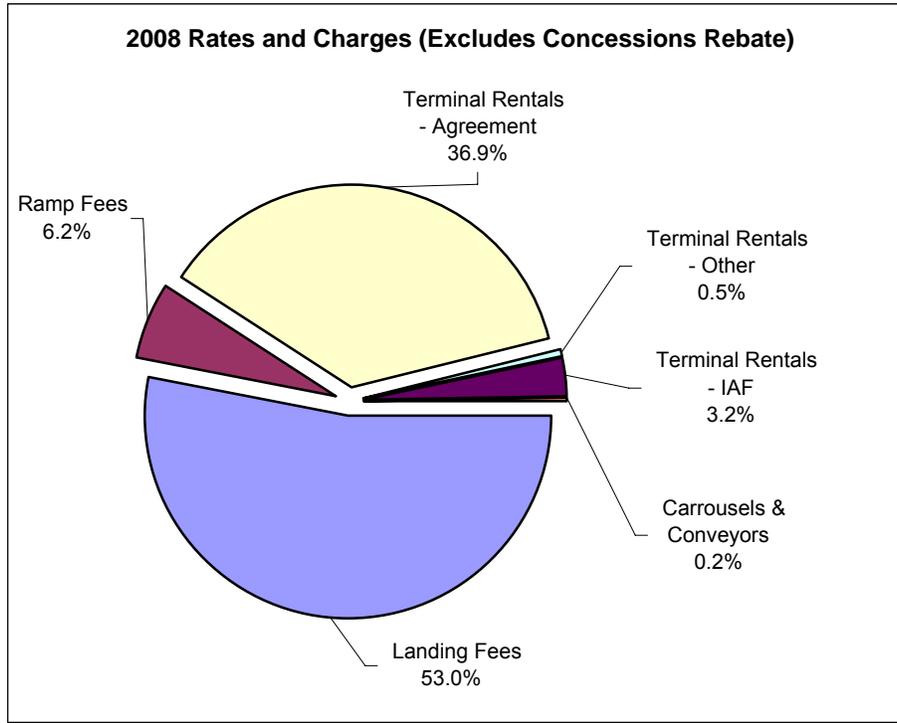
**AIRLINE RATES AND CHARGES**

Approximately \$81.9 million or 32.2% of MAC's \$255 million in revenues is generated from rates charged to the airlines. The formulas for the rates (landing fee, ramp fee, terminal rates, and the Lindbergh Terminal International Arrivals Facility (IAF)) are established in the Airline Use Agreement as amended in 2007. This amendment incorporates using debt service in the calculation of rates and charges instead of depreciation and interest. In accordance with this Agreement, expenses from the Police, Fire, Maintenance Labor, Maintenance Equipment, and Administration service centers are allocated to the Field & Runway, Ramp, Terminal Building, and International Arrival Facility (IAF) service centers (detailed in the Operating Budget Expense section). Total costs plus the allocations are then used to determine the airline rates and charges. As a result, fluctuations in the allocated costs can cause a change in the airline rates. For 2008, all rates in this category (Landing Fees, Ramp Fees, all Terminal and Carrousel & Conveyors) will be calculated as per the Airline Use Agreement and Third Amendment. The Concessions Rebate of \$11.0 million represents the revenue sharing in the Third Amendment to the Airline Use Agreement.

	<b>2006 Actual</b>	<b>2006 Budget</b>	<b>2007 Budget</b>	<b>2007 Estimate</b>	<b>2008 Budget</b>	<b>2007 Estimate vs 2008 Budget</b>	
						<b>Dollar Change</b>	<b>% Change</b>
Airline Rates & Charges							
Landing Fees	36,648,881	52,022,149	52,491,844	47,900,000	49,274,821	1,374,821	2.87%
Ramp Fees	4,407,920	5,994,807	5,854,798	5,500,000	5,745,956	245,956	4.47%
Terminal Rentals - Agreement	33,919,710	35,061,200	34,126,192	32,200,000	34,300,643	2,100,643	6.52%
Terminal Rentals - Other	420,765	420,765	420,765	420,765	420,765		0.00%
Terminal Rentals - IAF	2,849,479	2,658,393	2,865,641	2,900,000	2,997,970	97,970	3.38%
Carrousel & Conveyors	205,110	180,272	194,529	195,000	204,255	9,255	4.75%
Concessions Rebate	<u>(9,070,023)</u>		<u>(9,000,000)</u>	<u>(10,007,500)</u>	<u>(11,022,013)</u>	<u>(1,014,513)</u>	10.14%
<b>Total Airline Rates &amp; Charges</b>	<b><u>69,381,842</u></b>	<b><u>96,337,586</u></b>	<b><u>86,953,769</u></b>	<b><u>79,108,265</u></b>	<b><u>81,922,397</u></b>	<b><u>2,814,132</u></b>	<b>3.56%</b>

**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

The following pie chart indicates the percent of each revenue source in Airline Rates and Charges and compares it to the total Airline Rates and Charges Revenue, excluding the Concessions Rebate.



The following table identifies the Concessions Rebate of \$11.0 million as a separate line item.

Category	% Of Airline Rates & Charges Revenue
Airline Rates & Charges	
Landing Fees	60.15%
Ramp Fees	7.01%
Terminal Rentals - Agreement	41.87%
Terminal Rentals - Other	0.51%
Terminal Rentals - IAF	3.66%
Carrousel & Conveyors	0.25%
Concessions Rebate	-13.45%

**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**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. The formula used in calculating the rates for 2008 is in accordance with the amended Airline Agreement for all Airline Rates and Charges including Landing Fees. This is a residual calculation.

The change in the landing fee from the 2007 estimate (\$2.11) to the 2008 budget (\$2.12) can be attributed to three factors.

- Increase of 1% in landed weight based on projections provided by the airlines. (\$.01 decrease in rates)
- Contract changes for labor result in an addition to the landing fee of \$.01.
- Snow removal activity (equipment rentals, brooms, blades, and temps) budgeted for normal winter conditions increase the fee \$.01.

A comparison of actual 2006, 2007 estimate, 2007 budget and 2008 budget for landing fee rates, landed weight and revenue of the signatory carriers follows:

<b><u>Landing Fee</u></b>	<b>2006</b>	<b>2007</b>	<b>2007</b>	<b>2008</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimate</u></b>	<b><u>Budget</u></b>
Landing Fee	\$1.65	\$2.34	\$2.11	\$2.12
Landed Weight (000)	25,880	22,427	22,998	23,300
Revenue (000)	\$36,649	\$52,492	\$47,900	\$49,275

**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

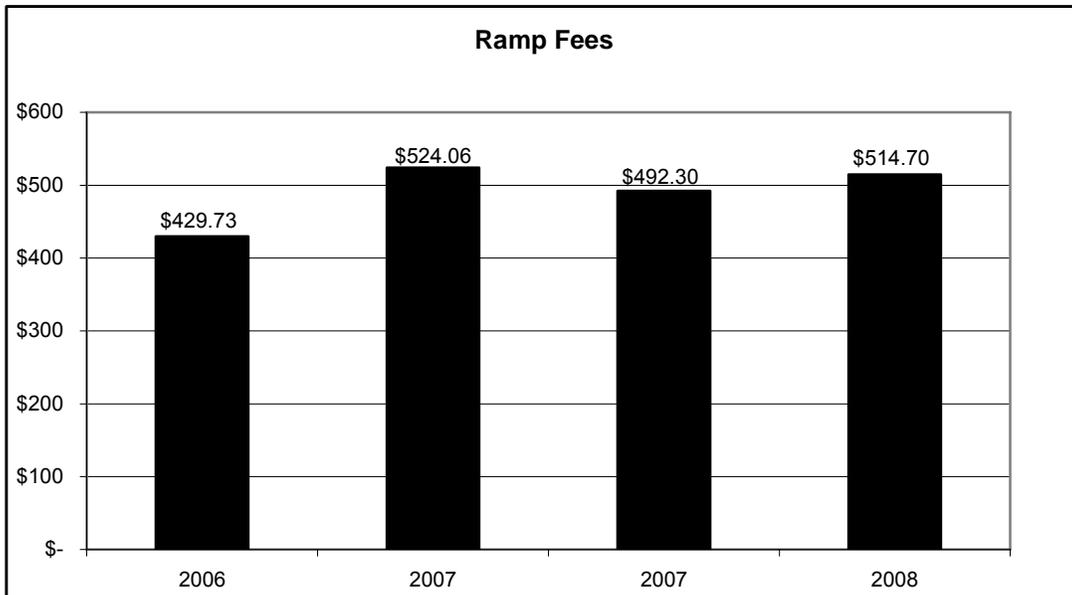
**RAMP FEES**

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

The increase in the fee from 2007 estimated (\$492.30) to 2008 budget (\$514.70) can be attributed to average winter conditions. 2007 estimates anticipate below average year for both equipment rent and materials.

The following is a comparison of actual 2006, estimated 2007, budgeted 2007, and budgeted 2008 ramp rates and revenue.

<b>Ramp Fee</b>	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2007 Estimate</b>	<b>2008 Budget</b>
Ramp Fee (Per Lineal Ft.)	\$429.73	\$524.06	\$492.30	\$514.70
Ramp Footage	11,172	11,172	11,172	11,172
Revenue	\$4,407,920	\$5,854,798	\$5,500,000	\$5,745,956



**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**TERMINAL AIRLINES – AGREEMENT**

Airline building rates are calculated by allocating expense over the total rentable square footage in the Lindbergh Terminal. Airlines are charged for the space they occupy. Unlike landing fees and ramp fees which are residual calculations, airline terminal building rates are a compensatory calculation. Under this calculation, costs are recovered from the airlines in proportion to the rentable space they occupy in the terminal building.

The primary reasons for the increase in the rates (\$3.35) between 2007 estimates and 2008 budget are:

- Increased costs associated with utilities primarily electricity (\$625,000) and heating fuel (\$265,000)
- Increased debt service based on timing/schedule of bond payments (\$700,000)
- One time charges for events during the year (\$280,000)
- Mechanical contract renewals/adjustments (walks, elevators, escalators, automated people movers and conveyors) increase \$360,000

A comparison of actual 2006, estimated 2007, budgeted 2007 and budgeted 2008 rates follows:

<b>Terminal Rates</b>	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2007 Estimate</b>	<b>2008 Budget</b>
Exclusive (Per Sq. Ft.)	\$47.39	\$58.95	\$49.40	\$52.75
Exclusive Janitored (Per Sq. Ft.)	\$53.29	\$64.68	\$55.52	\$59.96
Total Revenue (000)	\$33,920	\$34,126	\$32,200	\$34,301

**LINDBERGH TERMINAL INTERNATIONAL ARRIVAL FACILITY (IAF)**

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

The table below shows the fees for actual 2006, estimated 2007, budgeted 2007 and budgeted 2008:

<b>Int'l Arrival Fee (IAF)</b>	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2007 Estimate</b>	<b>2008 Budget</b>
Total Cost	\$ 2,758,733	\$ 2,865,641	\$ 2,900,000	\$ 2,997,970
Passengers	616,357	639,576	645,000	660,000
Fee Per Passenger	\$ 4.44	\$ 4.48	\$ 4.50	\$ 4.54

The increase in the fee can be attributed to higher maintenance costs and the Police/Fire/Administration charge for the facilities.

**CARROUSELS AND CONVEYORS**

Carrouseles and conveyors charges are based on contract expenses. The change from 2007 estimate (\$195,000) to 2008 budget (\$204,255) is an increase of \$9,255. This increase can be attributed to anticipated costs associated with the age of the system.

**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**CONCESSIONS REBATE**

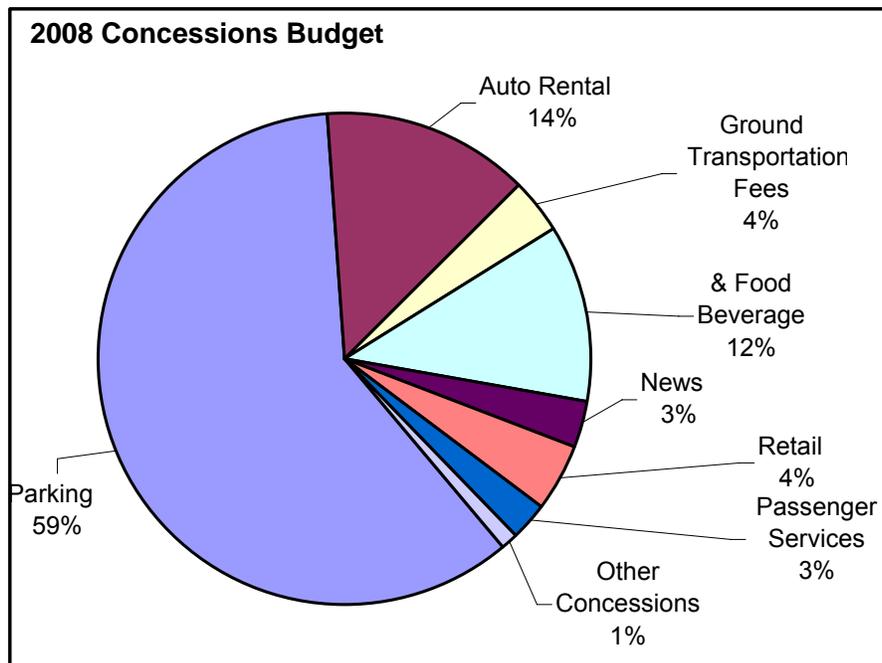
As part of the Third Amendment to the Airline Use Agreement, along with the change from Depreciation & Interest to Debt Service, a provision was added to rebate a portion (25 up to \$32.4 million, 50% above the figure) of concessions revenue for Food & Beverage, News, Retail and Auto Rental Revenue. This was retroactive to 1/1/06.

**CONCESSIONS**

The 2008 budget for Concessions revenue is projected to increase \$6,467,318 or 5.75% from the 2007 estimate. These are gross revenues to MAC and do not include the reduction for the Airlines Concessions Rebate. Concession revenue consists of the following categories:

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<b>2007 Estimate vs 2008 Budget</b>	
						<b>Dollar Change</b>	<b>% Change</b>
Concessions							
Parking	64,266,359	63,538,867	69,006,140	68,100,000	71,201,180	3,101,180	4.55%
Auto Rental	15,699,301	10,552,065	14,500,000	14,600,000	16,295,207	1,695,207	11.61%
Ground Transportation Fees	4,555,988	3,889,790	4,140,215	4,300,000	4,350,749	50,749	1.18%
Food & Beverage	11,552,029	10,889,408	13,049,029	13,000,000	14,008,640	1,008,640	7.76%
News	2,695,573	1,720,400	3,158,000	3,160,000	3,591,313	431,313	13.65%
Retail	5,819,868	5,188,477	5,855,138	5,414,000	5,059,243	(354,757)	-6.55%
Passenger Services	2,373,763	2,653,411	2,354,468	2,425,000	3,146,986	721,986	29.77%
Other Concessions	<u>1,418,340</u>	<u>1,397,975</u>	<u>1,368,690</u>	<u>1,450,000</u>	<u>1,263,000</u>	<u>(187,000)</u>	-12.90%
<b>Total All Concessions</b>	<b><u>108,381,222</u></b>	<b><u>99,830,393</u></b>	<b><u>113,431,680</u></b>	<b><u>112,449,000</u></b>	<b><u>118,916,318</u></b>	<b><u>6,467,318</u></b>	<b>5.75%</b>

The following pie chart indicates the percent of each revenue source in Concessions and compares it to the total Concessions Revenue.

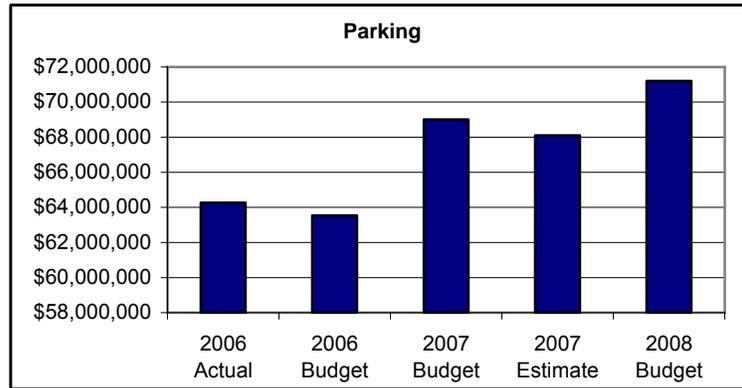


**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**PARKING**

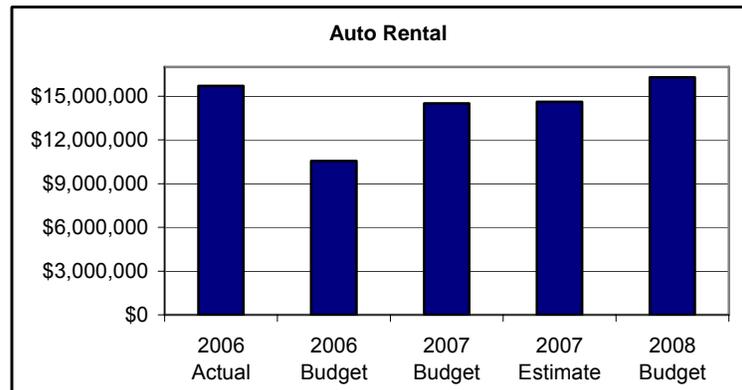
The increase in Parking of \$3,101,180 or 4.55% is the result of the following:

- Activity levels, passenger growth and continued additional utilization (length of stay).
- No major events impacting activity such as the problems with Northwest at month end in May, June and July.



**AUTO RENTAL**

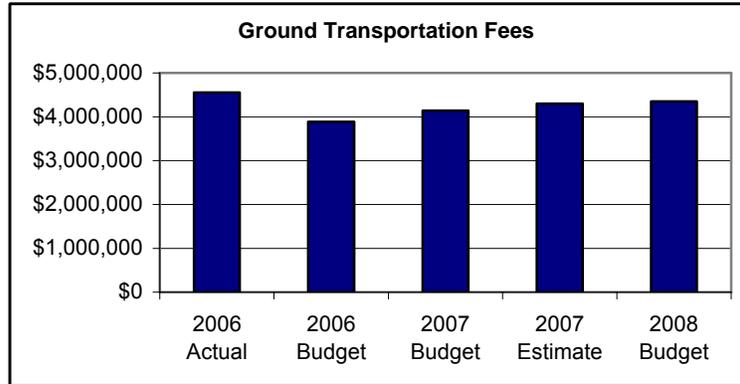
Auto rental fees are projected to increase by \$1,695,207 or 11.6% from the 2007 estimates. Based on the current Auto Rental Concession Agreement, auto rental firms pay a minimum rental fee (which is a guarantee that the firm bids) plus a percentage of gross revenue above the minimum fee. The contract for auto rental firms expired in May 2004 with two one-year options. A third and fourth option year was added in 2006. This Agreement will be re-bid in 2008. Changes in the contract and activity increases are the basis for this anticipated increase.



**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

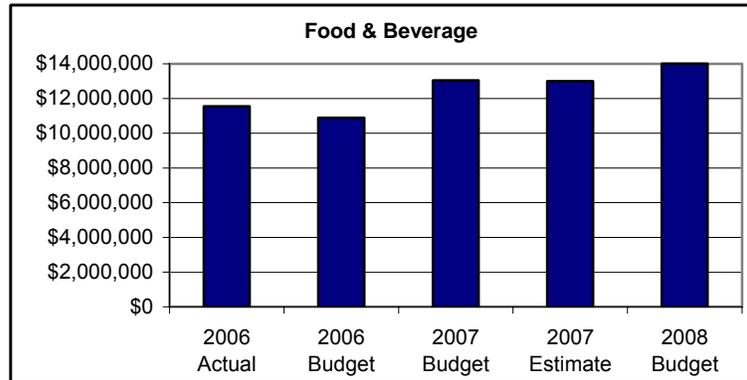
**GROUND TRANSPORTATION FEES**

Ground Transportation Fees are projected to increase minimally from \$4,300,000 to \$4,350,749 or 1.18%. This fee is set by Ordinance. Types of vehicles in this category include taxis, buses, private limos, hotel/motel shuttles and other miscellaneous vehicles. The change is due to a combination of costs and traffic.



**FOOD/BEVERAGE**

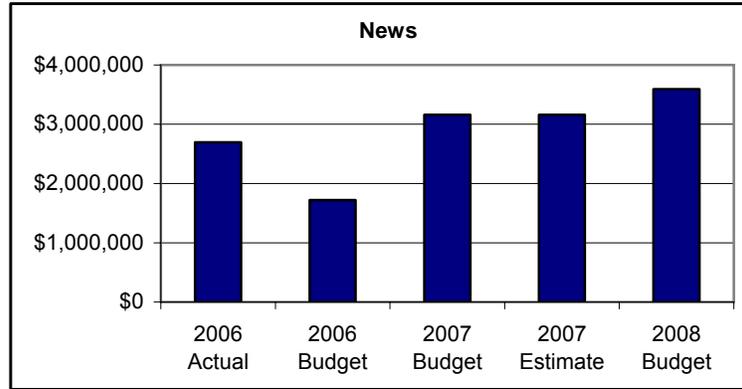
This category is increasing \$1,008,640 or 7.76%. The change can be attributed to completion of all construction for new facilities/leases, new facilities added Caribou-Humphrey Terminal and MSP to Go (new restaurant located outside of the secured area) and passenger dwell time.



**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

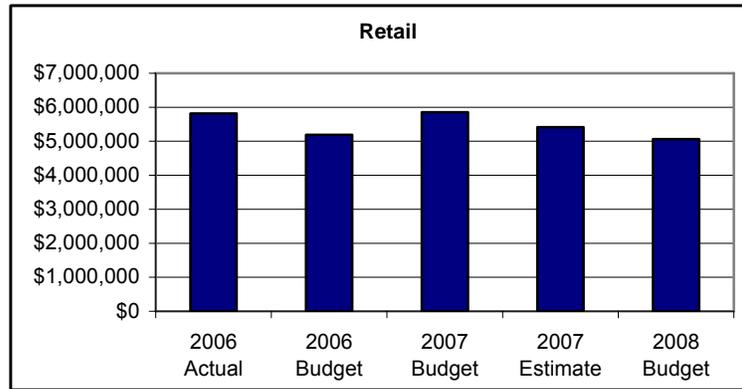
**NEWS**

News is projected to increase \$431,313 or 13.65% from the 2007 estimate. This is a result of reclassification of revenue between Retail and News along with expected growth in these facilities.



**RETAIL**

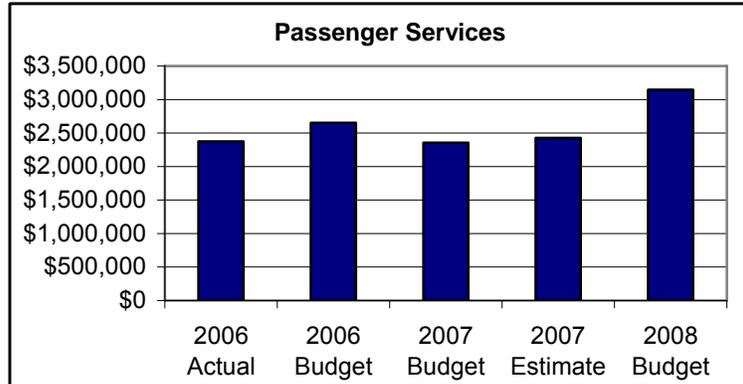
Retail is projected to decrease \$354,757 or 6.55% from the 2007 estimate. The trend for Retail revenue remains flat. In addition, a reclassification between Retail and News contributes to the decrease.



**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**PASSENGER SERVICES**

Passenger Services are budgeted to go up \$721,986 or 29.77%. During 2007, a new In-Terminal Advertising contract was put in place. This change will result in the majority of the increase of \$600,000. The other largest increase is in Phones-Wireless Communications (\$85,000). Other areas in this category include: Games, Services and Miscellaneous, none of which is anticipated to change from the 2007 estimate.



**OTHER CONCESSIONS**

The Other Concessions category is comprised of Outdoor Advertising (75% of the total or \$1.1 million), In-Flite Catering, Auto Services and Miscellaneous. Based on contracts and activity levels, this area shows no change from estimates. The reduction of \$187,000 or 12.9% is a result of reclassifying revenue into the Other category.

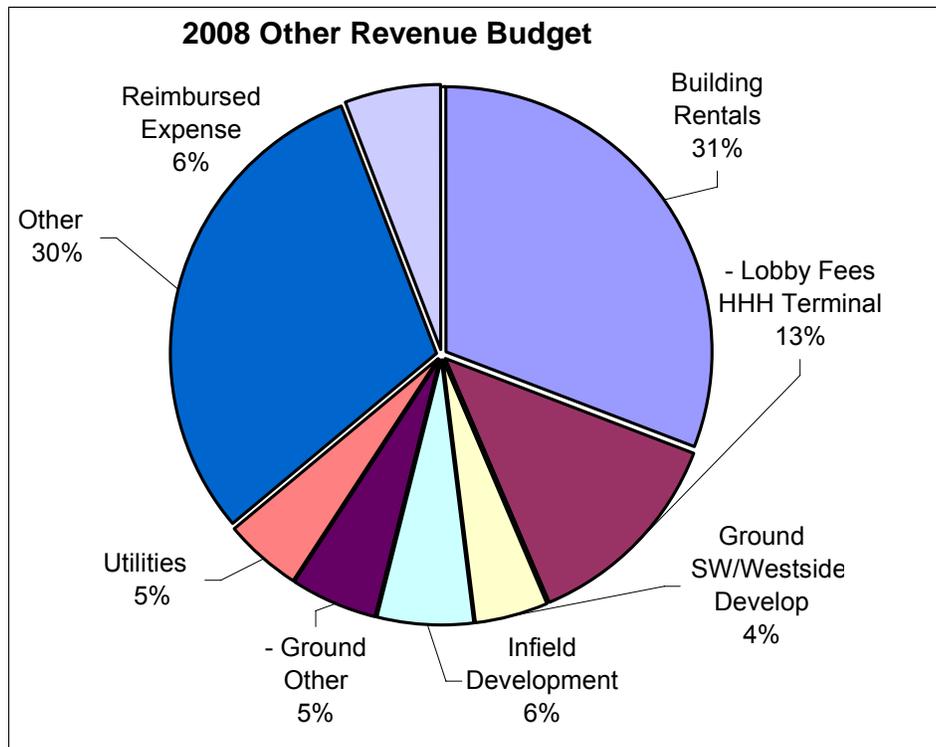
**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**OTHER**

In total, this category is projected to increase \$5,884,638 or 12.3% from the 2007 estimates. Included in this category are Building Rental, HHH Terminal Common Use, Ground Rent – Southwest Cargo Area, Infield Development, Ground Rental – Other, Utilities, Other and Reimbursed Expense.

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<b>2007 Estimate vs 2008 Budget</b> <u>Dollar Change</u>	<u>% Change</u>
Other							
Building Rentals	11,398,632	16,749,740	16,871,041	12,350,000	16,540,411	4,190,411	33.93%
Lobby Fees - HHH Terminal	6,207,675	5,423,963	6,817,540	6,500,000	6,922,062	422,062	6.49%
Ground SW/Westside Develop	1,540,580	2,080,991	1,017,784	1,200,000	2,412,085	1,212,085	101.01%
Infield Development	3,012,778	4,937,456	3,107,499	3,125,000	3,136,368	11,368	0.36%
Ground - Other	3,439,051	2,180,503	3,598,160	3,550,000	2,852,858	(697,142)	-19.64%
Utilities	2,383,849	2,436,975	2,469,927	2,500,000	2,540,381	40,381	1.62%
Other	14,456,214	14,076,033	15,335,903	15,500,000	16,205,473	705,473	4.55%
Reimbursed Expense	<u>3,925,280</u>	<u>3,100,000</u>	<u>3,173,000</u>	<u>3,175,000</u>	<u>3,175,000</u>		0.00%
<b>Total Other</b>	<u>46,364,059</u>	<u>50,985,661</u>	<u>52,390,854</u>	<u>47,900,000</u>	<u>53,784,638</u>	<u>5,884,638</u>	12.29%

The following pie chart indicates the percent of each revenue source in Other and compares it to the total Other Revenue.

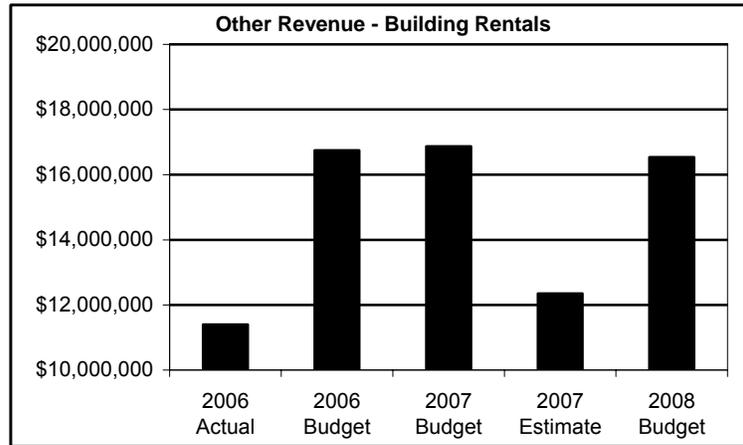


**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**BUILDING RENTALS**

Building Rentals are projected to increase to \$16,540,411 or 33.9% over 2007 estimates. The reason for the increase is the result of a combination of events.

- The 2007 estimate is expected to be below budget by \$4.4 million. This is caused by the 2007 budget including full rental payments for Northwest Buildings B and C. Through bankruptcy negotiations, these rentals were reduced approximately \$4.8 million for 2007 resulting in this variance.
- Customer Facility Charges (CFCs) are increasing \$3.3 million. MAC had held the CFC at \$2.00 for a number of years. However, a review indicated that the facility for which these charges are used to pay for will not be paid off in the time period originally anticipated. As a result, the CFC will change in 2008 from \$2.00 to \$3.00.
- Other rentals associated with the Lindbergh Terminal and the Humphrey Terminal are estimated to increase \$800,000.



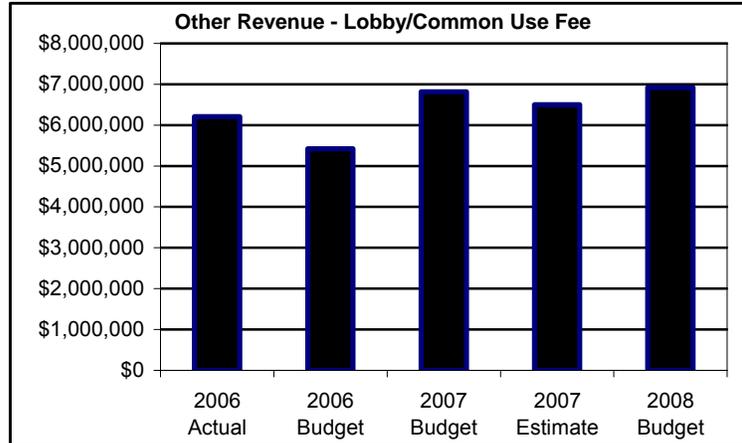
**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**HHH TERMINAL COMMON USE/LOBBY**

HHH Terminal Common Use is projected to increase \$422,062 or 6.49% from 2007 estimates. Rates and charges for the HHH Terminal are based on the recovery of operating and maintenance costs. Activity growth from Sun Country and Air Tran, along with changes to the rate methodology, result in this increase.



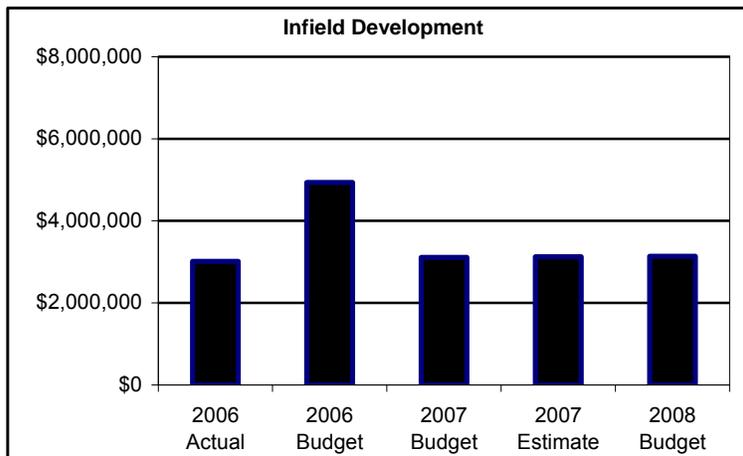
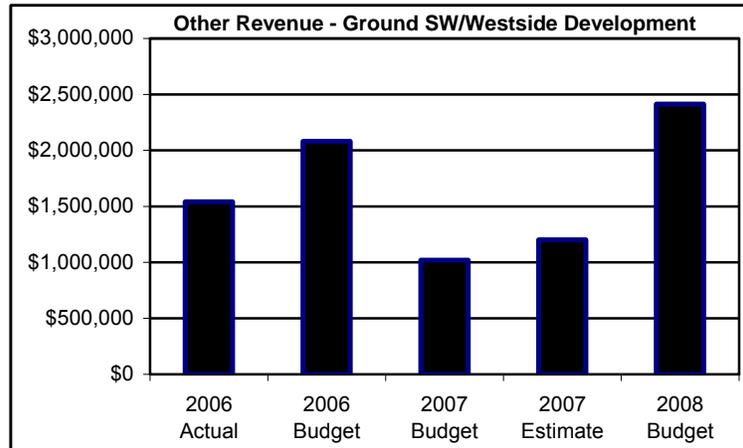
*Humphrey Terminal – Ticketing and Baggage Area*



**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**GROUND – SW CARGO AND INFIELD**

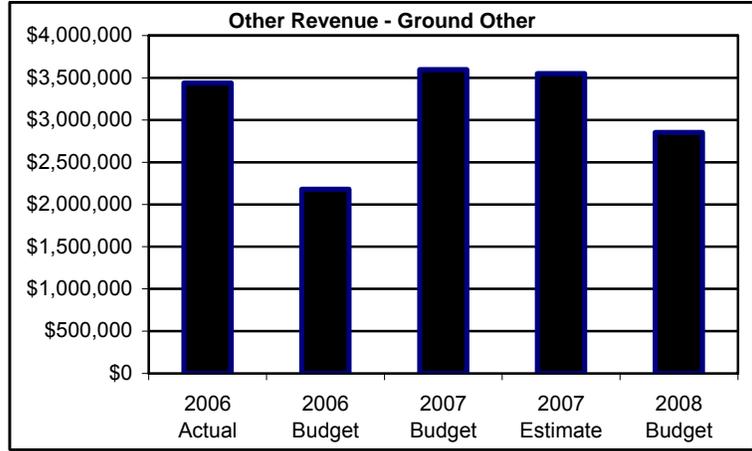
This area is increasing \$1,212,085 or 101.01%. This can be attributed to factors associated with the Mesaba bankruptcy. The 2007 budget did not include any rent for Mesaba's hangar facility based on their correspondence ending the lease 12/31/06. However, they continued to rent the facility through April 2007 resulting in the 2007 estimate exceeding budget. Staff completed negotiations with Petters Aviation/Sun Country during the third quarter 2007. As a result, the facility will be rented for the full year in 2008. In addition, reclassification of revenue from Ground- Other also contributes to this increase.



**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

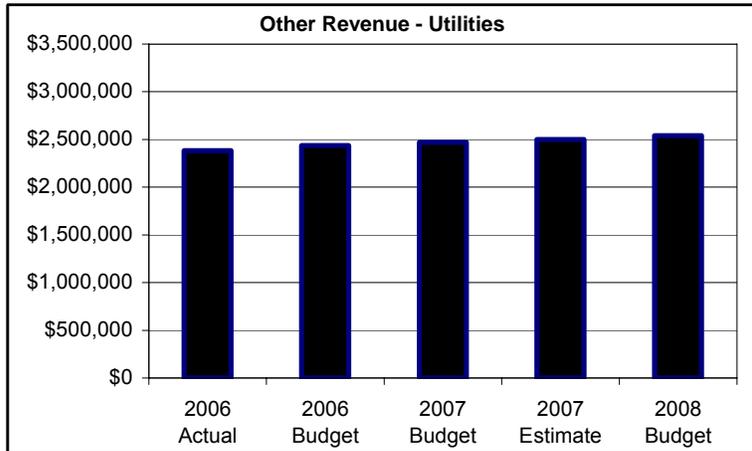
**GROUND – OTHER**

This category is made up of all other ground rentals including Miscellaneous Cargo Areas, Auto Rental Facilities and all other areas and is showing a \$697,142 decrease from 2007 estimates. This decrease is a result of reclassification of revenue to the Ground SW/Westside Development revenue category.



**UTILITIES**

Included in this area is water, sewer, steam (heating), chilled water (air-conditioning), and ground power. The increase in this category of \$40,381 or 1.62% is due to historical consumption patterns.

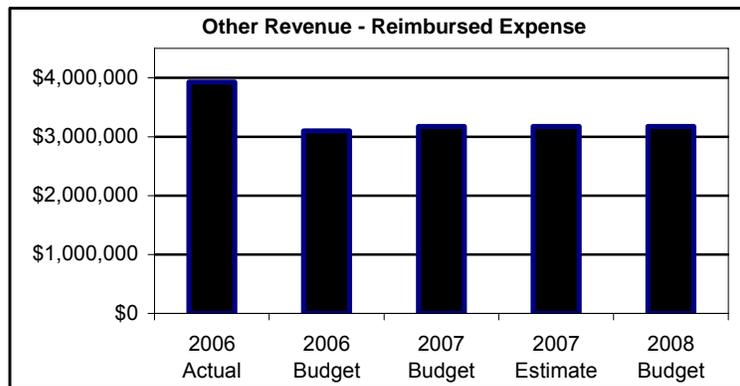
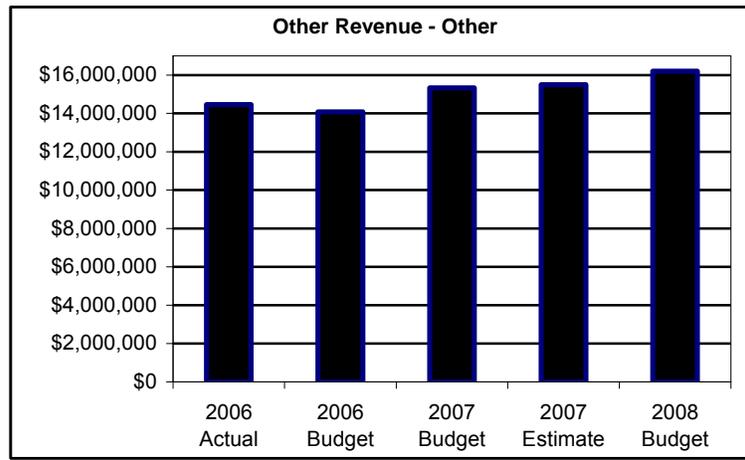


**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

**OTHER/REIMBURSED EXPENSE**

Included in this area are the Reliever Airports, Other Landing Fees and Other Ramp Fees, Apron Services, Consortium Fees, Permit Fees, Employee Shuttle, Miscellaneous Revenue and Reimbursed Expense. An increase of \$705,473 or 4.55% is the result of the following:

- Increased revenue anticipated at the Reliever Airports based on the new fee schedule is about \$85,000
- Revenue increases for Employee Shuttle Bus activity - \$475,000
- Other areas increased revenue
- Reclassification of revenue into Other
- Reimbursed expense is budgeted to remain the same as the 2007 estimate



**REVENUE ASSUMPTIONS – 2008 OPERATING BUDGET**

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<b>OPERATING EXPENSES - 2008 OPERATING BUDGET</b>
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	2006 Actual	2006 Budget	2007* Budget	2007 Estimate	2008 Budget	2007 Estimate vs 2008 Budget Dollar Change	% Change
<b>Personnel</b>							
Salaries & Wages	38,064,454	37,839,310	39,990,608	40,499,000	43,069,697	2,570,697	6.35%
Benefits	16,181,640	21,862,047	21,836,392	19,400,000	18,633,535	(766,465)	-3.95%
Commissioner PerDiem	11,800	23,000	23,000	18,000	18,000		0.00%
<b>Total Personnel</b>	<b>54,257,893</b>	<b>59,724,357</b>	<b>61,850,000</b>	<b>59,917,000</b>	<b>61,721,232</b>	<b>1,804,232</b>	<b>3.01%</b>
<b>Administrative Expenses</b>	1,239,975	1,213,734	1,553,166	1,500,000	1,727,651	227,651	15.18%
<b>Professional Services</b>	4,090,522	3,899,551	5,880,375	6,000,000	6,051,902	51,902	0.87%
<b>Utilities</b>							
Electricity	8,325,158	7,169,875	7,677,000	8,250,000	8,875,000	625,000	7.58%
Heating Fuel	3,961,308	5,866,055	4,650,000	4,775,000	5,040,000	265,000	5.55%
Water & Sewer	2,062,788	2,161,172	2,160,000	2,150,000	2,160,000	10,000	0.47%
Telephones	470,887	553,975	495,520	475,000	498,638	23,638	4.98%
<b>Total Utilities</b>	<b>14,820,141</b>	<b>15,751,077</b>	<b>14,982,520</b>	<b>15,650,000</b>	<b>16,573,638</b>	<b>923,638</b>	<b>5.90%</b>
<b>Operating Services/Expenses</b>							
Parking Management	5,090,845	5,079,600	5,333,373	5,400,000	6,266,155	866,155	16.04%
Shuttle Bus Services	933,114	1,052,000	1,124,752	1,450,000	1,517,901	67,901	4.68%
Service Agreements	4,417,082	5,080,328	5,061,417	4,900,000	5,731,111	831,111	16.96%
Storm Water Monitoring	1,356,652	1,342,592	1,200,000	1,250,000	1,260,000	10,000	0.80%
Other	2,687,409	3,806,264	3,283,711	3,200,000	4,162,773	962,773	30.09%
<b>Total Operating Services/Expenses</b>	<b>14,485,102</b>	<b>16,360,784</b>	<b>16,003,253</b>	<b>16,200,000</b>	<b>18,937,940</b>	<b>2,737,940</b>	<b>16.90%</b>
<b>Maintenance</b>							
Trades	1,496,290	1,100,342	1,381,602	1,450,000	1,502,986	52,986	3.65%
Field	1,583,924	2,586,495	2,608,865	2,450,000	2,766,826	316,826	12.93%
Building	5,911,073	5,678,891	6,159,162	6,300,000	6,775,397	475,397	7.55%
Equipment	2,145,877	1,700,643	2,002,258	2,350,000	2,106,677	(243,323)	-10.35%
Cleaning	8,279,614	8,227,756	8,963,909	8,950,000	10,112,430	1,162,430	12.99%
<b>Total Maintenance</b>	<b>19,416,778</b>	<b>19,294,127</b>	<b>21,115,796</b>	<b>21,500,000</b>	<b>23,264,316</b>	<b>1,764,316</b>	<b>8.21%</b>
<b>Other</b>							
General Insurance	2,345,280	2,493,106	2,812,032	2,400,000	2,352,786	(47,214)	-1.97%
Minor Equipment	440,795	383,365	565,018	550,000	781,982	231,982	42.18%
Other	536,849	507,852	621,822	700,000	567,889	(132,111)	-18.87%
<b>Total Other</b>	<b>3,322,924</b>	<b>3,384,323</b>	<b>3,998,872</b>	<b>3,650,000</b>	<b>3,702,657</b>	<b>52,657</b>	<b>1.44%</b>
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>111,633,336</b>	<b>119,627,953</b>	<b>125,383,981</b>	<b>124,417,000</b>	<b>131,979,336</b>	<b>7,562,336</b>	<b>6.08%</b>
Gross Depreciation	111,429,382	117,965,237	118,497,916	118,000,000	120,000,000	2,000,000	1.69%
<b>Total Operating Expenses</b>	<b>223,062,718</b>	<b>237,593,190</b>	<b>243,881,897</b>	<b>242,417,000</b>	<b>251,979,336</b>	<b>9,562,336</b>	<b>3.94%</b>

\*Commission approved expense budget adjustments for the following service centers:

Airservice Business Development	Professional Services	\$125,000
Internal Audit	Personnel	\$54,000
Internal Audit	Other	\$6,000
Internal Audit	Administrative	\$18,000
Airport Development	Professional Services	\$105,000
Personnel Costs - 18 Positions Approved by Commission		\$415,363
<b>Total</b>		<b>\$723,363</b>

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

Total Operating Expense for 2008 is \$131,979,336 (excluding depreciation) which is an increase of \$7,562,336 or 6.08% over the 2007 estimate. The explanations prepared below compare 2007 estimate with 2008 budget. All expense categories are projected to increase in 2008.

In the total Operating Expense (excluding depreciation), the largest increase is \$2.7 million or 16.90% for Operating Services and is primarily attributable to imbedded contract costs. The Personnel category indicates the second largest dollar increase of \$1.8 million with Maintenance representing the third largest dollar increase of just under \$1.8 million.

Depreciation, as indicated below, has risen \$2.0 million between 2007 estimate and the 2008 budget. This can be attributable to Runway 17/35 projects, In-line baggage screening system, jet bridges and other projects.

Included at the end of this section, is a report "Line Items by Subledger." Subledger refers to the grouping of expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities. (See Organizational Structure for additional details.)

The table below compares 2006, 2007 and 2008 actual, estimate and budget.

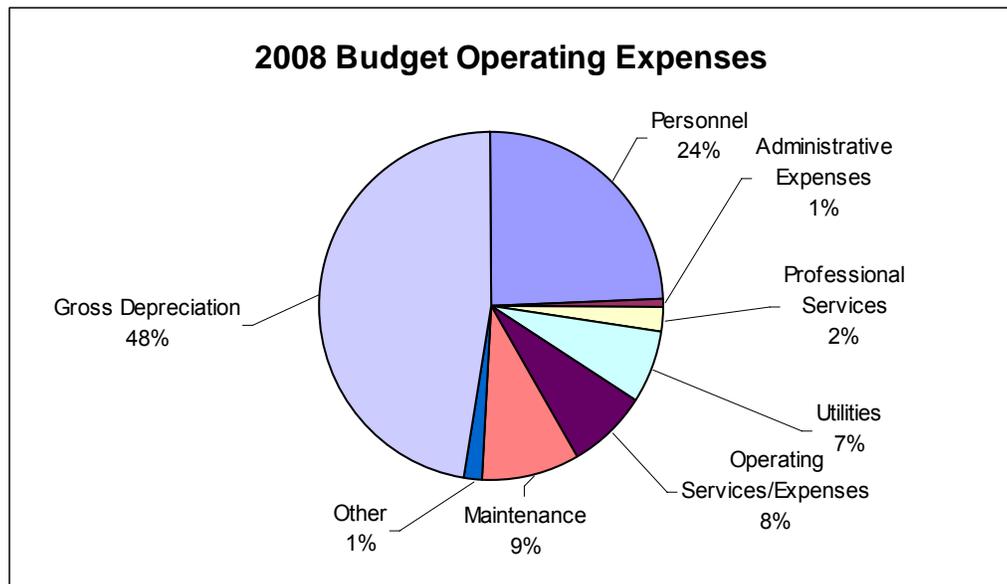
EXPENSE	2006	2006	2007*	2007	2008	2007 Estimate vs 2008 Budget	
	Actual	Budget	Budget	Estimate	Budget	Dollar Change	% Change
Personnel	54,257,893	59,724,357	61,850,000	59,917,000	61,721,232	1,804,232	3.01%
Administrative Expenses	1,239,975	1,213,734	1,553,166	1,500,000	1,727,651	227,651	15.18%
Professional Services	4,090,522	3,899,551	5,880,375	6,000,000	6,051,902	51,902	0.87%
Utilities	14,820,141	15,751,077	14,982,520	15,650,000	16,573,638	923,638	5.90%
Operating Services/Expenses	14,485,102	16,360,784	16,003,253	16,200,000	18,937,940	2,737,940	16.90%
Maintenance	19,416,778	19,294,127	21,115,796	21,500,000	23,264,316	1,764,316	8.21%
Other	<u>3,322,924</u>	<u>3,384,323</u>	<u>3,998,872</u>	<u>3,650,000</u>	<u>3,702,657</u>	<u>52,657</u>	1.44%
<b>Total Operating Expense (Excludes Depreciation)</b>	<b>111,633,336</b>	<b>119,627,953</b>	<b>125,383,981</b>	<b>124,417,000</b>	<b>131,979,336</b>	<b>7,562,336</b>	<b>6.08%</b>
Gross Depreciation	<u>111,429,382</u>	<u>117,965,237</u>	<u>118,497,916</u>	<u>118,000,000</u>	<u>120,000,000</u>	<u>2,000,000</u>	1.69%
<b>Total Operating Expense</b>	<b><u>223,062,718</u></b>	<b><u>237,593,190</u></b>	<b><u>243,881,897</u></b>	<b><u>242,417,000</u></b>	<b><u>251,979,336</u></b>	<b><u>9,562,336</u></b>	<b>3.94%</b>

- The Commission approved expense budget adjustments for the following service centers in 2008:

Air Service Business Development	Professional Services	\$125,000
Internal Audit	Personnel	\$ 54,000
Internal Audit	Other	\$ 6,000
Internal Audit	Administrative	\$ 18,000
Airport Development	Professional Services	\$105,000
Personnel Costs -18 Positions		
Approved by Commission		<u>\$415,363</u>
Total		<u>\$723,363</u>

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

The following pie chart indicates the percent of expense category and compares it to the total expenses:

**Expense Assumptions and Guidelines**

The operating expense budget is based on information provided by MAC departments, utility companies, vendors, and historical analysis. The expense budget projections for 2008 are based on the following assumptions and guidelines:

- MAC will continue to maintain all facilities at the standard established with our tenants and traveling public.
- MAC will provide a safe and secure airport.
- As positions in the organization become available due to retirement or separation, each vacant position will be prioritized based upon organization workforce needs.
- 1 FTE position was approved in 2007 after completion of the budget, 18 additional FTEs were added mid-year 2007, with the 2008 budget funding 20 additional positions.
- Imbedded cost increases, such as scheduled contract increases, salary adjustments for existing organized and non-organized workforce, utility rate changes, insurance rate adjustments, etc., have been included.
- Additional costs necessary to maintain existing and new facilities have been included.
- Discretionary cost increases were considered only if offset by corresponding annual reduction in expenses, an annual increase in revenue, or were necessary for the ongoing efficient operation of the airport.
- Expenses will be prepared on an accrual basis.

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

**Personnel**

Personnel costs will increase \$1.8 million over the 2007 estimate. A breakdown of the Personnel budget is shown below.

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<b>2007 Estimate vs 2008 Budget</b>	
						<u>Dollar Change</u>	<u>% Change</u>
<b>Personnel</b>							
Salaries & Wages	38,064,454	37,839,310	39,990,608	40,499,000	43,069,697	2,570,697	6.35%
Benefits	16,181,640	21,862,047	21,836,392	19,400,000	18,633,535	(766,465)	-3.95%
Commissioner Per Diem	<u>11,800</u>	<u>23,000</u>	<u>23,000</u>	<u>18,000</u>	<u>18,000</u>		0.00%
<b>Total Personnel</b>	<u>54,257,893</u>	<u>59,724,357</u>	<u>61,850,000</u>	<u>59,917,000</u>	<u>61,721,232</u>	<u>1,804,232</u>	3.01%

The following information explains the difference between the 2007 estimates and 2008 budgets:

**Wages – Regular** – Salary/Wage increases in the 2007 budget (and included in the 2007 estimates) for adjustments total approximately \$1,207,000. This is the result of budgeting for 560.5 FTEs (Full Time Equivalents) in the 2007 budget and adding 18 FTEs at mid-year for a total of 579.5 FTEs. The 2008 budget includes wages for 599.5 FTEs (an additional 20 positions). The additional 39 positions in the 2008 budget account for \$ 1.7 million. As employees retire or leave employment, each position continues to be evaluated on a case by case basis. The 2008 budget includes the following:

- Wage adjustments for organized and non-contract employees
- The budgeted wages and salaries are for 599.5 FTEs. Each position that becomes vacant, including the current open positions, will be prioritized based upon the workforce needs of the organization.
- Other labor contract agreements, such as shift differential, equipment premium pay and Labor Union 320 longevity pay.
- Wages for one position approved after the 2007 budget was completed.
- Wages for 18 mid-year positions are included in the 2008 budget.
- Wages for 20 requested positions in the 2008 budget are included.

The following table illustrates the FTEs:

<b>Full Time Equivalent Position Summary</b>					
<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2006 Budget Funded</b>	<b>2007 Budget Funded</b>	<b>2007 Mid-Year Addition</b>	<b>2008 Budget Funded</b>
557.0	558.5	558.5	560.5	579.5	599.5

<b>EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET</b>
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**Overtime – Regular** – This area is decreasing in the 2008 budget by \$98,631 or 5.1% from the 2007 estimates and is explained as follows:

- Police Department 2007 Overtime estimate is expected to be \$170,000 over budget and primarily is a result of a CSO (Community Service Officer) staffing shortage. This has resulted in Officers filling those positions. The 2008 budget of Police overtime is taking into consideration the CSO/Officer positions are hired resulting in a reduction in overtime from the 2007 estimate.
- Reduction in overtime (\$33,910) in Airside Ops and Energy Management Center due to the replacement hiring of employees.
- Various other service centers (Trades and Relievers) budgeting for an average winter increase of \$78,282 over 2007 estimates. Also, adjustments per the bargaining unit agreements are included.
- Maintenance - An increase of \$84,599 is projected in the 2008 maintenance budget over estimates to reflect an adjustment per the bargaining unit agreements and is based upon a 5-year average.
- Reductions in various other service centers as a result of staffing increases.

**Double-time** – Double-time is decreasing from the 2007 estimate to the 2008 budget by \$297,789. The estimate for 2007 is anticipated to be higher than the 2007 budget due to snow/moisture events in March of 2007. Also included in the 2008 budget are adjustments per the bargaining unit agreements and is based upon a 5-year average.

**Benefits** – Included in benefits are employee insurance, retirement plans, severance, post retirement, workers compensation and other miscellaneous items. This category will decrease 3.95% or \$766,465 from 2007 estimates.

Major changes are as follows:

- **Employee Insurance**  
The 2008 budget is \$1,609,537 over 2007 estimates. This is based upon actuarial studies and includes the 20 new FTE's in the 2008 budget and reflecting 2007 as a better than average year with lower claims.
- **Pensions**  
Pensions are expected to decrease in 2008 compared to the 2007 estimates by \$1,900,000 or 24.4%. The following pertains to the Pension budget:
  - The Minneapolis Employees Retirement Fund (MERF) unfunded liability will decrease \$2,000,000 (budget to budget) due to the timing of the remaining MERF employees.
  - The employer contribution for Police and Fire Public Employees Retirement Association (PERA) has increased (11.7% in 2007 to 12.9% in 2008) along with coordinated employees (6.25% to 6.50% increase).
- **Other Areas**
  - Workers Compensation is projected to decrease \$343,892 or 30% from 2007 estimates. The 2007 estimate allows for numerous workers compensation claims in the amount of \$350,000 which were significantly above the historical average.
  - Post Retirement Benefits will decrease approximately \$250,000 over the 2007 estimate of \$1,315,000 due to a budget adjustment regarding the Actuarial Study.

<b>EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET</b>
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**Administrative**

Administrative Expenses are increasing \$227,651 or 15.18%. The changes are occurring in the following general categories:

**Supplies** – An increase of \$101,829 from 2007 estimates to the 2008 budget with the majority of the increase related to the following:

- Fire - The purchasing of this software module will allow all personnel to access and to automate our shift schedule that is currently kept manually in a paper format. This will also allow easier transfer and recordkeeping processes. Increase \$9,340.
- Police - Software engineering costs associated with an interface to be compatible with the new Mavis Landside system. This will allow ProWatch software to communicate with Landside's Mavis software providing more efficient use and increased capabilities of both systems. This is necessary because MAC Badging Office issues badges/licenses for all MAC licensed taxi drivers. Increase \$26,170.
- Airside Operations - Software programs to support the airfield driver's training/testing program necessary for the following projects:
  - Creation of new training materials for the Drivers Training Program. This will include additional copies of Adobe Creative Suite, Captivate and Soundbooth.
  - Upgrading SQL Database software.
  - Provide additional licenses for BackupExec to provide disaster recovery using our existing tape backup system. Total \$10,932 increase.
- Public Affairs - \$12,000 of the increase is for external hosting of a new, operationally flexible, highly interactive Web site for MSP International Airport that maximizes revenue potential, creates administrative efficiencies and improves customer satisfaction.
- Police Badging increase - Magicard Prima Ribbon for Badge card printers. Colored ribbon and Transfer Film.IEMAG Desfire 4k Cards for increased cost of computer ribbons for badging. Increase \$20,300.
- Reductions in other service centers

**Travel** – Travel in the 2008 budget represents a \$72,217 increase over the 2007 estimates. Travel becomes necessary to keep informed of the changes in the industry along with networking with peers to enhance the effectiveness of the airport and avoid additional reliance on consultants and to maintain essential professional growth in the organization. The following service centers have requested increases in their travel budgets:

- \$5,240 for Risk Management
- \$10,948 Environment-Aviation Noise
- \$5,100 General Counsel
- \$11,000 Concessions and Business Development
- \$3,700 Human Resources
- \$6,300 HRD Strategic Planning
- \$6,780 Employee Relations
- \$2,500 Reliever Administration
- \$5,000 Executive – Commission/Chairman
- \$3,000 Airport Development
- \$1,180 Public Affairs

**Information Sources** - The majority of this expense is related to an increase in Membership Dues/Professional Association fees by \$7,978.

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

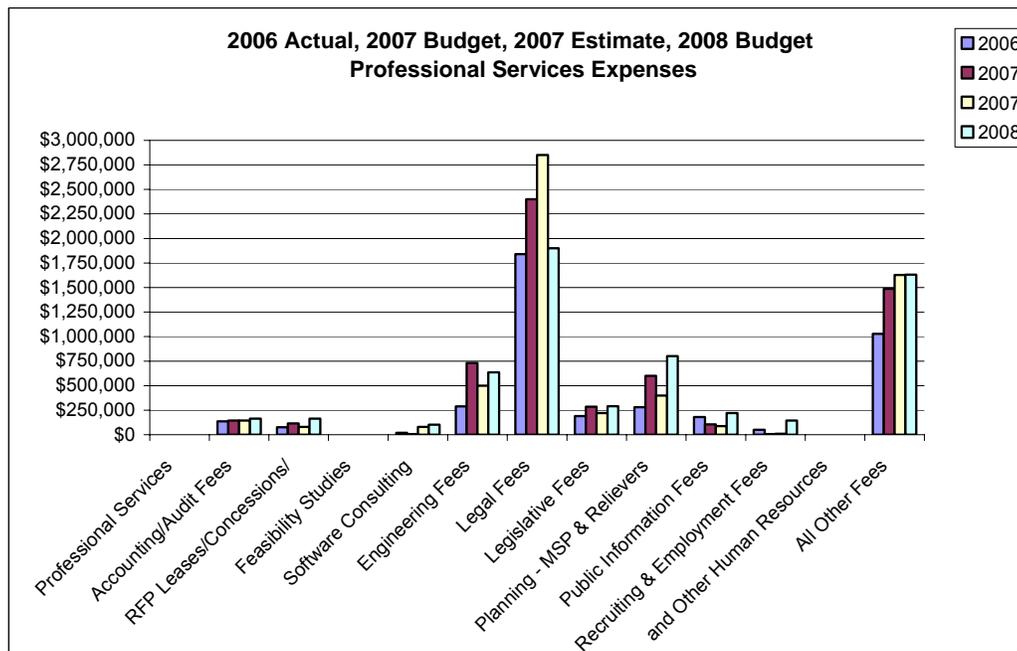
**Professional Services**

Professional Services have increased \$51,902 or .87% from 2007 estimates.

The following table indicates the cost associated with the major consulting services for 2007:

<b><u>Professional Services</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b>2007 Estimate vs</b>	
					<b><u>Actual</u></b>	<b><u>Budget</u></b>
					<b><u>Change</u></b>	<b><u>Change</u></b>
Accounting/Audit Fees	135,224	145,000	145,000	164,000	19,000	13.10%
RFP Leases/Concessions/ Feasibility Studies	75,507	115,000	80,000	164,000	84,000	105.00%
Software Consulting	18,660	2,500	80,000	102,500	22,500	28.13%
Engineering Fees	288,899	732,294	500,000	635,571	135,571	27.11%
Legal Fees	1,840,952	2,400,000	2,850,000	1,900,000	(950,000)	-33.33%
Legislative Fees	189,647	286,000	220,000	290,000	70,000	31.82%
Planning - MSP & Relievers	280,509	600,000	400,000	800,000	400,000	100.00%
Public Information Fees	181,227	105,000	88,000	220,600	132,600	150.68%
Recruiting & Employment Fees and Other Human Resources	51,641	7,500	10,000	145,000	135,000	1350.00%
All Other Fees	<u>1,028,356</u>	<u>1,487,081</u>	<u>1,627,000</u>	<u>1,630,231</u>	<u>3,231</u>	0.20%
<b>Total Professional Services</b>	<b><u>4,090,622</u></b>	<b><u>5,880,375</u></b>	<b><u>6,000,000</u></b>	<b><u>6,051,902</u></b>	<b><u>51,902</u></b>	<b>0.87%</b>

The following bar chart indicates the comparisons between years:



**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

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

**Accounting & Auditing** – Increase from \$145,000 to \$164,000 in outside financial audit fees due to additional requirements mandated by new and added government reporting requirements and an actuarial study (completed every two years) results in the \$19,000 increase over 2007 estimate.

**RFP Leases** – \$164,000 or a \$84,000 increase for consultants to provide continued business development and opportunities.

**Computer Consulting** – IS increase of \$100,000 in Continuing Consulting Services for IT Planning, Security and Operations. Examples: Secured Access system, emergency operations center upgrades, airport operations center planning.

**Engineering** - Projected to increase \$136,000 over 2007 estimate and can be attributed to annual contracts in Airport Development and ongoing air quality monitoring at the Naval Air Reserve Center, operations and performance monitoring of the Soil Vapor Extraction system as required by the Environmental Response Plan.

**Legal Fees** - Projected to decrease \$950,000 from the 2007 estimate as a result of no fees associated with airline bankruptcies.

**Legislative Fees** – Increase of \$70,000 for anticipated work both federally and locally during the 2008 Legislative Session.

**Planning** – An increase of \$400,000 between estimate 2007 and budget 2008 is projected in Planning for updating of the Long Term Comprehensive Plan (LTCP) to incorporate future development, Reliever update and airport zoning. Update of LTCP for MSP to incorporate future Development Plan and to comply with Metro Council requirements. Completion of LTCP Updates/Airport Zoning for Reliever Airports.

**Public Information Services** – \$133,050 increase for consultant services to design new, flexible, highly interactive MSP International Airport Website to maximize revenue potential, increase administrative/operational efficiencies, and enhance customer satisfaction. Also includes routine public relations and marketing consulting services for updating/creating publications and other informational materials, informational campaign development, and creation of video informational services used on airport CNN monitors, distributed to cable stations and featured on Website.

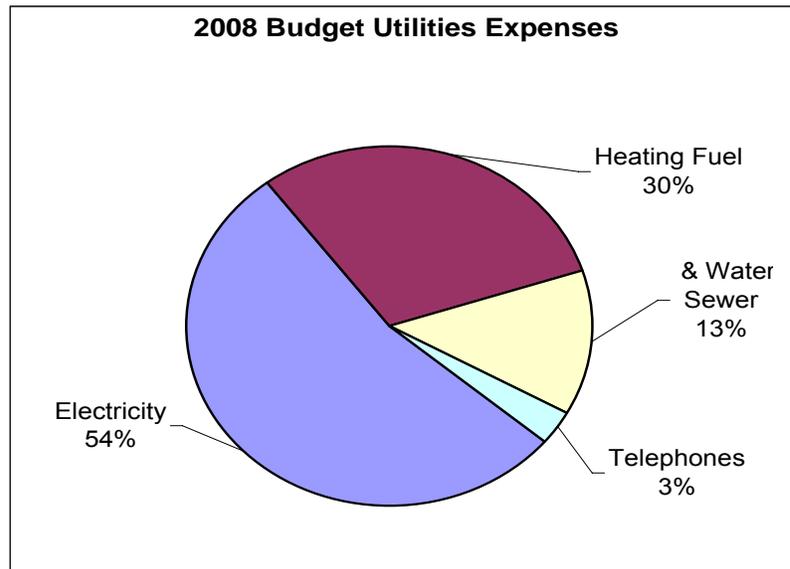
**Human Resources** - \$128,689 increase for recruiting agency fees for specialized technical positions (does not include executive search).

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

**Utilities**

The following table compares utility costs for 2007 estimate and 2008 budget.

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<b>2007 Estimate vs 2008 Budget</b>	
						<u>Dollar Change</u>	<u>% Change</u>
<b>Utilities</b>							
Electricity	8,325,158	7,169,875	7,677,000	8,250,000	8,875,000	625,000	7.58%
Heating Fuel	3,961,308	5,866,055	4,650,000	4,775,000	5,040,000	265,000	5.55%
Water & Sewer	2,062,788	2,161,172	2,160,000	2,150,000	2,160,000	10,000	0.47%
Telephones	<u>470,887</u>	<u>553,975</u>	<u>495,520</u>	<u>475,000</u>	<u>498,638</u>	<u>23,638</u>	4.98%
<b>Total Utilities</b>	<u>14,820,141</u>	<u>15,751,077</u>	<u>14,982,520</u>	<u>15,650,000</u>	<u>16,573,638</u>	<u>923,638</u>	5.90%



Total Utilities are budgeted to increase \$923,638 or 5.90% over 2007 estimates and are explained as follows.

**Electricity** –The increase in electricity of \$625,000 or 7.58% is based upon the forecast provided by the utility company and an outside consultant. The 2008 budget includes a charge for the fuel clause adjustment. A projected rate increase, as well as additional historical data, result in the balance of the change.

**Heating Fuel** – The projected budget increase is \$265,000 or 5.55% for natural gas and jet fuel. The increase can be attributed to projected rate increases. Jet Fuel is the alternative source of energy used when Centerpoint Energy requests the Commission to move from natural gas when demand is high. In return, MAC receives a slightly discounted rate for Natural Gas. The budget represents current market conditions, inventory shortages and demand. Based on the uncertainty and constant fluctuations in the natural gas market, MAC locks in pricing as favorable market changes occur.

**Water & Sewer** – A projected increase of \$10,000 over 2007 estimates or 0.47% is based on consumption and rates.

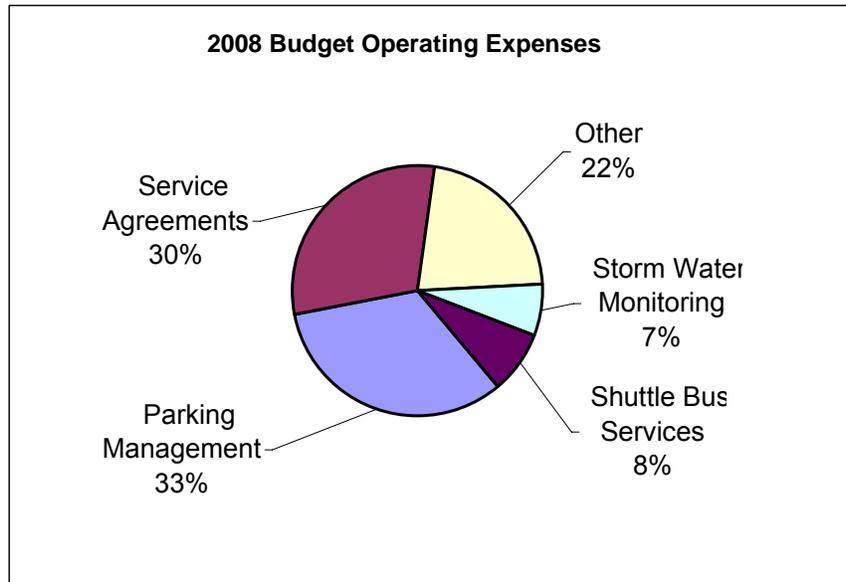
**Telephone/Cell Phones/Internet Service** – An increase of \$23,638 or 4.98% is a combination of telephone and cell phones due to contract changes.

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

**Operating Services**

Operating Service expenses are increasing \$2,737,940 or 16.90%. The significant changes for 2008 are in Parking Management, Service Agreements, and Other. The following chart lists the major components in this category.

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<b>2007 Estimate vs 2008 Budget</b>	
						<u>Dollar Change</u>	<u>% Change</u>
<b>Operating Services/Expenses</b>							
Parking Management	5,090,845	5,079,600	5,333,373	5,400,000	6,266,155	866,155	16.04%
Shuttle Bus Services	933,114	1,052,000	1,124,752	1,450,000	1,517,901	67,901	4.68%
Service Agreements	4,417,082	5,080,328	5,061,417	4,900,000	5,731,111	831,111	16.96%
Storm Water Monitoring	1,356,652	1,342,592	1,200,000	1,250,000	1,260,000	10,000	0.80%
Other	<u>2,687,409</u>	<u>3,806,264</u>	<u>3,283,711</u>	<u>3,200,000</u>	<u>4,162,773</u>	<u>962,773</u>	30.09%
<b>Total Operating Services/Expenses</b>	<u>14,485,102</u>	<u>16,360,784</u>	<u>16,003,253</u>	<u>16,200,000</u>	<u>18,937,940</u>	<u>2,737,940</u>	16.90%
<b>Total Operating Expense</b>	<u>14,485,102</u>	<u>16,360,784</u>	<u>16,003,253</u>	<u>16,200,000</u>	<u>18,937,940</u>	<u>2,737,940</u>	16.90%



**Parking Management** – The increase of 16.04% or \$866,155 can be attributed to the increase in the parking management contract. Annual adjustments account for \$300,000 of the change while health insurance costs (still under review) associated with the union contracts account for \$566,000 of the increase.

**Shuttle Bus** – The majority of increased busing costs is for additional service provided during the charter season and services for disabled patrons between the LRT station and the Humphrey Terminal.

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

**Service Agreements** - Service Agreements have increased by \$831,111 or 16.96%. This is a result of the following:

- Service Agreements-Computers are increasing \$632,000 due to additional contracts to provide support for 24/7/365 coverage for critical areas including, but not limited to, Landside-Ground Transportation and Parking, Public Safety and the Lindbergh Terminal.
- Service Agreements-Parking costs are up \$102,000 for full preventive maintenance on the revenue control system, call station maintenance contract and custom software enhancements to develop the guaranteed parking and rewards parking concepts.
- Service Agreements-Other is up \$97,000 primarily due to various contract increases associated with equipment, radios and secured access.

**Storm Water Monitoring** – This area is budgeted based on the historical average. This results in an increase of \$10,000 or 0.80% over the 2007 estimate.

**Other** – The budget includes an increase of \$962,773 or 30.09% due to the following:

- Advertising – Additional costs for Air Service Business Development (new international service) added \$125,000.
- Major Events –Costs associated with preparation for and management of traffic and logistics due to conventions and other events cover a variety of areas and departments. The estimated total is \$763,000.



***Welcome to Minneapolis-St. Paul International Airport Display***

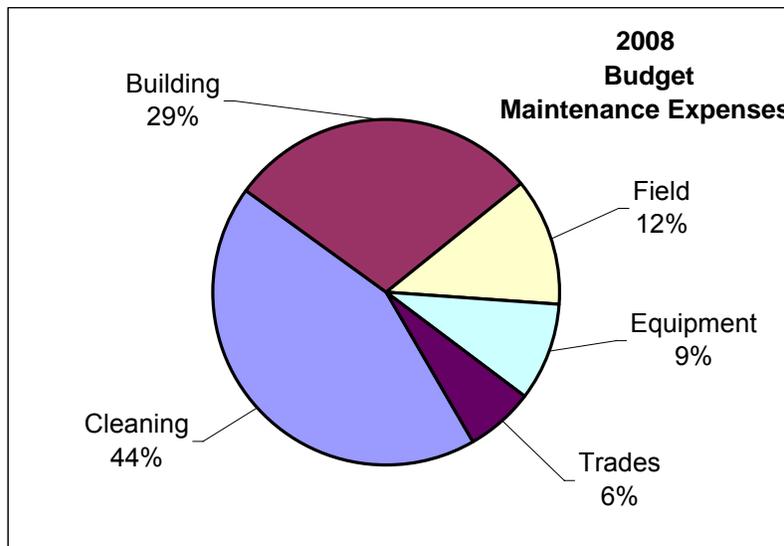
**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

**Maintenance**

This category has five components: Trades (Painters, Carpenters, Electricians, and Plumbers); Field (Snow Removal, Summer Maintenance, and Landscaping); Building (Carousel/Conveyors, Elevators/Escalators, Moving Walks, and Automated People Mover); Equipment (Parts, Shop Supplies, and Gas); and Cleaning (Janitorial, Windows, Cleaning Supplies, and Rubbish Removal). Total maintenance will increase 8.21% or \$1,764,316 over 2007 estimates.

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

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<b>2007 Estimate vs 2008 Budget</b>	
						<u>Dollar Change</u>	<u>% Change</u>
<b>Maintenance</b>							
Trades	1,496,290	1,100,342	1,381,602	1,450,000	1,502,986	52,986	3.65%
Field	1,583,924	2,586,495	2,608,865	2,450,000	2,766,826	316,826	12.93%
Building	5,911,073	5,678,891	6,159,162	6,300,000	6,775,397	475,397	7.55%
Equipment	2,145,877	1,700,643	2,002,258	2,350,000	2,106,677	(243,323)	-10.35%
Cleaning	<u>8,279,614</u>	<u>8,227,756</u>	<u>8,963,909</u>	<u>8,950,000</u>	<u>10,112,430</u>	<u>1,162,430</u>	<u>12.99%</u>
<b>Total Maintenance</b>	<u>19,416,778</u>	<u>19,294,127</u>	<u>21,115,796</u>	<u>21,500,000</u>	<u>23,264,316</u>	<u>1,764,316</u>	<u>8.21%</u>



**Trades** – The increase in Trades is related to replenishment of supplies and general price increases.

**Field** – As stated above, Field costs include Snow Removal, Summer Maintenance and Landscaping. Snow removal costs make up 80% of this \$2.8 million budget. The increase in this area of \$316,826 can be attributed to budgeting historical average costs for snow and moisture events. The 2007 estimates indicate below average usage historically for equipment rent, brooms and blades.

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET**

**Building** – This area is forecasted to increase \$475,397. All of the increase is related to contracted Mechanical areas, primarily the Automated People Mover, Moving Walks, Elevator and Escalator expenses.

**Equipment** – This area is budgeted to decrease \$243,323. The estimate for 2007 includes the higher prices associated with Equipment-Gas and Equipment-Parts. The 2008 budget indicates stabilized gas prices and lower parts costs.

**Cleaning** – Cleaning is projected to increase \$1,162,430. The majority of the increase relates to an added emphasis on cleaning (more cycles) and an additional Lindbergh Terminal window cleaning. This also includes contractual increases.



***MAC High Speed Snow Plow***

<b>EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET</b>
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**Other**

The Other expense category is projected to increase \$52,657 or 1.44%. This category includes General Insurance, Minor Assets (those costing less than \$5,000) and miscellaneous items.

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>	<b>2007 Estimate vs 2008 Budget</b>	
						<u>Dollar Change</u>	<u>% Change</u>
<b>Other</b>							
General Insurance	2,345,280	2,493,106	2,812,032	2,400,000	2,352,786	(47,214)	-1.97%
Minor Equipment	440,795	383,365	565,018	550,000	781,982	231,982	42.18%
Other	<u>536,849</u>	<u>507,852</u>	<u>621,822</u>	<u>700,000</u>	<u>567,889</u>	<u>(132,111)</u>	-18.87%
<b>Total Other</b>	<u>3,322,924</u>	<u>3,384,323</u>	<u>3,998,872</u>	<u>3,650,000</u>	<u>3,702,657</u>	<u>52,657</u>	1.44%

**General Insurance** – The insurance market is based upon factors worldwide (losses under the deductible, litigation costs, history of costs, and inflationary factors). Estimates for 2007 show a decrease in claims and a stabilization in premium costs. These factors carry over into 2008.

**Minor Equipment** – Minor equipment (items under \$5,000) has increased 42.18% or \$231,982. Nearly all of the increase is associated with Minor Equipment-Computers. The added cost is for upgrading and replacing computer equipment throughout the organization. In addition, replacement of the airfield computer lighting system and the LED at the Humphrey Terminal FIS Area contributes \$116,000 to this increase.

**Other** - Other expenses are decreasing by \$132,111. This is primarily due to a decrease in Grant Expenses in 2008.

**EXPENSE ASSUMPTIONS – 2008 OPERATING BUDGET****Gross Depreciation**

Gross Depreciation is projected to increase \$2,000,000 or 1.69% from the 2007 estimates. The increase is the result of the completion of several projects. The budget is based upon Gross Depreciation which is used for both the operating budget and financial statements. In accordance with Generally Accepted Accounting Principles, MAC must record the entire amount of the depreciation on facilities constructed with PFCs and federal and state aid as an expense.

The estimates for depreciation are derived from the following sources:

1. Current outstanding fixed assets
2. Items budgeted for 2007 but not yet purchased or constructed. (These items are reviewed and a status determined, i.e. to extending the completion date or place on hold).
3. The Preliminary Capital Improvement Plan.

The following table identifies the major projects to be closed in 2007 and 2008:

<b>Major Projects Scheduled for Closing 2007/2008</b>	
	<b><u>Annual Gross Depreciation</u></b>
Runway 12R/30L Reconstruction - Segment 2	\$ 590,000
2007 C - C Complex Reconstruction - Phase 3	230,000
2006 Pavement Rehabilitation	177,500
2007 Pavement Reconstruction	103,333
In-line Baggage Screening System	890,000
St. Paul Airport - Runway Safety Area Improvements	155,000
Runway 12L/30R Reconstruction - Segment 2	216,667
Lindbergh Terminal - Fire Protection System - Phase 1	122,500
Lindbergh Terminal - Jet Bridges Purchase	<u>128,333</u>
	<u><u>\$ 2,613,333</u></u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Personnel</b>									
<b>Wages</b>									
Regular	38,341,437	792,046	-	1,141,757	-	-	-	1,268,895	-
<b>Overtime/Doubletime</b>									
Doubletime - Regular	1,171,806	-	-	53,640	-	-	-	-	-
Overtime - Regular	1,857,111	8,083	-	34,196	-	-	-	35,516	-
<b>Total Overtime/Doubletime</b>	3,028,918	8,083	-	87,836	-	-	-	35,516	-
Commissioner PerDiem	18,000	-	-	-	-	-	-	-	-
Temps - Agency	24,440	-	-	-	-	-	-	-	-
Temps - Non Agency	1,674,902	47,990	-	10,080	-	-	-	109,800	-
<b>Total Wages</b>	43,087,697	848,119	-	1,239,672	-	-	-	1,414,212	-
<b>Benefits</b>									
<b>Employee Insurance</b>									
Employee Insurance Dental	432,103	9,966	-	13,525	-	-	-	17,085	-
EmPLY Insurance Disability	137,655	3,175	-	4,309	-	-	-	5,443	-
Employee Insurance Family	7,781,316	179,470	-	243,567	-	-	-	307,663	-
Employee Insurance Life	108,464	2,288	-	3,292	-	-	-	3,347	-
<b>Total Employee Insurance</b>	8,459,538	194,900	-	264,693	-	-	-	333,537	-
<b>Pension</b>									
Fica (Social Security)Base	1,989,236	52,149	-	76,693	-	-	-	86,337	-
Fica(Social Security)Medic	618,166	12,198	-	17,918	-	-	-	20,220	-
Mpls EmPLY Retirement Fund	96,794	-	-	-	-	-	-	-	-
Public EmPLY - Police/Fire	1,305,421	-	-	-	-	-	-	-	-
Public EmPLY - Coordinated	2,009,129	53,383	-	79,779	-	-	-	91,377	-
Merf Unfunded Liability	484,468	-	-	-	-	-	-	-	-
<b>Total Pension</b>	6,503,214	117,730	-	174,390	-	-	-	197,934	-
<b>Training</b>									
Continuing Ed (College)	75,000	-	-	-	-	-	-	-	-
Executive Leadership Train	54,000	-	-	-	-	-	-	-	-
Management Requirement	19,314	-	-	-	-	-	-	-	-
Organizational Requirement	15,730	-	-	-	-	-	-	-	-
Regulatory Requirements	83,658	500	-	-	-	-	-	-	-
Local Seminars	96,008	-	-	-	-	-	-	12,500	-
<b>Total Training</b>	343,710	500	-	-	-	-	-	12,500	-
Post Retirement Benefits	1,565,000	9,271	-	30,136	-	-	-	41,728	-
Workers Compensation	705,000	16,849	-	20,516	-	-	-	34,969	-
Post EmPLY Health Plan	172,896	4,526	-	1,212	-	-	-	8,368	-
Unemployment Tax	60,000	-	-	-	-	-	-	-	-
<b>Uniforms</b>									
Uniforms-Police/Fire Allow	184,750	-	-	-	-	-	-	-	-
Uniforms-Rental	80,947	500	-	2,860	-	-	-	6,000	-
Uniforms - Safety Shoes	25,016	110	-	2,100	-	-	-	-	-
<b>Total Uniforms</b>	290,713	610	-	4,960	-	-	-	6,000	-
<b>Severance</b>									
Contract Allowance	55,000	1,965	-	-	-	-	-	-	-
Regular Severance	120,000	2,046	-	1,815	-	-	-	1,387	-
<b>Total Severance</b>	175,000	4,011	-	1,815	-	-	-	1,387	-
Paid Absence	11,073	-	-	-	-	-	-	4,500	-
Trade Union Benefits	347,392	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	18,633,535	348,397	-	497,722	-	-	-	640,923	-
<b>Total Personnel</b>	61,721,232	1,196,516	-	1,737,394	-	-	-	2,055,135	-

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/Landside	Parking Facilities
<b>Administrative Expenses</b>									
<b>Supplies</b>									
Office Supplies _Materials	171,740	4,000	-	1,500	-	4,200	-	12,000	-
<b>Computer Supplies</b>									
Computer Supplies-General	51,994	110	-	932	-	-	-	-	-
Computer Supplies-Software	198,120	-	-	-	-	-	-	-	5,000
Computer - Tools	2,500	-	-	-	-	-	-	-	-
<b>Total Computer Supplies</b>	<b>252,614</b>	<b>110</b>	<b>-</b>	<b>932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>
<b>Special Supplies</b>									
Special Supplies-Badging	190,300	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	32,100	-	-	-	-	125	-	-	-
Special Supplies-Other	51,775	-	-	1,186	-	1,000	-	1,500	-
<b>Total Special Supplies</b>	<b>274,175</b>	<b>-</b>	<b>-</b>	<b>1,186</b>	<b>-</b>	<b>1,125</b>	<b>-</b>	<b>1,500</b>	<b>-</b>
<b>Total Supplies</b>	<b>698,529</b>	<b>4,110</b>	<b>-</b>	<b>3,618</b>	<b>-</b>	<b>5,325</b>	<b>-</b>	<b>13,500</b>	<b>5,000</b>
<b>Travel</b>									
Travel - Lodging	91,569	515	-	-	-	3,600	-	-	598
Travel - Meals	24,792	200	-	200	-	880	-	658	-
Travel - Miscellaneous	6,354	-	-	-	-	-	-	-	-
<b>Travel - Transportation</b>									
Travel - Transport/Airfare	115,598	-	-	-	-	3,100	-	3,845	-
Travel - Shuttle/Taxi/Auto	7,782	-	-	-	-	-	-	347	-
<b>Total Travel - Transportation</b>	<b>123,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,100</b>	<b>-</b>	<b>4,192</b>	<b>-</b>
Registration Fees	63,445	515	-	-	-	2,600	-	1,440	-
Mileage	52,677	506	-	250	-	-	-	4,200	-
<b>Total Travel</b>	<b>362,217</b>	<b>1,736</b>	<b>-</b>	<b>450</b>	<b>-</b>	<b>10,180</b>	<b>-</b>	<b>10,490</b>	<b>598</b>
<b>Other Administrative Expense</b>									
<b>Local Meetings</b>									
Local Mtgs - On Airport/GO	8,360	500	-	-	-	200	-	1,950	-
Local Mtgs - Off Airport	27,813	500	-	-	-	-	-	1,200	-
<b>Total Local Meetings</b>	<b>36,173</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>3,150</b>	<b>-</b>
<b>Information Sources</b>									
Memberships/Dues/Pro Assoc	236,524	258	-	-	-	450	-	3,500	-
Other Information Sources	96,076	84	-	-	-	-	-	-	-
Publications/Subscriptions	34,819	103	-	-	-	500	-	-	-
<b>Total Information Sources</b>	<b>367,419</b>	<b>445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>950</b>	<b>-</b>	<b>3,500</b>	<b>-</b>
<b>Printing Costs</b>									
Printing-Publications	100,371	-	-	-	-	-	-	-	-
Printing - Color Charts	806	-	-	-	-	-	-	-	-
Printing - Forms	71,072	-	-	-	-	-	-	48,572	-
Printing-In House Color	65	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	20,264	-	-	-	-	6,180	-	-	-
<b>Total Printing Costs</b>	<b>192,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,180</b>	<b>-</b>	<b>48,572</b>	<b>-</b>
Delivery Services	14,987	100	-	117	-	300	-	-	-
Freight Charges	3,979	100	-	50	-	-	-	-	-
Postage	51,769	-	-	-	-	-	-	6,500	-
<b>Total Other Administrative Expense</b>	<b>666,905</b>	<b>1,645</b>	<b>-</b>	<b>167</b>	<b>-</b>	<b>7,630</b>	<b>-</b>	<b>61,722</b>	<b>-</b>
<b>Total Administrative Expenses</b>	<b>1,727,651</b>	<b>7,491</b>	<b>-</b>	<b>4,235</b>	<b>-</b>	<b>23,135</b>	<b>-</b>	<b>85,712</b>	<b>5,598</b>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/Landside	Parking Facilities
<b>Professional Services</b>									
Accounting/Audit Fees	194,000	-	-	-	-	-	-	-	-
Affirmative Action Fees	77,000	-	-	-	-	-	-	-	-
RFP/Leases	120,000	-	-	-	-	-	-	-	-
Concept Develop/Feasible	44,000	-	-	-	-	-	-	-	-
<b>Computer Services</b>									
<b>General</b>									
ANOMS Consulting	57,500	-	-	-	-	-	-	-	-
Software Consulting	102,500	-	-	-	-	-	-	-	-
<b>Total General</b>	<b>160,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Computer Services</b>	<b>160,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Engineering Fees	635,571	75,000	-	42,163	-	238,908	-	11,500	-
Graphic Design	30,000	-	-	-	-	-	-	-	-
Labor Relations	15,450	-	-	-	-	-	-	-	-
<b>Legal Fees</b>									
Legal - Environmental	364,000	-	-	-	-	-	-	-	-
Legal - General	994,000	-	-	-	-	-	-	-	-
Legal - Federal	50,000	-	-	-	-	-	-	-	-
Legal - Relievers	492,000	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	<b>1,900,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Legislative</b>									
Legislative - Local	92,000	-	-	-	-	-	-	-	-
Legislative - National	198,000	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	<b>290,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Medical Fees	55,200	-	-	-	-	-	-	-	-
<b>Planning</b>									
MSP Int'l	400,000	-	-	-	-	400,000	-	-	-
Relievers	400,000	-	-	-	-	-	-	-	-
<b>Total Planning</b>	<b>800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pollution/Environmental Fees	8,077	-	-	-	-	3,090	-	-	-
Public Information Services	205,600	-	-	-	-	-	-	-	-
Public Information Services	15,000	-	-	-	-	-	-	-	-
Recruiting Employment Fees	115,000	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>									
Safety - Training	39,850	33,500	-	-	-	-	-	-	-
Safety - General	10,000	-	-	-	-	-	-	-	-
<b>Total Safety Consultants</b>	<b>49,850</b>	<b>33,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Communications Consultant	52,500	-	-	-	-	-	-	-	-
Other/Miscellaneous	1,279,654	133,233	-	-	-	7,500	-	12,500	-
Survey Expense	5,000	5,000	-	-	-	-	-	-	-
<b>Total Professional Services</b>	<b>6,051,902</b>	<b>246,733</b>	<b>-</b>	<b>42,163</b>	<b>-</b>	<b>649,498</b>	<b>-</b>	<b>24,000</b>	<b>-</b>
<b>Utilities</b>									
Electricity	8,875,000	5,567,975	-	-	-	759,855	-	507,465	-
<b>Heating Fuel</b>									
Heating - Natural Gas	4,920,000	209,000	-	3,214,500	-	1,100	67,500	82,000	7,000
Heating - Fuel Oil	120,000	21,673	-	72,240	-	-	-	-	24,000
<b>Total Heating Fuel</b>	<b>5,040,000</b>	<b>230,673</b>	<b>-</b>	<b>3,286,740</b>	<b>-</b>	<b>1,100</b>	<b>67,500</b>	<b>82,000</b>	<b>31,000</b>
Sewer	840,000	350,700	-	50,064	-	-	168	2,436	4,032
Water	1,320,000	370,924	-	28,644	-	392	924	8,052	10,956
<b>Telephone</b>									
Telephone - Regular	290,470	3,850	-	-	-	600	-	30	-
Telephone - Internet Service	79,180	-	-	-	-	-	-	-	-
Telephone - Cellular	128,988	3,090	-	3,629	-	11,100	-	8,184	-
<b>Total Telephone</b>	<b>498,638</b>	<b>6,940</b>	<b>-</b>	<b>3,629</b>	<b>-</b>	<b>11,700</b>	<b>-</b>	<b>8,214</b>	<b>-</b>
<b>Total Utilities</b>	<b>16,573,638</b>	<b>6,527,212</b>	<b>-</b>	<b>3,369,077</b>	<b>-</b>	<b>773,047</b>	<b>68,592</b>	<b>608,167</b>	<b>45,988</b>

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Operating Services/Expenses</b>									
<b>Advertising</b>									
Advertising - Employment	48,000	-	-	-	-	-	-	-	-
Advertising - General	225,700	-	-	-	-	-	-	-	-
Advertising - Parking	280,000	-	-	-	-	-	-	-	280,000
Advertising - Relievers	20,600	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	<b>574,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,000</b>
<b>Environmental Control</b>									
<b>Hazardous Waste</b>									
Hazardous Waste - FLouesc	15,000	-	-	-	-	-	-	-	-
Hazardous Waste - General	2,200	500	-	-	-	-	-	-	-
<b>Total Hazardous Waste</b>	<b>17,200</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pollution Control</b>									
Pollution Ctrl-Booms	15,000	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	10,500	-	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	374	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	<b>25,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Industrial Waste Mgmt	22,000	-	-	-	-	20,000	-	-	-
Laboratory Services	2,500	-	-	-	-	-	-	-	-
Solvent Reclamation Service	21,150	-	-	600	-	-	-	-	-
Tire Disposal	800	-	-	-	-	-	-	-	-
Other	143,582	-	-	-	-	15,450	-	-	-
<b>Total Environmental Control</b>	<b>233,106</b>	<b>500</b>	<b>-</b>	<b>600</b>	<b>-</b>	<b>35,450</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grd Transportation Services</b>									
AV ID Readers/Controllers	5,000	-	-	-	-	-	-	5,000	-
AV ID Tags	14,000	-	-	-	-	-	-	14,000	-
<b>Total Grd Transportation Services</b>	<b>19,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,000</b>	<b>-</b>
<b>Shuttle Services</b>	<b>1,517,901</b>	<b>622,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>591,981</b>	<b>-</b>
<b>Parking Lots</b>	<b>6,266,155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,266,155</b>
<b>Met Council Fees</b>	<b>168,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Employee Programs</b>									
<b>Recognition</b>									
Recognition	50,000	-	-	-	-	-	-	-	-
<b>Retirement</b>									
Retirement	2,500	-	-	-	-	-	-	-	-
<b>Wellness</b>									
Wellness - Fitness Program	90,720	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	16,050	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	6,500	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	<b>113,270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Employee Programs</b>	<b>165,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Events</b>									
<b>Conference Center</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Emergency Response Exercise</b>	<b>17,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,450</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Programs/Events	12,400	-	-	-	-	-	-	-	-
Call Back Service	4,000	-	-	-	-	4,000	-	-	-
Republican Convention	763,171	279,904	-	-	-	-	-	-	-
<b>Total Events</b>	<b>842,203</b>	<b>279,904</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,450</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Charges/Fees</b>									
Bank Charges	288,105	-	-	-	-	-	-	-	108,105
IATA Contract Expense	43,000	-	-	-	-	-	-	-	-
Security Services Regular	643,560	-	-	-	-	-	-	-	-
Security Services Check Pt	252,950	-	-	-	-	252,950	-	-	-
Concessions Marketing	600,000	-	-	-	-	-	-	-	-
Recycling	500	-	-	-	-	-	-	-	-
Recycling - Sand	30,000	-	-	-	-	30,000	-	-	-
Copy Agreement	150,000	-	-	-	-	-	-	-	-
Mediation Fees	7,200	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	133,079	-	-	-	-	-	-	1,900	1,500
Jail Fees	12,000	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	<b>2,160,394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282,950</b>	<b>-</b>	<b>1,900</b>	<b>109,605</b>
<b>Service Agreements</b>									
Service - Bldg Inspection	25,000	25,000	-	-	-	-	-	-	-
Service - Facilities C.M.M.I.S	35,000	35,000	-	-	-	-	-	-	-
Service-Computers	1,362,364	175,000	-	-	-	80,000	-	-	5,500
Service-Fitness Equipment	4,324	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	68,350	-	-	-	-	-	-	68,350	-
Service-Loading Dock	2,441,208	2,367,972	-	-	-	-	-	-	-
Service-Office Equipment	41,867	626	-	-	-	600	-	-	-
Service-Other Equipment	605,162	1,392	1,500	-	-	700	-	-	-
Service-Parking Equipment	652,762	-	-	-	-	-	-	-	652,762
Service-Telephone Systems	66,734	-	-	-	-	-	-	-	-
Service-Secured Access	178,360	-	-	-	-	178,360	-	-	-
Service-Radios	249,980	500	-	-	-	57,000	-	-	-
GISW Management	1,260,000	-	-	-	-	1,260,000	-	-	-
<b>Total Service Agreements</b>	<b>6,991,111</b>	<b>2,605,490</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>1,576,660</b>	<b>-</b>	<b>68,350</b>	<b>658,262</b>
<b>Total Operating Services/Expenses</b>	<b>18,937,940</b>	<b>3,508,234</b>	<b>1,500</b>	<b>600</b>	<b>-</b>	<b>2,073,510</b>	<b>-</b>	<b>681,231</b>	<b>7,314,022</b>

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance</b>									
<b>Trades - Painters</b>									
<b>Paint</b>									
Equipment - Paint	4,000	1,000	-	-	-	-	-	-	-
Exterior - Paint	10,172	2,122	-	-	-	-	-	-	-
Interior - Paint	13,365	6,365	-	-	-	-	-	-	-
Paint - Other	700	-	-	-	-	-	-	-	-
Traffic Paint - Parking	25,000	-	-	-	-	-	-	-	25,000
Reliever Airport - Paint	6,429	-	-	-	-	-	-	-	-
Traffic Paint - Roads	11,000	-	-	-	-	-	-	-	-
Traffic Paint - Runways	79,568	-	-	-	-	79,568	-	-	-
<b>Total Paint</b>	<b>150,234</b>	<b>9,487</b>	-	-	-	<b>79,568</b>	-	-	<b>25,000</b>
<b>Signs</b>									
Other Sign Material/Etc	5,500	-	-	-	-	-	-	-	-
Regulatory - Signs	3,342	-	-	-	-	-	-	-	-
Exterior Sign Materials	7,000	-	-	-	-	-	-	-	-
Interior Sign Materials	3,581	2,387	-	-	-	-	-	-	-
Reliever Airport Signs	7,259	-	-	-	-	-	-	-	-
<b>Total Signs</b>	<b>26,681</b>	<b>2,387</b>	-	-	-	-	-	-	-
<b>Supplies</b>									
Brushes_Supplies	1,061	-	-	-	-	-	-	-	-
Paint Supplies - Other	20,250	18,500	-	750	-	-	-	-	-
Solvents	2,500	-	-	-	-	-	-	-	-
Equipment Spray	6,556	-	-	-	-	-	-	-	-
Paint Tools	5,437	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	<b>35,804</b>	<b>18,500</b>	-	<b>750</b>	-	-	-	-	-
<b>Total Trades - Painters</b>	<b>212,719</b>	<b>30,374</b>	-	<b>750</b>	-	<b>79,568</b>	-	-	<b>25,000</b>
<b>Trades - Carpenters</b>									
<b>Locks</b>									
Locks - Doors	78,633	26,325	-	-	-	-	-	-	-
Locks - Door Tags/ID	1,290	1,290	-	-	-	-	-	-	-
<b>Total Locks</b>	<b>79,923</b>	<b>27,615</b>	-	-	-	-	-	-	-
<b>Flags</b>	<b>624</b>	-	-	-	-	-	-	-	-
<b>Lumber</b>									
Lumber-Cabinets	14,000	14,000	-	-	-	-	-	-	-
Lumber-Other	1,524	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	<b>15,524</b>	<b>14,000</b>	-	-	-	-	-	-	-
<b>Other</b>									
Other - Attic Stock	10,000	10,000	-	-	-	-	-	-	-
Other - Ceilings	20,500	15,500	-	-	-	-	-	-	-
Other - Ceramics	10,000	5,000	-	-	-	-	-	-	-
Other - Doors	14,000	12,000	-	-	-	-	-	-	-
Other - Floor Coverings	69,000	54,000	-	-	-	-	-	-	-
Other - Hardware	14,170	4,010	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	26,274	16,274	-	-	-	-	-	-	-
Other - Saw Blades	250	250	-	-	-	-	-	-	-
Other - Screws/Bolts	6,500	-	-	-	-	-	-	-	-
Other - Seating Replacement	35,400	30,900	-	-	-	-	-	-	-
Other - Tools	10,825	7,325	-	-	-	-	-	-	-
Other - Tug Door Repairs	17,500	12,000	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	12,360	12,360	-	-	-	-	-	-	-
Other - Wall Protection	3,200	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>249,979</b>	<b>179,619</b>	-	-	-	-	-	-	-
<b>Total Trades - Carpenters</b>	<b>346,050</b>	<b>221,234</b>	-	-	-	-	-	-	-

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Trades - Plumbers</b>									
<b>Contractor Requirements</b>	4,000	-	-	-	-	-	-	-	-
Fire Protection System	85,896	22,000	-	1,317	-	11,240	-	-	-
General Plumbing Supplies	61,362	27,490	-	-	-	-	-	-	-
Irrigation Supplies	11,277	901	-	-	-	-	-	3,275	-
Pumps	8,155	7,000	-	880	-	-	-	-	-
Underground Utilities	3,316	3,316	-	-	-	-	-	-	-
Water Distribution Systems	10,000	8,000	-	-	-	-	-	-	-
Water Meters	8,000	-	-	-	-	4,000	-	-	-
Plumbing - Other	15,826	-	-	-	-	-	-	-	-
<b>Total Trades - Plumbers</b>	<b>207,832</b>	<b>68,707</b>	<b>-</b>	<b>2,197</b>	<b>-</b>	<b>15,240</b>	<b>-</b>	<b>3,275</b>	<b>-</b>
<b>Trades - Electricians</b>									
<b>Repairs</b>									
Electrical _ Exterior	45,040	-	-	-	-	-	-	-	-
Generator Maint. Contract	34,214	34,214	-	-	-	-	-	-	-
Electrical - Interior	3,684	-	-	-	-	-	-	-	-
Unit Maint. Contract	126,000	-	-	-	-	-	-	-	-
<b>Total Repairs</b>	<b>208,938</b>	<b>34,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>									
Other - Batteries	1,324	109	-	210	-	55	-	-	-
Other-Field Lights/Sensors	242,436	-	-	-	-	200,000	-	-	-
Other - Gate Supplies	33,845	-	-	-	-	15,500	-	-	-
Other - General Supplies	229,719	49,173	85	1,639	2,117	-	-	164	125,000
Other - Miscellaneous	1,000	-	-	-	-	-	-	-	-
Other - Motor	7,753	5,464	-	-	-	-	-	-	546
Other - Secured Access Sys	2,601	-	-	-	-	2,601	-	-	-
Other - Tools	8,769	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>527,447</b>	<b>54,746</b>	<b>85</b>	<b>1,849</b>	<b>2,117</b>	<b>218,156</b>	<b>-</b>	<b>164</b>	<b>125,546</b>
<b>Total Trades - Electricians</b>	<b>736,385</b>	<b>88,960</b>	<b>85</b>	<b>1,849</b>	<b>2,117</b>	<b>218,156</b>	<b>-</b>	<b>164</b>	<b>125,546</b>

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance - Field</b>									
<b>Snow Removal - Materials</b>									
Materials - Sodium Acetate	40,000	-	-	-	-	40,000	-	-	-
Materials-Liquid Anti Icer	715,000	-	-	-	60,000	655,000	-	-	-
Materials-Other Ice Ctrl	9,300	-	-	-	-	7,300	-	-	1,000
Materials - Salt	81,012	-	-	-	-	-	-	20,000	-
Materials - Sand	136,463	-	-	-	-	100,000	-	10,000	10,000
Materials - Urea	5,584	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	<b>987,359</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000</b>	<b>802,300</b>	<b>-</b>	<b>30,000</b>	<b>11,000</b>
<b>Snow Removal - Equipment</b>									
Equipment - Contract	517,000	-	-	-	-	-	-	-	482,000
Equipment - Snow Haulers	15,000	-	-	-	-	15,000	-	-	-
Equipment - Other	798	-	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	112,000	-	-	-	69,000	38,000	-	-	-
Equipment-Rent-No Operator	160,000	-	-	-	62,400	-	-	62,400	-
<b>Total Snow Removal - Equipment</b>	<b>804,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,400</b>	<b>53,000</b>	<b>-</b>	<b>62,400</b>	<b>482,000</b>
<b>Snow Removal - Miscellan</b>									
Snow Removal - Meals	28,969	-	-	-	-	28,500	-	-	-
Snow Removal - Plow Blades	90,000	-	-	-	30,000	30,000	-	10,000	10,000
Snow Removal - Runway Brm	240,000	-	-	-	-	240,000	-	-	-
Snow Melters	65,000	-	-	-	10,000	10,000	-	-	40,000
<b>Total Snow Removal - Miscellan</b>	<b>423,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>308,500</b>	<b>-</b>	<b>10,000</b>	<b>50,000</b>
<b>Summer Maintenance-Surface</b>									
Surface Repair-Aggregate	6,952	-	-	-	-	-	-	-	-
Surface Repair-Asphalt	57,194	-	-	-	15,000	20,000	-	700	200
Surface Repair-Cement	7,464	-	-	-	1,500	2,500	-	-	250
Surface Repair-Other	2,500	-	-	-	-	2,500	-	-	-
Surface Rubber Removal	65,300	-	-	-	-	55,000	-	-	-
Surface Repair-Saw Blades	1,000	-	-	-	500	500	-	-	-
Surface Repair-Hot Sealant	15,000	-	-	-	-	5,000	-	10,000	-
<b>Total Summer Maintenance-Surfac</b>	<b>155,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,000</b>	<b>85,500</b>	<b>-</b>	<b>10,700</b>	<b>450</b>
<b>Summer Maint-Landscape</b>									
Summer Maintenance-Fencing	13,965	-	-	-	-	4,500	-	-	-
Landscape/Turf-Materials	81,265	-	-	-	-	14,000	-	45,000	-
Summer Maint-Equip Rent No Op	25,850	-	-	-	-	200	-	-	25,650
Summer Maint-Equip Rent LT	159,400	-	-	-	62,400	-	-	62,400	-
<b>Total Summer Maint-Landscape</b>	<b>280,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,400</b>	<b>18,700</b>	<b>-</b>	<b>107,400</b>	<b>25,650</b>
<b>Maintenance Field-Other</b>									
Field Maint-Other-Garbage	6,000	-	-	-	-	-	-	-	-
Non Runway Brooms	49,400	-	-	-	4,000	-	-	45,000	400
Field Maint-Other/Emerg	25,000	10,000	-	-	-	10,000	-	-	-
Field Maint-Other-Material	12,650	750	-	-	150	1,600	-	150	1,000
Field Maint-Other-Supplies	10,760	-	-	-	500	2,500	500	-	200
Field Maint-Other-Tools	11,000	-	-	-	-	2,750	-	500	1,750
<b>Total Maintenance Field-Other</b>	<b>114,810</b>	<b>10,750</b>	<b>-</b>	<b>-</b>	<b>4,650</b>	<b>16,850</b>	<b>500</b>	<b>45,650</b>	<b>3,350</b>
<b>Total Maintenance - Field</b>	<b>2,766,826</b>	<b>10,750</b>	<b>-</b>	<b>-</b>	<b>315,450</b>	<b>1,284,850</b>	<b>500</b>	<b>266,150</b>	<b>572,450</b>
<b>Maintenance Building</b>									
<b>Building-Temp Control</b>									
Temp Control-Contracts	869,451	507,864	-	108,232	-	500	-	30,110	86,541
Temp Control-Filters	131,998	94,500	-	4,655	-	-	-	-	-
<b>Total Building-Temp Control</b>	<b>1,001,449</b>	<b>602,364</b>	<b>-</b>	<b>112,887</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>30,110</b>	<b>86,541</b>
<b>Building-Mechanical Areas</b>									
Mechanical Areas-APM	2,769,002	1,902,904	-	-	-	-	-	692,878	173,220
Mechanical Areas-Conveyors	358,344	204,255	39,418	-	-	-	-	-	-
Mechanical Areas-Doors	5,207	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	12,500	10,000	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	20,000	20,000	-	-	-	-	-	-	-
Mechanical Areas-Elevators	501,194	471,503	-	-	-	-	-	-	-
Mechanical Areas-Escalator	694,847	660,105	-	-	-	-	-	-	-
Mechanical-Moving Walks	794,110	794,110	-	-	-	-	-	-	-
Mechanical Areas-Other	3,500	-	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	<b>5,158,704</b>	<b>4,062,877</b>	<b>39,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>692,878</b>	<b>173,220</b>
<b>Building-Other</b>									
Other-Boiler Chemicals	87,650	4,000	-	69,850	-	-	-	-	-
Other-Floors/Repairs	7,000	4,300	-	-	-	-	-	-	-
Other-Jetbridge Repairs	91,000	2,500	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	9,900	-	-	-	-	-	-	-	-
Other-Paging System Contract	50,000	50,000	-	-	-	-	-	-	-
Other-Pest Control	150,000	150,000	-	-	-	-	-	-	-
Other-Roofing	40,064	35,000	-	-	-	-	-	-	-
Sump/Septic Pumping	22,229	-	-	-	-	-	-	-	-
Other-Supplies	91,012	11,070	-	5,664	-	-	-	-	-
Other-Tools	6,389	-	-	3,000	-	-	-	-	-
<b>Total Building-Other</b>	<b>555,244</b>	<b>256,870</b>	<b>-</b>	<b>78,514</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Apt Development Projects	60,000	60,000	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	<b>6,775,397</b>	<b>4,982,111</b>	<b>39,418</b>	<b>191,401</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>722,988</b>	<b>259,761</b>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Maintenance-Cleaning</b>									
<b>Cleaning Services</b>									
Cleaning Services-Janitor	7,995,845	5,650,028	155,253	-	-	-	-	-	175,680
Cleaning Services-Windows	1,026,161	688,328	13,091	-	-	-	-	-	112,893
<b>Total Cleaning Services</b>	<u>9,022,006</u>	<u>6,338,356</u>	<u>168,344</u>	-	-	-	-	-	<u>288,573</u>
<b>Cleaning Supplies</b>									
Cleaning Supplies-Bathroom	561,350	515,000	-	-	-	-	-	-	-
Cleaning Supplies-General	14,616	10,000	-	-	-	-	-	-	-
<b>Total Cleaning Supplies</b>	<u>575,966</u>	<u>525,000</u>	-	-	-	-	-	-	-
<b>Rubbish Disposal</b>									
Rubbish Disposal-Recycle	31,180	23,414	-	-	-	530	-	-	-
Rubbish Disposal-Regular	475,000	64,034	-	-	-	217,003	739	3,591	17,948
<b>Total Rubbish Disposal</b>	<u>506,180</u>	<u>87,448</u>	-	-	-	<u>217,533</u>	<u>739</u>	<u>3,591</u>	<u>17,948</u>
Towel Laundry Services	6,218	-	-	-	-	-	-	-	-
Other Cleaning Expenses	2,060	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	<u>10,112,430</u>	<u>6,950,804</u>	<u>168,344</u>	-	-	<u>217,533</u>	<u>739</u>	<u>3,591</u>	<u>306,521</u>
<b>Maintenance-Equipment</b>									
<b>Equipment-Parts</b>									
Parts-Automobiles	145,900	-	-	1,000	-	-	-	-	-
Parts-Boilers Energy Mgmt	101,952	18,290	-	77,328	-	-	-	-	-
Parts-Chiller Energy Mgmt	66,555	9,073	-	48,480	-	-	-	416	1,170
Parts-Other Equipment	50,000	50,000	-	-	-	-	-	-	-
Parts-Equipment	730,527	-	-	-	-	-	-	13,400	212,000
Parts-Other Equipment	50,894	6,000	400	14,585	-	16,000	-	-	100
<b>Total Equipment-Parts</b>	<u>1,145,828</u>	<u>83,363</u>	<u>400</u>	<u>141,393</u>	-	<u>16,000</u>	-	<u>13,816</u>	<u>213,270</u>
<b>Equipment-Shop</b>									
Shop-Batteries	16,621	-	-	-	-	-	-	-	-
Shop-Cleaners/Degreasers	35,619	-	-	-	-	-	-	-	5,000
Shop-Oil Filters	48,035	-	-	-	-	-	-	-	-
Shop-Other Supplies	76,040	350	-	3,534	-	-	-	-	-
Shop-Tires	103,638	-	-	-	-	-	-	-	-
Shop-Tools	28,255	-	-	-	-	2,000	-	-	-
<b>Total Equipment-Shop</b>	<u>308,208</u>	<u>350</u>	-	<u>3,534</u>	-	<u>2,000</u>	-	-	<u>5,000</u>
<b>Equipment-Gas</b>									
Gas-Diesal	270,000	-	-	-	-	-	-	-	-
Gas-Propane	4,200	-	-	-	-	-	-	-	-
Gas-Unleaded	330,000	-	-	2,970	-	3,960	-	4,290	13,530
<b>Total Equipment-Gas</b>	<u>604,200</u>	-	-	<u>2,970</u>	-	<u>3,960</u>	-	<u>4,290</u>	<u>13,530</u>
<b>Equipment-Extinguishers</b>									
Extinguishers-Purchase	1,569	-	-	-	-	-	-	-	-
Extinguishers-Reservice	3,500	-	-	-	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	<u>5,069</u>	-	-	-	-	-	-	-	-
Equipment-Miscellaneous Exp	43,372	-	-	-	-	-	-	26,508	-
<b>Total Maintenance-Equipment</b>	<u>2,106,677</u>	<u>83,713</u>	<u>400</u>	<u>147,897</u>	-	<u>21,960</u>	-	<u>44,614</u>	<u>231,800</u>
<b>Total Maintenance</b>	<u>23,264,316</u>	<u>12,436,653</u>	<u>208,247</u>	<u>344,094</u>	<u>317,567</u>	<u>1,837,806</u>	<u>1,239</u>	<u>1,040,782</u>	<u>1,521,078</u>

MINNEAPOLIS/ST. PAUL METROPOLITAN AIRPORTS COMMISSION

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Total	Lindbergh Terminal	Lindbergh Int'l Facility	Energy Management Center	Ramp Fees	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>Other</b>									
<b>General Insurance</b>									
Gen Ins-Airport Liability	846,191	160,037	-	115,637	25,230	42,049	-	14,086	48,777
Gen Ins-Property	1,219,095	302,382	-	-	39,659	67,436	-	22,983	82,927
Gen Ins-Crime	15,000	3,630	-	-	495	825	-	1,020	510
Gen Ins-Auto/Equipment	270,000	66,690	-	-	8,910	14,850	-	5,130	18,360
Gen Ins-Other	2,500	616	-	-	81	138	-	47	169
<b>Total General Insurance</b>	<b>2,352,786</b>	<b>533,355</b>	<b>-</b>	<b>115,637</b>	<b>74,375</b>	<b>125,298</b>	<b>-</b>	<b>43,266</b>	<b>150,743</b>
<b>Safety</b>									
Safety-Training Materials	1,075	-	-	-	-	-	-	-	-
Safety-Supplies	33,940	6,166	-	3,175	-	-	-	-	-
Safety-Equipment	17,711	-	-	-	-	2,000	-	500	-
<b>Total Safety</b>	<b>52,726</b>	<b>6,166</b>	<b>-</b>	<b>3,175</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>500</b>	<b>-</b>
<b>Medical Information/Supply</b>									
<b>Rentals</b>	<b>30,286</b>	<b>300</b>	<b>-</b>	<b>487</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Rental-Copier	74,265	8,115	-	-	-	4,000	-	5,700	-
Rental-Pagers	19,935	720	-	-	-	990	-	-	-
Rental-Other Equipment	34,109	2,000	-	-	-	-	-	1,400	-
<b>Total Rentals</b>	<b>128,309</b>	<b>10,835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,990</b>	<b>-</b>	<b>7,100</b>	<b>-</b>
<b>Licenses/Permits</b>									
Licenses-Autos/Equipment	3,150	-	-	-	-	-	-	-	-
Licenses-Environmental	7,000	-	-	-	-	-	-	-	-
Licenses-Other	4,990	-	-	1,286	-	-	-	-	-
<b>Total Licenses/Permits</b>	<b>15,140</b>	<b>-</b>	<b>-</b>	<b>1,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous Expenses</b>									
Misc-Firearm/Equip/Supplies	122,545	-	-	-	-	-	-	-	-
Misc-Emergency Response	76,460	600	-	-	-	-	-	-	-
Misc-Other	118,423	-	-	-	-	57,500	-	-	-
<b>Total Miscellaneous Expenses</b>	<b>317,428</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjustments/Bad Debt</b>									
Bad Debt Expense	15,000	-	-	-	-	-	-	-	-
Miscellaneous Adjustments	9,000	-	-	-	-	-	-	-	-
<b>Total Adjustments/Bad Debt</b>	<b>24,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Assets</b>									
<b>Minor Equipment/Assets</b>									
Minor Assets-Tools	76,843	5,450	-	-	-	-	-	1,000	-
Minor Assets-Office Furn	32,449	2,500	-	-	-	-	-	-	-
Minor Assets-Computers	579,054	7,500	17,500	-	-	92,750	-	-	85,850
Minor Assets-Radios	50,490	-	-	-	-	-	-	-	-
Minor Assets-Other	43,146	-	-	-	-	-	-	-	-
<b>Total Minor Equipment/Assets</b>	<b>781,982</b>	<b>15,450</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>92,750</b>	<b>-</b>	<b>1,000</b>	<b>85,850</b>
<b>Total Capital Assets</b>	<b>781,982</b>	<b>15,450</b>	<b>17,500</b>	<b>-</b>	<b>-</b>	<b>92,750</b>	<b>-</b>	<b>1,000</b>	<b>85,850</b>
<b>Total Other</b>	<b>3,702,657</b>	<b>566,706</b>	<b>17,500</b>	<b>120,585</b>	<b>74,375</b>	<b>284,538</b>	<b>-</b>	<b>51,866</b>	<b>236,593</b>
<b>Gross Depreciation</b>	<b>120,000,000</b>	<b>120,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total Excluding Depreciation</b>	<b>131,979,336</b>	<b>24,489,545</b>	<b>227,247</b>	<b>5,618,149</b>	<b>391,942</b>	<b>5,641,534</b>	<b>69,831</b>	<b>4,546,893</b>	<b>9,123,279</b>
<b>Grand Total With Depreciation</b>	<b>251,979,336</b>	<b>144,489,545</b>	<b>227,247</b>	<b>5,618,149</b>	<b>391,942</b>	<b>5,641,534</b>	<b>69,831</b>	<b>4,546,893</b>	<b>9,123,279</b>

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

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**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Personnel</b>								
<b>Wages</b>								
Regular	-	253,455	-	-	-	9,778,456	-	-
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	1,073,389	-	-
Overtime - Regular	-	-	-	-	-	516,618	-	-
<b>Total Overtime/Doubletime</b>	-	-	-	-	-	1,590,007	-	-
Commissioner PerDiem	-	-	-	-	-	-	-	-
Temps - Agency	-	-	-	-	-	-	-	-
Temps - Non Agency	-	98,640	-	-	-	590,516	-	-
<b>Total Wages</b>	-	352,095	-	-	-	11,958,979	-	-
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	1,424	-	-	-	116,746	-	-
EmPLY Insurance Disability	-	454	-	-	-	37,192	-	-
Employee Insurance Family	-	25,639	-	-	-	2,102,365	-	-
Employee Insurance Life	-	577	-	-	-	26,698	-	-
<b>Total Employee Insurance</b>	-	28,093	-	-	-	2,283,001	-	-
<b>Pension</b>								
Fica (Social Security)Base	-	21,110	-	-	-	696,127	-	-
Fica(Social Security)Medic	-	4,906	-	-	-	161,837	-	-
Mpls EmPLY Retirement Fund	-	-	-	-	-	31,511	-	-
Public EmPLY - Police/Fire	-	-	-	-	-	-	-	-
Public EmPLY - Coordinated	-	22,640	-	-	-	658,574	-	-
Merf Unfunded Liability	-	-	-	-	-	58,500	-	-
<b>Total Pension</b>	-	48,656	-	-	-	1,606,548	-	-
<b>Training</b>								
Continuing Ed (College)	-	-	-	-	-	-	-	-
Executive Leadership Train	-	-	-	-	-	-	-	-
Management Requirement	-	-	-	-	-	-	-	-
Organizational Requirement	-	1,030	-	-	-	-	-	-
Regulatory Requirements	-	-	-	-	-	17,393	-	-
Local Seminars	-	-	-	-	-	1,897	-	-
<b>Total Training</b>	-	1,030	-	-	-	19,290	-	-
Post Retirement Benefits	-	2,318	-	4,636	-	282,825	-	-
Workers Compensation	-	3,596	-	-	-	201,277	-	-
Post EmPLY Health Plan	-	1,411	-	-	-	47,494	-	-
Unemployment Tax	-	-	-	-	-	60,000	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	-	-	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	49,473	-	-
Uniforms - Safety Shoes	-	-	-	-	-	20,115	-	135
<b>Total Uniforms</b>	-	-	-	-	-	69,588	-	135
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	51,070	-	-
Regular Severance	-	1,616	-	-	-	27,572	-	-
<b>Total Severance</b>	-	1,616	-	-	-	78,642	-	-
Paid Absence	-	-	-	-	-	823	-	-
Trade Union Benefits	-	-	-	-	-	347,392	-	-
<b>Total Benefits</b>	-	86,720	-	4,636	-	4,996,880	-	135
<b>Total Personnel</b>	-	438,815	-	4,636	-	16,955,860	-	135

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Administrative Expenses</b>								
<b>Supplies</b>								
Office Supplies _Materials	-	450	-	-	-	-	2,100	4,750
<b>Computer Supplies</b>								
Computer Supplies-General	-	300	-	-	-	382	-	100
Computer Supplies-Software	-	-	-	-	-	-	10,800	5,000
Computer - Tools	-	-	-	-	-	-	-	-
<b>Total Computer Supplies</b>	-	300	-	-	-	382	10,800	5,100
<b>Special Supplies</b>								
Special Supplies-Badging	-	-	-	-	-	-	-	-
Special Supply-Film/Photo	-	-	-	-	-	-	25	1,000
Special Supplies-Other	-	350	-	-	-	1,400	300	1,059
<b>Total Special Supplies</b>	-	350	-	-	-	1,400	325	2,059
<b>Total Supplies</b>	-	1,100	-	-	-	1,782	13,225	11,909
<b>Travel</b>								
Travel - Lodging	-	1,500	-	-	-	-	-	997
Travel - Meals	-	-	-	-	-	500	-	389
Travel - Miscellaneous	-	-	-	-	-	-	-	53
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	900	-	-	-	-	-	847
Travel - Shuttle/Taxi/Auto	-	-	-	-	-	-	-	-
<b>Total Travel - Transportation</b>	-	900	-	-	-	-	-	847
Registration Fees	-	-	-	-	-	-	-	202
Mileage	-	850	-	-	-	-	-	467
<b>Total Travel</b>	-	3,250	-	-	-	500	-	2,955
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - On Airport/GO	-	450	-	-	-	-	-	-
Local Mtgs - Off Airport	-	-	-	-	-	-	1,500	-
<b>Total Local Meetings</b>	-	450	-	-	-	-	1,500	-
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	-	-	-	-	-	-	775
Other Information Sources	-	-	-	-	-	-	-	-
Publications/Subscriptions	-	-	-	-	-	-	-	706
<b>Total Information Sources</b>	-	-	-	-	-	-	-	1,481
<b>Printing Costs</b>								
Printing-Publications	-	-	-	-	-	-	-	-
Printing - Color Charts	-	-	-	-	-	-	-	-
Printing - Forms	-	-	-	-	-	-	-	-
Printing-In House Color	-	-	-	-	-	-	-	65
Printing-Stationary/Envel	-	-	-	-	-	-	-	-
<b>Total Printing Costs</b>	-	-	-	-	-	-	-	65
Delivery Services	-	-	-	-	-	-	150	318
Freight Charges	-	1,500	-	-	-	-	-	1,293
Postage	-	-	-	-	-	-	-	-
<b>Total Other Administrative Expense</b>	-	1,950	-	-	-	-	1,650	3,157
<b>Total Administrative Expenses</b>	-	6,300	-	-	-	2,282	14,875	18,020

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	-	-	-	-	-
Affirmative Action Fees	-	-	-	-	-	-	-	-
RFP/Leases	-	-	-	-	-	-	-	-
Concept Develop/Feasible	-	-	-	-	-	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	-	-
Software Consulting	-	-	-	-	-	-	-	-
<b>Total General</b>	-	-	-	-	-	-	-	-
<b>Total Computer Services</b>	-	-	-	-	-	-	-	-
Engineering Fees	-	7,000	10,500	-	-	-	-	-
Graphic Design	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	-	-
Legal - General	-	-	-	-	-	-	-	-
Legal - Federal	-	-	-	-	-	-	-	-
Legal - Relievers	-	-	-	-	-	-	-	-
<b>Total Legal Fees</b>	-	-	-	-	-	-	-	-
<b>Legislative</b>								
Legislative - Local	-	-	-	-	-	-	-	-
Legislative - National	-	-	-	-	-	-	-	-
<b>Total Legislative</b>	-	-	-	-	-	-	-	-
Medical Fees	-	-	-	-	-	-	-	-
<b>Planning</b>								
MSP Int'l	-	-	-	-	-	-	-	-
Relievers	-	-	-	-	-	-	-	-
<b>Total Planning</b>	-	-	-	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	-	-
Public Information Services	-	-	-	-	-	-	-	-
Public Information Services	-	-	-	-	-	-	-	-
Recruiting Employment Fees	-	-	-	-	-	-	-	-
<b>Safety Consultants</b>								
Safety - Training	-	-	-	-	-	-	-	-
Safety - General	-	-	-	-	-	-	-	-
<b>Total Safety Consultants</b>	-	-	-	-	-	-	-	-
Communications Consultant	-	-	-	-	-	-	-	-
Other/Miscellaneous	-	6,950	12,500	-	-	-	-	55,880
Survey Expense	-	-	-	-	-	-	-	-
<b>Total Professional Services</b>	-	13,950	23,000	-	-	-	-	55,880
<b>Utilities</b>								
Electricity	21,480	1,015,825	181,685	-	114,560	-	-	258,655
<b>Heating Fuel</b>								
Heating - Natural Gas	53,500	505,500	-	-	141,000	-	-	275,450
Heating - Fuel Oil	-	-	-	2,087	-	-	-	-
<b>Total Heating Fuel</b>	53,500	505,500	-	2,087	141,000	-	-	275,450
Sewer	-	-	322,055	2,100	100,711	-	-	5,292
Water	-	14,520	800,810	48,576	9,768	-	-	19,668
<b>Telephone</b>								
Telephone - Regular	-	-	-	-	-	-	-	1,600
Telephone - Internet Service	-	-	-	-	-	-	-	-
Telephone - Cellular	-	1,400	-	-	-	-	-	15,403
<b>Total Telephone</b>	-	1,400	-	-	-	-	-	17,003
<b>Total Utilities</b>	74,980	1,537,245	1,304,550	52,763	366,039	-	-	576,068

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Operating Services/Expenses</b>								
<b>Advertising</b>								
Advertising - Employment	-	-	-	-	-	-	-	-
Advertising - General	-	-	-	-	-	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	-
<b>Total Advertising</b>	-	-	-	-	-	-	-	-
<b>Environmental Control</b>								
<b>Hazardous Waste</b>								
Hazardous Waste - FLouresc	-	-	-	-	-	-	-	15,000
Hazardous Waste - General	-	-	-	-	-	-	-	1,500
<b>Total Hazardous Waste</b>	-	-	-	-	-	-	-	16,500
<b>Pollution Control</b>								
Pollution Ctrl-Booms	-	-	15,000	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	-	-	-	-	-	-
Pollution Ctrl-Supplies	-	-	-	-	-	-	-	-
<b>Total Pollution Control</b>	-	-	15,000	-	-	-	-	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	2,000
Laboratory Services	-	-	-	-	-	-	-	-
Solvent Reclamation Service	-	-	-	-	-	-	13,000	750
Tire Disposal	-	-	-	-	-	-	800	-
Other	-	-	-	-	-	-	-	-
<b>Total Environmental Control</b>	-	-	15,000	-	-	-	13,800	19,250
<b>Grd Transportation Services</b>								
AV ID Readers/Controllers	-	-	-	-	-	-	-	-
AV ID Tags	-	-	-	-	-	-	-	-
<b>Total Grd Transportation Services</b>	-	-	-	-	-	-	-	-
<b>Shuttle Services</b>	-	303,580	-	-	-	-	-	-
<b>Parking Lots</b>	-	-	-	-	-	-	-	-
<b>Met Council Fees</b>	-	-	-	-	-	-	-	-
<b>Employee Programs</b>								
<b>Recognition</b>								
<b>Retirement</b>								
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	-	-	-	-	-
Wellness-Health/Wellness	-	-	-	-	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	-	-	-	-	-
<b>Total Wellness</b>	-	-	-	-	-	-	-	-
<b>Total Employee Programs</b>	-	-	-	-	-	-	-	-
<b>Events</b>								
<b>Conference Center</b>								
<b>Emergency Response Exercise</b>	-	100	-	-	-	530	-	-
Other Programs/Events	-	-	-	-	-	-	-	-
Call Back Service	-	-	-	-	-	-	-	-
Republican Convention	-	9,240	-	-	-	7,500	-	-
<b>Total Events</b>	-	9,340	-	-	-	8,030	-	-
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	-	-	-	-	-
IATA Contract Expense	-	-	-	-	-	-	-	-
Security Services Regular	-	-	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	-	-	-	-
Recycling	-	-	-	-	-	-	-	-
Recycling - Sand	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	-	-	-	-	-
Mediation Fees	-	-	-	-	-	-	-	-
Miscellaneous Charges/Fees	36,000	-	-	-	-	-	-	1,230
Jail Fees	-	-	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	36,000	-	-	-	-	-	-	1,230
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service - Facilities C.M.M.I.S	-	-	-	-	-	-	-	-
Service-Computers	-	-	-	-	-	-	-	-
Service-Fitness Equipment	-	-	-	-	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	73,236	-	-	-	-	-	-
Service-Office Equipment	-	200	-	-	-	-	-	-
Service-Other Equipment	-	526,000	-	-	-	-	656	8,400
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	-	-	-	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	-	-	-	-	-	-	11,250
GISW Management	-	-	-	-	-	-	-	-
<b>Total Service Agreements</b>	-	599,436	-	-	-	-	656	19,650
<b>Total Operating Services/Expenses</b>	36,000	912,356	15,000	-	-	8,030	14,456	40,130

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Cargo Area	HHH Terminal	Public Area/Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/Trades
<b>Maintenance</b>								
<b>Trades - Painters</b>								
<b>Paint</b>								
Equipment - Paint	-	-	-	-	-	-	-	3,000
Exterior - Paint	-	1,050	-	1,000	-	-	-	6,000
Interior - Paint	-	2,000	-	2,000	-	-	3,000	-
Paint - Other	-	-	-	-	-	-	-	700
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	-
Traffic Paint - Roads	-	-	11,000	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
<b>Total Paint</b>	-	<b>3,050</b>	<b>11,000</b>	<b>3,000</b>	-	-	<b>3,000</b>	<b>9,700</b>
<b>Signs</b>								
Other Sign Material/Etc	-	-	-	-	-	5,500	-	-
Regulatory - Signs	-	-	-	-	-	-	-	3,342
Exterior Sign Materials	-	-	-	-	-	-	-	7,000
Interior Sign Materials	-	-	-	-	-	-	-	1,194
Reliever Airport Signs	-	-	-	-	-	-	-	-
<b>Total Signs</b>	-	-	-	-	-	<b>5,500</b>	-	<b>11,535</b>
<b>Supplies</b>								
Brushes_Supplies	-	-	-	-	-	-	-	1,061
Paint Supplies - Other	-	-	-	-	-	-	-	1,000
Solvents	-	-	-	-	-	-	-	2,500
Equipment Spray	-	-	-	-	-	-	-	6,556
Paint Tools	-	-	-	-	-	-	-	5,437
<b>Total Supplies</b>	-	-	-	-	-	-	-	<b>16,554</b>
<b>Total Trades - Painters</b>	-	<b>3,050</b>	<b>11,000</b>	<b>3,000</b>	-	<b>5,500</b>	<b>3,000</b>	<b>37,790</b>
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	22,500	-	-	-	-	-	27,508
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	<b>22,500</b>	-	-	-	-	-	<b>27,508</b>
<b>Flags</b>	-	-	-	-	-	-	-	<b>500</b>
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Other	-	-	-	-	-	-	-	-
<b>Total Lumber</b>	-	-	-	-	-	-	-	-
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	5,000
Other - Ceramics	-	5,000	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	2,000
Other - Floor Coverings	-	15,000	-	-	-	-	-	-
Other - Hardware	-	-	-	-	-	-	-	10,160
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	10,000
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	6,500
Other - Seating Replacement	-	4,500	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	3,500
Other - Tug Door Repairs	-	5,500	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	3,200
<b>Total Other</b>	-	<b>30,000</b>	-	-	-	-	-	<b>40,360</b>
<b>Total Trades - Carpenters</b>	-	<b>52,500</b>	-	-	-	-	-	<b>68,368</b>

<b>LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET</b>
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	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Trades - Plumbers</b>								
<b>Contractor Requirements</b>	-	-	-	-	-	-	-	4,000
Fire Protection System	-	13,163	-	8,410	-	-	-	5,000
General Plumbing Supplies	-	3,000	-	5,000	-	-	4,000	14,672
Irrigation Supplies	-	3,080	3,172	106	-	-	-	-
Pumps	-	-	-	275	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	2,000
Water Meters	-	-	-	-	-	-	-	4,000
Plumbing - Other	-	-	-	-	-	-	-	-
<b>Total Trades - Plumbers</b>	-	19,243	3,172	13,791	-	-	4,000	29,672
<b>Trades - Electricians</b>								
<b>Repairs</b>								
Electrical _ Exterior	-	-	-	-	-	-	-	18,030
Generator Maint. Contract	-	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-	-
Unit Maint. Contract	-	-	-	-	-	-	-	-
<b>Total Repairs</b>	-	-	-	-	-	-	-	18,030
<b>Other</b>								
Other - Batteries	-	-	-	-	-	-	-	546
Other-Field Lights/Sensors	-	42,436	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	-
Other - General Supplies	-	9,288	5,464	833	-	-	1,355	34,602
Other - Miscellaneous	-	-	-	-	-	-	-	1,000
Other - Motor	-	-	-	190	-	-	742	811
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	8,769
<b>Total Other</b>	-	51,724	5,464	1,023	-	-	2,097	45,728
<b>Total Trades - Electricians</b>	-	51,724	5,464	1,023	-	-	2,097	63,758

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Cargo Area	HHH Terminal	Public Area/Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/Trades
<b>Maintenance - Field</b>								
<b>Snow Removal - Materials</b>								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	1,000	-	-	-	-	-
Materials - Salt	-	-	60,000	-	-	-	-	-
Materials - Sand	-	-	-	-	-	-	-	-
Materials - Urea	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Materials</b>	-	-	61,000	-	-	-	-	-
<b>Snow Removal - Equipment</b>								
Equipment - Contract	35,000	-	-	-	-	-	-	-
Equipment - Snow Haulers	-	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	-
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	-
Equipment-Rent-No Operator	-	-	25,200	-	-	-	-	-
<b>Total Snow Removal - Equipment</b>	35,000	-	25,200	-	-	-	-	-
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	-
Snow Removal - Plow Blades	-	-	10,000	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	4,000	-	-	-	-	-	1,000	-
<b>Total Snow Removal - Miscellan</b>	4,000	-	10,000	-	-	-	1,000	-
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	2,000	-	-	-	-	-
Surface Repair-Asphalt	-	-	2,000	-	-	-	-	-
Surface Repair-Cement	-	-	250	-	-	-	-	-
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	-
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surface</b>	-	-	4,250	-	-	-	-	-
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	-	-	-	-	-	3,000	-
Landscape/Turf-Materials	-	-	6,000	-	-	-	-	-
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	34,600	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	-	-	40,600	-	-	-	3,000	-
<b>Maintenance Field-Other</b>								
Field Maint-Other-Garbage	-	-	6,000	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	5,000	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	9,000	-
Field Maint-Other-Supplies	-	-	2,500	-	-	-	1,500	-
Field Maint-Other-Tools	-	-	500	-	-	-	5,500	-
<b>Total Maintenance Field-Other</b>	-	-	14,000	-	-	-	16,000	-
<b>Total Maintenance - Field</b>	39,000	-	155,050	-	-	-	20,000	-
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	63,555	-	15,000	6,873	-	-	12,000
Temp Control-Filters	-	28,000	-	-	1,680	-	-	262
<b>Total Building-Temp Control</b>	-	91,555	-	15,000	8,553	-	-	12,262
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	114,671	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Pub	-	2,500	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	24,816	-	-	-	-	-	-
Mechanical Areas-Escalator	-	34,742	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	-
<b>Total Building-Mechanical Areas</b>	-	176,729	-	-	-	-	-	-
<b>Building-Other</b>								
Other-Boiler Chemicals	-	12,000	-	1,800	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	2,700
Other-Jetbridge Repairs	-	88,500	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	9,900
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	-
Sump/Septic Pumping	-	-	-	-	-	-	-	22,229
Other-Supplies	62,400	-	-	-	-	-	-	3,697
Other-Tools	-	-	-	-	-	-	-	3,389
<b>Total Building-Other</b>	62,400	100,500	-	1,800	-	-	-	41,915
Apt Development Projects	-	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	62,400	368,784	-	16,800	8,553	-	-	54,177

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Maintenance-Cleaning</b>								
<b>Cleaning Services</b>								
Cleaning Services-Janitor	21,884	1,137,638	-	-	17,174	-	-	165,185
Cleaning Services-Windows	300	197,241	-	-	327	-	-	704
<b>Total Cleaning Services</b>	<b>22,184</b>	<b>1,334,879</b>	<b>-</b>	<b>-</b>	<b>17,501</b>	<b>-</b>	<b>-</b>	<b>165,889</b>
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	46,350	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	1,000	-
<b>Total Cleaning Supplies</b>	<b>-</b>	<b>46,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	2,535	-	2,700	-	-	-	1,220
Rubbish Disposal-Regular	-	54,380	3,591	9,309	-	-	-	28,091
<b>Total Rubbish Disposal</b>	<b>-</b>	<b>56,915</b>	<b>3,591</b>	<b>12,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,311</b>
Towel Laundry Services	-	-	-	-	-	-	-	-
Other Cleaning Expenses	-	-	-	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	<b>22,184</b>	<b>1,438,144</b>	<b>3,591</b>	<b>12,009</b>	<b>17,501</b>	<b>-</b>	<b>1,000</b>	<b>195,200</b>
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	-	-	-	-	-	80,000	-
Parts-Boilers Energy Mgmt	-	-	-	-	1,608	-	-	-
Parts-Chiller Energy Mgmt	50	1,758	-	3,303	2,005	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	-	-	-	-	-	315,000	-
Parts-Other Equipment	-	3,546	-	248	-	-	5,800	3,421
<b>Total Equipment-Parts</b>	<b>50</b>	<b>5,304</b>	<b>-</b>	<b>3,551</b>	<b>3,613</b>	<b>-</b>	<b>400,800</b>	<b>3,421</b>
<b>Equipment-Shop</b>								
Shop-Batteries	-	-	-	-	-	-	12,000	500
Shop-Cleaners/Degreasers	-	-	-	-	-	-	30,000	-
Shop-Oil .Filters	-	-	-	-	-	-	35,000	-
Shop-Other Supplies	-	-	-	-	-	-	60,000	2,348
Shop-Tires	-	-	-	-	-	-	50,000	-
Shop-Tools	-	-	-	-	-	-	18,000	4,476
<b>Total Equipment-Shop</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,000</b>	<b>7,324</b>
<b>Equipment-Gas</b>								
Gas-Diesal	-	-	-	-	-	-	207,900	4,320
Gas-Propane	-	-	-	-	-	-	3,000	1,200
Gas-Unleaded	-	-	-	-	-	-	136,080	33,210
<b>Total Equipment-Gas</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346,980</b>	<b>38,730</b>
<b>Equipment-Extinguishers</b>								
Extinguishers-Purchase	-	-	-	-	-	-	-	-
Extinguishers-Reservice	-	-	-	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Equipment-Miscellaneous Exp	-	750	-	-	-	-	10,000	-
<b>Total Maintenance-Equipment</b>	<b>50</b>	<b>6,054</b>	<b>-</b>	<b>3,551</b>	<b>3,613</b>	<b>-</b>	<b>962,780</b>	<b>49,475</b>
<b>Total Maintenance</b>	<b>123,634</b>	<b>1,939,499</b>	<b>178,277</b>	<b>50,174</b>	<b>29,667</b>	<b>5,500</b>	<b>992,877</b>	<b>498,439</b>

## LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET

	Cargo Area	HHH Terminal	Public Area/ Roads	West Terminal	Hangars & Other Bldgs	Maintenance Employees	Equipment Maintenance	Inventory/ Trades
<b>Other</b>								
<b>General Insurance</b>								
Gen Ins-Airport Liability	-	25,621	14,297	-	14,297	-	82,416	5,169
Gen Ins-Property	-	41,155	22,983	-	19,905	-	127,913	5,872
Gen Ins-Crime	-	285	240	-	360	-	1,575	90
Gen Ins-Auto/Equipment	-	9,180	5,130	-	4,320	-	28,350	1,620
Gen Ins-Other	-	83	47	41	11	-	262	15
<b>Total General Insurance</b>	-	<b>76,324</b>	<b>42,697</b>	<b>41</b>	<b>38,893</b>	-	<b>240,516</b>	<b>12,766</b>
<b>Safety</b>								
Safety-Training Materials	-	-	-	-	-	-	-	-
Safety-Supplies	-	-	5,000	-	-	750	-	9,452
Safety-Equipment	-	-	2,000	-	-	4,250	361	1,100
<b>Total Safety</b>	-	-	<b>7,000</b>	-	-	<b>5,000</b>	<b>361</b>	<b>10,552</b>
<b>Medical Information/Supply</b>								
<b>Rentals</b>	-	-	-	-	-	-	-	1,900
Rental-Copier	-	-	-	-	-	-	3,000	13,350
Rental-Pagers	-	-	-	-	-	-	-	2,475
Rental-Other Equipment	-	2,670	-	-	-	-	-	17,999
<b>Total Rentals</b>	-	<b>2,670</b>	-	-	-	-	<b>3,000</b>	<b>33,824</b>
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	-	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	-	-
Licenses-Other	-	-	-	-	-	-	-	2,550
<b>Total Licenses/Permits</b>	-	-	-	-	-	-	-	<b>2,550</b>
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	-	-	-	-	-	-	-
Misc-Emergency Response	-	-	-	-	-	-	-	-
Misc-Other	-	-	-	-	-	318	500	1,000
<b>Total Miscellaneous Expenses</b>	-	-	-	-	-	<b>318</b>	<b>500</b>	<b>1,000</b>
<b>Adjustments/Bad Debt</b>								
Bad Debt Expense	-	-	-	-	-	-	-	-
Miscellaneous Adjustments	-	-	-	-	-	-	-	-
<b>Total Adjustments/Bad Debt</b>	-	-	-	-	-	-	-	-
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	-	-	-	-	36,920	28,473
Minor Assets-Office Furn	-	-	-	-	-	-	-	-
Minor Assets-Computers	-	5,100	-	-	-	-	11,900	3,300
Minor Assets-Radios	-	-	-	-	-	-	-	500
Minor Assets-Other	-	-	-	-	-	-	-	-
<b>Total Minor Equipment/Assets</b>	-	<b>5,100</b>	-	-	-	-	<b>48,820</b>	<b>32,273</b>
<b>Total Capital Assets</b>	-	<b>5,100</b>	-	-	-	-	<b>48,820</b>	<b>32,273</b>
<b>Total Other</b>	-	<b>84,094</b>	<b>49,697</b>	<b>41</b>	<b>38,893</b>	<b>5,318</b>	<b>293,197</b>	<b>94,865</b>
<b>Gross Depreciation</b>	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	234,614	4,932,259	1,570,524	107,614	434,599	16,976,991	1,315,404	1,283,538
<b>Grand Total With Depreciation</b>	234,614	4,932,259	1,570,524	107,614	434,599	16,976,991	1,315,404	1,283,538

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

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**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Personnel</b>								
<b>Wages</b>								
Regular	-	7,625,864	3,117,100	9,060,175	625,058	1,970,300	924,392	1,783,939
<b>Overtime/Doubletime</b>								
Doubletime - Regular	-	-	-	-	-	-	-	44,777
Overtime - Regular	-	557,115	411,107	14,531	-	183,060	-	96,885
<b>Total Overtime/Doubletime</b>	-	557,115	411,107	14,531	-	183,060	-	141,662
Commissioner PerDiem	-	-	-	18,000	-	-	-	-
Temps - Agency	-	-	-	24,440	-	-	-	-
Temps - Non Agency	-	780,917	-	20,200	-	-	6,720	10,039
<b>Total Wages</b>	-	8,963,896	3,528,207	9,137,346	625,058	2,153,360	931,112	1,935,640
<b>Benefits</b>								
<b>Employee Insurance</b>								
Employee Insurance Dental	-	84,000	34,881	99,661	5,695	19,932	8,542	20,644
EmPLY Insurance Disability	-	26,760	11,112	31,749	1,814	6,350	2,721	6,577
Employee Insurance Family	-	1,512,678	628,146	1,794,702	102,554	358,940	153,832	371,760
Employee Insurance Life	-	21,143	8,879	27,474	1,709	5,553	2,660	4,843
<b>Total Employee Insurance</b>	-	1,644,581	683,018	1,953,587	111,772	390,775	167,756	403,824
<b>Pension</b>								
Fica (Social Security)Base	-	151,644	2,667	569,544	38,225	132,561	55,370	106,808
Fica(Social Security)Medic	-	126,423	54,561	140,939	9,041	31,085	13,431	25,607
Mpls EmPLY Retirement Fund	-	10,168	-	46,057	-	-	-	9,058
Public EmPLY - Police/Fire	-	828,977	476,444	-	-	-	-	-
Public EmPLY - Coordinated	-	115,365	-	631,369	40,538	139,388	62,471	114,246
Merf Unfunded Liability	-	46,800	5,148	93,600	250,000	-	-	30,420
<b>Total Pension</b>	-	1,279,377	538,820	1,481,509	337,805	303,034	131,272	286,138
<b>Training</b>								
Continuing Ed (College)	-	-	-	75,000	-	-	-	-
Executive Leadership Train	-	-	-	54,000	-	-	-	-
Management Requirement	-	-	2,500	11,900	-	4,914	-	-
Organizational Requirement	-	-	-	14,700	-	-	-	-
Regulatory Requirements	-	-	35,500	16,250	-	13,000	1,015	-
Local Seminars	-	40,400	1,000	35,255	-	3,341	1,615	-
<b>Total Training</b>	-	40,400	39,000	207,105	-	21,255	2,630	-
Post Retirement Benefits	-	190,096	92,729	213,278	558,893	44,047	32,455	62,588
Workers Compensation	-	116,888	55,413	162,714	-	36,167	19,247	37,365
Post EmPLY Health Plan	-	13,592	14,346	54,536	3,536	11,205	5,027	7,643
Unemployment Tax	-	-	-	-	-	-	-	-
<b>Uniforms</b>								
Uniforms-Police/Fire Allow	-	146,500	38,250	-	-	-	-	-
Uniforms-Rental	-	-	-	-	-	2,384	-	19,730
Uniforms - Safety Shoes	-	-	-	-	-	-	-	2,556
<b>Total Uniforms</b>	-	146,500	38,250	-	-	2,384	-	22,286
<b>Severance</b>								
Contract Allowance	-	-	-	-	-	-	-	1,965
Regular Severance	-	16,544	18,631	37,320	-	3,970	-	9,099
<b>Total Severance</b>	-	16,544	18,631	37,320	-	3,970	-	11,064
Paid Absence	-	-	-	5,750	-	-	-	-
Trade Union Benefits	-	-	-	-	-	-	-	-
<b>Total Benefits</b>	-	3,447,979	1,480,207	4,115,799	1,012,006	812,837	358,386	830,908
<b>Total Personnel</b>	-	12,411,875	5,008,414	13,253,145	1,637,064	2,966,197	1,289,499	2,766,547

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Administrative Expenses</b>								
<b>Supplies</b>								
Office Supplies _Materials	-	45,000	7,210	61,986	3,500	13,700	6,861	4,483
<b>Computer Supplies</b>								
Computer Supplies-General	-	-	-	29,860	-	16,000	4,310	-
Computer Supplies-Software	-	27,500	11,400	115,710	1,000	17,000	4,710	-
Computer - Tools	-	-	-	-	2,500	-	-	-
<b>Total Computer Supplies</b>	-	27,500	11,400	145,570	3,500	33,000	9,020	-
<b>Special Supplies</b>								
Special Supplies-Badging	-	190,300	-	-	-	-	-	-
Special Supply-Film/Photo	-	13,800	-	15,150	-	2,000	-	-
Special Supplies-Other	-	21,830	-	16,400	2,500	4,000	250	-
<b>Total Special Supplies</b>	-	225,930	-	31,550	2,500	6,000	250	-
<b>Total Supplies</b>	-	298,430	18,610	239,106	9,500	52,700	16,131	4,483
<b>Travel</b>								
Travel - Lodging	-	13,300	2,500	49,934	3,060	5,615	6,900	3,050
Travel - Meals	-	4,750	1,030	12,745	575	837	1,300	728
Travel - Miscellaneous	-	500	-	5,779	-	22	-	-
<b>Travel - Transportation</b>								
Travel - Transport/Airfare	-	3,400	1,500	83,621	3,000	4,685	8,000	2,700
Travel - Shuttle/Taxi/Auto	-	1,000	200	5,405	400	180	-	250
<b>Total Travel - Transportation</b>	-	4,400	1,700	89,026	3,400	4,865	8,000	2,950
Registration Fees	-	2,550	1,200	41,675	3,440	3,100	3,073	3,650
Mileage	-	5,400	500	37,006	1,950	895	653	-
<b>Total Travel</b>	-	30,900	6,930	236,165	12,425	15,334	19,926	10,378
<b>Other Administrative Expense</b>								
<b>Local Meetings</b>								
Local Mtgs - On Airport/GO	-	1,545	-	2,700	-	705	310	-
Local Mtgs - Off Airport	-	11,745	-	8,960	200	450	258	3,000
<b>Total Local Meetings</b>	-	13,290	-	11,660	200	1,155	568	3,000
<b>Information Sources</b>								
Memberships/Dues/Pro Assoc	-	10,640	1,545	212,439	480	3,362	550	2,525
Other Information Sources	-	1,854	4,342	55,800	15,194	11,800	7,002	-
Publications/Subscriptions	-	2,450	600	24,445	1,143	3,700	1,172	-
<b>Total Information Sources</b>	-	14,944	6,487	292,684	16,817	18,862	8,724	2,525
<b>Printing Costs</b>								
Printing-Publications	-	4,000	-	50,200	-	25,250	5,921	15,000
Printing - Color Charts	-	-	-	806	-	-	-	-
Printing - Forms	-	10,000	900	11,100	500	-	-	-
Printing-In House Color	-	-	-	-	-	-	-	-
Printing-Stationary/Envel	-	4,120	-	6,964	3,000	-	-	-
<b>Total Printing Costs</b>	-	18,120	900	69,070	3,500	25,250	5,921	15,000
Delivery Services	-	500	-	12,113	300	550	336	203
Freight Charges	-	600	-	186	-	250	-	-
Postage	-	900	-	44,123	-	-	-	246
<b>Total Other Administrative Expense</b>	-	48,354	7,387	429,836	20,817	46,067	15,549	20,974
<b>Total Administrative Expenses</b>	-	377,684	32,927	905,107	42,742	114,101	51,606	35,835

<b>LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET</b>
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	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Professional Services</b>								
Accounting/Audit Fees	-	-	-	194,000	-	-	-	-
Affirmative Action Fees	-	-	-	77,000	-	-	-	-
<b>RFP/Leases</b>	-	-	-	60,000	60,000	-	-	-
<b>Concept Develop/Feasible</b>	-	-	-	20,000	24,000	-	-	-
<b>Computer Services</b>								
<b>General</b>								
ANOMS Consulting	-	-	-	-	-	-	57,500	-
Software Consulting	-	-	-	102,500	-	-	-	-
<b>Total General</b>	-	-	-	102,500	-	-	57,500	-
<b>Total Computer Services</b>	-	-	-	102,500	-	-	57,500	-
Engineering Fees	-	-	-	24,000	50,000	80,000	20,000	76,500
Graphic Design	-	-	-	20,000	-	-	-	10,000
Labor Relations	-	-	-	15,450	-	-	-	-
<b>Legal Fees</b>								
Legal - Environmental	-	-	-	-	-	-	364,000	-
Legal - General	-	-	-	994,000	-	-	-	-
Legal - Federal	-	-	-	50,000	-	-	-	-
Legal - Relievers	-	-	-	492,000	-	-	-	-
<b>Total Legal Fees</b>	-	-	-	1,536,000	-	-	364,000	-
<b>Legislative</b>								
Legislative - Local	-	-	-	92,000	-	-	-	-
Legislative - National	-	-	-	198,000	-	-	-	-
<b>Total Legislative</b>	-	-	-	290,000	-	-	-	-
Medical Fees	-	-	8,200	47,000	-	-	-	-
<b>Planning</b>								
MSP Int'l	-	-	-	-	-	-	-	-
Relievers	-	-	-	400,000	-	-	-	-
<b>Total Planning</b>	-	-	-	400,000	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-	-	2,575	2,412
Public Information Services	-	-	-	185,000	-	-	-	20,600
Public Information Services	-	-	-	15,000	-	-	-	-
Recruiting Employment Fees	-	-	-	115,000	-	-	-	-
<b>Safety Consultants</b>								
Safety - Training	-	6,350	-	-	-	-	-	-
Safety - General	-	-	-	10,000	-	-	-	-
<b>Total Safety Consultants</b>	-	6,350	-	10,000	-	-	-	-
Communications Consultant	-	-	-	52,500	-	-	-	-
Other/Miscellaneous	-	34,000	10,500	613,032	-	120,000	80,559	193,000
Survey Expense	-	-	-	-	-	-	-	-
<b>Total Professional Services</b>	-	40,350	18,700	3,776,482	134,000	200,000	524,634	302,512
<b>Utilities</b>								
Electricity	-	-	146,780	102,925	-	-	3,580	194,215
<b>Heating Fuel</b>								
Heating - Natural Gas	-	-	73,500	184,500	-	-	-	105,450
Heating - Fuel Oil	-	-	-	-	-	-	-	-
<b>Total Heating Fuel</b>	-	-	73,500	184,500	-	-	-	105,450
Sewer	-	-	885	168	-	-	-	1,389
Water	-	-	1,584	1,056	-	-	-	4,126
<b>Telephone</b>								
Telephone - Regular	-	210	700	139,000	300	79,000	30,900	34,280
Telephone - Internet Service	-	-	-	78,480	700	-	-	-
Telephone - Cellular	-	26,120	5,200	25,565	300	14,975	4,700	9,322
<b>Total Telephone</b>	-	26,330	5,900	243,045	1,300	93,975	35,600	43,602
<b>Total Utilities</b>	-	26,330	228,649	531,694	1,300	93,975	39,180	348,782

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Operating Services/Expenses</b>								
<b>Advertising</b>								
Advertising - Employment	-	-	-	48,000	-	-	-	-
Advertising - General	-	2,500	-	217,700	5,500	-	-	-
Advertising - Parking	-	-	-	-	-	-	-	-
Advertising - Relievers	-	-	-	-	-	-	-	20,600
<b>Total Advertising</b>	-	2,500	-	265,700	5,500	-	-	20,600
<b>Environmental Control</b>								
<b>Hazardous Waste</b>								
Hazardous Waste - FLOuresc	-	-	-	-	-	-	-	-
Hazardous Waste - General	-	-	-	200	-	-	-	-
<b>Total Hazardous Waste</b>	-	-	-	200	-	-	-	-
<b>Pollution Control</b>								
Pollution Ctrl-Booms	-	-	-	-	-	-	-	-
Pollution Ctrl-Corn Cobs	-	-	10,500	-	-	-	-	-
Pollution Ctrl-Supplies	-	-	-	-	-	-	374	-
<b>Total Pollution Control</b>	-	-	10,500	-	-	-	374	-
Industrial Waste Mgmt	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	2,000	-	-	500	-
Solvent Reclamation Service	-	-	-	-	-	-	-	6,800
Tire Disposal	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	128,132
<b>Total Environmental Control</b>	-	-	10,500	2,200	-	-	874	134,932
<b>Grd Transportation Services</b>								
AV ID Readers/Controllers	-	-	-	-	-	-	-	-
AV ID Tags	-	-	-	-	-	-	-	-
<b>Total Grd Transportation Services</b>	-	-	-	-	-	-	-	-
<b>Shuttle Services</b>								
<b>Parking Lots</b>								
<b>Met Council Fees</b>								
<b>Employee Programs</b>								
<b>Recognition</b>								
Recognition	-	-	-	50,000	-	-	-	-
<b>Retirement</b>								
Retirement	-	-	-	2,500	-	-	-	-
<b>Wellness</b>								
Wellness - Fitness Program	-	-	-	90,720	-	-	-	-
Wellness-Health/Wellness	-	-	-	16,050	-	-	-	-
Wellness-Nutrition/Stress	-	-	-	6,500	-	-	-	-
<b>Total Wellness</b>	-	-	-	113,270	-	-	-	-
<b>Total Employee Programs</b>	-	-	-	165,770	-	-	-	-
<b>Events</b>								
<b>Conference Center</b>								
Conference Center	-	-	-	-	45,000	-	-	-
<b>Emergency Response Exercise</b>								
Emergency Response Exercise	-	-	500	4,000	-	6,052	-	-
Other Programs/Events	-	2,000	-	9,300	-	-	-	1,100
Call Back Service	-	-	-	-	-	-	-	-
Republican Convention	-	100,000	-	146,000	-	10,962	-	209,565
<b>Total Events</b>	-	102,000	500	159,300	45,000	17,014	-	210,665
<b>Other Charges/Fees</b>								
Bank Charges	-	-	-	180,000	-	-	-	-
IATA Contract Expense	-	-	-	43,000	-	-	-	-
Security Services Regular	-	643,560	-	-	-	-	-	-
Security Services Check Pt	-	-	-	-	-	-	-	-
Concessions Marketing	-	-	-	-	600,000	-	-	-
Recycling	-	-	-	-	-	-	500	-
Recycling - Sand	-	-	-	-	-	-	-	-
Copy Agreement	-	-	-	150,000	-	-	-	-
Mediation Fees	-	-	-	7,200	-	-	-	-
Miscellaneous Charges/Fees	-	35,700	-	30,215	-	-	-	26,534
Jail Fees	-	12,000	-	-	-	-	-	-
<b>Total Other Charges/Fees</b>	-	691,260	-	410,415	600,000	-	500	26,534
<b>Service Agreements</b>								
Service - Bldg Inspection	-	-	-	-	-	-	-	-
Service - Facilities C.M.M.I.S	-	-	-	-	-	-	-	-
Service-Computers	-	75,157	5,500	863,537	-	71,868	85,802	-
Service-Fitness Equipment	-	-	3,500	824	-	-	-	-
Service-Grd Trans Equip	-	-	-	-	-	-	-	-
Service-Loading Dock	-	-	-	-	-	-	-	-
Service-Office Equipment	-	31,649	-	6,842	1,230	720	-	-
Service-Other Equipment	-	34,000	16,500	5,508	3,090	4,500	2,038	878
Service-Parking Equipment	-	-	-	-	-	-	-	-
Service-Telephone Systems	-	-	-	50,000	-	16,734	-	-
Service-Secured Access	-	-	-	-	-	-	-	-
Service-Radios	-	44,250	15,000	115,730	-	6,250	-	-
GISW Management	-	-	-	-	-	-	-	-
<b>Total Service Agreements</b>	-	185,056	40,500	1,042,441	4,320	100,072	87,840	878
<b>Total Operating Services/Expenses</b>	-	980,816	51,500	2,045,826	654,820	117,086	89,214	393,609

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance</b>								
<b>Trades - Painters</b>								
<b>Paint</b>								
Equipment - Paint	-	-	-	-	-	-	-	-
Exterior - Paint	-	-	-	-	-	-	-	-
Interior - Paint	-	-	-	-	-	-	-	-
Paint - Other	-	-	-	-	-	-	-	-
Traffic Paint - Parking	-	-	-	-	-	-	-	-
Reliever Airport - Paint	-	-	-	-	-	-	-	6,429
Traffic Paint - Roads	-	-	-	-	-	-	-	-
Traffic Paint - Runways	-	-	-	-	-	-	-	-
<b>Total Paint</b>	-	-	-	-	-	-	-	6,429
<b>Signs</b>								
Other Sign Material/Etc	-	-	-	-	-	-	-	-
Regulatory - Signs	-	-	-	-	-	-	-	-
Exterior Sign Materials	-	-	-	-	-	-	-	-
Interior Sign Materials	-	-	-	-	-	-	-	-
Reliever Airport Signs	-	-	-	-	-	-	-	7,259
<b>Total Signs</b>	-	-	-	-	-	-	-	7,259
<b>Supplies</b>								
Brushes_Supplies	-	-	-	-	-	-	-	-
Paint Supplies - Other	-	-	-	-	-	-	-	-
Solvents	-	-	-	-	-	-	-	-
Equipment Spray	-	-	-	-	-	-	-	-
Paint Tools	-	-	-	-	-	-	-	-
<b>Total Supplies</b>	-	-	-	-	-	-	-	-
<b>Total Trades - Painters</b>	-	-	-	-	-	-	-	13,688
<b>Trades - Carpenters</b>								
<b>Locks</b>								
Locks - Doors	-	-	-	-	-	-	-	2,300
Locks - Door Tags/ID	-	-	-	-	-	-	-	-
<b>Total Locks</b>	-	-	-	-	-	-	-	2,300
<b>Flags</b>	-	-	-	-	-	-	-	124
<b>Lumber</b>								
Lumber-Cabinets	-	-	-	-	-	-	-	-
Lumber-Other	-	-	-	-	-	-	-	1,524
<b>Total Lumber</b>	-	-	-	-	-	-	-	1,524
<b>Other</b>								
Other - Attic Stock	-	-	-	-	-	-	-	-
Other - Ceilings	-	-	-	-	-	-	-	-
Other - Ceramics	-	-	-	-	-	-	-	-
Other - Doors	-	-	-	-	-	-	-	-
Other - Floor Coverings	-	-	-	-	-	-	-	-
Other - Hardware	-	-	-	-	-	-	-	-
Other - Auto Door Supplis RPL	-	-	-	-	-	-	-	-
Other - Saw Blades	-	-	-	-	-	-	-	-
Other - Screws/Bolts	-	-	-	-	-	-	-	-
Other - Seating Replacement	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
Other - Tug Door Repairs	-	-	-	-	-	-	-	-
Other - Tug Drive Floor Maint.	-	-	-	-	-	-	-	-
Other - Wall Protection	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	-	-	-	-	-	-	-
<b>Total Trades - Carpenters</b>	-	-	-	-	-	-	-	3,948

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Trades - Plumbers</b>								
<b>Contractor Requirements</b>	-	-	-	-	-	-	-	-
Fire Protection System	-	-	3,720	1,700	-	-	-	19,346
General Plumbing Supplies	-	-	4,200	3,000	-	-	-	-
Irrigation Supplies	-	-	-	743	-	-	-	-
Pumps	-	-	-	-	-	-	-	-
Underground Utilities	-	-	-	-	-	-	-	-
Water Distribution Systems	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-
Plumbing - Other	-	-	-	-	-	-	-	15,826
<b>Total Trades - Plumbers</b>	-	-	7,920	5,443	-	-	-	35,172
<b>Trades - Electricians</b>								
<b>Repairs</b>								
Electrical _ Exterior	-	-	-	-	-	-	-	27,010
Generator Maint. Contract	-	-	-	-	-	-	-	-
Electrical - Interior	-	-	-	-	-	-	-	3,684
Unit Maint. Contract	-	-	-	-	126,000	-	-	-
<b>Total Repairs</b>	-	-	-	-	126,000	-	-	30,694
<b>Other</b>								
Other - Batteries	-	-	225	179	-	-	-	-
Other-Field Lights/Sensors	-	-	-	-	-	-	-	-
Other - Gate Supplies	-	-	-	-	-	-	-	18,345
Other - General Supplies	-	-	-	-	-	-	-	-
Other - Miscellaneous	-	-	-	-	-	-	-	-
Other - Motor	-	-	-	-	-	-	-	-
Other - Secured Access Sys	-	-	-	-	-	-	-	-
Other - Tools	-	-	-	-	-	-	-	-
<b>Total Other</b>	-	-	225	179	-	-	-	18,345
<b>Total Trades - Electricians</b>	-	-	225	179	126,000	-	-	49,039

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance - Field</b>								
<b>Snow Removal - Materials</b>								
Materials - Sodium Acetate	-	-	-	-	-	-	-	-
Materials-Liquid Anti Icer	-	-	-	-	-	-	-	-
Materials-Other Ice Ctrl	-	-	-	-	-	-	-	-
Materials - Salt	-	-	-	-	-	-	-	1,012
Materials - Sand	-	-	-	-	-	-	-	16,463
Materials - Urea	-	-	-	-	-	-	-	5,584
<b>Total Snow Removal - Materials</b>	-	-	-	-	-	-	-	23,059
<b>Snow Removal - Equipment</b>								
Equipment - Contract	-	-	-	-	-	-	-	-
Equipment - Snow Haulers	-	-	-	-	-	-	-	-
Equipment - Other	-	-	-	-	-	-	-	798
Equip Rent-No Operator-5.5	-	-	-	-	-	-	-	5,000
Equipment-Rent-No Operator	-	-	-	-	-	-	-	10,000
<b>Total Snow Removal - Equipment</b>	-	-	-	-	-	-	-	15,798
<b>Snow Removal - Miscellan</b>								
Snow Removal - Meals	-	-	-	-	-	-	-	469
Snow Removal - Plow Blades	-	-	-	-	-	-	-	-
Snow Removal - Runway Brm	-	-	-	-	-	-	-	-
Snow Melters	-	-	-	-	-	-	-	-
<b>Total Snow Removal - Miscellan</b>	-	-	-	-	-	-	-	469
<b>Summer Maintenance-Surface</b>								
Surface Repair-Aggregate	-	-	-	-	-	-	-	4,952
Surface Repair-Asphalt	-	-	-	-	-	-	-	19,294
Surface Repair-Cement	-	-	-	-	-	-	-	2,964
Surface Repair-Other	-	-	-	-	-	-	-	-
Surface Rubber Removal	-	-	-	-	-	-	-	10,300
Surface Repair-Saw Blades	-	-	-	-	-	-	-	-
Surface Repair-Hot Sealant	-	-	-	-	-	-	-	-
<b>Total Summer Maintenance-Surfac</b>	-	-	-	-	-	-	-	37,510
<b>Summer Maint-Landscape</b>								
Summer Maintenance-Fencing	-	500	-	-	-	-	-	5,965
Landscape/Turf-Materials	-	-	-	-	-	-	-	16,265
Summer Maint-Equip Rent No Op	-	-	-	-	-	-	-	-
Summer Maint-Equip Rent LT	-	-	-	-	-	-	-	-
<b>Total Summer Maint-Landscape</b>	-	500	-	-	-	-	-	22,230
<b>Maintenance Field-Other</b>								
Field Maint-Other-Garbage	-	-	-	-	-	-	-	-
Non Runway Brooms	-	-	-	-	-	-	-	-
Field Maint-Other/Emerg	-	-	-	-	-	-	-	-
Field Maint-Other-Material	-	-	-	-	-	-	-	-
Field Maint-Other-Supplies	-	-	-	-	-	-	-	3,060
Field Maint-Other-Tools	-	-	-	-	-	-	-	-
<b>Total Maintenance Field-Other</b>	-	-	-	-	-	-	-	3,060
<b>Total Maintenance - Field</b>	-	500	-	-	-	-	-	102,126
<b>Maintenance Building</b>								
<b>Building-Temp Control</b>								
Temp Control-Contracts	-	-	13,405	10,000	-	-	-	15,371
Temp Control-Filters	-	-	-	-	-	-	-	2,901
<b>Total Building-Temp Control</b>	-	-	13,405	10,000	-	-	-	18,272
<b>Building-Mechanical Areas</b>								
Mechanical Areas-APM	-	-	-	-	-	-	-	-
Mechanical Areas-Conveyors	-	-	-	-	-	-	-	-
Mechanical Areas-Doors	-	-	-	-	-	-	-	5,207
Mechanical Areas-Doors/Pub	-	-	-	-	-	-	-	-
Mechanical Areas-Doors/Tug	-	-	-	-	-	-	-	-
Mechanical Areas-Elevators	-	-	-	-	-	-	-	4,875
Mechanical Areas-Escalator	-	-	-	-	-	-	-	-
Mechanical-Moving Walks	-	-	-	-	-	-	-	-
Mechanical Areas-Other	-	-	-	-	-	-	-	3,500
<b>Total Building-Mechanical Areas</b>	-	-	-	-	-	-	-	13,582
<b>Building-Other</b>								
Other-Boiler Chemicals	-	-	-	-	-	-	-	-
Other-Floors/Repairs	-	-	-	-	-	-	-	-
Other-Jetbridge Repairs	-	-	-	-	-	-	-	-
Other-Outside Plumb/Sewer	-	-	-	-	-	-	-	-
Other-Paging System Contract	-	-	-	-	-	-	-	-
Other-Pest Control	-	-	-	-	-	-	-	-
Other-Roofing	-	-	-	-	-	-	-	5,064
Sump/Septic Pumping	-	-	-	-	-	-	-	-
Other-Supplies	-	-	907	-	-	-	-	7,274
Other-Tools	-	-	-	-	-	-	-	-
<b>Total Building-Other</b>	-	-	907	-	-	-	-	12,338
Apt Development Projects	-	-	-	-	-	-	-	-
<b>Total Maintenance Building</b>	-	-	14,312	10,000	-	-	-	44,192

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Maintenance-Cleaning</b>								
<b>Cleaning Services</b>								
Cleaning Services-Janitor	-	-	26,907	57,042	560,962	-	-	28,092
Cleaning Services-Windows	-	-	-	6,279	-	-	-	6,998
<b>Total Cleaning Services</b>	-	-	26,907	63,321	560,962	-	-	35,090
<b>Cleaning Supplies</b>								
Cleaning Supplies-Bathroom	-	-	-	-	-	-	-	-
Cleaning Supplies-General	-	-	-	-	-	-	-	3,616
<b>Total Cleaning Supplies</b>	-	-	-	-	-	-	-	3,616
<b>Rubbish Disposal</b>								
Rubbish Disposal-Recycle	-	-	182	599	-	-	-	-
Rubbish Disposal-Regular	7,651	-	2,681	3,066	-	-	-	62,916
<b>Total Rubbish Disposal</b>	7,651	-	2,863	3,665	-	-	-	62,916
Towel Laundry Services	-	-	1,030	-	1,545	-	-	3,643
Other Cleaning Expenses	-	-	2,060	-	-	-	-	-
<b>Total Maintenance-Cleaning</b>	7,651	-	32,860	66,986	562,507	-	-	105,265
<b>Maintenance-Equipment</b>								
<b>Equipment-Parts</b>								
Parts-Automobiles	-	53,000	3,000	-	-	8,900	-	-
Parts-Boilers Energy Mgmt	-	-	-	-	-	-	-	4,726
Parts-Chiller Energy Mgmt	-	-	-	300	-	-	-	-
Parts-Other Equipment	-	-	-	-	-	-	-	-
Parts-Equipment	-	46,974	55,000	-	-	250	-	87,903
Parts-Other Equipment	-	500	-	-	-	-	-	294
<b>Total Equipment-Parts</b>	-	100,474	58,000	300	-	9,150	-	92,923
<b>Equipment-Shop</b>								
Shop-Batteries	-	2,000	1,000	-	-	-	-	1,121
Shop-Cleaners/Degreasers	-	-	-	-	-	-	-	619
Shop-Oil Filters	-	4,000	4,000	-	-	-	-	5,035
Shop-Other Supplies	-	-	-	-	-	-	-	9,808
Shop-Tires	-	-	48,000	-	-	-	-	5,638
Shop-Tools	-	-	-	-	-	-	-	3,779
<b>Total Equipment-Shop</b>	-	6,000	53,000	-	-	-	-	26,000
<b>Equipment-Gas</b>								
Gas-Diesal	-	-	12,690	-	-	-	-	45,090
Gas-Propane	-	-	-	-	-	-	-	-
Gas-Unleaded	-	69,960	8,910	11,550	-	12,540	1,980	31,020
<b>Total Equipment-Gas</b>	-	69,960	21,600	11,550	-	12,540	1,980	76,110
<b>Equipment-Extinguishers</b>								
Extinguishers-Purchase	-	-	1,569	-	-	-	-	-
Extinguishers-Reservice	-	-	3,500	-	-	-	-	-
<b>Total Equipment-Extinguishers</b>	-	-	5,069	-	-	-	-	-
Equipment-Miscellaneous Exp	-	-	-	1,660	-	-	1,500	2,954
<b>Total Maintenance-Equipment</b>	-	176,434	137,669	13,510	-	21,690	3,480	197,987
<b>Total Maintenance</b>	7,651	176,934	192,986	96,118	688,507	21,690	3,480	551,417

**LINE ITEMS BY SUBLEDGER - 2008 OPERATING BUDGET**

	Concourses A-D	Police	Fire	Admin- istration	Building Official	Comm- unication/ Operations	Noise & Environment	Total Reliever Airports
<b>Other</b>								
<b>General Insurance</b>								
Gen Ins-Airport Liability	-	82,797	65,597	44,076	-	4,077	2,982	99,046
Gen Ins-Property	-	145,333	104,680	65,998	-	5,872	4,292	159,705
Gen Ins-Crime	-	1,785	1,290	810	-	75	45	1,965
Gen Ins-Auto/Equipment	-	32,130	23,220	14,580	-	1,350	810	35,370
Gen Ins-Other	-	297	214	135	-	11	9	324
<b>Total General Insurance</b>	-	<b>262,342</b>	<b>195,001</b>	<b>125,599</b>	-	<b>11,385</b>	<b>8,138</b>	<b>296,410</b>
<b>Safety</b>								
Safety-Training Materials	-	1,075	-	-	-	-	-	-
Safety-Supplies	-	7,750	644	-	-	-	-	1,003
Safety-Equipment	-	-	-	7,500	-	-	-	-
<b>Total Safety</b>	-	<b>8,825</b>	<b>644</b>	<b>7,500</b>	-	-	-	<b>1,003</b>
<b>Medical Information/Supply</b>								
Rentals	-	21,070	3,090	700	-	100	-	639
<b>Rentals</b>								
Rental-Copier	-	-	4,500	19,800	-	15,800	-	-
Rental-Pagers	-	2,475	5,400	5,400	-	1,800	-	675
Rental-Other Equipment	-	-	-	9,540	-	-	-	500
<b>Total Rentals</b>	-	<b>2,475</b>	<b>9,900</b>	<b>34,740</b>	-	<b>17,600</b>	-	<b>1,175</b>
<b>Licenses/Permits</b>								
Licenses-Autos/Equipment	-	-	-	3,150	-	-	-	-
Licenses-Environmental	-	-	-	-	-	-	7,000	-
Licenses-Other	-	-	-	-	775	-	-	379
<b>Total Licenses/Permits</b>	-	-	-	<b>3,150</b>	<b>775</b>	-	<b>7,000</b>	<b>379</b>
<b>Miscellaneous Expenses</b>								
Misc-Firearm/Equip/Supplies	-	70,045	35,500	-	-	17,000	-	-
Misc-Emergency Response	-	36,860	39,000	-	-	-	-	-
Misc-Other	-	43,000	-	13,530	-	-	2,575	-
<b>Total Miscellaneous Expenses</b>	-	<b>149,905</b>	<b>74,500</b>	<b>13,530</b>	-	<b>17,000</b>	<b>2,575</b>	-
<b>Adjustments/Bad Debt</b>								
Bad Debt Expense	-	-	-	15,000	-	-	-	-
Miscellaneous Adjustments	-	-	-	-	-	-	-	9,000
<b>Total Adjustments/Bad Debt</b>	-	-	-	<b>15,000</b>	-	-	-	<b>9,000</b>
<b>Capital Assets</b>								
<b>Minor Equipment/Assets</b>								
Minor Assets-Tools	-	-	5,000	-	-	-	-	-
Minor Assets-Office Furn	-	3,600	-	19,600	-	1,750	4,999	-
Minor Assets-Computers	-	-	15,750	257,429	-	59,375	22,600	-
Minor Assets-Radios	-	33,000	2,500	12,000	-	-	1,500	990
Minor Assets-Other	-	-	35,000	5,096	-	-	3,050	-
<b>Total Minor Equipment/Assets</b>	-	<b>36,600</b>	<b>58,250</b>	<b>294,125</b>	-	<b>61,125</b>	<b>32,149</b>	<b>990</b>
<b>Total Capital Assets</b>	-	<b>36,600</b>	<b>58,250</b>	<b>294,125</b>	-	<b>61,125</b>	<b>32,149</b>	<b>990</b>
<b>Total Other</b>	-	<b>481,217</b>	<b>341,385</b>	<b>494,344</b>	<b>775</b>	<b>107,210</b>	<b>49,862</b>	<b>309,596</b>
<b>Gross Depreciation</b>								
	-	-	-	-	-	-	-	-
<b>Grand Total Excluding Depreciation</b>	<b>7,651</b>	<b>14,495,205</b>	<b>5,874,561</b>	<b>21,102,716</b>	<b>3,159,208</b>	<b>3,620,259</b>	<b>2,047,475</b>	<b>4,708,298</b>
<b>Grand Total With Depreciation</b>	<b>7,651</b>	<b>14,495,205</b>	<b>5,874,561</b>	<b>21,102,716</b>	<b>3,159,208</b>	<b>3,620,259</b>	<b>2,047,475</b>	<b>4,708,298</b>

**CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET**

Annually MAC completes its capital equipment requests for new and replacement equipment. In the past 5 years, only essential pieces of equipment requests were considered based upon cash flow and organizational requirements. The same criteria were in place for the 2008 budget. The capital equipment requests in the 2008 budget increased \$1,249,708 or 18.9%. All technology related capital equipment was also reviewed by the Information Services (IS) department.

All equipment purchases for 2008 will be accounted for based on MAC's capital equipment guidelines:

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

**2008 CAPITAL EQUIPMENT SUMMARY**

	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Total Equipment</b>	\$6,626,582	\$7,876,290	\$1,249,708	18.9%

**EXECUTIVE OFFICES DIVISION**

**Executive - General**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Ford Exp-2009</b> Existing Vehicle will need to be replaced in 2008 due to age, mileage, and expected maintance expense.	\$30,000	1		\$30,000
<b>Executive - General Total:</b>				<b>\$30,000</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**FINANCE & ADMINISTRATIVE SERVICES DIVISION****Concessions & Business Development**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Office Furniture</b> Newly created service center. To accommodate the move of the Concessions and Business Development Department to the Terminal.	\$5,000	1		\$5,000
<b>Concessions &amp; Business Development Total:</b>				<b>\$5,000</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**FINANCE & ADMINISTRATIVE SERVICES DIVISION****Information Services**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<p><b>Change Management hardware - software</b></p> <p>Adequate controls are increasingly important for MAC's systems. These products provide the tools to enforce change management policies on MAC computers and software. This is a critical element in the strategy for maintaining compliance as a credit card processor.</p>	\$75,000	1		\$75,000
<p><b>Critical server replacement (Phase 3 of 4)</b></p> <p>There are now 136 servers plus 10 network storage devices and associated tape backup equipment. Some of these servers will be out of warranty in 2008, some are long past warranty. Servers run the various software products important to MAC staff and operations ranging from Secured Access to Fleet Management to Fire department operations to the MAC web site. This project will replace out-of-warranty servers including software and workstation licenses (CALs).</p>	\$18,200	20		\$364,000
<p><b>Expand Secured Area Access Control system</b></p> <p>This project replaces the security system on the Landside Parking buildings by adding the buildings to the Secured Access system and bringing some of the doors up to MAC standards.</p>	\$400,000	1		\$400,000
<p><b>GIS pilot project</b></p> <p>Begin building a MAC-wide Gaphical Information System (GIS) capability. Note that a GIS system incorporates both maps / drawings and data items along with the relationships between the data items and the graphic elements. Initial work would be at the Relievers, building upon work already underway in Airport Development. Key results would be accurate leasehold plans plus the lease data and other information related to a given tenant.</p>	\$400,000	1		\$400,000
<p><b>Network Equipment upgrades</b></p> <p>This equipment is the hardware that provides the connections, security and routing that enables the various MAC networks to deliver data to the various systems in place. Key elements included for 2008 are redundant routers and switches to reduce the risks of network failure and firewalls to provide access control to the variious sub-nets employed by the MAC as well as to protect from unwnated outside access.</p>	\$150,000	1		\$150,000
<p><b>Replace JD Edwards ERP system</b></p> <p>This project will upgrade the present JD Edwards system that provides financial, human resources, payroll, purchasing, project accounting and similar functions for the MAC. The upgraded product will be Oracle EnterpriseOne.</p>	\$2,295,000	1		\$2,295,000

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**FINANCE & ADMINISTRATIVE SERVICES DIVISION****Information Services**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Systems Analysis support software</b>	\$6,000	5		\$30,000
<p>The analysis work done by IS staff is increasingly complex. There are software tools that support the process by capturing, storing and displaying information about processes, data and hardware/software. The analysis tools also serve as a dynamic inventory of MAC data and processes.</p>				
<b>Information Services Total:</b>				<b>\$3,714,000</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Airside Operations**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<p><b>Airside Information Systems Integration</b></p> <p>The Airside Operations Center currently generates and receives an extensive amount of disparate data in a variety of formats from many unique systems. This project will capture, store, and manage these data sources and create an integrated database system. This database system will then be utilized to develop analytical and decision making tools along with a more meaningful and intelligent display system with such products as iDashboards or similar products to improve operational processes within the department for the purpose of increasing the safety, capacity and efficiency of the airfield.</p>	\$65,000	1		\$65,000
<p><b>MSP Drivers Simulator Database Reconciliation</b></p> <p>In 2001 the contract for the MSP Driver's Training Simulator included the modeling of a visual world which included the geographic layout of MSP for the year 2005. Over the last six years there have been significant changes to the airport infrastructure rendering the geographic database obsolete and ineffective for navigation training. The database reconciliation project aims to bring the MSP visuals up to the current state including all of the configuration/infrastructure changes required for student navigation and training.</p>	\$75,000	1		\$75,000
<p><b>Replacement Airfield Mgr Vehicle - dual fuel SUV</b></p> <p>Replacement vehicle for high-mileage, fully amortized Airfield Manager vehicle. More than half of the repairs done on this vehicle have been of an emergency or unscheduled nature. This vehicle is used daily by the Airside Manager as well as department staff to ensure the safe, efficient and critical operation of MSP. Proposed costs include \$32,000 base price for the vehicle and \$14,000 worth of accessories necessary to equip the vehicle to effectively operate on the Air Operations Area similar to the existing Airside Operations' fleet.</p>	\$46,000	1	\$1,000	\$45,000
<p><b>SQL/Data Server Upgrade</b></p> <p>Airside currently runs two SQL database servers in a continuous data availability configuration. The information stored on these two servers consists of our CFR139 regulatory information, the AOA Drivers Records System, MSP driver's testing records and hundreds of thousands of scanned images in the Laserfiche record management system. The current servers will be seven and four years old and are unable to meet our speed and capacity requirements.</p>	\$7,500	2		\$15,000

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Airside Operations**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Vehicle Tracking</b>	\$30,000	1		\$30,000

The current vehicle tracking system (TracLink) has been in use for ten years and is no longer supported by the manufacturer. This system has been installed and utilized in the Airfield Control Center as a situational awareness and asset management tool by the Airside Operations Duty Managers and staff. TracLink has been a critical tool in providing assistance with the orchestration of snow removal operations, emergency response, FOD removal, and airfield inspections. In addition to the functionality listed above, the new system will be installed in vehicles operating on the movement area for the purpose of protecting the Runway Safety and ILS Critical Areas.

<b>Airside Operations Total:</b>	<b>\$230,000</b>
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**Emergency Communications**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Upgrade Mercom voice recorder</b>	\$8,628	1		\$8,628

Upgrade Mercom voice recorder to MAX-PRO version 4.0 software in conjunction with MAC IS conversion to Active Directory. This cost includes the install cost of \$500 and software subscription, \$375. The installation and training is \$3000 and software maintenance is \$2500. Tax is \$2253. IS to pay for server share at \$35,000.

<b>Emergency Communications Total:</b>	<b>\$8,628</b>
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**Facilities-Energy Mgt. Center**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>08 Truck, lift gate, cab shield, beacon, box spray</b>	\$22,000	1	\$750	\$21,250

Body is rusted out, floor boards rusted out. Jeff Hamiel requested replacement.

<b>Facilities-Energy Mgt. Center Total:</b>	<b>\$21,250</b>
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<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Facilities-Lindbergh Terminal**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Escalator Step Cleaner</b> Current method of cleaning escalator steps only vacuums debris from step, it does not clean them. This new cleaner not only vacuums and cleans the steps, but the risers too.	\$70,000	1		\$70,000
<b>Food Compactor for Food Court(s)</b> Garbage compactor to replace standard waste receptacles to greatly reduce the number of times containers need to be emptied.	\$5,000	3		\$15,000
<b>G Concourse Dumptser &amp; Cart Tipper</b> Additional dumpster at the G Concourse, including hook-up and cart tipper.	\$34,000	1		\$34,000
<b>Recycling Containers</b> Additional containers are needed to expand recycling program (currently at 20% with a goal of 60%). Currently recycling containers are located only on Concourses A, B and part of C. This purchase will allow for additional containers throughout the terminal.	\$5,000	6		\$30,000
<b>Facilities-Lindbergh Terminal Total:</b>				<b>\$149,000</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Field Maintenance**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Bat-wing mower attachment</b> New mower equipment to address deficiencies identified with maintenance of new runway 17-35 turf areas and Bloomington Part 150 properties. Larger mowing decks will be attached to existing tractor equipment for more efficient operations.	\$18,000	2		\$36,000
<b>Flail mower attachment</b> Mowing attachment for Hagie multi-function vehicle; recently developed product to further enhance the all-season use of the vehicle and would be used to address deficiencies in maintaining MSP 2010 Plan turf areas.	\$95,000	1		\$95,000
<b>High-speed rotary runway broom</b> Replacement vehicles for fully-amortized equipment proposed for reassignment to the Reliever airports and/or used as trade-in vehicles.	\$604,000	2	\$22,000	\$1,186,000
<b>High-speed runway plow (lead vehicle)</b> Replacement vehicles for fully-amortized equipment proposed to be reassigned to Reliever airports with equipment at those airports sold and/or traded.	\$410,000	2	\$10,000	\$810,000
<b>Hydraulic molding/fabrication tool</b> Weld shop tool used for metal fabrication operations. Proposed tool will facilitate more timely production of time-critical security gate and fence components.	\$20,000	1		\$20,000
<b>Litter vacuum</b> Small, maneuverable litter vacuums used for debris removal from landscaped areas, sidewalks and terminal tug drive areas. Replacement for high-hour, high-maintenance equipment.	\$35,500	3	\$1,000	\$105,500
<b>Panel dividers</b> Sound absorption panels for crew sleeping quarters. The current 'open bunk' configuration affects sleep quality during snow removal rest periods, which in turn, results in airfield safety issues.	\$39,500	1		\$39,500
<b>Pavement saw - bituminous</b> Replacement equipment used for pavement maintenance.	\$9,000	2	\$500	\$17,500
<b>Pavement saw - concrete</b> Replacement equipment used for pavement maintenance.	\$9,000	2	\$500	\$17,500
<b>Pneumatic surface leveler</b> Replacement equipment used to prepare surfaces for concrete and/or bituminous paving operations.	\$7,000	1	\$500	\$6,500
<b>Skidsteer pneumatic jack hammer attachment</b> Skidsteer attachment for more efficient surface repair operations.	\$15,000	1		\$15,000

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Field Maintenance**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Super-duty snow plow/sander</b> Replacement low-profile equipment used for terminal roadway and parking ramp snow/ice control operations.	\$60,300	1	\$2,500	\$57,800
<b>Supervisor vehicle - dual-fuel crew cab pick-up</b> Replacement vehicles for high-mileage, fully-amortized airfield supervisor vehicles. SUV's being phased out in favor of E85 pick-ups.	\$28,000	2	\$1,000	\$55,000
<b>Utility truck - dual-fuel 4x4 crew-cab pick-up</b> E85 quad-cab pick-up used for summer/winter crew transportation. Existing high-mileage fully-amortized vehicle will be traded and/or sold.	\$25,000	1	\$600	\$24,400
<b>Utility truck - dual-fuel 4x4 pick-up w/lift gate</b> E85 4x4 pick-up trucks used 24/7 for daily maintenance operations. Existing vehicles will be assigned to Reliever airports, with high-mileage vehicles at those airports sold and/or traded.	\$23,300	4	\$1,000	\$92,200
<b>Field Maintenance Total:</b>				<b>\$2,577,900</b>

**Fire**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Holmatro Hydraulic Rescue Tool</b> This tool will be placed in-service on the new structural engine purchased as part of the 2007 approved budget. It will be used for response to motor vehicle accidents, aircraft accidents and accident involving the LRT system and airport trams.	\$35,000	1		\$35,000
<b>Fire Total:</b>				<b>\$35,000</b>

**Landside-Operations**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Replace Transcore 1200 readers</b> Replace Transcore 1200 automatic vehicle identification (AVI) readers with Transacore SmartPass readers. The 1200 readers are an older version of the AVI readers that are more expensive to maintain, replace and integrate with our software.	\$5,001	7	\$0	\$35,007
<b>Landside-Operations Total:</b>				<b>\$35,007</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Landside-Parking**

<u>Equipment</u>	<u>Individual Price</u>	<u>Qty</u>	<u>Trade in Value</u>	<u>Total</u>
<b>Mobile License Plate Recognition</b> 3 mobile LPI units, back office software to operate units, software interface between this system and the parking revenue control system. This system will automate the process that is currently done by manually keying the license plate of every vehicle parked over night in our facilities. LPI is used as a revenue control feature (prevent parkers from swapping tickets and stealing revenue) and as a customer service feature (help parkers find their car if they have no idea where they parked it).	\$143,750	1		\$143,750
<b>Pickup truck</b> Replace parking truck used for parking management.	\$17,500	1	\$4,000	\$13,500
<b>Landside-Parking Total:</b>				<b>\$157,250</b>

**MSP Operations & Admn.**

<u>Equipment</u>	<u>Individual Price</u>	<u>Qty</u>	<u>Trade in Value</u>	<u>Total</u>
<b>Vehicle Replacement</b> Current vehicle has many miles and over its amortized life.	\$30,000	1	\$1,200	\$28,800
<b>MSP Operations &amp; Admn. Total:</b>				<b>\$28,800</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Police**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Biometric Reader upgrades</b> Biometric reader upgrades – will upgrade 50 units in 2008.	\$100,000	1		\$100,000
<b>Crossmatch integration program</b> The program will integrate the ProWatch system with the Crossmatch fingerprint software. This will eliminate duplication of data entry into both systems and increase productivity and accuracy.	\$60,000	1		\$60,000
<b>Hand held card readers</b> Hand held card readers for officers to easily check security badges for authenticity and validity. Hand held device linked to SAACS system.	\$5,000	2		\$10,000
<b>Live Scan 3000 fingerprint machine</b> Our current fingerprint live scan was provided to us in February 2001 under the Katie Poier grant. With one year remaining on maintenance charges paid by the MN BCA, it is requested that this machine be replaced in 2008. Maintenance issues have become a problem and it is anticipated it will only get worse as it gets older.  The cost of the new live scan 3000 includes all hardware, software, printers, maintenance, warranty, training, interfaces and freight.	\$26,000	1		\$26,000
<b>Secured Access Equipment</b> Secured area access control equipment additions.	\$20,000	1		\$20,000

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Police**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Squad Cars</b>	\$29,500	6		\$177,000

The Airport Police Department is in need of replacing nine of its marked and unmarked squad cars for patrol and investigative purposes. For the 2008 budget nine of the department's squads will be at or above 100,000 miles and are beginning to lead to excessive maintenance costs and repairs. The following squads are the Police Department and MAC Maintenance Foreman's recommendation for replacement.

Squad 792 which is a 2000 Pontiac Grand Prix with approximately 86,344 miles. This squad is assigned to the Narcotics Division and is used regularly for under cover operations. This squad averages approximately 2000 miles per month. With the remaining 6 months of 2007 and a few months of 2008 this squad will arrive at approximately 110,000 miles at the beginning of 2008 and is in need of replacement to avoid excessive repair costs. This squad recently had the transmission rebuilt, new rotors, brakes, shocks and several other repairs that are beginning to cost more than the vehicles worth. This squad would be replaced at a replacement cost of approximately \$27,000 for vehicle and equipment.

Squad 846 which is a 2002 Ford Windstar with approximately 100,625 miles. This squad is assigned to the Narcotics Division K-9 unit and is assigned to a K-9 Officer for transportation of the K-9 and job related duties. This squad averages approximately 3000 miles per month. With the remaining months of 2007 and into the first part of 2008 this squad will arrive at approximately 127,000 miles at the beginning of 2008 and is in need of replacement to avoid excessive maintenance costs. The squad would be replaced with a 2008 SUV or van at a replacement cost of approximately \$30,000 for vehicle and equipment.

Squad 851 which is a 2002 Ford Windstar with approximately 80,852 miles. This squad is assigned to the Narcotics Division K-9 unit and is assigned to a K-9 Officer for transportation of the K-9 and job related duties. This squad averages approximately 3000 miles per month. With the remaining months of 2007 and into the first part of 2008 this squad will arrive at approximately 107,000 miles at the beginning of 2008 and is in need of replacement to avoid excessive maintenance costs. The squad would be replaced with a 2008 SUV or van at a replacement cost of approximately \$30,000 for vehicle and equipment.

Squad 923 which is a 2005 Ford Crown Victoria with approximately 85,211 miles. This squad is a marked patrol vehicle and is assigned to the patrol division. This squad is beginning to experience and increase in maintenance costs and is needed to respond to everyday police operations. This

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Police**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<p>squad averages approximately 3,000 miles per month and is projected to have approximately 115,000 at replacement time in 2008. The squad will be replaced with a 2008 Ford Crown Victoria at a replacement cost of approximately \$30,000 for vehicle cost extended warranty and equipment.</p> <p>Squad 924 which is a 2005 Ford Crown Victoria with approximately 96,490 miles. This squad is a marked patrol vehicle and is assigned to the patrol division. This squad is beginning to experience and increase in maintenance costs and is needed to respond to everyday police operations. This squad averages approximately 4,500 miles per month and is projected to have approximately 132,000 at replacement time in 2008. The squad will be replaced with a 2008 Ford Crown Victoria at a replacement cost of approximately \$30,000 for vehicle cost extended warranty and equipment.</p> <p>Squad 945 which is a 2005 Ford Crown Victoria with approximately 75,000 miles. This squad is a marked patrol vehicle and is assigned to the patrol division. This squad is beginning to experience and increase in maintenance costs and is needed to respond to everyday police operations. This squad averages approximately 2,500 miles per month and is projected to have approximately 100,000 at replacement time in 2008. The squad will be replaced with a 2008 Ford Crown Victoria at a replacement cost of approximately \$30,000 for vehicle cost extended warranty and equipment.</p>				
<p><b>Squad Digital camera package</b></p> <p>Law enforcement is becoming increasingly demanding for documentation and successful convictions of criminals. The police department is looking to install digital cameras in each of its marked patrol squads (currently 12 vehicles). These cameras would allow capturing of video of traffic stops, and pre-crash video in the event of a motor vehicle accident involving a department squad car. The camera is triggered to activate with a series of user defined configurable settings such as hitting the brakes, turning on the emergency lights, opening the squad door, reaching specific vehicles speeds etc. The system stores the video on the memory card in each squad and will automatically upload the information via hot spots wirelessly from the squad lot to the server for storage. This wireless upload process takes place whenever the squad gets within the required distance of the hot spot and requires no Officer process. The video can be accessed at a later time and supplied for court preparation or testimony.</p> <p>The total cost would include hardware, software, analog accelerometer, wireless hot spots, installation, storage or server component, training and project and six (6) cameras. (Additional six (6) cameras in 2009)</p>	\$127,000	1		\$127,000

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Police**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Tank Farm CCTV modifications</b>	\$7,000	1		\$7,000
Tank Farm CCTV modifications. Cameras were installed in 2006 for IVS system. Additional cameras needed to provide non IVS coverage. Will further enhance security in fuel farm area by providing video coverage of associated areas such as entrances, wide view angles, adjacent roadways and lots that surround the fuel farm footprint.				
<b>Police Total:</b>				<b>\$527,000</b>

**Relievers - Anoka**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Crew Pick-Up Truck</b>	\$25,000	1	\$1,500	\$23,500
Replacement of 1993 Chevy pick-up truck with 124,500 miles. This vehicle has exceeded its equipment life cycle. The annual maintenance repairs are exceeding the value of the truck. This pick-up truck serves as the main mode of transportation for the maintenance crew in performing a variety of functions around the airfield. It is also the primary mode of transportation for traveling to other airports throughout the system.				
<b>Relievers - Anoka Total:</b>				<b>\$23,500</b>

**Relievers - Crystal**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>TORO Mower - 4x4 with a 72' deck</b>	\$30,000	1		\$30,000
Existing mower is unreliable. It has exceeded its useful life and the recommended manufacture's hours. The repairs to this piece of equipment are exceeding mowers value. This mower is a like-kind replacement to the existing mower.				
<b>Utility Vehicle</b>	\$30,000	1	\$800	\$29,200
Airport managers are assigned a field vehicle to effectively complete day to day operations and respond to airport emergencies. The existing vehicle is 8 years old and fully amortized. The vehicle has high miles and continuing annual repairs exceeding the value of the vehicle				
<b>Relievers - Crystal Total:</b>				<b>\$59,200</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Relievers - Flying Cloud**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>10-foot snow/ice/sand broom</b> The 10-foot broom would be used to remove snow, ice and sand from the main runway (3909') to maintain maximum operational efficiency in all weather conditions. With the growing number of based jet and turbo-prop aircraft at the airport, it is critical to remove as much snow and ice from the runway and taxiway surfaces as possible. This broom will supplement the existing snow and ice removal equipment to create a safer operating environment. The 1993 John Deere tractor will power the broom.	\$16,500	1	\$0	\$16,500
<b>52-inch lawnmower</b> To purchase a 52-inch riding lawnmower to cut the boulevard along Pioneer Trail and Highway 212. The existing 1994 72-inch toro mower is not design to mow within the steep ditch area along Highway 212. A 52-inch lawnmower will also allow the crew to groom the highly visible grass island area between the walking path and airport fence along Pionner Trail.	\$7,500	1	\$0	\$7,500
<b>Relievers - Flying Cloud Total:</b>				<b>\$24,000</b>

**Relievers - St. Paul**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Forklift</b> This piece of equipment is needed for transport of the floodwall sections and other materials associated with the construction of the STP floodwall.	\$30,000	1		\$30,000
<b>Skidsteer Loader</b> Skidsteer Loader. This piece of equipment is needed for EMAS snow removal operations starting in 2008. This is the only type of equipment that can be used on the EMAS material.	\$60,000	1	\$0	\$60,000
<b>Relievers - St. Paul Total:</b>				<b>\$90,000</b>

<b>CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET</b>
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**OPERATIONS DIVISION****Trades - Carpenters**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>4X4 (V10) super-duty pick-up truck</b> The pick-up truck will be for the Carpenter Foreman and will have a painted bed liner, lift gate, side tool box, towing capacity, cab shield and both tower and field radios. We are asking for a 4X4 (V10) super duty pick-up capable of towing the escalate trailer if needed. At this time we have only one in our carpentry fleet capable of towing this trailer and at times that vehicle is tied up on other assignmants. August 2, 2007, Phil Burke/Les Hall requested that the truck be downsized to save money. The original price of the V10 was \$34,800.00 and the new price is reflected on the budget line currently stated.	\$28,755	1		\$28,755
<b>Cushman Cart for locksmith</b> Cushman cart with a six drawer stand-up tool chest will be set up for the Locksmiths to service needs within the Lidnbergh Terminal. At this time they are pushing a plastic, open sided cart around with tools exposed to the traveling public. With this cart in place, they will be able to have the necessary tools already secured on board the cart and be able to service problems in a more efficient manor.	\$5,000	1		\$5,000
<b>Trades - Carpenters Total:</b>				<b>\$33,755</b>

**Trades - Electricians**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>3/4 ton 4 wheel drive cab and chassis</b> These cab and chassis are to replace trucks number 616-610 and 616-616. These trucks have high mileage and are 1996 models. We would keep the utility bodys and put them on these new chassis thus a savings thousands of dollars.	\$27,000	2		\$54,000
<b>Trades - Electricians Total:</b>				<b>\$54,000</b>

**Trades - Painters**

<b>Equipment</b>	<b>Individual Price</b>	<b>Qty</b>	<b>Trade in Value</b>	<b>Total</b>
<b>Line Driver with HS200 Striper</b> Needed to replace outdated and worn out equipment. Current equipment does not allow proper line-stripping necessary for all the new ramps & roadways, runways and parking.	\$11,000	2	\$0	\$22,000
<b>Signage Shop Screen Printing Equipment</b> Silk-screening equipment necessary for the production of required airport signage.	\$35,000	1	\$0	\$35,000
<b>Trades - Painters Total:</b>				<b>\$57,000</b>

**CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET**

**OPERATIONS DIVISION**

**Trades - Plumbers**

<u>Equipment</u>	<u>Individual Price</u>	<u>Qty</u>	<u>Trade in Value</u>	<u>Total</u>
<b>Self Propelled Vertical Platform Lift</b>	\$16,000	1		\$16,000

This small lift will be used primarily for the maintenance of the MAC fire system testing program and other plumbing related jobs. This lift is more portable, will fit into an elevator. It provides a safe elevated platform to perform work and testing of fire valves. It's small profile has less of an impact of taking up space when working on concourses.

**Trades - Plumbers Total: \$16,000**

**Capital Asset Grand Total: \$7,876,290**

**CAPITAL EQUIPMENT SUMMARY - 2008 OPERATING BUDGET**

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**PERSONNEL SUMMARY BY DIVISION – 2008 OPERATING BUDGET**

**ORGANIZATIONAL PERSONNEL**

This section provides information on Full Time Equivalent (FTE) positions by:

- Actual and Budgeted Count
- Service Center
- Position Classification

**Actual and Budgeted Full Time Equivalent Positions**

The authorized and budgeted FTE position count for 2008 is 599.5, which is up 20 FTE positions from 2007. While the budgeted position count shows 599.5 for the full year, the actual salary amount for the 20 budgeted positions is adjusted to reflect staggered start dates and a limited vacancy factor to account for time to fill open positions.

Previous long-range planning established an authorized FTE position count of 593.5 for 2003-2005 and 575.5 for 2006-2007. Budgeted position counts were adjusted annually to address operational and administrative needs of the organization. In 2008, MAC is matching budgeted position count to authorized position count to meet the needs of the organization.

<b>FTE Positions</b>	<b>2003 Total</b>	<b>2004 Total</b>	<b>2005 Total</b>	<b>2006 Total</b>	<b>Adj<sup>1</sup> 2007 Total</b>	<b>2008 Total</b>
Budgeted	543.5	544.5	574.5	558.5	579.5	599.5
Authorized	593.5	593.5	593.5	575.5	579.5	599.5

<sup>1</sup> Two mid-year adjustments were made to position counts in 2007, bringing the total authorized and budgeted FTE position count to 579.5. Funding was reinstated for 15 previously authorized positions, and 4 new positions were added.

## PERSONNEL SUMMARY BY DIVISION – 2008 OPERATING BUDGET

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

Service Center	as of 12/10/04 2004 Actual	as of 12/09/05 2005 Actual	as of 11/16/06 2006 Actual	as of 12/28/07 2007 Actual	as of 12/28/07 2008 Budget
<b>Executive</b>					
75000 Executive	2	2	2	2	2
75100 Executive - Commissioner	1	1	0.5	0.5	0.5
76000 Public Affairs	2	2	2	3	3
78300 Internal Audit	3	3	3	4	4
79500 Labor and Governmental Affairs	3	3	3	3	3
<b>Total Executive</b>	<b>11</b>	<b>11</b>	<b>10.5</b>	<b>12.5</b>	<b>12.5</b>
<b>BUDGET</b>	<b>11.5</b>	<b>11.5</b>	<b>12.5</b>	<b>10.5</b>	<b>12.5</b>
<b>Human Resources</b>					
75700 Human Resources	1.5	1.5	1.5	2.5	2.5
76600 HRD & Strategic Planning	3	4	4	4	4
81500 Employee Relations	5.5	6	5.5	5.5	6
80600 Diversity	3	2.5	2.5	2.5	2.5
<b>Total Human Resources</b>	<b>13</b>	<b>14</b>	<b>13.5</b>	<b>14.5</b>	<b>15</b>
<b>BUDGET</b>	<b>14.5</b>	<b>14</b>	<b>14</b>	<b>13.5</b>	<b>15</b>
<b>Finance &amp; Administrative Services</b>					
75600 Finance & Adm Services	4	4	4	2	2
76800 Risk Management	3	4	4	4	4
85400 Safety*					
79000 Information Services	17	17	17	17	18
78000 Finance	15	15	15	18	18
78100 MAC General ***	0	0	0	0	21
78200 Purchasing	7	7	7.5	7.5	7.5
76100 Air Service-Business Development	1.5	1.5	1.5	1.5	1.5
80000 Commercial Mgmt & Airline Affairs	11	9	7	5	5
80100 Concessions & Business Development**	0	0	0	4	4
<b>Total Administrative Services</b>	<b>58.5</b>	<b>57.5</b>	<b>56</b>	<b>59</b>	<b>81</b>
<b>BUDGET</b>	<b>56</b>	<b>62.5</b>	<b>61.5</b>	<b>56</b>	<b>81</b>
<b>Legal Affairs</b>					
81000 General Counsel	8	8	8	7	9
<b>Total General Counsel</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>9</b>
<b>BUDGET</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>
<b>Environment/Development</b>					
75500 Planning	2	2	2	2	2
85000 Environment -General	2	3	2	2	2
85100 Environment-Environmental	2	3	3	3	3
85300 Environment-Aviation Noise Program	6	6	6	7	7
77000 Airport Development	17	15	15	15	17
77100 Airport Development -Building Official	2	2	2	2	2
<b>Total Environment/Development</b>	<b>31</b>	<b>31</b>	<b>30</b>	<b>31</b>	<b>33</b>
<b>BUDGET</b>	<b>33</b>	<b>33</b>	<b>34</b>	<b>30</b>	<b>33</b>

## PERSONNEL SUMMARY BY CLASSIFICATION – 2008 OPERATING BUDGET

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

Service Center	as of 12/10/04	as of 12/09/05	as of 11/16/06	as of 12/28/07	as of 12/28/07
	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Budget
<b>Operations</b>					
75800 Deputy - Operations	2	1	2	2	2
82000 MSP Operations & Administration	5	5	5	4	4
82050 Conference Center	2	2	2	1	2
82060 Call Center	3	3	4	4	4
82600 Airside Operations	12	12	11	12	13
82700 Emergency Communications	14	14	14	15	15
83400 Landside - Administration	22	20	21	20.5	21.5
83600 Fire	42	48	49	44	49
84200 Police	106.5	114	116.5	110	117.5
85500 Facilities - Humphrey Terminal	2	2	2	2	2
86100 Facilities - Lindbergh Terminal	9.5	9.5	10	10	10
86300 Facilities - Energy Management Center	16	18	18	19	18
88000 Electricians	17	17	17	15	17
88100 Painter	7	7	7	6	8
88200 Carpenter	8	8	9	9	9
88300 Plumber	6	6	6	7	7
88400 Trades-Administration	0	2	2	2	2
89000 Maintenance	114	121	120	118	121
90000 Reliever Admin	8	8	8	8	8
90200 Reliever - St. Paul	7	7	7	7	7
90300 Reliever - Lake Elmo	1	1	1	1	1
90400 Reliever - Air Lake	1	1	1	1	1.5
90500 Reliever - Flying Cloud	3	3	2	3	3.5
90600 Reliever - Crystal	3	3	3	4	3
90700 Reliever - Anoka	3	3	3	3	3
<b>Total Operations</b>	414	435.5	440.5	427.5	449
<b>BUDGET</b>	<b>421.5</b>	<b>445.5</b>	<b>445.5</b>	<b>442.5</b>	<b>449</b>
<b>Total Actual FTES</b>	<b>535.5</b>	<b>557</b>	<b>558.5</b>	<b>551.5</b>	<b>599.5</b>
<b>TOTAL BUDGET FTES</b>	<b>544.5</b>	<b>574.5</b>	<b>575.5</b>	<b>560.5</b>	<b>599.5</b>

\*Safety Service Center has been combined with Risk Management.

\*\* New Service Center in 2007 - FTEs from CMAA.

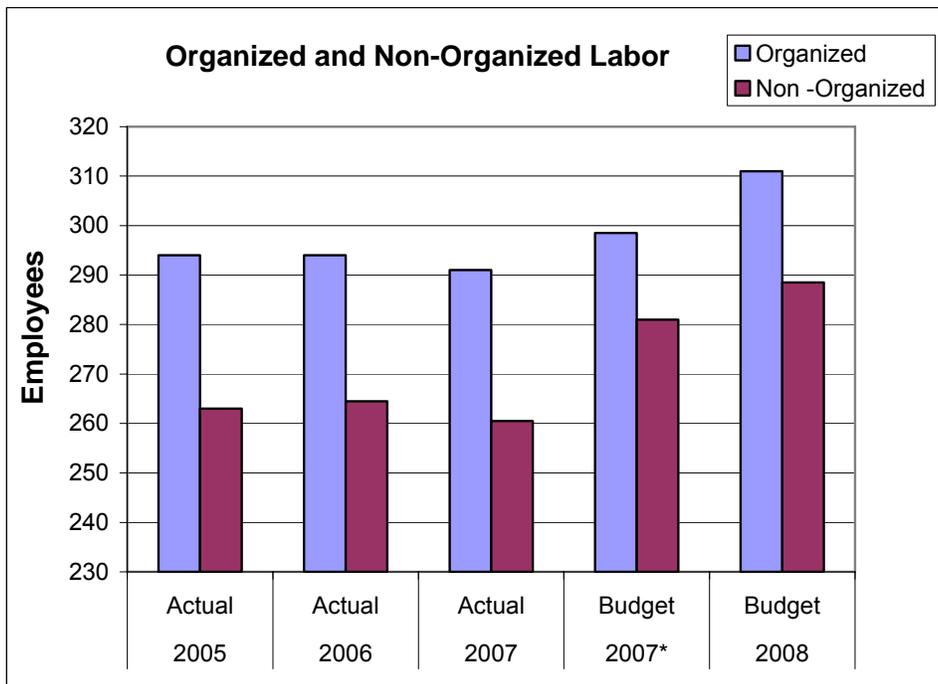
\*\*\* MAC General - general service center for maintaining FTE count

**PERSONNEL SUMMARY BY CLASSIFICATION – 2008 OPERATING BUDGET**

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

	2005 Actual	2006 Actual	2007 Actual	2007* Budget	2008 Budget
<b>Organized</b>					
Local 70 Operating Engineers	15	15	16	15	16
49er's Equipment Maintenance	20	21	20	21	22
320's - MSP Int'l - Field	87	84	77	86	85
320's - MSP Int'l - Lindbergh Terminal	2	2	2	2	2
320's - Reliever Airports	18	18	19	18.5	20
Painters	7	7	6	8	8
Carpenters	8	9	9	9	9
Plumbers	6	6	7	6	7
Electricians	17	17	15	17	17
Police Lieutenants		3	3	3	3
Police Sergeants	15	15	17	15	14
Police Officers	61	61	60	62	67
Firefighters	38	36	40	36	37
<b>Total Organized</b>	<b>294</b>	<b>294</b>	<b>291</b>	<b>298.5</b>	<b>307</b>
<b>Non-Organized</b>					
Chairperson/Executive Director	2	1.5	1.5	1.5	1.5
Deputy Directors/Directors/Assistant Director	20	24	24	24	24
Managers/Supervisors	92.5	86	83	88	88
Police Chief/Fire Chief	2	2	2	2	2
Community Service Officers	16	14	9	14	16.5
Passenger Assistants	9	10	10.5	10.5	12.5
Fire Captains/Fire Training/Marshall	9	10	11	10	11
Commanders/Lieutenants/Deputy Chief/Other	6	4	7	4	7
Administrative/Professional/Technical Support	106.5	113	112.5	127	130
<b>Total Non-Organized</b>	<b>263</b>	<b>264.5</b>	<b>260.5</b>	<b>281</b>	<b>292.5</b>
<b>Total MAC</b>	<b>557</b>	<b>558.5</b>	<b>551.5</b>	<b>579.5</b>	<b>599.5</b>

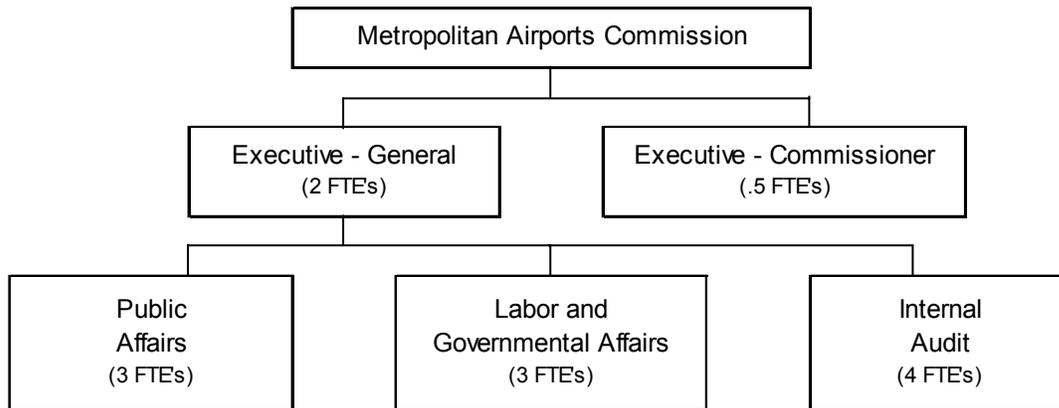
\* 2007 Adjusted Budget to include 19 positions approved mid-year



The above chart compares the number of Organized and Non-Organized FTEs.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Executive Division**



**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2007 Budget and 2008 Budget
- \* The explanation for the variances is based upon the 2007 Budget and 2008 Budget
- \* FTE's as stated in each service center are as budgeted in December 2007. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****EXECUTIVE - GENERAL****BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	219,739	228,631	235,441	6,810	2.98%
Administrative Expenses	138,532	161,750	164,200	2,450	1.51%
Professional Services	9,553	5,000	5,000	0	0.00%
Utilities	951	1,000	1,000	0	0.00%
Operating Services/Expenses	2,479	500	500	0	0.00%
Other	520	5,000	5,000	0	0.00%
<b>Total Budget</b>	<b>371,773</b>	<b>401,881</b>	<b>411,141</b>	<b>9,260</b>	<b>2.30%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

Office of the Executive Director

The Executive Director is responsible for the overall administration of the Metropolitan Airports Commission and for the implementation of all Commission policies. The Office of the Executive Director is directly accountable to the Board of Commissioners for the safe and efficient operation of the seven airports under its jurisdiction.

Responsibilities include the coordination, direction and implementation of programs and services of the Commission as well as external relations with those regulatory agencies and governmental bodies concerned with the operation and administration of the Commission.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Integrate new Business Development Division into organizational structure and ongoing operations.	Deputy Executive of Business Development hired, division created and operational by 12/31/06.	Business development function incorporated into existing division.
Transition the organization through a change in leadership.	Succession, recruitment and transition plans in place for leadership positions.	Transition of one division completed following the retirement of a senior staff member in January 2006.
Maintain MAC's financial viability as NWA restructures as a result of bankruptcy.	AA- bond rating maintained with 4 month's debt service reserve retained. Alternative sources of revenue identified.	AA- bond rating maintained. Commission increased debt service reserve to 6 months. Non-aeronautical revenue sources continue to be identified.
Oversee the development of financial, operational and workforce contingency plans.	Best case, worst case and most likely financial, operational and workforce contingency plans in place.	Plans under review.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****EXECUTIVE - GENERAL****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Maintain MAC's financial viability as NWA restructures as a result of bankruptcy and other industry changes emerge.	AA- bond rating maintained and 6 month debt service reserves in place.	Viability maintained through NWA bankruptcy negotiations and via organizational performance. Bond rating remained in place; debt service reserves met.
Transition the organization through leadership changes as retirements occur.	Succession and recruitment plans in place for leadership positions.	Executive search process initiated for anticipated retirement of Deputy Executive Director for Planning & Environment. Process expected to be completed January 2008.
Lead the implementation of MAC's strategic plan.	MAC's five year strategic plan is updated to reflect the state of the industry.	MAC's Five Year Plan updated and communicated to organization and appropriate external sources.
Integrate business development responsibilities into Finance & Administrative Services Division.	Function is fully integrated to best serve organizational needs with increased focus on generating non-aeronautical revenues.	Increased focus on business development in place.

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Increase focus on re-building positive community relations.	Community relations are strengthened in communities adjacent to MAC airports.
Oversee development of opportunities that align with organizational interests and meet the needs of surrounding communities.	MAC begins to realize revenue from non-aeronautical sources.
Ensure implementation of Part 150 Consent Decree	Stipulations of decree met that result in positive community relations.
Provide leadership to ensure MAC's solvency through potential airline merger activity.	MSP's large hub status and airline headquarters location in place to meet interests of MAC and key stakeholders.
Lead, mentor and transition new Deputy Executive Director for Planning & Environment into the organization.	Planning & Environment Division is fully functional and meeting the needs of the organization.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**EXECUTIVE - COMM/CHAIRMAN**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	30,870	44,458	39,456	-5,002	-11.25%
Administrative Expenses	11,565	20,577	27,300	6,723	32.67%
Professional Services	0	0	0		
Utilities	950	1,250	1,250	0	0.00%
Other		0	0		
<b>Total Budget</b>	<b>43,386</b>	<b>66,285</b>	<b>68,006</b>	<b>1,721</b>	<b>2.60%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

**RESPONSIBILITY/FUNCTION**

It is the responsibility of the Board to: 1) Promote the public welfare; 2) Promote national, international, state and local air transportation; 3) Promote the safe, efficient and economical handling of air commerce both nationally and internationally and to fully develop the potential of the metropolitan area as an aviation center providing for the most economical and effective use of aeronautical facilities and services; and 4) Assure residents of the metropolitan area minimum environmental impact from air transportation by promoting the overall goals of the State's environmental policies minimizing the public's exposure to noise and pursuit of the highest level of safety at all Commission airports.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**PUBLIC AFFAIRS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	142,840	166,826	260,134	93,309	55.93%
Administrative Expenses	36,296	116,752	157,417	40,665	34.83%
Professional Services	187,542	135,000	250,600	115,600	85.63%
Utilities	1,414	1,320	1,500	180	13.64%
Operating Services/Expenses	73,610	50,500	77,016	26,516	52.51%
Maintenance	420	250	1,400	1,150	460.00%
Other	987	1,386	2,330	944	68.11%
<b>Total Budget</b>	<b>443,110</b>	<b>472,034</b>	<b>750,397</b>	<b>278,364</b>	<b>58.97%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>2</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

Build public support for the MAC and its airports through media relations, public information and outreach programs. Enhance the airport experience by providing information to travelers. Identify, monitor and help address issues that might impact the MAC. Communicate airport benefits and impacts to surrounding communities. Enhance customer service by communicating with tenants. Provide information MAC staff and commissioners can use in working to achieve organizational goals. Conduct advertising and marketing campaigns aimed at increasing MAC revenues and promoting airport services.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount. Budget reflects full year of a three person Public Affairs Department.
Administrative Expenses	Includes software for development and hosting of new, highly interactive MSP International Airport Web site designed to maximize revenues, enhance administrative/operational efficiencies and improve customer service. Increase in travel-related lines reflects addition of the new marketing and public affairs manager and increased MAC participation in ACI-NA marketing and communications activities.
Professional Services	Increase in Professional Services reflects cost of oversight in planning and creative development of new, highly interactive Web site for MSP, designed to maximize revenues, increase administrative/operational efficiencies and enhance customer service. Increase in photography expenses tied to need for professional-quality photos of MSP for industry news publications, new Web site and marketing materials. Anticipate increased graphic design costs as we shift more publication development activities in-house and rely less on outside PR continuing consulting firm for those services.
Operating Services/Expenses	Increase in operating expenses due to anticipated informational/marketing opportunities and services to the estimated 20,000 to 30,000 reporters expected to pass through MSP for the Republican National Convention.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**PUBLIC AFFAIRS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Keep MAC employees, Commissioners and airport employees informed of important airport news and developments on a timely basis.	Weekly publication of MAC Update, quarterly publication of MSP Update and regular dissemination of pertinent news clips.	The weekly MAC Update was expanded and reformatted for a more professional look. Based on feedback and observation, it did not appear the MSP Update was an effective tool for communicating to the airport community and was discontinued. News clips were provided to an electronic mailing list and posted on the MAC's Intranet site.
Provide customer service information aimed at making the airport experience easier, more efficient and satisfying for travelers.	Updated terminal brochures that complement new terminal directories, accurate information about airport facilities and services on our Web site and in news releases and publications.	Service changes were added to the airport's Web site throughout the year and, in some cases, highlighted through news releases or stories pitched to the news media. Work updating the brochure was slowed by personnel changes and the fact that the department had only one employee for a few months; however, content updates were nearly complete by year's end. Ads touted the convenience of airport parking and the airport conference center.
Inform the public of MAC efforts to minimize adverse environmental impacts of airport operations.	Information about MAC programs and activities will be available on the Web site and in publications, news media, video and other formats.	Worked with the Environment Department and Airport Development to keep communities around the airport informed about issues related to Runway 17/35 and the status of the Part 150 program. Worked with the Governor's Office to provide information about the MAC's E-87 fueling program.
Promote on-airport parking, e-park, Northstar Crossing concessions, reliever airports and other consumer-based revenue streams.	Promotional tools that may include Web site materials, publications, video, paid advertisements, events, signage, billboards and other marketing means.	Worked with Landside Operations to continue to promote airport parking and, particularly, the cost-savings of parking at the Humphrey Terminal. Worked on ideas for new Web content related to Northstar Crossing, and worked with the Marketing Committee and CMAA to promote new stores and restaurants. Worked with the Airport Director's Office to update outdated marketing materials for the Conference Center.
Keep MAC staff, Commissioners, tenants and the public up to date on airport impacts of airline bankruptcies.	Use internal and external publications, the Web site, news releases, talking points, PowerPoint presentations, media contacts and/or other means to describe impacts of/MAC response to airline bankruptcies and related issues.	Worked extensively to develop and disseminate communication materials related to the proposal to minimize risks from Northwest Airlines' bankruptcy and to maximize MSP's air service competitiveness.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****PUBLIC AFFAIRS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Communicate results of Reliever Airports Task Force efforts and related commission actions.	Use Web site, tenant correspondence, news releases and other means to keep reliever airport tenants and interested communities/citizens informed of plans and decisions related to reliever airport management, funding, policies, lease requirements and other pertinent issues.	Most Task Force recommendations ultimately were not implemented in 2006, so there was little to communicate in that regard. However, in cooperation with Anoka County, we did promote the runway opening at Anoka County-Blaine Airport. In addition, developed communication materials and provided information to the news media regarding efforts to work with the city of St. Paul toward development of a floodwall and related improvements at St. Paul Downtown Airport. Information related to the airline cost savings/airport competitiveness proposal presented in December also included funding streams for the reliever system and opportunities to remove obstacles to expansion of Flying Cloud Airport.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Increase public awareness of the benefits to the community and state that derive from the MAC and its airports.	Increase in amount of positive information about the MAC and its airports in the hands of metropolitan-area citizens	Emphasized advantages resulting from new airline lease agreement and historic agreement to expand the sound insulation program to the 60 DNL. Promoted new airport concessions and Start! Walking program. Began MSP branding effort and work on a new, user-friendly interactive airport concessions Web site. Developed and launched award winning SurePark marketing campaign.
Inform public of use of Runway 17/35 to the north due to reconstruction of 12R/30L	Impacted citizens will know about and understand the necessity of using the new runway to the north during reconstruction of the south parallel runway	Worked with Environment Department to develop and distribute information regarding runway closure, including post cards, news release, newsletter and Web site information, promotion of public informational meetings, and outreach to news reporters regarding the issue.
Build support and recognitions for the MAC's environmental achievements	Citizens have greater information about the MAC's environmental achievements	Promoted historic noise settlement, building on MAC's reputation as a national leader in noise mitigation. Began organization wide effort to gather information on MAC's sustainability achievements since the inception of the 2010 program.
Publicize efforts related to reliever airport comprehensive plans and non-aeronautical revenue opportunities, while emphasizing each airport's contributions to the surrounding community or communities	More information about plans, changes and positive contributions of reliever airports available to citizens in surrounding communities	Began working with Reliever Airports Department on next generation Reliever Airports Web site. Talked to news media about unique partnership to expand and improve Anoka County-Blaine Airport. Created brochure and PowerPoint promoting planned expansion of Flying Cloud. Held initial meeting with Reliever staff regarding potential reliever airport marketing opportunities in 2008.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**PUBLIC AFFAIRS**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Promote business services available at MSP	More information will be available to travelers regarding business services available at MSP, including conference center services, convention welcoming services, wireless Internet, cellular phone chargers, stationary Internet kiosks, currency exchange services, airport business centers and other business services.	Developed new brochures for the Lindbergh and Humphrey terminals. Launched effort to redevelop concessions Web site, including a section on the airport conference center. Created promotional pieces for direct mail, publication and in-terminal marketing of airport conference center.
Increase public awareness of security-related tips and requirements	Fewer complaints and more understanding of curbside parking prohibitions and enhanced awareness of and participation in airport security issues	Developed and distributed a series of three security-related public service announcements featuring the Airport Police Department. PSAs are shown on CNN monitors at MSP as well as on local television stations as a public service. PSAs cover topics such as curbside drop off and pickup, unattended bags and reporting suspicious activities.

**2008 OBJECTIVES**

Objective	Expected Results
Promote MAC efforts to ensure environmental, economic and social sustainability of airport operations, airport safety and security, airport services and amenities, awards and recognition, and the benefits of MAC's reliever airports	Promotional materials and media stories related to the objective
Promote MAC revenue opportunities	Development and execution of marketing campaigns for airport concessions, conference center, parking, reliever airports and, as appropriate, new air service and non-aeronautical opportunities
Develop an MSP brand complete with logo and tagline to help create a positive, easily identifiable and broadly recognized identity that sets MSP apart from its competitors and enhances perceptions of the airport.	New MSP logo, tagline and other brand elements are incorporated into MSP facilities, Web site, publications and other places as appropriate.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Customer Service			six publications	
<b>Performance Measure:</b>	Distribute six publications aimed at providing information to the public about the MAC and its airports			
<b>Comments:</b>				
Customer Service			20 releases per year	
<b>Performance Measure:</b>	Increase to 20 the number of news releases issued			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**PUBLIC AFFAIRS**

**2008 Key Measurements**

<b>Key Success Factor</b>	<b>2006 Actual</b>	<b>2007 Est</b>	<b>2008 Budget</b>	<b>Target</b>
Customer Service			4100 visits per day	
<b>Performance Measure:</b>	Increase visits to concessions pages of MSP's Web site to 4,100 visits per day			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**INTERNAL AUDIT**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	215,558	285,688	321,236	35,548	12.44%
Administrative Expenses	3,919	25,100	7,025	-18,075	-72.01%
Professional Services	1,000	3,000	0	-3,000	-100.00%
Utilities		0	0		
Operating Services/Expenses	1,025	1,050	3,900	2,850	271.43%
Maintenance		0	0		
Other		6,000	0	-6,000	-100.00%
<b>Total Budget</b>	<b>221,501</b>	<b>320,838</b>	<b>332,161</b>	<b>11,323</b>	<b>3.53%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>3</b>	<b>4</b>

**RESPONSIBILITY/FUNCTION**

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

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount. In addition to salaries, training is required to maintain the staff's professional licenses and to ensure that auditors stay informed on the latest audit standards and methods.
Administrative Expenses	Office supplies, travel to conferences for training and networking, and memberships in professional associations are all needed to maintain the functionality and professionalism of the Internal Audit Department.
Operating Services/Expenses	Internal Audit uses two software platforms that are uniquely suited to the analysis and documentation requirements of audit work. These programs are not used or supported by other MAC Departments. Funds must be available to purchase software support, upgrades and patches that are needed to maintain the functionality of the software.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Perform selected audits of MAC internal financial activity in order to document and test internal controls to ensure that they are adequate and to ensure compliance with applicable laws, policies and procedures.	Audits of MAC internal financial activity are completed and audit reports are issued.	Audits of internal financial activity have been completed.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**INTERNAL AUDIT****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Perform a periodic review of auto rental activity using computer data files provided by Auto Rental Agencies to gain assurance that car rental activity has been properly reported to MAC and that all applicable concession fees have been paid.	Audits of car rental agencies are completed and audit reports are issued.	Audits of auto rental activity have been completed.
Perform an annual audit of MAC parking revenue to ensure that revenue was properly accounted for and properly safeguarded.	Annual audit of MAC parking revenue is completed and audit report is issued.	Audit of MAC parking revenue has been completed.
Perform audits of airport concession operators to ensure that revenue is being properly accounted for and that all required fees are being paid to MAC.	Concession audits are completed and audit reports are issued.	Audits of airport concession operators have been completed. Additional audits are in process.
Work with MAC staff to ensure that adequate financial controls are implemented when departmental processes or procedures are changed.	Written policies for new accounting procedures are documented. Follow-up reviews are completed to ensure that adequate financial controls have been implemented.	Departmental processes have been reviewed. Cooperative efforts with MAC staff have resulted in significant potential cost savings.
Perform audits of selected MAC expenditure functions or contracts when needed to ensure that consultants and service providers have complied with financial terms of contracts and that charges to MAC are appropriate and reasonable.	Expense audits are completed as needed and audit reports are issued.	Audits of MAC expenditure functions have been completed.
Implement a department quality assurance program to ensure professional quality of work performed and meet regulatory requirements.	Quality assurance program is fully implemented and documented.	A quality self-assessment has been completed. An independent validator has reviewed and approved the quality self-assessment.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****INTERNAL AUDIT****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Perform selected audits of MAC internal functions as needed to ensure that internal financial controls over MAC resources are adequate and to ensure compliance with applicable laws, policies and procedures.	Audits are completed as needed and audit reports are issued.	Scheduled audits of internal functions have been completed and audit reports have been issued.
Perform audits of airport retail and food and beverage concession operators on a scheduled rotating basis to ensure that revenue is properly accounted for and concession fees are properly paid to MAC.	Concession audits are completed and audit reports are issued.	Audits of retail and food and beverage concession operators have been completed or are in process.
Maintain a knowledgeable professional audit staff with appropriate professional credentials and knowledge of current audit procedures and processes with increased emphasis on training in audits of computerized accounting and control systems.	Increased training opportunities are provided to audit staff to further expand their professional credentials and knowledge with an emphasis on increased knowledge of information systems.	Auditors with professional certifications have maintained those certifications. Two staff members attended the Association of Airport Internal Auditors annual conference and received training on airport audit topics. Two staff members are receiving training to become Certified Information Systems Auditors and will complete a certification exam.
Perform an annual audit of MAC Parking Revenue to ensure that financial controls are adequate and that revenue was properly accounted for and safeguarded.	Audit of Parking revenue is completed and audit report is issued.	The audit of parking revenue has been completed. The final audit report was issued and approved by the Commission.
Perform periodic audits of revenue collected by auto rental concession operators to ensure that gross revenue and associated fees have been properly reported and paid to MAC.	Selected audits of auto rental concession operators are completed and audit reports are issued.	A review of auto rental financial data is in process. Concession operators are being selected for audit.
Provide a mechanism to identify and investigate instances of fraud or misappropriation of MAC assets.	Procedures for identification of fraud and misappropriation are implemented. Reported instances of inappropriate activity are investigated and appropriate reports are issued.	One instance of fraud was investigated. Results of that investigation were included in a recent audit report.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**INTERNAL AUDIT**

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Perform detailed analysis of financial controls and results to assist management in improving efficiency and effectiveness.	Complete required analysis and report results to senior management officials. Make recommendations for process improvements.
Complete follow-up audit procedures to ensure that prior audit findings are resolved and Commission approved actions are implemented.	Complete follow-up audit procedures and report results to the Commission and Senior Management.
Complete all audit projects included in the 2008 Commission Approved Audit Plan.	Audit Projects are completed and Audit Reports are issued.
Fully document department procedures in a procedures manual.	Procedures manual is completed and issued to audit staff.
Fully implement the use of TeamMate Audit Management and Documentation Software that was purchased in 2007.	TeamMate Software Modules including Electronic Working Papers, Team Risk, Team Central and Time and Expense Capture are implemented and in use by Audit Staff.

**2008 Key Measurements**

<b>Key Success Factor</b>	<b>2006 Actual</b>	<b>2007 Est</b>	<b>2008 Budget</b>	<b>Target</b>
Financial Responsibility	10%	15%	15%	15%
<b>Performance Measure:</b>	Achieve rotating coverage of Medium Risk Areas			
<b>Comments:</b>	MAC functions for which a medium risk level is assigned through an annual risk assessment are reviewed on a rotating basis through a multi-year cycle.			
Financial Responsibility	80%	100%	100%	100%
<b>Performance Measure:</b>	Achieve Full Audit Coverage of High Risk Areas			
<b>Comments:</b>	MAC Functions for which a high risk level of material misstatement is assigned through an annual risk assessment process are reviewed annually by Internal Audit.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**LABOR AND GOVERNMENTAL AFFAIRS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	258,279	267,234	281,313	14,079	5.27%
Administrative Expenses	13,814	21,270	22,915	1,645	7.73%
Professional Services	189,647	301,000	305,450	4,450	1.48%
Utilities	1,552	1,600	1,600	0	0.00%
Operating Services/Expenses	470	7,800	8,215	415	5.32%
Maintenance		0	0	0	0.00%
Other	150	1,200	1,240	40	3.33%
<b>Total Budget</b>	<b>463,912</b>	<b>600,104</b>	<b>620,733</b>	<b>20,629</b>	<b>3.44%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

The Labor and Governmental Affairs division is responsible for two areas. Labor Relations negotiates and administers the contracts of the ten labor unions at the Commission. Labor Relations also interacts with and mediates disputes between outside unions and contractors which could jeopardize Commission operations. Governmental Affairs coordinates relations with Congress and the Administration, the State Legislature, federal and state agencies, the Governor's office, counties and municipalities. The Legislative/Governmental Affairs function is responsible for assessing, monitoring and influencing legislation involving or having the potential to impact the Commission.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Legislative - Local - Increase of \$4,000 over 2007 budget. State legislative consultants have been held relatively flat for the past five years. Expect slight increase for 2008.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Mediate disputes between outside unions, contractors and airport tenants and negotiate construction project labor agreements when beneficial to MAC.	Effective airport operations and construction projects free of labor disruptions for the traveling public.	Assisted in resolving labor issues relating to Project Labor Agreements, construction projects, airport vendors and airport tenants relative to outside union issues and concerns. Negotiated and executed Project Labor Agreements assuring that these projects were not subject to any delays due to labor unrest.
Process and hear grievances on behalf of the Executive Director while representing MAC in mediation, arbitration and veterans preference hearings.	Terms and conditions of employment consistent with Commission goals.	Participated in the grievance process and successfully resolved numerous grievance issues. Represented MAC at various contract mediation hearings and pre-arbitration grievance hearings.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****LABOR AND GOVERNMENTAL AFFAIRS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Negotiate labor contracts with six MAC unions whose labor agreements expire at the end of 2005 or mid 2006.	Terms and conditions of employment consistent with Commission goals.	Successfully completed negotiations with six bargaining units whose contracts expired in 2006. Negotiations resulted in wages being competitive and the elimination of retiree health insurance for new hires.
Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues including training as needed.	Improved labor/management environment.	Met and consulted with numerous MAC managers and supervisors to advise them on grievance, contract and labor relations matters. Provided ad hoc training to managers and supervisors as appropriate.
Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts.	Effective labor relations representation and participation.	Served as General Counsel for Minnesota Public Employer Labor Relations Association (MPELRA) and as a member of both the state and national PELRA. Also served on the Board of Directors for Twin City Area Labor Management Council (TCALMC). Participated in Area Negotiators meetings.
Create and implement filing system that integrates all labor files.	Filing system implemented and files from 2000 to present cataloged and filed.	Filing system created and numerous files cataloged and entered.
Coordinate Labor Management Committee activity.	Improved labor/management environment.	Continued to coordinate and participate in MAC's six cooperative Labor Management Committees. Implemented new Labor Management Committee on Benefits with all unions.
Work with local, state and federal officials to explore and acquire funding for St. Paul Airport dike.	Funding allocated.	Federal and state funding authorized. Construction of project underway.
Explore and acquire additional funding via the federal AIP and DOT appropriations.	Funding allocated.	During 2006 MAC received a high level of federal AIP grants for major projects at MSP and St. Paul (\$21,516,128).
Educate appropriate political bodies and government units on airports (MSP and relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.	Supportive Local Government and Transportation Committees in both bodies of the State Legislature. Special attention was paid to House Aviation Subcommittee and Senate Subcommittee on Aeronautics. Provided legislative briefings and airport site visits to legislators and staff. Met with all members of the Minnesota Congressional Delegation and made frequent contacts with their staff.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC goals and objectives.	Member of airport trade group U.S. Governmental Affairs Steering Committee. Trade group legislative program closely aligned with MAC positions.
Monitor legislation and present MAC positions on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.	Monitored legislation and presented Commission positions supporting or opposing bills. Several bills were introduced contrary to MAC policy positions - none passed. (See 2006 legislative summary).

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****LABOR AND GOVERNMENTAL AFFAIRS****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Mediate disputes between outside unions, contractors and airport tenants and negotiate construction project labor agreements when beneficial to MAC.	Effective airport operations and construction projects free of labor disruptions for the traveling public.	Assisted in resolving labor issues relating to construction projects, airport vendors and airport tenants relative to outside union issues and concerns.
Process and hear grievances on behalf of the Executive Director while representing MAC in mediation, arbitration and veterans preference hearings.	Terms and conditions of employment consistent with Commission goals.	Participated in the grievance process and successfully resolved numerous grievance issues. Represented MAC at various contract mediation hearings and pre-arbitration grievance hearings.
Negotiate labor contracts with four MAC unions whose labor agreements expire mid 2007.	Terms and conditions of employment consistent with Commission goals.	Successfully completed negotiations with four trade bargaining units whose contracts expired in 2007. Negotiations resulted in wages being competitive and the elimination of retiree health insurance for new hires.
Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues including training as needed.	Improved labor/management environment.	Met and consulted with numerous MAC managers and supervisors to advise them on grievance, contract and labor relations matters. Provided ad hoc training to managers and supervisors as appropriate.
Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts.	Effective labor relations representation and participation.	Served as General Counsel for Minnesota Public Employer Labor Relations Association (MPELRA) and as a member of both the state and national PELRA. Also served on the Board of Directors for Twin City Area Labor Management Council (TCALMC). Participated in Area Negotiators meetings.
Complete labor filing project.	All labor files cataloged and filed.	Numerous files cataloged and entered.
Coordinate Labor Management Committee activity.	Improved labor/management environment.	Coordinated and participated in MAC's six cooperative Labor Management Committees with individual bargaining units and one multi-unit Labor Management Committee dealing with benefits.
Work with federal officials to assure out year funding for St. Paul Airport dike.	Funding allocated.	Federal Aviation Administration discretionary grant received.
Explore and acquire additional funding via the federal AIP and DOT appropriations.	Funding allocated.	FAA continues to make payment on Runway 17/35 LOI. State Aeronautics grant for Segment 2 of runway reconstruction at MSP.
Educate appropriate political bodies and government units on airports (MSP and relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.	Participated in ACI Congressional Hill days, multiple site visits from our Washington delegation and/or staff, State Senate Local Government Committee MSP and STP tours, over 2 dozen members briefed at MSP during interim.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC goals and objectives.	ACI's positions on FAA Reauthorization and DHS bills agree with MAC positions.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****LABOR AND GOVERNMENTAL AFFAIRS****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Monitor legislation and present MAC positions on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.	Monitored legislation and presented MAC positions supporting or opposing bills. Several bills were introduced contrary to MAC policy positions - none passed. (See 2007 legislative summary).

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Monitor legislation and present MAC positions on issues to state political bodies and/or persons in an effort to modify and/or initiate legislation that supports MAC's goals.	Effective aviation legislation.
Participate in formulating airport trade group positions on aviation related legislation.	Airport trade group positions closely aligned with MAC strategy and goals.
Educate appropriate political bodies and government units on airports (MSP and relievers) and present MAC's position on issues including airport security, airport capacity and economic viability of the airport system.	Educated and supportive stakeholders.
Explore and acquire additional funding via the federal AIP and DOT appropriations.	Funding allocated.
Work with federal officials to assure out year funding for St. Paul Airport dike.	Funding allocated.
Complete labor filing project.	All labor files cataloged and filed.
Coordinate Labor Management Committee activity.	Improved labor/management environment.
Represent MAC on outside boards and organizations to bring visibility and influence to MAC's labor relations efforts.	Effective labor relations representation and participation.
Assist managers and supervisors in contract interpretation, grievances and labor/management cooperation issues including training as needed.	Improved labor/management environment.
Prepare for bargaining and begin negotiations with five MAC unions whose labor agreements expire at end of 2008.	Terms and conditions of employment consistent with Commission goals.
Process and hear grievances on behalf of the Executive Director and represent MAC in mediation, arbitration and veterans preference hearings.	Terms and conditions of employment consistent with Commission goals.
Mediate disputes between outside unions, contractors and airport tenants and negotiate construction project labor agreements when beneficial to MAC.	Effective airport operations and construction projects free of labor disruptions for the traveling public.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**LABOR AND GOVERNMENTAL AFFAIRS**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Financial Responsibility	N/A	N/A	80%	80%
<b>Performance Measure:</b>	Union salaries on average are competitive with market - measurable job classifications are between 40th and 90th percentile of Stanton V			
<b>Comments:</b>				
People	N/A	N/A	85%	85%
<b>Performance Measure:</b>	Supervisors of union employees are satisfied with labor relations support and services - annual survey with positive response			
<b>Comments:</b>				

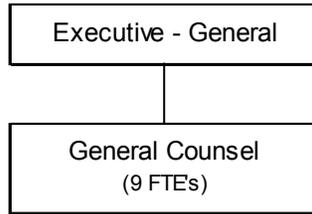
**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Legal Affairs Division**



**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2007 Budget and 2008 Budget
- \* The explanation for the variances is based upon the 2007 Budget and 2008 Budget
- \* FTE's as stated in each service center are as budgeted in December 2007. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**GENERAL COUNSEL**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	689,123	730,110	813,897	83,787	11.48%
Administrative Expenses	30,860	26,073	33,650	7,577	29.06%
Professional Services	1,840,956	2,400,000	1,900,000	-500,000	-20.83%
Utilities	195	450	1,200	750	166.67%
Operating Services/Expenses	539	938	1,100	162	17.27%
Other	0	0	0		
<b>Total Budget</b>	<b>2,561,673</b>	<b>3,157,571</b>	<b>2,749,847</b>	<b>-407,724</b>	<b>-12.91%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>7</b>	<b>8</b>	<b>9</b>

**RESPONSIBILITY/FUNCTION**

The General Counsel's Office is responsible for providing legal advice and representation to the Commission on legal matters, preparing legal documents and monitoring/coordinating outside legal counsel.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
Administrative Expenses	Increases due to additional headcount.
Professional Services	Professional services decreased due to Northwest Airlines emergence from bankruptcy and settlement of noise litigation.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner.	Researched legal issues as requested by MAC Departments and MAC Commissioners. Addressed airline issues (Northwest Airlines Bankruptcy, 2020 Plan, Part 150 Program, recruiting new airlines for Humphrey Terminal, updated competition plan). Advised on St. Paul floodwall issues. Researched various issues as requested by CMAA and Reliever Airports. Attended RAAC meetings. Advised and prepared collections and evictions as requested by CMAA, Reliever Airports and Finance. Reviewed and analyzed property tax statements. Managed MSP Minimum Landing Fee Research and Proposal. Provided research, advice, and drafting regarding Task Force recommendations.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**GENERAL COUNSEL****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Complete in timely manner.	Advised Finance Department regarding G.O. 15 collateral requirements. Provided assistance to CMAA and Reliever Airports in drafting and adopting ordinances, leases, agreements, and Requests For Proposals including: Taxicab Ordinance, Ground Rent Ordinance, AOA Driving Ordinance, Concession Agreements, Loading Dock Agreement, Anoka FBO RFP, Lease Amendments, Concession Amendments and numerous miscellaneous agreements. Completed First and Second Amendments to the Joint Powers Agreement and Anoka/MAC Northwest Building Area Lease and Development Agreement. Completed property acquisitions to facilitate Runway 17-35 construction (purchase and condemnation). Continued working with Landside (Taxicab Ordinance No. 104, Commercial Vehicles, Taxicab Permit Fee, refusal of service issue, legal research). Monitor Transportation Security Administration (TSA) to implement ongoing security regulations.

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## GENERAL COUNSEL

## 2006 PROGRESS REPORT

Objective	Measurement	Results
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) MAC and all MAC employees, primarily management employees, and MAC Commissioners.	Provide representation when needed. Complete in timely manner.	Advised Environment Department with respect to ongoing environmental issues at MSP and Reliever Airports. Heide v. FAA - monitoring of ongoing activity. MAC v. Xcel Energy - ongoing litigation. City of Minneapolis, et al v. MAC - Parties moved for summary judgment hearing; currently awaiting judge's decision. City of Bloomington Request for Supplemental EIS - Summary judgment was granted in favor of MAC. Wiencke, et al v. MAC - Summary judgment motion hearing scheduled for February 2007, with trial currently scheduled for May 2007. Caswell v. City of Bloomington - Motion for summary judgment granted. Currently on appeal. City of Bloomington v. MAC - dismissed. Interstate Companies v. MAC, et al - Summary judgment was granted in favor of MAC. MAC v. AMFA individuals - settled. Van Balen v. MAC - Settled at no cost to MAC. Pursuit of attorneys' fees ongoing. SKB Environmental v. MAC - Summary judgment was granted in favor of MAC. Pursuit of attorneys' fees ongoing. Hertel v. MAC - Motion for summary judgment for Hertel granted. Crossroads Aviation v. MAC - Trial scheduled in 2007. Taxicab Hearings/Security Hearings - ongoing. Human Rights Complaints - No new complaints in 2006. MAC received determination of no probable cause in one outstanding complaint. Various bankruptcies (e.g., Northwest Airlines, Mesaba Airlines, Delta Airlines, United Airlines, USAirways Airlines) - ongoing. Represented MAC in legal disputes with airlines.
Respond to Data Practices Act Requests.	Respond in timely manner.	Responded to numerous data requests. Provided legal advice on numerous data issues. Researched classification of data. Attended Data Practices Committee meetings.
Maintain proficiency in all areas of airport law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport law.	Attendance at seminars and participation in trade organizations.
Represent MAC on outside boards, commissions and task forces, directly bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	Attended ACI Legal Committee meetings. Attended IMLA conference.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**GENERAL COUNSEL****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner. Decrease reliance on outside legal counsel.	Researched legal issues as requested by MAC Departments and MAC Commissioners. Addressed airline issues (Northwest Airlines Bankruptcy, 2020 Plan, Part 150 Program, recruiting new airlines for Humphrey Terminal, updated competition plan). Advised on St. Paul Floodwall issues. Attended RAAC meetings. Advised and prepared collections and evictions as requested by CMAA, Reliever Airports and Finance. Managed MSP Minimum Landing Fee Research and Proposal through adoption by the Commission. Provided research, advice, and drafting regarding Reliever Taskforce recommendations. Provided research, advice, and drafting regarding aeronautical development at Flying Cloud Airport.
Draft, negotiate and/or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Complete in timely manner. Decrease reliance on outside legal counsel.	Advised Finance Department regarding G.O. 15 collateral requirements. Provided assistance to CMAA and Reliever Airports in drafting and adopting ordinances, leases, agreements, and requests for proposals, including: Concession Agreements, Non-Aeronautical Development RFP's, Lease Amendments, Concession amendments and numerous miscellaneous agreements. Negotiated and completed the Third Amendment to the Anoka/MAC Northwest Building Area Lease and Development Agreement and the First Complete and Superseding Amendment to the Master Ground Sublease and Development Agreement. Completed property acquisitions to facilitate Runway 17-35 construction (purchase and condemnation). Continued working with Landside (Taxicab Ordinance No. 106, Commercial Vehicles, Taxicab Permit Fee, refusal of service issue, legal research). Monitor Transportation Security Administration (TSA) to implement ongoing security regulations. Prepared bid for the Ford Hydro Dam. Researched various issues as requested by CMAA and Reliever Airports.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**GENERAL COUNSEL****2007 PROGRESS REPORT**

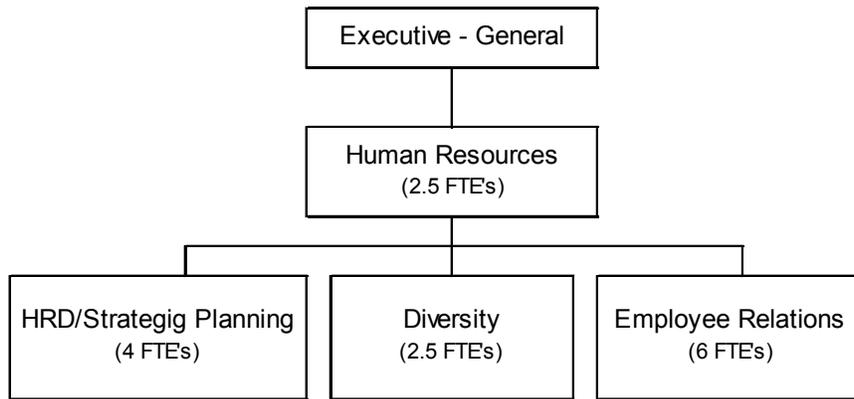
<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Represent (actual or potential litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) MAC and all MAC employees (primarily management employees) and MAC Commissioners.	Provide representation when needed. Complete in timely manner. Decrease reliance on outside legal counsel.	Advised Environment Department regarding ongoing environmental issues at MSP and reliever airports. Heide v. FAA - monitoring of ongoing activity. MAC v. Xcel Energy - ongoing litigation. City of Minneapolis, et al v. MAC - completed. Wiencke, et al v. MAC - completed. SKB Environmental v. MAC - Summary judgment was granted in favor of MAC. Pursuit of attorneys' fees ongoing. Successfully defended MAC in the two informal complaints filed with FAA by Anoka Air Charter and Crossroads Aviation. Crossroads Aviation v. MAC - Trial completed. State v. Larry Craig - Guilty plea entered and maintained. Taxicab Hearings/Security Hearings - ongoing. Shqeirat v. US Airways & MAC - Litigation involving the removal of six Imams from a US Airways flight. Discovery phase. Dolal v. MAC - Successful in defeating temporary injunction proceedings. Moving through discovery. Yohannes v. MAC - Moving through discovery. Prepared for summary judgment. Human Rights Complaints - No new complaints in 2007. MAC received determination of no probable cause in one outstanding complaint. Various bankruptcies (e.g., Mesaba Airlines, Delta Airlines, United Airlines, US Airways Airlines, Kittyhawk and Crystal Shamrock) - ongoing. Represented MAC in legal disputes with airlines.
Data Practices Legislation/Data Requests.	Respond in a timely manner. Decrease reliance on outside legal counsel.	Responded to numerous data requests. Responded to Heide data requests. Provided research, legal advice and drafting regarding data issues and data legislation. Attended data practices committee meetings.
Maintain proficiency in all areas of airport law through attendance at seminars and participation in appropriate trade organizations.	Proficiency in all areas of airport law. Meeting Continuing Legal Education requirements pursuant to the Minnesota State Bar Association.	Attended seminars and participated in trade organizations.
Represent MAC on outside boards, commissions and task forces, directly bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.	Attended ACI Legal Committee meetings. Attended IMLA Conference.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****GENERAL COUNSEL****2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Maintain proficiency in all areas of airport law through attendance at seminars and participate in appropriate trade organizations.	Proficiency in all areas of airport law.
Respond to Data Practices Act requests.	Respond in timely manner.
Represent (actual or potential) litigation, administrative hearings, proposed legislation or regulations, misc. commercial or other legal claims) MAC and all MAC employees (primarily management employees) and MAC Commissioners.	Provide representation when needed. Complete in timely manner.
Draft, negotiate and /or review documents (e.g., leases, ordinances) for all MAC management employees, especially CMAA, Relievers, Airport Development, Police, Fire, Purchasing, Landside, MAC Commissioners, ACI.	Complete in timely manner.
Represent MAC on outside boards, commissions and task forces, directly bringing visibility and influence to MAC's efforts.	Visibility and influence to MAC's efforts.
Provide legal advice to all MAC management employees (supervisors, managers, directors, senior staff) and MAC Commissioners.	Provide research and advice when requested. Complete in timely manner.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Human Resources Division**



**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2007 Budget and 2008 Budget
- \* The explanation for the variances is based upon the 2007 Budget and 2008 Budget
- \* FTE's as stated in each service center are as budgeted in December 2007. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****HUMAN RESOURCES****BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	150,351	150,950	209,661	58,711	38.89%
Administrative Expenses	14,377	9,688	13,800	4,112	42.44%
Professional Services	45,514	150,000	195,000	45,000	30.00%
Utilities		100	100	0	0.00%
Operating Services/Expenses	631	0	0		
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>210,873</b>	<b>310,738</b>	<b>418,561</b>	<b>107,823</b>	<b>34.70%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2.5</b>	<b>1.5</b>	<b>2.5</b>

**RESPONSIBILITY/FUNCTION**

MAC's Human Resources Division facilitates the continuation of MAC as a high performing organization where employees experience excellence in leadership, challenging work, opportunities for growth and development while being rewarded competitively. This area is responsible for the oversight and management of human resources, products and services delivered by Employee Relations, Human Resource Development & Workforce Planning and the Office of Diversity. This division facilitates MAC's strategic planning and departmental planning processes. Each of these areas has a separate budget and is detailed later in this section.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Oversee and direct the strategic planning process for the organization.	MAC's Five Year Strategic Plan is updated to reflect years 2007 through 2011.	MAC's Five Year Plan has been updated with adjustments made as necessary, including refinement of key success measures.
Oversee staffing management plan to prepare for and facilitate executive transitions.	A transition plan is in place with recruitment strategies for anticipated turnover at executive levels and other key positions through 2008.	Potential retirements have been identified with emphasis on recruitment strategies as turnover occurs.
Oversee the development and facilitation of MAC's 3-year workforce strategy.	A 3-year workforce plan is in place for 2007 through 2009.	Workforce planning discussions were completed; departments are beginning to focus their planning beyond the one-year horizon.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****HUMAN RESOURCES****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Facilitate creation of a leadership development program.	Leadership development process defined and in the first phase of implementation by the end of the year.	Based on organizational readiness, emphasis has been shifted from leadership development to management development as a priority for 2007.
Partner with Finance and Administrative Services to transition and integrate Human Resources and Administrative Services policy manuals into one reference document.	Easily accessible manual that combines HR and Administrative policies using standardized format, distribution and communication schedules.	This objective was re-directed.
Partner with Finance and Operations Departments to develop workforce contingency plans.	Best case, worst case and most likely workforce contingency plans in place.	Contingency discussions have been integrated into on-going prioritization of workforce needs.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Upgrade HR technology and HRIS system.	Hardware and software upgrades in place to facilitate improved services.	In coordination with IS, this project is underway for implementation of early phases in 2008.
Enhance HR's communication and feedback systems.	Organizational management and information tools are enhanced.	A number of management reports, including tracking of sick leave utilization and performance review status, were implemented in 2007 to enhance decision making.
Work with the Executive Director to transition the leadership of the organization as anticipated retirements occur.	MAC continues as a high performing organization through the leadership transition with a review of business and organizational structures as needed.	Executive search process for Deputy Executive Director of Planning and Environment initiated. Process will continue into 2008 for completion. Additional work at mid-levels of the organization will also continue into next year.
Reinstate employee programs and benefits, as feasible as budgets permit.	Focus on employee development is increased and reinstated employee programs are operationally effective. Policies are adjusted, as needed.	Funding for tuition reimbursement, vacation sellback and employee recognition was included in the proposed 2008 budget and approved by the Commission. The format of these programs will be determined in early 2008.
Further integrate strategic planning and budgeting processes.	System captures projected departmental plans, workforce plans and budget requests.	Key performance measures for service centers is being added to the process for 2008's budget book. Departments continue to enter projected work and performance objectives to align with the organization's strategic plan and direction.
Oversee the updating of HR Policy Manual.	HR Policies are reviewed, approved changes are distributed and education is provided to MAC management.	A number of key policy revisions were recommended to and approved by the Commission. This work will continue into 2008 resulting in a new policy manual being issued to MAC management.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**HUMAN RESOURCES**

**2008 OBJECTIVES**

Objective	Expected Results
Begin to outline a three year business plan for HR services.	HR delivers services that meet the projected needs of the organization.
Identify appropriate elements for mid level transition planning to fit the culture and organizational readiness.	Various training and development opportunities are identified and delivered to the organization.
Oversee completion of HR policy revisions, communication process and development of new HR Policy Manual.	MAC management has updated HR policy information for decision making.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People	4.11	6.88	7.0	7.0
<b>Performance Measure:</b>	Employee Turnover Rate			
<b>Comments:</b>				
People	21%	75.87%	100%	100%
<b>Performance Measure:</b>	Percentage of Employee Performance Reviews Completed			
<b>Comments:</b>	As an organization we have a goal that every employee receive a performance review at least once a year. We do not have direct control over this measure but we do track and report progress throughout the year.			
People	4.8	4.73	6.0	6.0
<b>Performance Measure:</b>	Employee Job Satisfaction			
<b>Comments:</b>	As reported on annual Management Feedback forms.			
People	557.5	545		
<b>Performance Measure:</b>	Personnel - Total FTE			
<b>Comments:</b>				
People	24.3	25%	25%	25%
<b>Performance Measure:</b>	Personnel - Percentage of Annual Operating Budget			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**HRD/STRATEGIC PLANNING**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	346,989	382,264	499,401	117,137	30.64%
Administrative Expenses	16,736	9,425	30,650	21,225	225.20%
Professional Services	53,101	27,000	27,810	810	3.00%
Utilities	0	0	0	0	0.00%
Operating Services/Expenses	1,352	2,521	52,500	49,979	1982.51%
Maintenance		0	0	0	0.00%
Other	102	3,200	3,200	0	0.00%
<b>Total Budget</b>	<b>418,279</b>	<b>424,410</b>	<b>613,561</b>	<b>189,151</b>	<b>44.57%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4</b>

**RESPONSIBILITY/FUNCTION**

Employees in this department facilitate high performance in the organization by:

- Facilitation of the organizational strategic planning process
- Assessing learning and development needs
- Identifying resources that positively impact performance
- Influencing the development of policies and systems
- Facilitating process improvement initiatives
- Providing training that addresses organization-wide needs
- Workforce Planning
- Succession Planning
- Career Development
- Performance Leadership process administration

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Design and implement first phase of Leadership Development program.	1. Ongoing Leadership Development program designed and approved. 2. A minimum of three formal development events implemented in 2006. 3. Action plan for 2007 developed.	Leadership Development planning group was formed and various options for design of a leadership development program were explored. Three outside leadership development seminars were sponsored by HRD. Emphasis has changed from leadership development to management development for 2007.

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## HRD/STRATEGIC PLANNING

## 2006 PROGRESS REPORT

Objective	Measurement	Results
Increase efficiency by fully implementing Org Publisher.	Organizational charts available in the MAC intranet with data linked to position control in JDE.	A JDE/Org Publisher implementation team was established and met on a regular basis. JDE data was updated with field definitions and movement of information to the position control portion of the program. These were necessary steps before Org Publisher could be fully implemented. Full implementation will come in 2007.
To provide executives and managers with the tools to prepare for and facilitate management transitions within their organizations.	A staffing management tool kit in place for directors and managers to facilitate readiness and business continuity planning for future management transitions. Policy recommendations developed for organization-wide management development and transition planning, including options for implementing career development and mobility assignments.	Workforce planning sessions conducted with upper management for general planning and transition-specific planning that included organization charts, retirement eligibility forecasts, performance leadership information, and employee and leader career phase identification. Toolkit projected deferred for other priorities. Will use guidelines versus formal policy for management and transition planning. Career development and mobility assignment guidelines created and implemented on a case-specific basis.
Develop and implement diversity recruiting strategies.	A cross selection of MAC employees trained as diversity representatives for employee interview panels. Expand community organization list with professional associations representing underutilized groups. Identify and implement internship opportunities through community organizations for entry-level work and future workforce development.	MAC employees identified as diversity representatives for panel interviews. Just-in-time training materials developed and delivered. Training materials developed and included and manager/supervisor hiring training workshop. Professional associations continue to be added to community organizations career marketing distribution list. Internship opportunities identified; lack of staff resources deferred project.
Partner with CMAA in the development of airport-wide recruitment and employment strategies.	MAC core competencies integrated with airport-wide customer service competencies. Airport-wide job fair conducted. On-line application tool identified and recommended within the airport community.	Partnership created with airport concessionaires. On-line application tool identified within concessions marketing community and at MAC for informal adoption. Centralized on-line system planning to continue in 2007. Airport-wide job fair was discounted based on past job fair results. Core competencies models provided to concessionaires.
Update policies and procedures to enhance customer service.	Policy recommendation developed for filling long-term vacancies. Recommend a process to integrate job reclassifications with workforce planning strategies.	Long-term vacancy issues assessed. Options for managing long-term vacancies drafted; next step is to integrate with budgeting and planning system. Routing processing implemented to integrate job reclassifications with workforce planning strategies; team review process planned for 2007.
Partner with MAC IS to identify and recommend an on-line applicant management system.	On-line applicant management system recommendation developed for implementation in 2007.	On-line applicant management system was purchased and training completed in 2006. The system will be piloted in the first quarter of 2007 and phase I will be fully-operational in the first half of 2007.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**HRD/STRATEGIC PLANNING****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Facilitate the development of a leadership development advisory group.	Leadership development advisory group formed and steps in a leadership development process defined.	Senior level leadership development advisory group was formed to explore various leadership development options. Individual development plans were used as opposed to a formal leadership development program. We will continue using this format in 2008.
Facilitate completion of three year business plans to support organization's direction.	Resources for the development of three year business plans provided to departments.	Resources were made available to departments interested in developing three year business plans.
Develop and implement the 2007 training plan.	Training plan and calendar developed and implemented.	Plan was developed and implemented with emphasis on computer skills and supervisory management training.
Partner with division management to expand transition workforce planning to mid-level positions throughout the organization.	Mid-level transition plans in place for all major business units.	Department and/or position specific plans have been initiated for positions with anticipated retirements.
Pilot and implement on-line recruiting and application management system.	On-line recruiting and application management system is operational to enhance applicant pools and enhance communication with applicants.	Implemented on-line application component of NEOGOV applicant management system.
Capture and assess customer satisfaction feedback on hiring and orientation process.	Satisfaction survey implemented with summary data captured to support process improvements.	Feedback has been collected for each process by interview. Development and implementation of automated survey tool postponed to handle immediate staffing volume increase.
Assess, define and implement standardized Knowledge Skills and Abilities (KSA) definitions by job family.	Information is compiled to enhance job descriptions and screening processes.	Job analysis class completed for HR staff. Job definitions completed on incremental basis. Job family definitions project deferred for other HR priorities.
Establish partnerships to improve recruiting and hiring results with increased number of qualified candidates and stronger diversity mix of applicant pools.	Recruiting activities coordinated and leveraged with MAC tenants.	Planning meetings conducted with airport concessionaires. Marketing implemented through web site and periodic job fairs.
Streamline workforce planning and position request processes. Strengthen integration with planning and budgeting software and processes.	Annual workforce plans are in place by division; temporary employee requests are streamlined. Timelines are jointly planned, defined and implemented by HR and F&AS staff.	2-3 year staffing forecasts prepared and prioritized. Request process simplified with position request tools, updated information resources, and centralized coordination. Timelines continue to be planned and defined by HR and F&AS staff.
Implement organization-wide performance review practices.	100% of employees have a current performance review on file in Human Resources.	Employee Relations and HRD worked together to develop regular status reports on performance reviews. These reports were shared with individual managers and Senior Staff. The result was 87% of reviews were completed in 2007.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**HRD/STRATEGIC PLANNING**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Increase efficiency by fully implementing Org Publisher.	Real time organizational charts linked to JDE are available on HR's intranet page.	We were unable to reach this objective due to the upgrade of JDE to Enterprise One. This objective will be carried forward to 2008.

**2008 OBJECTIVES**

Objective	Expected Results
Update recruitment plan to identify and provide recommendations for updated strategies to be used for MAC and HR Division business plan.	Challenges and strategies based on historical experience and market trends are identified and recommended for implementation in the HR business plan.
Identify areas for transition planning and provide managerial transition planning tools and coaching.	Transition planning tools for managers and transition plans in place for identified workforce changes.
Partner with IS, Airside Operations and the Police Department to implement a new learning management system.	Initial phases of the system in place that add additional functionality to the current obsolete LMS.
Design and implement employee recognition program.	Program in place that supports organizational goals.
Expand the use of on-line applicant management and screening system to MAC management.	Next phases of NEOGOV fully implemented.
Revise and update New Employee Orientation program.	New program implemented in first quarter of 2008.
Increase efficiency by fully implementing Org Publisher.	Real time organizational charts linked to JDE are available on HR's intranet page.
Implement organization-wide performance review practices.	100% Performance Review completions in 2008.
Initial phases of an assessment center/teleconference/training room/computer lab completed	All construction completed including walls and wiring. Equipment purchased and installed.

**2009 - 2012 LONG TERM OBJECTIVES**

Objective	Expected Results
Develop an employment assessment center in HR with flexibility for computer training, web conferencing, classroom training and meeting room.	Fully functioning assessment center operational.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People	26/7/22	29/2/22		
<b>Performance Measure:</b>	Number of staffing transactions completed including new hires, transfers and promotions.			
<b>Comments:</b>	This is a measure of the workload within the staffing function.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**HRD/STRATEGIC PLANNING**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People				Maintain current level of offerings.
<b>Performance Measure:</b>	Number of training classes offered.			
<b>Comments:</b>	This is a measure of the number of employee development opportunities available on a year to year basis.			
People				10% increase over 2007 levels.
<b>Performance Measure:</b>	Number of employees participating in HR sponsored training classes.			
<b>Comments:</b>	This is a measure of the number of employees who took advantage of training opportunities.			
People		86.66	100%	100%
<b>Performance Measure:</b>	Percentage of new hires successfully completing probation.			
<b>Comments:</b>	This is a measure of the quality of new hires.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**DIVERSITY**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	196,504	209,791	216,085	6,294	3.00%
Administrative Expenses	16,045	15,242	17,000	1,758	11.53%
Professional Services	375	2,000	77,000	75,000	3750.00%
Utilities		0	0		
Operating Services/Expenses	2,934	8,134	10,000	1,866	22.94%
Other		0	0		
<b>Total Budget</b>	<b>215,857</b>	<b>235,167</b>	<b>320,085</b>	<b>84,918</b>	<b>36.11%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

**RESPONSIBILITY/FUNCTION**

The HR Office of Diversity is responsible for contract compliance for the Targeted Group Business Program and the Disadvantage Business Enterprise Program. These two programs are equal opportunity programs to provide business opportunities for firms owned by women, minorities and person with disabilities. The Diversity Manager and Affirmative Action Officer position is responsible for monitoring affirmative action policies and equal employment opportunities. The Small Business Liaison position is responsible for contract compliance administration, reporting, DBE certifications and community relations.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Develops manages, implements the effectiveness of the MAC's affirmative action policies and contract compliance activities. Provide leadership to increase awareness of workforce diversity.	Increase the number of women, minorities and disabled representation on MAC staff. Engage in community outreach activities for protected class groups to maintain positive work relationships between MAC and community groups. Provide diversity training opportunities to MAC staff. Implement new regulatory changes for MAC affirmative action compliance programs. Present Prevent Workplace Harassment training to MAC staff.	In 2006 staff conducted staff training for Preventing Workplace Harassment for the MAC Police Department and this training was videotaped for use for new employees. Preventing Harassment training was also conducted for over 100 field maintenance staff. A class for MAC Managers and Supervisors on Preventing Workplace Harassment was also provided.  MAC Office of Diversity staff participated in several community job fairs and mentored clients at community organizations to encourage protected class persons to compete for MAC job opportunities.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**DIVERSITY**

**2006 PROGRESS REPORT**

Objective	Measurement	Results
Manage contract compliance for MAC's Disadvantaged Enterprise Program and Target Group Business Program. Create strategies to increase the use of TGB and DBE firms in supplies, services and goods procured.	TGB Program goal 3.5%, for FY 2005-2006 DBE Program goal for airport concessions will be an estimated 10% of revenues FY 2005-2006 DBE Program goal for airport construction projects will be set at an estimated 17% for calendar year 2006	MAC TGB Program accomplished and reported 2.8% TGB participation. DBE Program Airport Concessions Disadvantaged Business Enterprise (ACDBE) goals for FY 2005-2006 was 20% and MAC accomplished and reported 22.2%. MAC exceeded the ACDBE goal DBE Program goal for MAC construction for calendar year 2006 is pending end of year. This report will not be available until January 2007. The DBE construction goals are expected to be met or exceeded.

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Prepare the proposed 2008-2010 MAC Affirmative Action Plan.	The MAC 2008-2010 AAP submitted to the Commission and the Minnesota Department of Employee Relations for review and approval in the first quarter of 2008.	Review process for the MAC AA Plan will begin in mid- November 2007.
Manage the MAC contract compliance for the Targeted Group Business Program and Disadvantaged Business Enterprise. Maintain customer base and agency base relationships for DBE certification and problem resolutions.	For FY 2006-2007: TGB goal is 3.0% of construction, supplies and consultants contracts. DBE goal is 20% of airport concessions revenues. For calendar year 2007: DEB construction goal is 15%.	DBE Airport Concession for FY 2006-2007, reported 22.50% of the concession revenues were generated by DBE concessions, exceeding the MAC DBE Airport Concession goals of 20%. The TGB program reported 2.8% TGB contract participation on a MAC TGB goal of 3%. The DBE construction report is on a 2007 calendar year and results will be reported in the first quarters of 2008.

**2008 OBJECTIVES**

Objective	Expected Results
Review JDE upgrade software program to enhance capabilities for contract compliance tracking.	Contract compliance program tracking capability improved utilizing software such as B2G.
Participate in a Disparity study with a coordinated funding effort with the State of Minnesota and other municipalities.	DBE & TGB programs are "narrowly tailored" and legally defensible.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People	6	0	N/A	0
<b>Performance Measure:</b>	Internal EEO Complaints filed and resolved			
<b>Comments:</b>	The MAC has an internal EEO complaint policy and procedures administered by the MAC Affirmative Action Officer. The objective is to minimize the number of EEO complaints and to resolve the EEO complaints that are filed internally. Another objective is to avoid poor public relations and costly litigation.			

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**DIVERSITY****2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People	2.14% Disabled	2.53%	N/A	2.5%
<b>Performance Measure:</b>	Affirmative Action			
<b>Comments:</b>	New hiring goal will be set for 2008-2010			
People	9.61% Minority	9.04%	N/A	10.00%
<b>Performance Measure:</b>	Affirmative Action			
<b>Comments:</b>	New hiring goal will be set for 2008-2010			
People	23.84% Female	25.13%	N/A	27.00%
<b>Performance Measure:</b>	Affirmative Action			
<b>Comments:</b>	New AA hiring goals will be set for 2008-2010.			
Financial Responsibility	22.5%	TBD	N/A	11%
<b>Performance Measure:</b>	DBE Concessions			
<b>Comments:</b>	The DBE Concession program goals are expected to be reduced approximately 50% for FY 2008-2009. In 2007, a large DBE firm was approved to be sold to a non- DBE corporation. As a result the MAC DBE concession revenue will be reduced significantly..			
Financial Responsibility	2.8%	TBD	N/A	3%
<b>Performance Measure:</b>	Target Group Business			
<b>Comments:</b>	There are some policy issues that need to be addressed in order for MAC to set more inclusive and higher percentage for TGB goals for FY 2007-2008. At this point in time it would be reasonable to strive for a 3% TGB program goal.			
Financial Responsibility	8.9%	TBD	N/A	12%
<b>Performance Measure:</b>	Disadvantaged Business Enterprise			
<b>Comments:</b>	The DBE Program participation number will not be known until the first quarter of 2008. The DBE program operates in a calendar year. The DBE program goals for 2008 will not be set until the first quarter of 2008, The DBE participation for MAC federally funded projects has be as high as 29.9% in 2004, 16.6 %in 2005. we are estimating tht the goal fro 2008 will be around 12% at his point in time.This 12% number will likely exceed the DBE apticiaption for progam year 2007.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**EMPLOYEE RELATIONS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	394,160	424,178	463,398	39,221	9.25%
Administrative Expenses	16,647	26,520	39,930	13,410	50.57%
Professional Services	67,942	77,500	110,000	32,500	41.94%
Utilities	47	250	125	-125	-50.00%
Operating Services/Expenses	27,402	37,500	44,800	7,300	19.47%
Maintenance		0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>506,198</b>	<b>565,948</b>	<b>658,253</b>	<b>92,306</b>	<b>16.31%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>5.5</b>	<b>5.5</b>	<b>6</b>

**RESPONSIBILITY/FUNCTION**

Employee Relations staff are responsible for: 1) the administration of compensation and benefits services for employees and retirees; 2) maintaining all personnel data, files and the HRIS system; 3) development, maintenance and distribution of personnel policies and management reports; 4) counseling employees with regard to benefit options and HR policies and practices; and 5) working with supervisors and leaders to strengthen skills related to employee relations issues.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Solidify a competitive benefits package and wage structure.	MAC is able to attract and retain a high quality workforce.	Workforce remains stable in part due to maintaining a competitive wage/salary structure and employee benefit package. Combined package remains an effective tool for attracting talent and skill. All 2006 adjustments to the wage/salary structure and the employee benefit package were competitive, yet conservative relative to market.
Expand merit pay delivery system to all exempt employees.	Improve alignment/flexibility of compensation delivery system to performance review process.	Performance review now required annually in 2007 for all employees as a step toward establishing objective information supporting an expanded merit pay delivery system.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****EMPLOYEE RELATIONS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Expand capability of outreach offices as full-service Human Resources consultative service providers.	Solicited feedback from employees and managers/supervisors indicating service quality and value is positively impacting the accomplishment of department and MAC goals.	Feedback from managers/supervisors and employees at both the Field Maintenance building and Airport Director's office are highly supportive of HR staff presence. Offices continue to offer full HR services and provide easy access for employee consultation.
Audit all policies and procedures in the HR Policy and Procedure Guide and re-distribute to all managers and supervisors. Add a "Most Frequently Used Policy and Procedure Guide".	The distribution of the Guide and Most Frequently Used Addendum to all managers and supervisors will more independently manage employee relations problems in support of achieving business objectives.	HR policy and procedure audit initiated and continues into 2007. First policy statements to be reviewed by Commission in January, 2007, with remainder of policy changes to be reviewed throughout 2007 as they are completed.
Establish and publish a performance management policy.	Managers and supervisors increase number of performance reviews completed for all performance levels.	Annual performance review activity now required of all employees. An accompanying performance review executive direction has been issued for 2007 implementation.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Enhance communication and education on benefits for employees.	Educational sessions and information delivered throughout the year. Benefit statements are made available. Regular articles are published in the HR Link. CCS delivers benefits mailings to employees. Electronic on-line enrollment becomes reality.	Open enrollment packets were sent to each employee. Each packet included an individualized benefit statement that illustrated the employee's current medical, dental, flex, and life insurance elections as well as beneficiary information on file. Multiple open enrollment meetings were held to further communicate benefit information and answer questions. Additional meetings were held during the year to promote various benefits such as Short-term Disability, Deferred Compensation, and Road to Retirement. These meetings provided an additional opportunity for employees to learn more about each benefit.
Increase and enhance effectiveness of partnership with Risk Management.	Strengthen the two-way coordination and communication of benefits administration, worker compensation administration, safety meetings, third party administration to close the gaps between Risk and HR.	Developed project teams with Risk/Management that led to improved coordination of employee return-to-work program involving Worker's Compensation claims, and with the completion of the newly approved Fleet Management Policy administered by Risk/Management Department. Employee Relations Department is now working closely with Assistant Manager, Risk/Insurance that is resulting in more efficient coordination of Worker's Compensation administration associated with injured employees.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**EMPLOYEE RELATIONS**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Strengthen HR outreach offices throughout the organization.	Services delivered to departments in Maintenance and at the ADO are effectively delivered with strong communication and coordination between departments served and Employee Relations.	Employee Relations Department, along with other HR departments, providing complete HR office coverage at ADO. Feedback is that more employees visiting ADO office to discuss HR issues with appropriate staff member. The Senior HR Generalist providing effective HR services organized employees within the Field Maintenance HR office. The Assistant Manager, Employee Relations, initiated HR office coverage in the Fire Department in 2007 with positive feedback from all fire department employees.
Enhance communication and management tools for supervisors.	Develop, deliver and enhance quarterly management reports.	Quarterly reports were sent to each manager that supervised employees. The report data included sick leave usage, floating holiday usage and performance reviews on file.

**2008 OBJECTIVES**

Objective	Expected Results
Complete initial phases of Enterprise One migration.	Integrity of HR data maintained in the transition to Enterprise One system.
Expand merit pay compensation delivery system.	Merit pay practice expanded beyond current level to include additional management: 2009 budget developed: system ready for implementation 1/1/09.
Complete the update of the HR Policy Manual.	Complete the review and obtain Commission approval for recommended changes.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People	23	33		
<b>Performance Measure:</b>	Employee Separation Administration - number administered			
<b>Comments:</b>	This represents regular status employees only.			
People	34	59		
<b>Performance Measure:</b>	Leaves of Absence Administration - number administered			
<b>Comments:</b>	This represents regular status employees only.			
People	516/233	554/243		
<b>Performance Measure:</b>	Benefits Administration - number of employees and retirees on MAC plans			
<b>Comments:</b>				

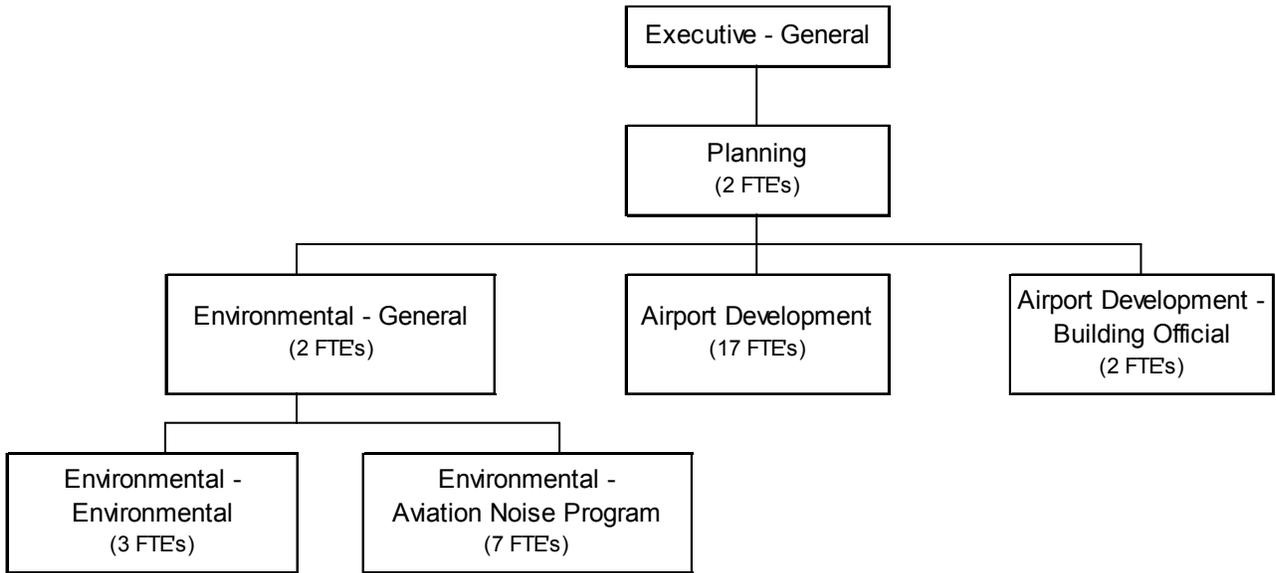
**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Environment and Planning Division**



**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2007 Budget and 2008 Budget
- \* The explanation for the variances is based upon the 2007 Budget and 2008 Budget
- \* FTE's as stated in each service center are as budgeted in December 2007. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****PLANNING****BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	184,958	193,527	201,230	7,703	3.98%
Administrative Expenses	5,918	11,712	10,450	-1,262	-10.78%
Professional Services	280,509	603,794	803,908	200,114	33.14%
Utilities	119	80	82	2	2.50%
Operating Services/Expenses	410	29,300	29,300	0	0.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>471,914</b>	<b>838,413</b>	<b>1,044,970</b>	<b>206,557</b>	<b>24.64%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

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

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	Update of MSP Long Term Comprehensive Plan to incorporate 2020 Development Plan and to comply with Metro Council requirements. Completion of LTCP Updates/Airport Zoning for Reliever Airports.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue implementation of Part 150 Update.	Homes/multi-family units insulated.	Completed.
Oversee Airport Development and Environment Activities.	Completion of Individual Department Objectives.	Completed.
Oversee/Coordinate 2010 Plan implementation.	Projects Awarded.	Completed.
Develop Annual Capital Improvement Plan.	Annual Capital Improvement Plan developed and approved by the Commission.	Completed.
Implement 2020 Plan.	Implementation status of Phase 1.	Deferred by Commission.
Complete property acquisition for Runway 17-35.	Properties acquired.	Condemnation process still ongoing.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****PLANNING****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Support Legal Department in ongoing litigation.	Information Provided.	Completed.
Update Long Term Comprehensive Plans for Lake Elmo, Crystal and Airlake Airports.	LTCP Completion.	Ongoing.
Implement Reliever Airport Safety Zoning.	Zoning Ordinance developed and adopted.	Process begun but not completed

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Oversee Airport Development and Environment activities.	Complete individual department objectives.	Department objectives completed.
Oversee/Coordinate 2010 Plan implementation.	Award projects.	Projects awarded.
Develop Annual Capital Improvement Plan.	Develop annual Capital Improvement Plan for approval by the Commission.	Capital Improvement Plan approved by the Commission and projects are underway.
Implement 2020 Plan.	Implementation status of Phase I.	2020 work still on hold.
Complete Property Acquisition for Runway 17-35.	Acquire properties.	Properties acquired.
Support Legal Department in ongoing litigation.	Provide information.	Consent Decree approved.
Update Long Term Comprehensive Plans for St. Paul, Flying Cloud & Anoka County-Blaine Airports.	Complete LTCPs.	Ongoing.
Implement Reliever Airport Safety Zoning.	Develop Zoning Ordinance for adoption.	Zoning for St. Paul Downtown Airport and Anoka County-Blaine Airport is in process; Zoning for other reliever airports is ongoing.
Update Long Term Comprehensive Plan for MSP.	Initiate update of MSP LTCP.	Update of MSP LTCP initiated.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**PLANNING****2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Update Reliever Airport Long Term Comprehensive Plan and Safety Zoning	Update includes plan elements for each airport, establishment of a Joint Advisory Zoning Board for each airport and the development of a safety zoning ordinance for each airport.
Transition Planning and Development Division to new leadership with direction and oversight of Airport Development and Environment Departments. .	Planning Division continues to operate with high performance to meet the needs of the organization.
Oversee implementation of Part 150 Consent Decree	Completion of steps necessary to meet the milestones set forth on established scheduled.
Update Long Term Comprehensive Plan for MSP	Work products on various phases of the plan update.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****AIRPORT DEVELOPMENT****BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	455,995	411,581	504,050	92,469	22.47%
Administrative Expenses	33,042	57,000	62,750	5,750	10.09%
Professional Services	151,722	367,500	327,000	-40,500	-11.02%
Utilities	599	500	550	50	10.00%
Operating Services/Expenses	2,720	5,000	15,000	10,000	200.00%
Maintenance	30	0	0		
Other	5,433	0	0	0	0.00%
<b>Total Budget</b>	<b>649,541</b>	<b>841,581</b>	<b>909,350</b>	<b>67,769</b>	<b>8.05%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>15</b>	<b>15</b>	<b>17</b>

**RESPONSIBILITY/FUNCTION**

Airport Development supervises property acquisition, planning, design, engineering and architecture, and construction of all Commission facilities as well as all Commission-related environmental issues including noise and air and water quality. Relationships with other local, state, and federal agencies are a part of the overall responsibilities.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
Administrative Expenses	General inflationary increases in products/supplies and increase in allowable IRS mileage reimbursement rate.
Professional Services	Decreases associated with efficient use of outside consultants and utilization of MAC staff's talents and skills.  Increases associated with rate adjustments of outside consultants and the new service of bridge and tunnel inspections.
Operating Services/Expenses	2008 Republican National Convention

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Participate in the ongoing review and development of the 2006 Landside CIP.	Ongoing.	Completed.
Participate in the ongoing review and development of the 2006 Airside CIP.	Ongoing.	Completed.
Implement the 2006 Landside CIP.	Complete 2006 CIP.	Substantially completed with a few projects to be completed in 2007.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****AIRPORT DEVELOPMENT****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement the 2006 Airside CIP.	Complete 2006 CIP.	Substantially completed with a few projects to be completed in 2007.
Develop 2007 Landside CIP.	Adoption of 2007 CIP.	Completed.
Develop 2007 Airside CIP.	Adoption of 2007 CIP.	Completed.
Manage all aspect of preparing and implementing the Commission's CIP for MSP and Reliever Airports.	Completion of 2006 CIP and administration of A/E services.	Ongoing with a few projects scheduled to be completed in 2007.
Administer CIP related property management acquisitions/disposal.	Administration of property management.	Substantially completed with pending condemnation/litigation resolution anticipated for 2007.
Evaluate, manage, and obtain federal and state aid on a variety of the Commission's CIP projects.	Number of and total value of federal and state aid applied for and received.	Substantially completed with remaining reimbursements to be received in 2007.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Participate in the ongoing review and development of 2007 Landside CIP.	Ongoing	Completed
Participate in the ongoing review and development of the 2007 Airside CIP.	Ongoing.	Completed.
Implement the 2007 Landside CIP.	Complete 2007 CIP.	Substantially completed with a few projects to be completed in 2008.
Implement the 2007 Airside CIP.	Complete 2007 CIP.	Substantially completed with a few projects to be completed in 2008.
Develop 2008 Landside CIP.	Adoption of 2008 CIP.	Completed.
Develop 2008 Airside CIP.	Adoption of 2008 CIP.	Completed.
Manage all aspects of preparing and implementing the Commission's CIP for MSP and Reliever Airports.	Completion of 2007 CIP and administration of A/E services.	Ongoing with a few projects scheduled to be completed in 2008.
Administer CIP related property management acquisitions/disposal.	Administration of property management.	Substantially completed with pending condemnation/litigation resolution anticipated for 2008.
Evaluate, manage, and obtain federal and state aid on a variety of the Commission's CIP projects.	Number of and total value of federal and state aid applied for and received.	Substantially completed with remaining reimbursements to be received in 2008.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIRPORT DEVELOPMENT**

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Obtain federal and state aid on a variety of capital improvement projects.	Number of and total value of federal and state aid applied for and received.
Manage property acquisitions/disposal.	Property management administration.
Manage Architectural/Engineering/Construction Coordinator services.	Process professional service authorizations and invoices.
Develop the 2009 Capital Improvement Program.	Adoption of the 2009 Capital Improvement Program.
Implement the 2008 Capital Improvement Program.	Complete 2008 Capital Improvement Program.
Participate in the ongoing review and development of the 2008 Capital Improvement Program.	Ongoing.

**2008 Key Measurements**

<b>Key Success Factor</b>	<b>2006 Actual</b>	<b>2007 Est</b>	<b>2008 Budget</b>	<b>Target</b>
Airport Development	\$650,000	\$736,500	\$910,000	\$910,000
<b>Performance Measure:</b>	Development and implementation of the Capital Improvement Program			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIRPORT DEVELOPMENT-BUILDING**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	141,470	145,473	149,839	4,366	3.00%
Administrative Expenses	16,263	16,915	17,692	777	4.59%
Professional Services	0	0	0		
Utilities		0	0		
Operating Services/Expenses		200	200	0	0.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>157,733</b>	<b>162,588</b>	<b>167,731</b>	<b>5,143</b>	<b>3.16%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The Building Official/Office of Permits and Inspections Division of Airport Development is responsible for the overall administration of the Metropolitan Airports Commission Building Code Ordinance and is directly accountable to the Deputy Executive Director - Planning and Environment. Responsibilities include the application, administration, implementation and enforcement of the State of Minnesota Building Code and the Metropolitan Airports Commission Construction Standards and Procedures and Design Standards and Guidelines including plan review, issuance of permits, inspections and retention of inspection history and building construction plans.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Provide consistent and timely plan review, issuance of permits and the administration of the Minnesota State Building Code and the MAC Design and Construction Standards.	Review permit and inspection records to verify turnaround time on plan reviews and field inspections. Contact MAC staff and consultants regarding updates to the Design and Construction Standards.	In 2006 the department processed 460 permits. Total fee amount collected was \$630,002.19. The majority of plans that were reviewed and permits that were processed took place within 10 to 14 days from the time the application was received. Inspections were conducted within 24 hours from the time the inspection was requested. In addition, twelve amendments to the MAC Design and Construction Standards were processed and updated document will be available in January, 2007.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIRPORT DEVELOPMENT-BUILDING**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Provide consistent and timely plan review, issuance of permits and the administration of the Minnesota State Building Code and the MAC Design and Construction Standards.	Review permit and inspection records to verify turnaround time on plan reviews and field inspections. Contact MAC staff and consultants regarding updates to the Design and Construction Standards.	For 2007 we issued a total of 471 permits and collected \$296,287 in permit fees. In addition we have contacted all the various MAC departments regarding updates to the MAC Design and Construction Standards and have received them for an '08 update release.
Compliance with the department's record retention schedule.	Review the department's files and plans monthly and follow the required retention schedule.	Per our record retention schedule we have purged our '06 in house permit files and have archived them into the records storage building.

**2008 OBJECTIVES**

Objective	Expected Results
Issue permits and review plans with in 10 to 14 days. Conduct inspections within a twenty four hour notification time. Complete the updates to the MAC Design and Construction Standards. Purge files per the departments record retention schedule.	

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**ENVIRONMENT-GENERAL**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	188,096	155,203	163,771	8,568	5.52%
Administrative Expenses	13,757	20,600	14,160	-6,440	-31.26%
Professional Services	5,666	30,000	20,000	-10,000	-33.33%
Utilities	1,935	2,216	3,400	1,184	53.43%
Operating Services/Expenses	0	0	0		
Other	0	0	3,050	3,050	100.00%
<b>Total Budget</b>	<b>209,454</b>	<b>208,019</b>	<b>204,381</b>	<b>-3,638</b>	<b>-1.75%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The Department of Environment is responsible for maintaining environmental compliance with state and federal environmental regulations at Commission-owned facilities. The Director supervises the Environmental Affairs and the Aviation Noise and Satellite Programs offices to implement environmental policies which includes: environmental documentation for construction projects; assessing noise impacts and corrective measures; compliance activities for stormwater and soil management programs; underground and aboveground storage tank administration; air quality monitoring; hazardous waste management; pollution prevention programs; and environmental investigations and audits. This office understands and is experienced with federal, state and local environmental regulations, rules and ordinances, maintains an effective working relationship with state and local units of government and generates activities to establish sound strategies to reduce environmental impacts.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	Object account 5520-Office Supplies. Increases due to actual expenses.  Object account 5530-General. Includes computer supplies not adequately funded in 2008 base case and reflects inflationary increases in computer supplies.  Object account 5560-Travel Lodging, Meals, Airfare and object account 5600-Registration Fees. Increases due to participation in ACI Technical and Environmental Affairs Steering and Committee Groups.  Object accounts 5610-Mileage, 5630-Local On, 5640-Dues, 5640-Pubs and 5660-Delivery Services. Increases due to actual expenses and inflationary adjustments.
Professional Services	Object Code 6340: Professional services to continue implementation of elements of an Environmental Management System for MAC's system of airports, which supports MAC's five-year strategy #5.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****ENVIRONMENT-GENERAL****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Plan and implement specific high priority elements of an Environmental Management System.	Plan is created to address high priority elements and begin implementation.	Implemented a Facility Inventory program to evaluate MAC and tenant facility activities and environmental risks at MSP. 80% complete.
Oversee and direct Environmental and Noise Program Objectives.	Completion of program activities.	Directed Noise and Environmental program activities to complete 9 of 10 objectives. Incomplete objective was due to 2006 budget cuts during review process.
Develop Environmental Compliance Program (ECP) for MSP.	Complete Draft ECP.	Incomplete due to budget cuts.
Incorporate environmental reduction requirements into tenant agreements.	New or revised leases, contracts and agreements contain environmental language that protects MAC interests.	Revised construction standards, leases and contracts to enhance environmental protection.
Proactively engage regulating agencies to identify and reduce impacts.	Conduct meetings with regulators to meet new and ongoing requirements.	Met with MDH, MPCA and EPA to address new regulations, revise existing compliance requirements and provide background information on airport activities.
Evaluate ways to minimize environmental impacts on air, noise and water.	Participate in federal water quality discussions and surveys concerning effluent guidelines for deicing operations.	Met with EPA and completed 181 page Effluent Limitations Guideline survey. Participated in the Airport Clean Water Alliance program and joined ACI-NA Environment and Technical Affairs Committee. Continued discussions on noise reduction initiatives for Runway 17 departure procedures and Eagan/Mendota Heights Corridor compliance.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Plan and implement specific high priority elements of an Environmental Management System.	Create a plan to address high priority elements and begin implementation.	Completed development of Aspects & Impacts inventory for the MAC's airport activities.
Develop Environmental Management System.	Develop monitoring and tracking requirements for compliance and monitoring of environmental permits and agreements.	Developed monitoring and tracking tool with weekly reports.
Incorporate environmental reduction requirements into tenant agreements.	New or revised leases, contracts and agreements contain environmental language that protects MAC interests.	Incorporated environmental language into MAC leases and contracts and participated in RFP process.
Evaluate ways to minimize environmental impacts on air, noise and water.	Participate in national environmental committees to focus on industry reductions.	Attended three ACI environmental committees, served on Environmental Affairs steering committee and participated on Transportation Research Board Aviation Cooperative Research Panel for Alternative Aircraft and Airfield Pavement Deicer Fluid.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**ENVIRONMENT-GENERAL**

**2008 OBJECTIVES**

Objective	Expected Results
Conduct employee training to meet departmental needs.	Provide staff knowledge, skills and abilities to accomplish department mission.
Identify environmentally sustainable management programs.	Describe and document sustainable programs that improve the environment at the MAC's system of airports.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People	NA	NA	100%	100%
<b>Performance Measure:</b>	Conduct Employee Training to Meet Departmental Needs			
<b>Comments:</b>	Provide staff knowledge, skills and abilities to accomplish department mission			
Environmental Stewardship	NA	NA	50%	100%
<b>Performance Measure:</b>	Identify Environmentally Sustainable Management Programs			
<b>Comments:</b>	Staff will describe and document sustainable programs that improve the environment			
Environmental Stewardship	25%	50%	75%	100%
<b>Performance Measure:</b>	Implement Elements of Environmental Management Systems			
<b>Comments:</b>	Verify aspects and impacts with airport stakeholders and develop environmental tracking tool			
Environmental Stewardship	NA	NA	100%	100%
<b>Performance Measure:</b>	Implement Noise Mitigation Settlement Measures Defined by Consent Decree			
<b>Comments:</b>	Implement noise mitigation program elements consistent with Consent Decree			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**ENVIRONMENT-ENVIRONMENTAL**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	214,659	223,875	241,036	17,161	7.67%
Administrative Expenses	1,734	4,150	4,742	592	14.27%
Professional Services	233,663	325,900	277,577	-48,323	-14.83%
Utilities	0	0	1,300	1,300	100.00%
Operating Services/Expenses	32,811	76,300	76,474	174	0.23%
Maintenance		0	0		
Other	9,042	60,500	66,074	5,574	9.21%
<b>Total Budget</b>	<b>491,910</b>	<b>690,725</b>	<b>667,203</b>	<b>-23,522</b>	<b>-3.41%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

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

These responsibilities require an ongoing understanding of and experience with federal, state and local environmental regulations, rules and ordinances. It is also essential that this office maintain an effective working relationship with state and local units of government. This office aids in establishing sound environmental strategies and helps reduce impacts on surrounding communities.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Professional Services	This amount reflects a reduction in costs attributed to a 50% reduction in Relievers engineering fees and other line item adjustments based on past requirements and accommodates additional headcount capabilities.
Other	The increase for "Other" is primarily related to:  1. Computer upgrades to systems greater than 5 years old  2. A computer set-up, workspace and radio for a requested additional department headcount.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****ENVIRONMENT-ENVIRONMENTAL****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Evaluate ways to minimize environmental impacts on air, water and soil.	Investigate available industry management tools to plan and manage environmental issues and implementation strategies.	Participating in a work group, with MPCA staff, environmental consultants, industry associations, MN Chamber of Commerce and an environmental advocacy group, to assist in the development of and resolution of issues for MN's industrial storm water general permit and program.
Identify, evaluate and prioritize elements of an Environmental Management System (EMS) for the MAC airports.	Create an executive summary plan for prioritizing essential components of an EMS.	Incomplete due to budget reductions/constraints.
Develop Environmental Compliance Program (ECP) for MSP.	Draft plan for implementation of program.	Implemented a MSP Facility Inventory program to assess MAC and tenant facility activities and risk. Approximately 80% complete.
Continue implementation and maintenance of compliance programs developed in accordance with Stipulation Agreement(s).	Multiple annual reports based on previous year's efforts or baseline assessments.	Glycol Stip studies continued in 2006 with final reports due in 2008. Fuel Stip reports and investigations are meeting scheduled dates, as required. The regulated parties continue to remain on track for completing the Stip agreement requirements within the next couple of years.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Assist in identifying, evaluating and prioritizing elements of an EMS for MAC airports.	Incorporation of the Environmental Compliance Program (ECP) at MSP and the Relievers into a System-wide ECP.	A facility inventory of MSP was completed in 2007.
Evaluate ways to minimize environmental impacts on air, water and soil.	Participate on local environmental committees to focus on industry standards.	Continued participation in the Industrial Stormwater General Permit workgroup, with MPCA staff, environmental consultants, industry associations and environmental advocacy groups. Draft permit tentatively available for public comment Spring 2008.
Continue implementation and maintenance of compliance programs developed in accordance with Stipulation Agreements.	Annual reports, progress worksheets completed per Stip(s) requirements.	Elements of the Fuel Stip were completed and Stip termination was granted by the MPCA in November 2007. Glycol Stip 2007 annual reports were submitted as required.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**ENVIRONMENT-ENVIRONMENTAL****2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Engage in preliminary NPDES permit negotiations with the MPCA.	Continuing negotiations and possible draft permit.
Implement and maintain compliance programs developed in accordance with the Glycol Stipulation Agreement.	Final Report, summarizing the activities undertaken pursuant to the Agreement, due in July.
Communicate and assist airport tenants regarding environmental regulations and requirements.	Improved environmental practices through increased understanding of environmental requirements.
Assess practices/procedures to minimize environmental impacts on air, water and soil.	Implement an effective pollution prevention program specific to waste minimization (i.e. reduce and recycle materials, investigate and evaluate new practices, procedures and management of wastes in an environmentally responsible manner).

**2008 Key Measurements**

<b>Key Success Factor</b>	<b>2006 Actual</b>	<b>2007 Est</b>	<b>2008 Budget</b>	<b>Target</b>
Environmental Stewardship	n.a.	n.a.	85%	100%
<b>Performance Measure:</b>	Conduct storage inspections at Anoka (approx. 225 hangars) and Lake Elmo (approx. 133 hangars)			
<b>Comments:</b>				
Environmental Stewardship	n.a.	100%	100%	100%
<b>Performance Measure:</b>	Annual compliance training			
<b>Comments:</b>	Maintain and/or complete MAC employee environmental compliance training, as required.			
Environmental Stewardship	n.a.	n.a.	85%	100%
<b>Performance Measure:</b>	Compliance assistance			
<b>Comments:</b>	Assist tenants with their environmental compliance/requirements at MSP and Relievers based on previous year's inspection/inventory.			
Environmental Stewardship	n.a.	100%	100%	100%
<b>Performance Measure:</b>	Conduct facility inventory follow-up activities at MSP for MAC and tenant buildings			
<b>Comments:</b>				
Environmental Stewardship	n.a.	95%	5%	100%
<b>Performance Measure:</b>	Conduct storage tenant inspections at Flying Cloud, St. Paul, Airlake, Crystal			
<b>Comments:</b>	Complete inspections remaining from 2007			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**ENVIRONMENT-AVIATION NOISE**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	421,097	456,874	528,935	72,060	15.77%
Administrative Expenses	27,313	21,706	32,654	10,948	50.44%
Professional Services	52,365	104,059	113,559	9,500	9.13%
Utilities		0	0	0	0.00%
Operating Services/Expenses	77,317	95,840	87,840	-8,000	-8.35%
Maintenance		0	0		
Other	0	0	0		
<b>Total Budget</b>	<b>578,092</b>	<b>678,479</b>	<b>762,988</b>	<b>84,508</b>	<b>12.46%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>7</b>	<b>6</b>	<b>7</b>

**RESPONSIBILITY/FUNCTION**

The Aviation Noise and Satellite Programs office is dedicated to addressing airport noise issues around the MAC system of airports, including Minneapolis-St. Paul International Airport. Through the implementation and use of available technologies, the MAC Aviation Noise and Satellite Programs office focuses on conducting technical application development, computer network maintenance and report and analysis development in-house, reducing the need for outside consultants and related costs. Through coordinated efforts with communities and airport users via the MSP Noise Oversight Committee (NOC), the MAC Aviation Noise and Satellite Programs office strives to develop effective noise reduction solutions. This is made possible by providing pertinent, understandable information and analyses in support of program implementation and ongoing program monitoring.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount. This account also includes the salary for one internship which represents a reduction from the two internships that were budgeted for in 2007. The internship salary level is based on HR guidance and consideration of the predominate market rates for this type of position.
Administrative Expenses	The increase in administrative expenses from the 2007 budgeted level is a function of restoring Noise Program travel funds in the areas of lodging, airfare and registration fees. Noise Program staff has traveled minimally since late 2001 and this aspect of staff development, networking and industry familiarity must be restored. These funds will allow staff to attend various industry symposiums/workshops including involvement in the Annual ANOMS User's Conference, Annual ACI-NA Environmental Affairs Conference, Annual Aviation Noise Symposium, Annual Open Source Software Users meeting, an INM training course, a NEPA Training Course, and an annual computer networking symposium, etc.
Professional Services	This account provides ongoing ANOMS maintenance, computer network services and continuing noise consultant services. The increase from 2007 budgeted levels is due to vendor cost increases associated with contract rate increases with Dimensions International providing ongoing maintenance services. In addition the increase in funds from the 2006 budgeted level is the result of transferring \$8,000 from 85300.7210.76.service computers. This line item increase does not represent an increase in the bottom line budget.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****ENVIRONMENT-AVIATION NOISE****MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Operating Services/Expenses	This account is used to maintain and operate the Technical Information Network (including SUN server hardware and software, e-mail support, backup support, file and database storage devices, and Internet and GIS application software support) and the ANOMS remote noise monitors. It includes service support and maintenance support contracts for technologies critical to everyday operations in support of department and organizational goals.
Other	This account provides purchases that are needed to maintain the existing capabilities on the Technical Information Network (TIN) including programs such as GIS, ANOMS and Internet Applications. This is accomplished through updating computer hardware and network enhancement. It is important to note that the dollars contained in this line item are transferred to the IS Department budget upon approval, as was the case with the 2007 budget. As such, there is not a 100% increase as represented here in the context of the 85300 budget when comparing proposed 2008 dollars to the 2007 actual budget. Moreover, the 2008 budgeted amount is lower than the 2007 budget level of \$17,130.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Optimize the Technical Information Network (TIN) and maximize the use and application of available technology in effectively and efficiently addressing airport noise issues.	Increased TIN efficiency, automation of monthly reporting functions, enhanced Internet-based communication and analysis capabilities, and use of ANOMS and GIS in developing reports, analysis and studies.	Developed an automated application that generate monthly operations and noise reports automatically via the Internet. Core applications including Apache, PostgreSQL, CommuniGate Pro, and the Solaris Operating Systems have been upgraded. Several server upgrades have also been completed.
Support/coordinate Part 150 implementation.	Support/coordinate Noise Compatibility Program (NCP) implementation efforts, provide coordination with the FAA and provide litigation support.	MAC Noise Program staff has contributed a significant amount of time and effort to the on-going Part 150 mitigation litigation. This has included development of an extensive administrative record, the in-house development of an Expert Report in support of the litigation, assistance with the preparing of legal briefs, preparing affidavits, and assisting with depositions.
Continue airport noise public information and communication program.	Publish four quarterly newsletters, coordinate and staff speakers bureau, continue Internet information/communication program, conduct four quarterly Public Input Meetings and work with cities around the airport in addressing residents' concerns/issues.	Published three quarterly MSP Noise News newsletter. Four quarterly public input meetings were conducted, all comments were responded to and the comments were summarized and reported to the MAC and NOC. Presentations were given at various cities and Airport Relation Commissions around MSP addressing and responding to residents' concerns. The MAC Noise Program Website was enhanced. A interactive reporting application was developed that allows users to query the time above levels (65 dB, 80 dB, 90dB, 100 dB) at each individual noise monitor for the user-specified time period.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****ENVIRONMENT-AVIATION NOISE****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Monitor and address airport noise-related issues including those related to the operations of Runway 17/35.	Publish monthly reports including Runway 17 departure procedure compliance reports, address procedure compliance issues with the FAA and address cities and residents when necessary or requested regarding airport noise and the operation of Runway 17/35.	12 monthly NOC Technical Advisor's Reports, Egan Mendota Heights Departure Corridor Reports and Runway 17 Departure Procedure Reports were published in 2006. Operational issues related to Runway 17/35 were analyzed and addressed through the NOC process. 53,000 noise complaints were received and responded to in 2006.
Support Reliever Airport Advisory Commissions and manage FCM Operational Implementation Plan.	Attend meetings and provide noise-related material and presentations to Reliever Airport Advisory Commissions and ensure compliance with the FCM Operational Implementation Plan.	Developed/designed the document format and prepared the environmental, land use compatibility and noise analysis/chapters for the Airlake Airport, Lake Elmo Airport and Crystal Airport Long-Term Comprehensive Plans. Monitored and assessed operations and resident complaints at FCM to ensure compliance with the FCM Operational Implementation Plan and communicated specific violations and actions taken by MAC to the designated city representative. Provided noise and operations information to the ANE, LVN and FCM Airport Advisory Commissions and conducted five noise abatement briefings at FCM, ANE and STP.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**ENVIRONMENT-AVIATION NOISE**

**2006 PROGRESS REPORT**

Objective	Measurement	Results
<p>Provide support and coordination to the MSP Noise Oversight Committee (NOC).</p>	<p>Conduct NOC meetings, providing an informative environment for committee members and yielding accomplishments on behalf of the Committee.</p>	<p>The Committee accomplishing the following in 2006:</p> <ul style="list-style-type: none"> <li>•Analyzed Runway 17/35 operations trends.</li> <li>•Reviewed comments and issues south of MSP following Runway 17/35 opening.</li> <li>•Increased compliance to 99.2% compliance in September 2006.</li> <li>•Evaluated uses of the 190 degree departure heading off Runway 17 and requested FAA open up west bound departure headings to a 230 degree heading. Discussions are ongoing with FAA to address the issue.</li> <li>•Conducted a review of Part 150 Noise Compatibility Program noise mitigation measures from an implementation perspective.</li> <li>•Received updates on Part 150 mitigation implementation issues focusing on the mold issue.</li> <li>•FAA approval of Part 150 grant dollars to mitigate the building as part of MAC's Part 150 program in the 65+ DNL.</li> <li>•Increased the number of at-large communities with a by-law modification to include the representation of the City of Apple Valley in the at-large cities group.</li> <li>•Reviewed abnormally high Boeing 757 arrival noise events using ANOMS. Worked with Northwest Airlines to determine the specific aircraft and resolve the issue.</li> <li>•Assessed nighttime operations and associated impacts.</li> <li>•Reviewed new flight track data acquisition technologies that are available.</li> <li>•Considered supplemental noise metrics resulting in the addition of time above data in the monthly NOC Technical Advisor's Report.</li> <li>•Reviewed status of the FAA Center of Excellence/PARTNER initiatives.</li> <li>•Reviewed updates to the Metropolitan Council Land Use Compatibility Guidelines related to airport noise.</li> <li>•Reviewed the macnoise.com website and implemented site enhancements.</li> <li>•Continued review and consideration of input received from the quarterly</li> </ul>

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**ENVIRONMENT-AVIATION NOISE****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Support and coordinate ongoing Part 150 program development and implementation.	Manage Part 150 NCP implementation consistent with MAC policies including noise contours updates. Additionally, provide support to the FAA review process.	In 2007 MAC Noise Program staff provided support for Part 150 Program related initiatives including GIS analysis, NCP noise abatement measure implementation through the NOC process and litigation support.
Continue airport noise public information and communication program.	Publish four quarterly newsletters, coordinate and staff speakers bureau, continue Internet information and communication program, conduct four quarterly Public Input meetings and work with cities around the airport in addressing residents' concerns and issues.	In 2007 MAC Noise Program staff published 4 quarterly newsletters, conducted numerous community presentations related to noise issues, completed significant Internet development updates on the Noise Program website, and conducted four quarterly public input meetings. Additionally, staff completed a major communication effort to inform the public about the temporary changes in operations at MSP resulting from the Runway 12R/30L reconstruction.
Monitor and address noise-related issues at the MAC system of airports.	Publish monthly reports including the Runway 17 departure procedure compliance report, Technical Advisor's Report, and Eagan/Mendota Heights Departure Corridor reports. Address procedural compliance issues with the FAA and address cities and residents when necessary or requested.	In 2007 MAC Noise Program staff published 12 monthly Runway 17 departure procedure compliance report, Technical Advisor's Report, and Eagan/Mendota Heights Departure Corridor reports. In addition staff work through the NOC process to address runway use and operational issues at MSP with the FAA.
Manage Reliever Airport noise abatement programs and initiatives.	Attend meetings and provide noise-related material and presentations to Reliever Airport Advisory Commissions and ensure compliance with the FCM Operational Implementation Plan. Provide implementation and ongoing program management for noise program efforts at St. Paul Downtown Airport consistent with the agreements between the MAC and the City of St. Paul.	In 2007 MAC Noise Program staff supported and attended all meetings of the FCM, ANE, LVN and STP airports advisory commissions. Staff focused on ensuring compliance with the FCM Operational Implementation Plan and noise program efforts at St. Paul Downtown Airport consistent with the agreements between the MAC and the City of St. Paul.
Provide support and coordination to the MSP Noise Oversight Committee (NOC).	Conduct NOC meetings providing an informative environment for Committee members, yielding accomplishments on behalf of the Committee.	In 2007 MAC Noise Program staff provided technical advisor support to the NOC resulting in one of the most productive years for the Committee and the completion of the MAC approved 2007 NOC Work Plan.
Optimize the Technical Information Network (TIN) and maximize the use and application of available technology in effectively and efficiently addressing airport noise issues.	Increase TIN efficiency and reliability. Continue implementation and integration of freeware software. Continue to develop SQL database-driven Internet applications increasing analysis and reporting effectiveness.	In 2007 MAC Noise Program staff maintained and upgrade the Technical Information Network (TIN) consistent with the approved TIN maintenance and replacement schedule. Significant gains were made in migrating to new ANOMS-like capabilities based on SQL database-driven applications and development of the next-generation, more cost effective, flight track and noise monitoring system at MSP.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**ENVIRONMENT-AVIATION NOISE**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Assist with litigation activities related to airport noise issues.	Assist with litigation related to airport noise issues including depositions, expert witness testimony, coordination with legal counsel, review of court documents and preparation of argument analyses and document writing.	In 2007 MAC Noise Program staff prepared three expert report, the were submitted to the court and provided trial testimony as an expert on airport noise and analysis topics. Additionally, staff prepared various affidavits and other court filings in coordination with outside legal council. Staff also provided technical support in the negotiation process resulting in settlement of the litigation.

**2008 OBJECTIVES**

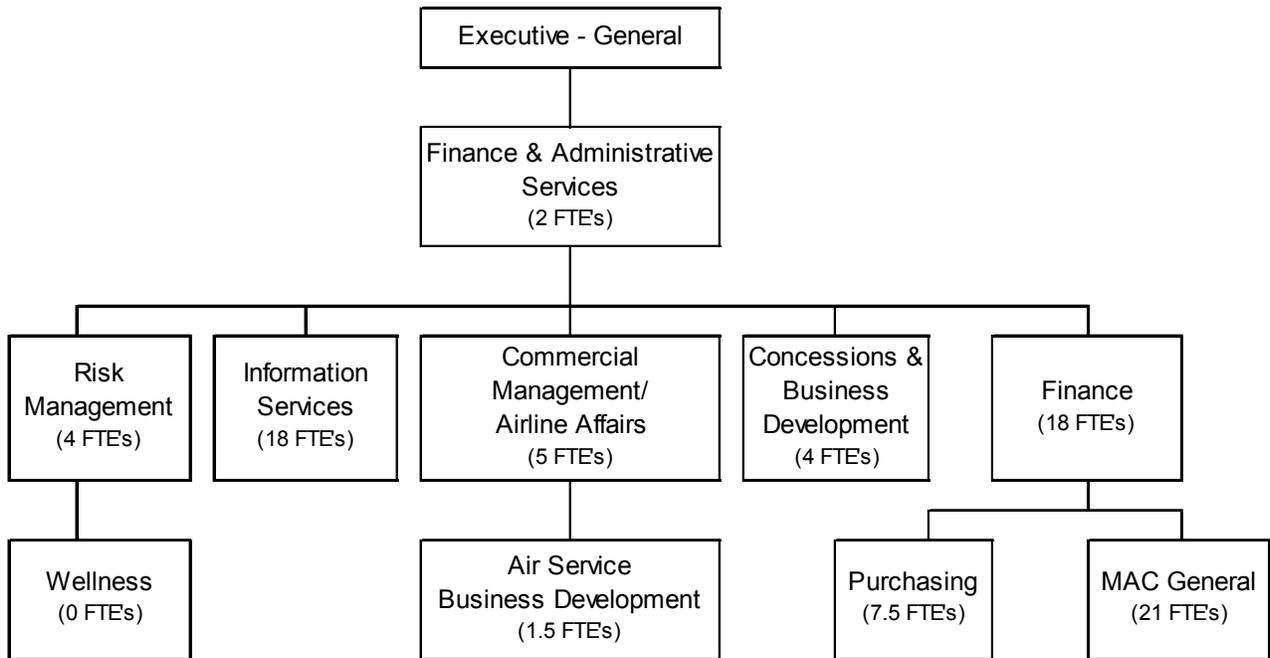
Objective	Expected Results
Enhancement of MAC's MSP flight tracking and noise monitoring functions	Complete the replacement of all elements of the ANOMS system at MSP providing a more cost effective and enhanced flight tracking and noise monitoring system.
Implementation of 64 to 60 DNL noise contour residential mitigation program	Provide implementation of the 60 to 64 DNL noise contour mitigation program in 100% compliance with the performance requirements outlined in the consent decree.
Successful cooperative efforts to address community and tenant concerns related to airport noise issues.	Completion of all elements on the 2008 NOC work plan and reliever airport advisory commission work plans.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Environmental Stewardship	N/A	N/A	100%	100%
<b>Performance Measure:</b>	Upgrade ANOMS			
<b>Comments:</b>	In 2008 MAC Noise Program staff will complete the upgrade of ANOMS flight track and noise data down load and data processing functions , as well as system reporting and analysis functionality.			
Environmental Stewardship	N/A	N/A	100%	100%
<b>Performance Measure:</b>	Implementation of 64 to 60 DNL Noise Program Consistent with Consent Decree			
<b>Comments:</b>	MAC Noise Program staff will provide analysis and coordination support to ensure the implementation of the 64 to 60 DNL noise contour mitigation programs in a manner that is 100% compliant with the Consent Decree.			
Environmental Stewardship	100%	100%	100%	100%
<b>Performance Measure:</b>	Completion of Reliever Airport Advisory Commission Work Plans			
<b>Comments:</b>	MAC Noise Program staff will provide the support to the STP, FCM, ANE reliever airport advisory commissions completing 100% of the work outlined in MAC's agreements with the various cities including St. Paul and Eden Prairie related to development projects at the respective airports.			
Environmental Stewardship	100%	100%	100%	100%
<b>Performance Measure:</b>	Completion of the 2008 NOC Work Plan			
<b>Comments:</b>	MAC Noise Program staff will provide the staff support to complete 100% of the 2008 NOC Work Plan elements as outlined by the NOC and approved by the MAC Full Commission.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Finance & Administrative Services Division**



**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2007 Budget and 2008 Budget
- \* The explanation for the variances is based upon the 2007 Budget and 2008 Budget
- \* FTE's as stated in each service center are as budgeted in December 2007. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FINANCE & ADMINISTRATION**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	295,419	188,448	197,868	9,419	5.00%
Administrative Expenses	13,316	12,200	12,600	400	3.28%
Professional Services		7,500	15,000	7,500	100.00%
Utilities	819	1,200	1,200	0	0.00%
Operating Services/Expenses	0	0	0		
Maintenance		150	160	10	6.67%
Other	3,104	250	250	0	0.00%
<b>Total Budget</b>	<b>312,658</b>	<b>209,748</b>	<b>227,078</b>	<b>17,329</b>	<b>8.26%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The Finance and Administrative Services area is responsible for the oversight of implementation of Commission's financial policies, strategic financial planning and analysis, the establishment of good fiscal and budgetary practices to provide funding as required for operating and capital expenditures of the airports system, and the establishment of good business practices to optimize the generation of revenues. The area also oversees and guides the strategic implementation of technology solutions and information management, the management of the organization's risk and insurance programs and the management of the Commission's properties and airline affairs.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## FINANCE &amp; ADMINISTRATION

## 2006 PROGRESS REPORT

Objective	Measurement	Results
Provide data resources that contribute to performance management/measurement results.	Mthly Ops Reports issued before 30th each subsequent month. Mthly Complaints & Compliments Report issued 15th of subsequent month. Qtly Airport Service Quality Report issued by end of subsequent quarter. Data Resources Intranet Site maintained. Wellness Intranet Site maintained.	Monthly Operations Reports were issued on schedule demonstrating a 5.8% reduction in passenger traffic and an 11% reduction in operations Y-T-D Nov. 06 versus Y-T-D Nov. 05.  Quarterly Complaints & Compliments Reports have been issued on schedule and demonstrated through the 1st three quarters of 2006 (1.03 complaints/100,000 passengers for 3rd Qtr. 2006) as for the last 12 quarters a stabilized rate of complaints of approximately 1.00 complaints/100,000 passengers.  Airports Service Quality reports have been issued on schedule quarterly and demonstrate highly volatile customer satisfaction perceptions for 2006, since the 4Q05, with the 3Q06 "Overall Customer Satisfaction Score (3.81) amongst MSP's lowest in our six years of survey experience.  The Data Resources Internet site is being maintained.
Coordinate Customer Service Action Council (CSAC) teamwork facilitating achievement of Team goals.	Improve customer satisfaction perceptions of MSP [ACI/ASQ] to >3.90. Maintain the % of the traveling public rating MSP "Good+" >88%. Improve the % of the traveling public rating MSP "excellent" >25%.	Data Resources has coordinated the Customer Service Action Council meetings and sub-group work throughout 2006 including the Quarterly Forums of Tenant/Vendor managers, the "Culture" team working to improve inter-campus communications and to develop a new "brand" for MSP, the "Family of Measures" performance measurement project which only finally launched in the 4th Qtr., the relaunch of customer service training, and the handicapped accessibility sub-team working to reduce the number of complaints registered by the disabled traveling public.
Redevelop the Complaints & Compliments System to enhance its value for MAC Service Center managers.	Deployment of comment cards is improved-qualitative assessment. Mthly complaint reports are provided to managers-qualitative assessment. Rate of complaints/100,000 passengers averages <.90 for 2006.	Respecting ASQ Survey [MSP's "big picture" customer satisfaction measure] results, the percentages of the traveling public rating MSP "Good+" and "Excellent" will not be known until the annual report is received in the 1st Qtr. of 2007. However, MSP has experienced a volatile year with Northwest Airlines labor and bankruptcy issues and it is not anticipated that MSP will achieve an "Overall Customer Satisfaction" perception above 3.95 (presently averaging 3.86 for 06) nor improvements in its "Good+" or "Excellence" percentages.

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## FINANCE &amp; ADMINISTRATION

## 2006 PROGRESS REPORT

Objective	Measurement	Results
<p>Coordinate the MAC Wellness Program; facilitate Wellness Team work; and improve employee participation and the quality assessment of the program.</p>	<p>Improved perceptions of the program-qualitative assessment. Successful implementation and completion of sub-team projects. Employee participation in respective programs greater than for 2005. Healthcare cost/employee&lt;2005.</p>	<p>Data Resources has coordinated Wellness Team meetings, worked with the sub-teams and respective projects, and coordinated the overall Wellness program in what team members and participants perceive to be the most successful Wellness program year in the history of the MAC Wellness program</p> <p>Employee participation has been much better than that in 2005; 7% greater for Move-To-Improve with 32% of the organization participating in the nutrition classes and projects and the weight-loss project. The Health Fair/Flu Shot Clinic had 52% of the organization attending. The Health Risk Assessment alone saw lesser numbers (27% of employees) complete an HRA as compared to 37% in 05, and 43% in 04. 27%, with most likely to be repeat completors from 05 and 04, hopefully will confirm a steadily improving wellness profile for those who are active in the Wellness program year over year.</p> <p>The Healthcare cost/employee will not be calculated until the closing of 2006 books in the 1st quarter of 2007. It is anticipated to be above 2005 costs but still reflect the meaningful reduction of costs that occurred in 2005.</p>
<p>Initiate the 2nd three year cycle of the MAC customer service training program.</p>	<p>Successful completion of the 1st of 3 years. Training evaluations equal to or better than the 1st 3-year cycle.</p>	<p>Data Resources, in concert with CSAC chairperson, Tim Anderson, and four new employee training teams, successfully Relunched the 2nd-3 year cycle of MAC sponsored customer service training. As the year ends, we are on target to readily complete the 3-year "refresh" training cycle for the approximate 385 front-line employees by year's end 2008.</p> <p>Ending the 1st Year of the 2nd cycle with new training teams and a slightly revised curriculum, class evaluations stand at an overall 5.25 score on a 1="not satisfied" to 6="very satisfied" scale; as compared to a 5.32 overall average score for the 1st 3-year cycle.</p>
<p>Ensure the financial interests of the MAC are protected in an airline bankruptcy.</p>	<p>Financial impact is minimized.</p>	<p>Conducted year-long series of analyses and negotiations reevaluating MAC's airline rates and charges structure and the implications of airline bankruptcy, culminating in a proposal presented to the Commission to increase long-term financial stability and air service competitiveness of MSP.</p>

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FINANCE & ADMINISTRATION**

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Enhance communications with Commission regarding operating activities and aviation industry conditions which impact organizations' financial results and strategy to address changes in the industry	Produce monthly reports to the Commission that outline MSP's passenger and operations activities, provide updates on industry trends and comparisons to other airports, and information on how MAC is responding	Produced monthly reports to FDE Committee and Commission which provided information regarding MSP passenger and operation trends and comparisons to prior years' activities and national trends. Provided excerpts from industry reports including industry outlook by rating agencies, passenger forecast, and comparisons of passenger trends at other large hub airports. Also analyzed 5 year historical staffing trends for each MAC Division and select major operations-related Departments and compared to other large airports. Presented findings to M&O Committee.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Provide data resources that contribute to performance management/measurement results.	Monthly Operations Reports-issued within each subsequent month. Quarterly Complaints & Compliments Reports -issued 15th of subsequent month. Quarterly Airports Service Quality Survey Reports-issued by end of subsequent quarter. Data Resources Intranet site maintained. Wellness intranet site maintained.	Monthly Operations Reports have been issued within each subsequent month and indicate for 2007 modest drops in passenger and operations numbers for MSP.  Quarterly Complaints & Compliments Reports were issued each subsequent month with the 2007 year-end rate of complaints standing at 1.73 complaints per 100,000 passengers.  Quarterly Airports Service Quality (ASQ) Reports have been issued each subsequent quarter with MSP achieving an all-time high "Overall Passenger Satisfaction" score of 4.17 within 2007. The year 2007 recorded MSP's highest scores and greatest improvements of our GAM/AETRA/ASQ history.  Data Resources and Wellness Intranet sites have been maintained.
Coordinate a MAC wide organizational effort to review processes and improve outcomes.	Develop project management tools and facilitate process reviews which enhance project success and improve coordination across MAC Departments	Created and co-facilitated Marketing Steering Group to coordinate organization-wide approaches to marketing concessions, parking, and airports overall

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**FINANCE & ADMINISTRATION****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Coordinate Customer Service Action Council (CSAC) Teamwork facilitating achievement of Team goals.	Improve customer satisfaction perceptions of MSP [ASQ Survey] to >3.95. Maintain the % of the traveling public rating MSP "Good+", all elements, at >88%; improve the few elements at less than 88%. Improve the % of the traveling public rating MSP "excellent" to 25%.	Customer Service Action Council monthly meetings and 3 airport-wide Customer Service Forums were coordinated.  The customer satisfaction perception of MSP improved from 3.95 to 4.14, a significant improvement.  The annual percentages rating MSP "Good+" and "Excellent" are not known as of 02/22/08.
Coordinate 2nd Yr-2nd 3/year cycle of customer service training, MAC program; maintain or improve the current evaluation scores.	Successful completion of the 2nd Yr. with approximately 66% of mandated trainees having completed the course.	CSAC/Data Resources successfully completing the 2nd-3/year cycle of customer service training within the 2nd year, 2007, with near 100% of mandated trainees trained.  High satisfaction evaluation scores (in excess of 5 on a 6pt. Scale) were recorded by the trainees.
Coordinate the MAC Wellness Program-budget, agendas, measurement; facilitate Wellness Team work; improve employee participation and the quality assessment of programming.	Improved perceptions of the program-qualitative assessment. Successful implementation of the program-qualitative assessment. Employee participation > 2005. Healthcare cost/employee <2005.	A 2nd highly constructive Wellness program year was completed in 2007. Participation was strong and improved in most all facets of the program with the singularly smaller participation in the Health Risk Assessment, 22% (versus 25% in 2006) of employees. 16% of employees participated in the newly offered (in 2007) Physicals incentive program.
Use current and available technology to enhance communication of results and sharing of work product across the organization	Facilitate the development of dashboards and other applications to share information and results across the organization and with the Commission. Explore and structure methods for enhancing the electronic sharing of work product for shared projects.	Evaluated and purchased dashboard software and conducted training with department gurus. Proceeding to put necessary architecture and operating systems in place for the development of sharepoint environment for electronic work sharing and document preparation.
Continue to monitor changes in airline industry and address as necessary to maintain our financial strength	Active monitoring and quarterly review and assessment of our strategic financial position.	Provided monthly reports to Commission regarding passenger and operations levels and highlights regarding the aviation industry and their impact on the MAC.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FINANCE & ADMINISTRATION**

**2008 OBJECTIVES**

Objective	Expected Results
Champion organization wide upgrade to Enterprise One and foster enhance interface of information throughout the organization.	Implementation of Enterprise One modules by October 1st and maintain staff endorsement of new processes by year end.

To coordinate with Operations to develop a Customer Service Initiative Partnership that improves customer service and increases the bottom line.	Increase in concession sales per enplaned passenger and decrease in rate of customer service complaints.
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**2008 Key Measurements**

Key Sucess Factor	2006 Actual	2007 Est	2008 Budget	Target
Financial Responsibility		5.26	5.47	6.00
<b>Performance Measure:</b>	Maintain Airline Cost Per Enplaned Passenger in lower half of large hub airports			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIR SERVICE BUSINESS DEVELOPMENT**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	165,719	157,651	165,006	7,355	4.67%
Administrative Expenses	27,902	57,808	63,600	5,792	10.02%
Professional Services	115,961	250,000	250,000	0	0.00%
Utilities		0	0		
Operating Services/Expenses	464	20,000	150,000	130,000	650.00%
Other		0	0		
<b>Total Budget</b>	<b>310,046</b>	<b>485,459</b>	<b>628,606</b>	<b>143,147</b>	<b>29.49%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

**RESPONSIBILITY/FUNCTION**

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

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Maintain leadership position in the development of a Regional Distribution Center for Air Cargo.	Create the prototype for a new, fully secure air cargo center that will make MSP a magnet for air cargo and stop the significant erosion of this vital airport service to Chicago. New revenue - and likely new international air cargo service - will result. A robust cargo operation is critical to business development in the region and new sources of revenue for the airport.	After three years, legislation passed by Minnesota Legislature established a time table for project.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**AIR SERVICE BUSINESS DEVELOPMENT****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Meet and provide for the air cargo needs of the region.	New cargo service alternatives at MSP.	Absent a budget commitment, status quo has been maintained. Nonetheless, dialogue and work continued with the Minnesota Legislature on the Regional Distribution Center (RDC) concept. Permission to spend State funds on the RDC business plan was secured. Without MAC funding, other State agencies are now becoming more dominant in the process. It will be important for MAC to recapture leadership in this critical aviation project in 2007 through increased funding.
Secure at least one new international airline to serve MSP.	At least one, and possibly two, non-incumbent airlines will announce the introduction of international air service at MSP to a non-stop destination not currently served, resulting in significant positive economic impact for the community and the region.	Preliminary and follow-up discussions have taken place. At least two international airlines have indicated a very strong interest in commencing service at MSP, but we are facing strong and aggressive competition from other gateway airports and cities and at yearend, it appears our best opportunity will be Spring, 2008. More aggressive marketing funding on the part of MAC is critical to possible success in securing new international air service.
Attract a new low-fare airline to MSP.	A new, non-incumbent low-fare airline will announce the introduction of new service at MSP.	Discussions with low cost operator(s) were initiated but not maintained due to budgetary shortfalls.
Secure additional, expanded, competitive service from incumbent airlines with emphasis on low-fare airlines.	Incumbent airlines, including low-fare carriers, will add frequencies and/or destinations at MSP.	Activities were limited due to budgetary constraints. No meaningful meetings with incumbents.

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## AIR SERVICE BUSINESS DEVELOPMENT

## 2007 PROGRESS REPORT

Objective	Measurement	Results
<p>Introduce new international air service to MSP to remain competitive and support the strong regional business community. Support the economic development needs of the region.</p>	<p>New International Air Service identified and/or inaugurated in 2007. Service will be non-stop to a destination not currently being served, resulting in significant positive economic impact for the community and the region and providing a positive response to the demands of locally based international businesses requiring non-stop service from MSP.</p>	<p>Commission approved a new Continuing Consultant Agreement and a commensurate increase in departmental budget. Consultant agreement was signed in mid-year, 2007 and plan of action was initiated. Action included identifying service needs, establishing list of target airlines and developing plan to make presentations to those airlines. We participated in Regional Asia Route Planning Forum, ACI Jumpstart (domestic) program and the annual ROUTES Forum, meeting with 12 airlines. While no new air service has begun in 2007, we are scheduled to see new Paris service in April, due in part to our increased level of promotion of international air service. We also have a strong initiative underway with a Latin airline and made very significant progress with two major European flag airlines. In addition, we have begun a dialogue with a major Asian airline and will be following up with that company in early 2008 at the Regional Asia Forum. Our selection of targeted airlines is based upon the needs of the regional business community.</p>
<p>Meet and provide for the air cargo needs of the region.</p>	<p>New cargo service alternatives at MSP.</p>	<p>Worked throughout the year with Regional Cargo Association, Shippers, corporations and relevant governmental contacts to enhance cargo opportunities at MSP. Absent either appropriate on-airfield facilities or a distribution center, international cargo continues to move via surface means to ORD and onward to final destination. Absent strong institutional support for a new RDC, MAC is now working to identify new on-airport sites for cargo development. All regional cargo activity (other than integrators) is currently concentrated in Eagan, the result of Mac having chased them off airport grounds in advance of the new runway construction. It is evident from initial studies that on-airfield space is available that would be suitable to the return of cargo activities to the airport.</p>
<p>Maintain leadership position in the development of a Regional Distribution Center for Air Cargo.</p>	<p>Create the prototype for a new, fully secure air cargo center that will make MSP a magnet for air cargo and stop the significant erosion of this vital airport service to Chicago. New revenue - and likely new international air cargo service - will result.</p>	<p>Proposed Regional Distribution Center has not acquired necessary critical mass to move forward. It is believed that a transition from the proposed RDC concept to an on-airfield Cargo Center concept needs to be undertaken expeditiously.</p>

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIR SERVICE BUSINESS DEVELOPMENT**

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Secure additional expanded, competitive service and retain service from incumbent airlines with emphasis on low-fare airlines. Increase and expand dialogue with airline decision-makers to insure long-term viability of air service at MSP.	Maintain and expand air service options at MSP in an increasingly volatile and uncertain industry environment. Reduce MAC's and the region's exposure to industry consolidation.	We have had an increased level of dialogue with low-cost airlines, both incumbents and possible new entrants. During discussions with certain airlines at the annual ACI Jumpstart meetings in June, we met with two non-incumbent domestic airlines who indicated that MSP is in their growth plans for the period 2008 - 2009. We also supported Northwest's renewed application for Antitrust Immunity with the full SkyTeam Alliance. A successful outcome to that application is critical to Northwest. In the second half of 2007, we have aggressively worked to pursue a multitude of air service options in light of a growing likelihood of industry consolidation that will impact MSP and the air service needs of the region. Our dialogue with low cost airlines is intensifying in 2008.
Attract a new low-fare airline to MSP	A new, non-incumbent low-fare airline will announce the introduction of new service at MSP.	No new low-fare airlines began service in 2007. Our initiative in this regard did not commence until June, 2007 due to lack of funds and lack of an approved continuing consultant. Once those two obstacles were overcome, we made significant progress and renewed long-dormant efforts to recruit new low-fare airlines. We laid considerable groundwork for success in 2008 and 2009 in the area of low-fare service enhancement at MSP.

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Continue to work closely with community leadership organizations and community leaders, as well as with corporate leadership to insure MSP is meeting ALL their air service needs, including AIR CARGO.	Development of a strong partnership, a coalition of business and government leaders, together with MAC, to develop strategies to significantly enhance air service options at MSP in an evolving and increasingly volatile airline environment.
Re-evaluate customer service (air service) needs based on changing demographics and expectations of the traveling public.	Introduce new international air service to MSP to remain competitive and support the strong regional business community. Support the economic development needs of the region. Minnesota and the region are increasingly focusing on globalization and the key to their success is access to global markets. Non-stop service to overseas locations is critical to their efforts. Aggressively promote cargo service at MSP, a major component of economic development initiatives.
Aggressively market MSP as a destination for international airlines; market MSP to new entrant airlines including low fare carriers.	Increased options via non-stop flights to preferred destinations, particularly NON-STOP international destinations and new air cargo opportunities.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIR SERVICE BUSINESS DEVELOPMENT**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Customer Service	Unfunded	Program Initiated	New Air Service	
<b>Performance Measure:</b>	Promote MSP to International & Domestic Airlines			
<b>Comments:</b>	Creation of Air Service Diagnostic Analysis; Development of Air Service Business Plan of Work; Target International Air Carriers for MSP; Pursue low-fare domestic air service options; Create "Team Minnesota," a coalition of community business organizations and corporate decision makers to support MAC Competitive Air Service initiatives; Partner with the Community to meet the economic needs of the region.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**WELLNESS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	796	2,575	2,975	400	15.53%
Administrative Expenses	739	350	600	250	71.43%
Professional Services	5,243	2,626	2,705	79	3.01%
Operating Services/Expenses	63,517	81,145	114,094	32,949	40.61%
Other		0	4,846	4,846	100.00%
<b>Total Budget</b>	<b>70,294</b>	<b>86,696</b>	<b>125,220</b>	<b>38,524</b>	<b>44.44%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESPONSIBILITY/FUNCTION**

The MAC Wellness Program works to educate, encourage, and support employees in making healthier lifestyle choices for a positive impact on employee morale and productivity as well as corporate healthcare costs.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Operating Services/Expenses	Increase due to increased costs to provide wellness programs.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Coordinate the Wellness Team and facilitate the work/goal accomplishment of the-Physical Fitness, Nutrition, HRA, and Health Fair-sub-teams.	Consistent participation of Wellness Team members > mthly avg. of 2005. Successful implementation of sub-team processes-qualitative assessment.	The goal of having consistent participation by Wellness Team members in Team meetings was achieved in that the percentage of members present at Team meetings precisely matched 2005 to 2006 at 70%; however, 2006 did not exceed the monthly average of 2005 which was likewise 70%. The 2004 participation ratio was 62%.  An overall evaluation of the success in the implementation of sub-team processes would be that 2006 programs/projects were even more successful than were those in 2005, itself an historically successful year in the eighteen years of MAC Wellness programming.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**WELLNESS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Increase utilization of the Fitness Center; increase participation in the Move-To-Improve program; and, promote walking as an exercise of choice.	<p>More than 30 employees using the Fitness Center.</p> <p>Average mthly uses per employee &gt;6.</p> <p>Growing # employees consulting the Personal Trainer.</p> <p>=&gt;30% employees participating in Move-To-Improve.</p> <p>&gt;% employees registering fitness on the 2006 HRA Report.</p> <p>Participation in walking projects to excel 2005 standard of 56 employees.</p>	<p>Respecting the programs of the Physical Fitness sub-team both the utilization of the Fitness Center (Navy Bldg.) and the Move-to-Improve program exceeded goals set for 2006. In neither case is the year fully recorded; however the average utilization of the Navy Building Fitness Center for the 1st six months of 2006 was 38 employees utilizing the center 6.67 times/month, up from 30 employees and 5.30 times in 2005. Precise records of the number of employees consulting the Personal Trainer were not kept; however, feedback indicated from one or two in a given month to up to 5 individuals consulted with Mike Bailick from The Marsh. Reports were also that Mike Bailick as the personal trainer was highly liked.</p> <p>Move-To-Improve participation reached 37% of employees in the 2nd and 3rd quarters of 06; 4th Qtr not yet recorded.</p> <p>Numerous efforts-via the Update-to include a "Walk Lake Nokomis with Jen" project in October were made to promote walking as a primary exercise. No quantitative measure of success has been recorded.</p>

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## WELLNESS

## 2006 PROGRESS REPORT

Objective	Measurement	Results
Implement a nutrition education program and weight loss project.	<p>Nutrition education program is successfully provided-qualitative assessment.</p> <p>HRA overall nutrition/nutritional status rating better than 2004 and/or &gt;27%.</p> <p>Participation in weight loss project(s) &gt;27%; HRA rating of "Excess Weight" &lt; 65%.</p>	<p>The Wellness Team, nutrition sub-team (together with the Physical Fitness sub-team respecting weight-loss) were highly successful with implementing both a nutrition education program and a weight-loss project.</p> <p>The nutrition sub-team provided a series of 5 nutrition classes utilizing the expertise of Nutrition Weight &amp; Wellness, a St. Paul company, which 179 employees (31% of employees) and 9 spouses attended. Attendees gave the classes an overall rating of 5.49 of 6.00 points meaning they considered the class(s) "very satisfying and valuable". The Health Risk Assessment nutritional status rating will not be available until the 1st Qtr. of 2007. The sub-team also carried out a 3-month fruits, vegetables, and fiber project for which a record 84 employees registered. 29 employees completed all three months. Feedback obtained via participant surveying has been highly positive respecting these nutritional efforts indicating sustained changes in eating habits and a desire to participate in further nutrition education classes and projects.</p> <p>The jointly executed weight-loss project, the "Speedo Challenge", enticed 88 employees (15%) to participate with 63 employees completing the six month project by weighing in. Collectively, the 63 employees lost 363 lbs. and registered great satisfaction with the project as well as an intent to participate in future like weight-loss projects. The HRA report is due in the 1st Qtr. of 2007.</p>

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## WELLNESS

## 2006 PROGRESS REPORT

Objective	Measurement	Results
Increase completions of an annual physical and the Health Risk Assessment process.	Successful implementation of a promotional program-qualitative assessment; assumed at > 43.6% participation in the Health Risk Assessment process.	<p>The Health Risk Assessment sub-team sought to keep the costs of a program promoting the completion of an annual physical and a personal health risk assessment in house and within budget. They successfully did so deploying a very creative poster campaign which relied on the divisional team representatives to post and periodically change a series of creative posters encouraging employees to get their annual physical and complete the Health Risk Assessment. They tied the completion timeframe to the Oct/Nov. Health Fair which more than doubled the number of completions from January through September (53) with those completed in October (88-plus 9 in November). A total of 150 Health Risk Assessments were completed for 26.6% of the employee force. The number of physicals completed is assumed equal but not precisely known.</p> <p>While the promotional effort implemented by the sub-tam was creative and their October push highly successful, the overall results fell well short of 43+% of employees completing health risk assessments. In the first year of the HRA program (2004) completions were 43% of the employee force, 37% in 2006 when the Wellness Team used a consultant expertise for promotion and now 26% in 2006. The Health Risk Assessment Executive Report will be received within the 1st Quarter of 2007 and, hopefully, will show as did the 2005 Report versus 2004 steady improvement in the health status of employees completing the HRA year over year.</p>
Deliver a better than ever Health Fair/Flu Shot Clinic.	Best ever Health Fair-qualitative assessment. Employee participation in Health Fair > 169 employees.	The qualitative assessment of the 2006 Health Fair was clearly that it well exceeded the quality of prior years' Health Fair efforts as, successfully coordinated with a Flu Shot Clinic, it engendered participation by (239 employees plus 38 retirees and 16 spouses) 293 individuals, a 73% increase above the goal set based upon 2005 participation. Wellness received 122 feedback surveys from employee participants respecting the overall Wellness program.

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## WELLNESS

## 2007 PROGRESS REPORT

Objective	Measurement	Results
Coordinate the work of the Wellness Team meetings, agenda, and minutes and facilitate accomplishment of Team goals.	Consistent participation of Wellness Team members greater than the monthly average in 2006. Successful accomplishment of Team goals-qualitative assessment.	Quantitative participation of Wellness Team members 2006 to 2007 was very consistent, virtually equal at 69.85% of attendance expectations in 2006 versus 68.12% in 2007.  Qualitatively, the Wellness Team delivered a 2nd accomplished year of Wellness programming with Move-to-Improve, Nutrition classes, development of "The Walking Square" at Lindbergh, the weight-loss project, and a new incentivised "Get Your Annual Physical" program. Participation was relatively strong exceeding 50% of employees participating in some part of Wellness programming.
	>current rates of usage: 38 users; 260 visits/mth.; 8.6/day; 6.6/user.	Usage rate for the Navy Bldg. Fitness Center have not been calculated for 2007; however, it is known that usage rates have remained consistent with 2006 rates above and that improvements to the Center are much appreciated.
Increased participation in Move-To-Improve.	40% of employees (average) participate in Move-To-Improve for 2007. >58% of employees registering fitness in Health Risk Assessment.	In 2007, a 41.4% of employees (per quarter average) participated in Move-to-Improve. The program has experienced a 4.4% annual growth.  74.8% of employees, completing the Health Risk Assessment in 2007, registered a "good" to "excellent" fitness rating.
Promotion of walking as premier exercise.	Greater #/% of recorded MTI walking events than in 2006. Successful implementation of walking practice projects.	Walking events, recorded in Move-to-Improve, have not been counted for 2007 versus 2006; however, participation grew approximately 4.4% in 2007 lending credence to the belief that walking events likewise increased.  Walking was promoted as a premier exercise within the program year and MAC Wellness developed a partnership with The American Heart Association creating and promoting "The Walking Square" at the Lindbergh Terminal including a Travelers (19) and employees walking contest in which 87 employees participated.
Complete nutrition education project(s).	>33% of employees registering a good nutritional status on the Health Risk Assessment.	Wellness executed 4 nutrition classes (one/quarter) with 42% of employees registering a "good" nutritional status within the 2007 Health Risk Assessment.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**WELLNESS****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete a weight-loss project.	>15% of employees participating. >360lbs. net weight loss. Reduced % (<65%) of overweight employees determined via HRA.	Wellness sponsored a weight-loss project in 2007. Fewer employees, 67 (12%) participated than in 2006 (84, 15%); however, they achieved a 1/2 lb. greater average weight-loss than achieved in 2006 (4.58 lbs.-2006; 5.15 lbs. - 2007).  71% of 119 employees completing the 2007 Health Risk Assessment were above their recommended weight range; whereas, 64% of 154 employees were so in 2006.
Increased completion of annual physicals and the Health Risk Assessment process.	=>45% of employees.	In our first measure of Annual Physicals completion, 92 employees (16%) completed annual physicals with 80 of said 92 also completing their Health Risk Assessments. An additional 38 employees completed Health Risk Assessments alone for a total Health Risk Assessment participation rate of 21%.
Deliver an enhanced Health Fair and Flu Shot Clinic.	Best ever Health Fair-qualitative assessment. Employee/retiree/spouse participation in Health Fair >293	Wellness executed, in partnership with NWA, a highly successful and acclaimed Health Expo/Flu Shot Clinic.  245 employees (spouses, retirees) received Flu Shots.

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Deliver, in partnership with NWA, a 2008 MSP Health Expo (w/ Flu Shot Clinic) as well received as the 2007 Expo.	Expo well received (qualitative assessment) with > 250 MAC employees receiving Flu vaccinations.
Increase the # & % of employees completing an annual physical and/or Health Risk Assessment.	Employees =>37% complete an annual physical and/or Health Risk Assessment.
Enhance the value of the (Navy Bldg.) Fitness Center increasing employee usage.	Greater than 35 employees utilizing center; >5.80 uses/user; >200 uses/month.
Deliver nutritional programming to improve employees nutritional acumen and specifically increase the % of employees eating 5 to 9 fruits and vegetables each day by: 1. executing nutrition projects; and 2. Providing NW&W classes MSP campus-wide.	Increasing numbers of employees participating in nutritional programming, that is, >20%; and >10% of employees reporting eating 5 to 9 fruits & vegetables per day.
Increase the #/% of MAC employees registering a good blood pressure.	As reported in the HRA 2008 Executive Summary Report, >36.5% of employees registering a good blood pressure.
Promote the "Start!" Walking Project at MAC/MSP enticing a number of Travelers and Employees to "Walk the Square".	Not quantifiable at present; thus, the judgment of success will be a perception that an unexpected number of travelers and employees have "walked the square"-numbers will be known at the end of 2008.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**WELLNESS**

**2008 OBJECTIVES**

Objective	Expected Results
Decrease the % of MAC employees who are overweight by: 1. Executing a weight-loss challenge; and 2. Increasing the # of employees exercising regularly via the Move-To-Improve program and a MAC/CCS Health Club incentive program=>45%.	As reported in the 2008 Health Risk Assessment Executive Report, 74% to 70% of men having BMI measures less than 25; 54% to 50% of women.
Increase the participation of employees in Wellness programming as measured by the number (%) of full-time employees who participate in, at least, one facet of the 2008 Wellness Program.	>50% of employees having participated in one facet of the 2008 Wellness Program.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People	9%	unknown	15%	30%
<b>Performance Measure:</b>	% of employees eating 5 to 9 fruits & vegetable per day			
<b>Comments:</b>				
People	220usages/mth.	unknown	240usages/mth.	ever greater usages
<b>Performance Measure:</b>	Increase utilization of the Fitness Center (Navy)			
<b>Comments:</b>				
People	38.8%	43% to date	45%	from 45% to 60%
<b>Performance Measure:</b>	#/% Employees participating in Move-To-Improve			
<b>Comments:</b>				
People	35.5%	unknown	38%	from 40% to 60%
<b>Performance Measure:</b>	% of Employees within "Normal" BMI range			
<b>Comments:</b>				
People	50%	unknown	55%	>60%
<b>Performance Measure:</b>	% Employees participating in Wellness Program			
<b>Comments:</b>	>60% is the 3 to 5 year goal equal to the health promotion standard for the participation required to positively impact health care costs.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RISK MANAGEMENT**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	5,617,943	9,034,126	9,516,055	481,929	5.33%
Administrative Expenses	8,608	12,360	18,250	5,890	47.65%
Professional Services	50,236	111,000	155,500	44,500	40.09%
Utilities	2,385	2,772	2,750	-22	-0.79%
Operating Services/Expenses	0	1,200	19,200	18,000	1500.00%
Maintenance		1,500	1,500	0	0.00%
Other	2,345,280	2,819,032	2,368,486	-450,546	-15.98%
<b>Total Budget</b>	<b>8,024,451</b>	<b>11,981,990</b>	<b>12,081,741</b>	<b>99,751</b>	<b>0.83%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4</b>

**RESPONSIBILITY/FUNCTION**

Under the direction of the Deputy Executive Director - Finance & Admn. Services, Risk Management is responsible for the planning, organizing and administration of risk and insurance programs to safeguard the MAC's assets from the risk of accidental loss through the use of recognized risk management techniques. Responsibility includes risk identification, evaluation, measurement, preventative strategies, claims administration, purchase of coverage and evaluation of financing alternatives. Areas of responsibility also include employee insurance bene. programs, workers' compensation, Wellness, Liability and property and the MAC Safety Dept. whose function is to maintain a safe airport facility.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Prepare an Insurance Risk Annual Report.	The annual report would outline the risks within the organization and the actions that have or can be taken to minimize or eliminate the risks.	An intranet site will be set up with reports and the annual report for 2007.
Establish a positive workers' compensation chargeback system for costs to the individual cost centers.	This system would establish financial goals for cost centers to control the costs associated with workers' compensation. The cost centers would be rewarded and recognized for preventing worker injuries and costs associated with post injuries.	As a prelude to this, we conducted an audit of the internal and external workers' compensation process to identify enhancement opportunities. Most of the audit results have been addressed or are being implemented. This will lead to a chargeback system which we will test in 2007 for implementation in 2008. This will continue to focus on the positive aspects of prevention and control.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****RISK MANAGEMENT****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop a program to address the impact of a potential Flu Pandemic (H5N1).	A matrix of potential risks associated with a pandemic would be established and countermeasures established. An event could impact revenue, costs, and health issues.	Key employees have been identified who would be exposed and have been trained by staff along with a supply of personal protective equipment.
Provide additional supplemental benefits to employees and their families to attract and retain employees.	By offering supplemental benefits at group discounts, employees will be able to obtain better benefits at a lower cost to meet their individual needs.	This is under development and will be ready to introduce in 2007. The first plan will be medical for those that do not have MAC coverage after age 65.
Provide employees, family members and retirees with the tools to make them wiser consumers of MAC provided benefits.	Those that are provided with MAC benefits will understand the value of the benefits and actions they can take to use the most cost effective benefit. This will reduce costs for MAC and those provided with MAC benefits.	This is continuing through our "yes, We Can" program. We are also working with CCS/BCBSMN on other initiatives. We will be working with MAC Wellness in 2007 on another program.
Establish a more effective method of tracking certificates of insurance with contracts.	The certificate verifies that adequate insurance is available in the event of a loss and that MAC is protected.	Staff is continuing to work with departments to improve their tracking methods.
Finalize a study of alternative insurance methods such as captives, risk retention groups and restricted funds.	Provides custom coverage to address MAC's risks and control costs.	This has been completed internally and we entered into a risk retention group for property with excellent results.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Purchase a Risk Management Information System (RMIS) to allocate fixed and claim costs to cost centers.	Cost centers will have an incentive to control costs and will be held accountable by the Commission.	No funding or authorization to purchase a system. We are meeting with a consultant on 2/22/08 to review a system by which we can purchase time.
Promote a dialog with individuals that utilize MAC employee benefits to solicit their input to enhance efficient utilization and control costs.	Satisfaction with benefits provided by the insurance Risk Management Dept. and the control of costs.	Working with H.R. and Labor Relations to ask MAC staff what they need. Each item sent by me to a hoem contains my name and phone number so I get a lot of feedback.
Risk Management plan for communicable diseases such as the pandemic flu.	Protect the financial interest of the MAC.	We are working with other departments on a response to this issue. We have been anticipating the hiring of an Emergency Coordinator to replace George Condon who coordinated this program involving Risk Management.
Establish authority, accountability and responsibility for Risk Management issues impacting MAC through an Executive Risk Management Committee.	Identification and control of risks.	We have built this into the Fleet Safety Program and continue to emphasis this during our training and meetings. The lack of a chargeback system reduces accountability. We have checked with most local governmental agencies and they have a chargeback system.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RISK MANAGEMENT**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Identify and introduce supplemental employee benefits.	Attract and retain qualified employees.	Introduced the Will program which is under review by the Legal Department. I have two bids for introduction of a Medicare supplemental program with introduction in early 2008. The Health Club supplement has been very well received.
Implement a department wide continuous improvement program.	Enhancements in all processes.	This is a philosophy in place and being practiced. For example we are enhancing the worker's compensation reporting system and tracking of liability claims.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations	n/a	n/a	yes	reduce accidents and costs
<b>Performance Measure:</b>	minimize cost of Fleet losses			
<b>Comments:</b>	Monthly we measure accidents and the resulting cost with a report distributed to staff.			
Customer Service	n/a	n/a	yes	reduce cost and resolve without litigation
<b>Performance Measure:</b>	Liability Claims less than othersimilar sized airports			
<b>Comments:</b>	The current measurement is claims per enplaning passenger. This is being revised so that we can benchmark with other airports. This is a goal of the ACI-NA Insurance Working Group.			
Financial Responsibility	yes	yes	yes	minimize costs
<b>Performance Measure:</b>	Cost equal to or lower than and quality equal to or better than of Employee Benefits when compared to other governmental agencies			
<b>Comments:</b>	During the year we quarterly measure costs per plan participant for the medical and dental. Annually we measure this cost and compare it to previous years and other applicable representative entities such as the State of Minnesota.			
Safety	n/a	yes	yes	less than prior year
<b>Performance Measure:</b>	Less than OSHA Records from previous years			
<b>Comments:</b>	OSHA has various measurement rates from the BLS that we use to measure monthly and annual performance compared to previous years. We can also benchmark with other like entities.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FINANCE**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,045,428	1,225,436	1,368,862	143,426	11.70%
Administrative Expenses	26,173	25,900	31,780	5,880	22.70%
Professional Services	134,744	150,000	195,200	45,200	30.13%
Utilities	0	0	0		
Operating Services/Expenses	182,542	185,200	192,300	7,100	3.83%
Maintenance		0	0		
Other	8,355	6,000	8,400	2,400	40.00%
<b>Total Budget</b>	<b>1,397,243</b>	<b>1,592,536</b>	<b>1,796,542</b>	<b>204,006</b>	<b>12.81%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>18</b>	<b>17</b>	<b>18</b>

**RESPONSIBILITY/FUNCTION**

Finance is responsible for the Commission's accounting, cash management functions, preparation of the annual operating budget and Comprehensive Annual Financial Report (CAFR). Financial planning includes, but is not limited to, issuance of all debt (new and refunded), tenant rates and charges development, cost benefit analysis and financial analysis.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Monitor key success measures and strive for improvement.	1) Operating Cost Per Enplaned Passenger will be less than \$7.00. 2) Airline Cost Per Enplaned Passenger will be in the lower 1/2 of large hub airports and less than the Airline Model Forecast of \$6.08. 3) Senior Debt Service Coverage will be at least 1.4 times. 4) Operating Reserve will consist of 5 months of operating expenses. 5) Operating Revenue Per Enplaned Passenger will exceed \$11.00.	1) Estimated to be \$6.06. 2) The estimated Cost Per Enplaned Passenger of \$6.06 should place the Commission in the lower 1/2 of large hub airports. 3) Estimated to be 2.01 times. 4) Commission approved an increase to 6 months in October, 2006. 5) Estimated to be \$14.20

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**FINANCE****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue Budget Process improvements and evaluate financial software systems.	<ol style="list-style-type: none"> <li>1) Financial software is evaluated and determination is made whether an upgrade or new software is required.</li> <li>2) Work with individual cost centers to streamline the budget process.</li> <li>3) Coordinate records with Human Resources to ensure all data is compliant and matches.</li> <li>4) Refine implementation of goals &amp; objectives within the budget process.</li> </ol>	<ol style="list-style-type: none"> <li>1) Continues to be in process.</li> <li>2) In process.</li> <li>3) Completed 4th Quarter 2006.</li> <li>4) In process.</li> </ol>
Provide necessary support for various rates & charges and requests for proposals (RFP's) as well as evaluation and modification of the Airline Lease Model.	<ol style="list-style-type: none"> <li>1) Evaluation and modification of the Airline model is completed so that low to moderate difficulty forecasting can be completed internally.</li> <li>2) Analysis and implementation (if required) of new rates and charges and or concessions adjustments are completed.</li> </ol>	<ol style="list-style-type: none"> <li>1) Completed 2nd Quarter 2006.</li> <li>2) Completed 4th Quarter 2006.</li> </ol>
If required by the Commission, develop Request For Qualifications (RFQ's) for Airport Consultant, Bond Counsel, Financial Advisor and Financial Auditor.	Completion of the selection process for any or all of the above RFQ services required by the Commission.	Deferred.
Reconcile electric meters from Xcel records to MAC records.	Meters are all accounted for and are being charged to the appropriate cost center/subledger.	Completed 2nd Quarter 2006.
Identify and monitor financial options (Costs & Funding) associated with the 2006 CIP, 2010 Plan and 2020 Plan.	<ol style="list-style-type: none"> <li>1) Projects funded as identified and approved by the Commission in December 2005. Changes and variances are reconciled.</li> <li>2) PFC #10 for 2010 Plan Projects is filed and approved by the FAA no later than 11/30/06.</li> <li>3) Issue required debt (bonds) as directed by the Commission for those projects identified with bonds as a funding source.</li> <li>4) Apply and receive the maximum amount of Federal and State Aid identified in the 2006 CIP Funding Schedule.</li> </ol>	<ol style="list-style-type: none"> <li>1) Funding for 2006 CIP projects completed with adjustments made as required.</li> <li>2) Deferred until 2007.</li> <li>3) No new debt issued. A major refunding to close in January 2007 will result in \$2.0 million of annual debt service savings.</li> <li>4) Completed 4th Quarter 2006.</li> </ol>

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## FINANCE

## 2007 PROGRESS REPORT

Objective	Measurement	Results
Monitor key success measures.	<ol style="list-style-type: none"> <li>1) Cost per enplaned passenger &lt;\$6.25</li> <li>2) Cost per enplaned passenger lower 1/2 large hub</li> <li>3) Coverage - Senior 1.4x or &gt;</li> <li>4) Operating Reserves 6 months</li> <li>5) Operating Revenue per enplaned passenger &gt;\$11</li> </ol>	<p>All key success measures were met for 2007.</p> <ol style="list-style-type: none"> <li>1) Cost per enplaned passenger estimated at \$5.42</li> <li>2) Cost per enplaned passenger rank was 14th out of 29 large hub airports</li> <li>3) Coverage on senior debt for 2007 is estimated at 2.05 times</li> <li>4) Operating Reserve was funded at 6 months of operating expenses \$62.7 million.</li> </ol>
Software (JDE) Evaluation	Initiate and evaluate JDE system.	This project has been evaluated as in the process of being implemented in 2008.
Rates and charges support	Provide support and calculations for any new ordinance rates, other rates and for new methodology related to all airline rates and charges.	Staff provided support for the following areas of rates and charges during 2007: New airline rates and charges based on the recent amendment signed by the Commission and airlines including the concessions credit, review of and changes to the concessions utility and consortium fee, reliever airport rates and charges model update and revised structure for the Petter's Aviation Hangar (former Mesaba).
Reconciliations - Utilities and concessions	Reconcile meters for accurate accounting and billing. Reconcile concessions batches for accurate accounting and recording of revenue. Also use for future forecasting.	This project continues to be in process, final update expected in 2008.
Three-year CIP Funding	Continue to fund Capital Improvement Plan, recommending adjustments as needed.	The three year Capital Improvement Funding model was completed. This incorporated the Noise settlement and agreement with the airlines on payment provisions associated with it. The funding model utilized aid - both federal and state, passenger facility charges, internally generated funds, airline rehab and repair funds and commercial paper. No new long term debt is anticipated for the period 2008 - 2010.
Water & Sewer Invoice System evaluation	Evaluate software to possibly improve process and timing of Water & Sewer invoicing.	This evaluation is still in process and is being done in conjunction with the JDE/Enterprise One system evaluation and implementation. It is hoped improvements to the existing process can be made in 2008.
Continued Budget Improvements	Evaluate financial software to determine if supplemental software will improve budget process. Coordinate budget process with Strategic Plan.	This is currently being done in conjunction with the evaluation and implementation of the JDE/Enterprise One software. It does not appear at the present that this new system will provide any more flexibility than the existing one. However we are still reviewing and analyzing.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FINANCE**

**2008 OBJECTIVES**

Objective	Expected Results
Provide financial analysis as requested from other departments or the Commission	All analysis is supported with a financial recommendation based on the information provided
Develop and provide support for any rates and charges required for 2008	1) Provide support and calculations for any ordinances (new and old) and any other requirements for leases (new and old) 2) Develop rates and charges for any new projects and/or facilities that come about in 2008
Three-year CIP funding (2009-2111)	The capital plans for 2009-2111 have funding developed based on information available
Complete RFQs for two continuing consultants (Audit and Airport Consultant)	Both RFQs are completed and approved in 2008
Monitor key success measures	1) Cost per enplaned passenger is in the lower one half of large hub airports 2) Debt Service coverage for senior debt is greater than 1.4 times 3) Operating reserves are equal to six months' maintenance and operating costs 4) Operating revenue per enplaned passenger is greater than \$11
Software Implementation	1) Evaluate implementations or improvements to the Water & Sewer invoicing process. 2) Complete the upgrade of JDE for general accounting, accounts payable, accounts receivable and payroll 3) Development of budget process improvements within the new system

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Financial Responsibility				
<b>Performance Measure:</b>	Exceed benchmark of 6 month Treasury Bill and 1-year Treasury Note			
<b>Comments:</b>				
Financial Responsibility	n/a	n/a	25 days	25 days
<b>Performance Measure:</b>	Average number of days to complete reconciliations for Bank Reconciliations; Investments; Accounts Receivable and Parking Reconciliation by the 25th of the following month			
<b>Comments:</b>				
Financial Responsibility	yes	yes	yes	yes
<b>Performance Measure:</b>	Receive the Budget and CAFR award each year			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**MAC GENERAL**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	9,822,056	12,046,223	9,173,955	-2,872,268	-23.84%
Administrative Expenses	40,793	41,000	36,750	-4,250	-10.37%
Professional Services	0	30,000	24,000	-6,000	-20.00%
Utilities	14,356,348	14,487,000	16,075,000	1,588,000	10.96%
Operating Services/Expenses	1,726,689	1,522,000	1,614,000	92,000	6.04%
Maintenance	1,311,995	970,002	1,100,000	129,998	13.40%
Other	151,909	141,000	24,000	-117,000	-82.98%
Gross Depreciation	111,429,382	118,497,916	120,000,000	1,502,084	1.27%
<b>Total Budget</b>	<b>138,839,173</b>	<b>147,735,141</b>	<b>148,047,705</b>	<b>312,564</b>	<b>0.21%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>21</b>

**RESPONSIBILITY/FUNCTION**

The MAC General Service Center contains expenses that are not specific to any one service center such as employer FICA taxes, retirement plans, postage, utilities (electric, heating, sewer and water), copy agreement, Glycol Impacted Storm Water (GISW) Management, rubbish disposal, unleaded gas and diesel fuel. The Finance Service Center is responsible for the budgeting of MAC General.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel includes an increase of \$780,000 for 21 new FTES that are service center unassigned. These positions will be distributed throughout the organization based on priority. The Minneapolis Employees Retirement Fund (MERF) unfunded liability will decrease \$2,000,000 due to the timing of retirement by the remaining MERF employees. In addition, Post Retirement Benefits are reduced \$2,435,000 due to double counting in the 2007 budget (also included in Employee Insurance).
Utilities	Heating Fuel and Electricity account for the majority of the increase in Utilities. Heating Fuel is based upon market conditions, inventory shortages and demand while Electricity is based upon forecasts by the utility company
Operating Services/Expenses	Operating Services increase is due to storm water monitoring that is based upon historical averages.
Maintenance	Maintenance increase is due to equipment fuel costs and rubbish disposal.
Other	Other expenses decreased as a result of the reduction in grant expenses of \$100,000.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**PURCHASING**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	434,818	447,529	470,946	23,417	5.23%
Administrative Expenses	19,150	20,684	19,975	-709	-3.43%
Professional Services	0	0	0	0	0.00%
Utilities		0	0		
Operating Services/Expenses	2,978	3,480	3,484	4	0.11%
Maintenance	895	100	100	0	0.00%
Other	2,962	950	3,150	2,200	231.58%
<b>Total Budget</b>	<b>460,803</b>	<b>472,743</b>	<b>497,655</b>	<b>24,912</b>	<b>5.27%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>

**RESPONSIBILITY/FUNCTION**

The Purchasing Department oversees the acquisition of materials, services, and equipment by using the method which will result in the most efficient use of MAC resources to meet the needs of the end user. Responsibilities include the disposal of surplus property, selling items on the open market or avoiding the cost of acquiring new items by coordinating the distribution of surplus items between MAC Departments. Purchasing supervises the Lost and Found Office located in the Lindbergh Terminal, Central Mail in the General Office building, and tracks insurance certificates for contracts generated by the Purchasing Department. It also coordinates acquisition of minor construction, repair and maintenance of real or personal property.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	5120: Two employees expected to take purchasing courses from NIGP (\$525 each) 5520: Office supplies are an ongoing necessity. We do have one additional printer this year which is a used unit from IS but takes a more expensive color toner cartridge. 5560;etc: Staff holds several positions on local and national levels including: Immediate Past President and Board of Directors . Networking, Pro D, gathering ideas & concepts used by other entities using purchasing cards, keeping current with acquisitions methods, and developing new contacts is critical to maintaining professionalism. 5640: new: ICN, technology negotiations: \$495yr, AAAE \$225, \$149 associate membership in NAPCP
Operating Services/Expenses	7240: Cost to lease NEOPOST mailing machine including software upgrades and hardware maintenance is \$871 per quarter.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**PURCHASING**

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Other	<p>9190: Vehicle Fleet licenses: We currently have approx. 207 in the fleet that require a license to run the unit on city streets. The bi annual fee is \$15.00 per license. We are allowing a small of extra dollars to cover any new vehicles added to the fleet in 2008.</p> <p>2009-2010: added 3% inflationary factor to each line item.</p>
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**2006 PROGRESS REPORT**

Objective	Measurement	Results
Continue to identify internal procedures that will improve the acquisition service provided to all MAC departments.	Identify, investigate and implement at least one process that would reduce acquisition costs.	Staff investigated buying fuel on the futures market. This did not prove to be a method we can use because of the volatility of our volumes during the winter snow season. We will continue to buy at an attractive cost using a bid constant and monitor the possibility of buying futures at a latter date. Staff processed a new contract with a credit card provider that will offer MAC a significant rebate. Rebates will increase with the opportunity to use the same card by other airports around the United States through the Airport Purchasing Group. Discussions have begun and will continue in 2007 to consider using an electronic requisition.
Sustain a high level of customer service to all MAC Departments when making acquisitions, processing mail, and locating the owners of lost items from inventory at the Lost and Found Office.	Increase in the number of verbal and written comments that are positive and complimentary about the level of service being provided. Lost and Found will have at least 50% of all items claimed by the owner.	Lost and Found staff received three MAC Customer Service Performance Awards during 2006. Lost and Found reports locating owners of found items 50% of the time, plus or minus 2% since the year has not ended at the time of this writing. The Purchasing Department customer service survey was 8.2 indicating other departments were very satisfied with our performance. The maximum possible points was 10.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**PURCHASING**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Implement methods to reduce acquisition costs and produce non-aviation revenue for MAC.	Implement commercial card program producing revenue rebate exceeding \$25,000. Produce acquisition cost avoidance exceeding \$10,000 by transferring used equipment, furniture and office supplies to another MAC department. Implement computer generated requisition form in 2007 and reduce by 5% the amount of preprinted hardcopy forms ordered. This number will dramatically increase once the requisition goes on line which is not expected until 4th quarter of 2007.	The MAC commercial card program is on track for a \$36,000.00 rebate using 2007 and 2008 expenditures. The rebate will be submitted to MAC September 1, 2008 from U S Bank.  Purchasing has transferred approximately \$20,000 in assets from one department to another thus avoiding the cost for new equipment or supplies.  The computer generated requisitions was delayed due to Enterprise One being implemented in the third or fourth quarter of 2008.
Continue to improve customer service to external and internal customers.	Survey results will show an improvement over 2006 results. Average score to exceed 8.5. Achieve 50% return of found items to their owner.	Average score for 2007 was 8.5, with Lost and Found rated 8.7.

**2008 OBJECTIVES**

Objective	Expected Results
Continue to improve customer service to external and internal customers.	Achieve a customer service rating of 9.0.
Increase the number of airports using the Airport Purchasing Group commercial card program initiated by MAC in 2006 which will subsequently increase MAC rebate.	Add one new airport to the program.
Implement MAC web site that will enable a vendor to download bid or RFP documents in addition to addendums with the appropriate tracking reports made available to MAC Purchasing staff.	An estimated 10 such documents will be advertised and available to the vendor community using the MAC web site.
Successfully implement the Enterprise One purchasing module.	Train approximately 150 MAC staff.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Financial Responsibility	80% positive satisfaction			85% positive
<b>Performance Measure:</b>	Customer service survey of MAC Departments			
<b>Comments:</b>				
Financial Responsibility	0	0		30,000
<b>Performance Measure:</b>	Purchasing card rebate			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**PURCHASING**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Financial Responsibility	0	0		10
<b>Performance Measure:</b>	Advertise bids and RFP's on the MAC Intranet that have the capability to be downloaded on line to the vendor community			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**INFORMATION SERVICES**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,395,779	1,448,345	1,607,629	159,284	11.00%
Administrative Expenses	80,756	55,101	64,943	9,842	17.86%
Professional Services	43,684	50,000	180,000	130,000	260.00%
Utilities	342,993	374,463	378,650	4,187	1.12%
Operating Services/Expenses	821,833	1,076,562	1,668,017	591,455	54.94%
Maintenance	956	0	0		
Other	319,231	446,985	667,479	220,494	49.33%
<b>Total Budget</b>	<b>3,005,231</b>	<b>3,451,456</b>	<b>4,566,718</b>	<b>1,115,262</b>	<b>32.31%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>17</b>	<b>17</b>	<b>18</b>

**RESPONSIBILITY/FUNCTION**

The Information Services (IS) department provides leadership and direction to the MAC in identifying and using technology. This includes reviewing and approving plans, budgets, and purchases for technology. The IS department works with MAC departments and other airport customers in analyzing needs and implementing business solutions that employ technology. This work includes analysis, design, selection, acquisition, installation, documentation and support of hardware, software, network and telecommunications technologies.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount. Expense for training to establish and maintain technical proficiency for IS staff has increased.
Administrative Expenses	The increase in this category is due primarily to an increase in the budget for software products. This line item covers software not included with equipment purchases or major projects. The IS department depends more and more heavily on software tools to manage the IT infrastructure, assets and performance.
Professional Services	This increase is caused by continuing consultant agreements and contracted support. One consulting agreement is to implement and support the new Enterprise Resource Planning (ERP) system that includes the financial, human resource, payroll, purchasing, budgeting and project accounting functions. The other continuing consultant assists with IT planning, security and operations. The support contractors help provide round the clock support for MAC critical systems.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**INFORMATION SERVICES****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete evaluation of existing financial, human resource and payroll system and determine if a new system is required or if the existing system can meet future needs.	Decision on direction for financial, human resource and payroll system with choices identified and evaluated.	<p>The following options were examined and a direction was identified. The direction is to extract the maximum possible functionality from the present Oracle / JD Edwards World software, to migrate to the next major release of this software in 2007 and to plan a major migration to the Oracle / JD Edwards Enterprise One product, for which the MAC already holds licenses.</p> <p>Options:</p> <ol style="list-style-type: none"> <li>1. Remain with JD Edwards World - objections have been raised to the lack of a "modern" graphical user interface</li> <li>2. Upgrade within the JD Edwards product line - option chosen</li> <li>3. Acquire a different Enterprise-grade product such as SAP, Lawson or Oracle - lengthy conversion, high cost</li> </ol>
Evaluate and renew the common use systems including support services at the Humphrey Terminal.	Common use systems are upgraded and supported as required by tenant airlines.	Requests for Proposals for common use systems and support services were issued in June, 2006. This process was delayed for several months because of the uncertainty surrounding Northwest Airline's bankruptcy. The present support services and software maintenance agreement was extended through July, 2007 to provide support during the transition to new systems. The acquisition, contracting and implementation process is planned for completion by August 1, 2007.
Work with MAC departments including Police, Fire, and the Communications Center to develop requirements and replace the existing Computer-Aided Dispatch and Public Safety Records Management system.	The Request for Qualifications / Request for Proposals process will be completed and an award made by the end of 2006.	Analysis of the current processes and systems is continuing. Computer-Aided Dispatch (CAD) requirements will be completed by December 31, 2006. Police requirements will be completed by December 31, 2006. The Request for Proposals will be completed by January 31, 2007.
Begin quarterly security assessments required by the Payment Card Industry association (PCI) to ensure that credit card data is safeguarded. The MAC is a Level 4 merchant as defined by the PCI because of the extensive credit card processing used for ePark	An independent assessment firm will be retained and the quarterly evaluations will be completed. Any compliance issues will be corrected.	A Request for Proposals was issued and responses received. An award was made in July, 2006. Contract negotiations took until November, 2006. The assessment, including a review of compliance with the PCI standards, will be completed by December 31, 2006. The schedule has been extended with completion by October 1, 2007.
Complete the implementation of the Secured Area Access Control system.	The new system will be operating successfully across the MAC including the re-badging of all affected airport workers.	Airport re-badging with the new smart cards and biometric identification began in August, 2006. Project completion, which includes installation of all new badge readers, is scheduled for February, 2007.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****INFORMATION SERVICES****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Software distribution will be handled electronically including patches for software products, antivirus updates and new software installation.	Updates and installations of software will be performed electronically.	Electronic software distribution is in use for several key products including anti-virus software updates and operating system patches.
Work with the ACI Business Information Technology (BIT) Committee to revise, distribute and collate an airport survey to discover technologies planned and in use.	A new ACI-BIT Committee survey will be developed and distributed to airports.	The ACI-BIT Committee has developed and distributed a survey to capture systems and suppliers present and planned.
Continue developing and implementing the Landside information system to manage taxi, commercial vehicle and contract parking.	The project will be on schedule and budget for scheduled completion in July, 2007.	This project continues to be on budget. Twenty seven percent of the funds have been disbursed in accord with the payment plan, and sixty percent of the project timeline has been completed.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**INFORMATION SERVICES****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
To provide new, necessary information systems.	<p>1. Acquire a computerized maintenance management system and asset management system. The MAC has been using a system called Asset Handler to do limited physical plant asset management and maintenance management, most notably generating and tracking work orders. The provider of this software has left the business; no upgrade possibilities exist. Additionally, the requirements for tracking and supporting maintenance of the equipment and physical plant assets of the MAC are not being met. The needs are critical given that the MAC is ending the 2010 Plan with its accompanying \$2+ billion dollars in additional plant and equipment. This system overlaps significantly with other MAC systems including Oracle/JD Edwards, facilities monitoring, embryonic geographical information systems work and several currently independent systems such as the plumbing monitoring setup. This project will explore the optimum manner to arrange the elements described to obtain the systems support required for the MAC.</p> <p>2. Implement a unified messaging system for emergency notification. The MAC has struggled with the problem of emergency and non-emergency notification for some time. This project will identify and acquire a system that meets MAC needs for various departmental and organizational messaging. The system will be device independent and capable of delivering voice and/or text messages to telephones, cell phones, pagers and PDA's such as Blackberries.</p>	<p>1. The computerized maintenance management system will be added as a part of the upgrade to EnterpriseOne, which will occur in 2008.</p> <p>2. The emergency messaging system has been selected and installed. A software release scheduled for late 2007 will address some problems uncovered in using the system for Field Maintenance. Other use is slowly happening.</p>

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## INFORMATION SERVICES

## 2007 PROGRESS REPORT

Objective	Measurement	Results
Upgrade existing information systems that are at the end of their lives.	Secured Access system upgraded. Landside MAVIS (commercial vehicle) system upgraded. Computer Aided Dispatch (CAD) and Records Management System (RMS) upgraded. Humphrey Terminal common use system upgraded. Fire alarm system upgrade. The present Honeywell fire alarm system is at the end of its life. The computer components are no longer manufactured. This project would upgrade the software and detection hardware for the fire alarm system. Upgrade email system. This upgrade was deferred once because the costs exceeded the benefits. Now the balance has shifted the other way. Microsoft products in use at MAC rely on features of the upgraded version of Exchange, the email software, that are absent from the version in use.	<ol style="list-style-type: none"> <li>1. The Secured Access Control system has not yet been completed. Work remaining is interfaces with CCTV and the Communications Center.</li> <li>2. Landside Mavis is not yet complete. Work remaining is accurate recording and reporting of financial data.</li> <li>3. The Computer-Aided Dispatch and Records Management system has not been upgraded. The RFP has been issued and proposals received. The evaluation may be completed by year end of early 2008, depending upon how much more information is needed to arrive at a recommendation.</li> <li>4. The Humphrey Terminal common use systems including flight info displays has been upgraded.</li> <li>5. Email has not been upgraded. An important prerequisite, Active Directory, has not been completed.</li> <li>6. The fire alarm system contract is being completed, and work will start late 2007.</li> </ol>
To provide the infrastructure to support planned information technologies.	Replace critical servers, phase 2 of 4. There are 59 servers plus 2 large network attached storage servers that support MAC's network. Activities supported include email, printing, storing files, and running various software applications such as the Fire department's operations system, Field Maintenance's vehicle management system, the MAC website, landside operations, and other public safety systems. Most of the existing servers were purchased in 1999 and warranties are no longer available. Network equipment upgrades. Some key pieces of hardware that make up the MAC network need to be replaced for expanded capacity. The two routers at the hub of the net located in the G.O. data center and the Lindbergh Terminal main communications room need to be replaced. Several of the firewalls that protect against intruders need to be upgraded to handle additional demands.	Server and network equipment upgrades have been completed.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**INFORMATION SERVICES**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
To improve data management and accuracy.	Purchase portal system. SharePoint is a Microsoft product that works in conjunction with Office products, email, and the web to offer a variety of methods for sharing and integrating data. The product will replace the present technology that provides the MAC Intranet.	Microsoft SharePoint, the portal system, will be purchased by year end. Some prerequisites for implementing it have not yet been met including the Microsoft user licensing, which will be obtained in March, 2008 when the Microsoft support agreements renew.

**2008 OBJECTIVES**

Objective	Expected Results
Upgrade infrastructure including: 1. Desktop computers at end of life 2. Servers at end of life 3. Network equipment 4. Email system upgrade 5. Access and security - Microsoft Active Directory 6. Information sharing - Microsoft SharePoint	1. End of life desktops replaced 2. End of life servers replaced 3. Network equipment replaced 4. Email system upgraded and archiving in place 5. Active Directory in place 6. SharePoint in place
Select product and implement learning management system for police continuing SIDA training and Airside Operations continuing AOA driver training.	Training activities will be computer-based including evaluation and record keeping in these areas.
Implement Computerized Maintenance Management System (CMMS).	Work orders are being processed using the CMMS.
Implement new Computer-Aided Dispatch, Police Records Management and Fire Management systems, replacing outdated systems.	Product selection has been made by the Commission and implementation has started. The implementation cannot begin until after the Republican National Convention and the completion of Communication Center backup facilities in ARFF station #1.
Implement EnterpriseOne Enterprise Resource Planning system (ERP), replacing JD Edwards World, to provide finance, accounting, A/R, A/P, fixed assets, human resources, payroll, project budgeting and financial management capabilities.	MAC departments are converted to and employing EnterpriseOne for all functions.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Customer Service				100%
<b>Performance Measure:</b>	Landside systems Availability			
<b>Comments:</b>				
Security				100%
<b>Performance Measure:</b>	Secured Access System Availability			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**INFORMATION SERVICES**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations				100%
Performance Measure:	System Availability			
Comments:				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**COMMERCIAL MGT/AIRLINE AFFAIRS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	512,711	304,811	394,439	89,628	29.40%
Administrative Expenses	32,181	25,000	22,700	-2,300	-9.20%
Professional Services	75,507	115,000	80,000	-35,000	-30.43%
Utilities	1,281	1,000	600	-400	-40.00%
Operating Services/Expenses	637,974	600,000	9,600	-590,400	-98.40%
Maintenance	4,177	0	97,700	97,700	100.00%
Other	5,076	600	600	0	0.00%
<b>Total Budget</b>	<b>1,268,907</b>	<b>1,046,411</b>	<b>605,639</b>	<b>-440,772</b>	<b>-42.12%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>5</b>	<b>4</b>	<b>5</b>

**RESPONSIBILITY/FUNCTION**

This area is responsible for revenue generation, property/real estate management, concession/business development and air service recruitment.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Rental Auto Concession Agreement Rebid.	Achieve the highest possible revenue stream from the rental auto industry.	At the January 17, 2006 Commission meeting the Commission voted to increase the rental auto concession fee from 9.5% to 10% effective March 1, 2006. Additionally, they accepted a delay in rebidding the concession agreement until a decision has been made regarding the 20/20 plan and the potential development of a second rental auto facility at the Humphrey Terminal. The rebid is not expected to occur until some time in late 2007 to mid year 2008.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****COMMERCIAL MGT/AIRLINE AFFAIRS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Humphrey Terminal Rental Auto Facility Development.	Establish a second consolidated rental auto facility at MSP in the hopes of improving customer service for the passengers that will rent cars from the Humphrey Terminal.	This project will most likely be postponed due to the current airline industry financial situation. Significant planning work has been done regarding the rental auto facility at the Humphrey terminal. As of December 2005 the rental auto industry has been advised that MAC will provide project timeline updates sometime in April 2006. In an effort to address the customer service issue on a faster timeline Staff did enter into Lease Agreements with Hertz, Avis, Dollar, and Van Guard (National, Alamo) to have ready/return car rental service at the Humphrey terminal starting in October of this year. This program has been put on hold pending a decision regarding the 20/20 program.
Continue efforts to maximize wireless internet usage and revenues.	Increase annual revenue from MAC's wireless internet program by 5% over 2005 revenues.	Initiated discussions with Concourse Communications regarding renegotiations of how free service within NWA World Clubs will be handled. Looking to reduce MAC's financial exposure.  Agreement with Concourse completed in 2006 to address provision of free wireless internet services in NWA World Clubs. 2006 revenues expected to exceed 2005 revenues once final reconciliations are complete.
Complete the implementation of the concession transition in North Terminal.	Complete construction by July 31, 2006.	All retail tenants are done and open for business. Delays caused by assorted issues have caused the Restaurants to open on the following dates. Rock Bottom opened on December 11 - French Meadow December 29 - Starbucks Jan 10, and Ikes is still listed as TBD in Feb 2007
Airline 20/20 Planning.	Assist with future development and implementation of 20/20 Plan towards the planned relocation of airlines in 2008 and continued efforts to identify the appropriate financing methodology that provides rates and charges equitable to the Lindbergh Terminal.	MOU's have been sent to each airline. Continuing to refine rates and charges for Humphrey based on new square footage data from MDA and cost information from Kraus Anderson.  2020 Plan efforts on hold.
Landside Concessions RFP.	Execution of new contract.	Implementation of new contract and tenants. This project is still in the works however was delayed by about ten months due to Gene Tierney leaving MAC and not getting a replacement until December of this year. Proposal Due dates are March 8, 2007, with construction in late summer 07
Work with tenants and Bradford logistics on implementing dock and product distribution system.	Keeping product and deliveries out of concourses and increased efficiency.	Completed successfully

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****COMMERCIAL MGT/AIRLINE AFFAIRS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete transition of concession management from "Master Concessionaire" to a more direct and proactive management and inspections of the new tenants.	Organize the concession department with clear goals and job responsibilities for each of the department members including relocation of concessions staff to the main terminal.	Goal not met at all due to inability to add staff needed to initiate on-site inspections. Office move of concessions to the terminal to facilitate on site inspections was delayed. In May 2006, Gene Tierney left and his replacement was not appointed until late December 2006.
Work with Marketing Committee on efforts to increasing sales, awareness and customer service.	Increase retention and recruitment of concession employees through Star Service awards program. Increase sales and awareness through Traveler publication, directories and other promotional activities.	Sales goals met 100% - Employee recruitment, training, and retention remains unchanged from pre-RFP and remains as the single largest barrier to concession growth at MSP for the foreseeable future
Work with Customer Service Action Council on customer service programs including joint efforts with tenants.	Better customer service rankings.	Customer Service ratings continue to hold steady or drop. Goal Not Met
Partner with tenants to ensure integration of Customer Service Standards.	Improve Mystery shopper scores and reduce customer complaints.	Mystery shopper forms and standards successfully completed in Spring 2006. The new higher standards now show lower scores as expected. Customer complaints remain basically unchanged
Complete development and implementation of the CMAA Revenue Management and Monthly Report.	Submit monthly report with last year comparisons to director.	100% completed thanks to Ed Podnieks and Finance Department. Monthly activity reports are now received on all units by the 20th following the previous month.
Complete bi-annual update of various airline agreement lease exhibits.	Updates completed on schedule.	To be completed once Jan. 2006 occupancy drawings are published and 2006 common use charges are calculated.  Completed
Following the completion of the TSA License Agreement in 2005, continue efforts to identify suitable on-airport facilities to rent to the TSA.	Amended office space agreement with TSA.	Decision recently made by Coordinating Committee to deny TSA request for lease of vacant North Terminal space on the mezzanine level due to the desire to not utilize such space for office purposes. TSA still interested in consolidation and options will be explored in 2007.  License Agreement completed. Lindbergh Terminal consolidation efforts to continue in 2007.
Assist with efforts to attract new entrant airlines in 2006.	Introduction of service by a new entrant airline in 2006.	Ongoing...providing operational support to Bill Wren. No further updates at this time.
Assist with negotiation and drafting efforts between MAC and Northwest Airlines for the establishment of a new Airline Operating Agreement outlining financial and operational parameters acceptable to both MAC and Northwest.	Completion of a restated Airline Agreement.	Negotiations ongoing.  Ongoing...will be assisting with communication to other airlines and implementation of amendment for all airlines in 2007

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****COMMERCIAL MGT/AIRLINE AFFAIRS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Identify the permanent facilities necessary within either the Lindbergh or Humphrey Terminal to accommodate AirTran's growth from one gate to two gates.	Airline Agreement amendment outlining the facilities.	Relocating ticket counter to old US Airway's counter. Will lease Gate E3 from Northwest by March 2006.  Completed. AirTran relocated to the Humphrey Terminal in May 2006 and currently operates on two gates.
Complete the integration of US Airways and America West ticket counters, gates, and operations spaces so as to improve the operational efficiency of the new US Airways.	Airline Agreement amendments.	Ongoing. US Airways to wait and see whether or not MAC will fund jetbridge work at Gate E4 necessary to accommodate consolidation on Concourse E.  Completed. Consolidation of ticket counters completed in May and consolidation of gate facilities at Gates E2 and E4 completed in December
Complete Memorandum of Understanding with each Airline targeted for Humphrey Terminal operations in 2008 to establish part of the justification necessary to commence expansion of the Humphrey Terminal.	Executed MOU's.	MOU's have been issued.  2020 Plan on hold, therefore active discussions with airlines not occurring at this time

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Rebid the existing Rental Auto Concession Agreement.	Staff is anticipating a 6 to 8% increase in the total annual guarantee for this contract.	This process has been delayed due to the NWA bankruptcy. NWA officially came out of bankruptcy on June 1st, now staff can begin the process of determining the long range plan for the RAC facility and the concession agreement.  Staff is currently revising the bid package and updating the general terms and conditions of the concession agreement. Staff plans on bidding this concession during the first or second quarter of 2008.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****COMMERCIAL MGT/AIRLINE AFFAIRS****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Increase non-aeronautical revenue from MAC's Reliever Airports.	Bid/Negotiate a development agreement for the Anoka County/Blaine Airport with an expectation of generating annual revenue for the Reliever Airport program in excess of \$1M.	<p>This project was delayed due to the FAA land release process which requires a complete ground thaw prior to checking for wetland and endangered plant testing. MAC sent out a Statement of Interest and Qualifications for the Anoka County/Blaine Airport with the proposals due back by June 15th. Depending on the level of interest received by MAC and RFP process will follow with a planned award date in September.</p> <p>Staff received six Statements of Interest from different developers from this process. Staff developed an RFP for the parcel #60 looking for the development of a hotel property. Following the bid deadline, no bids were received. Staff is planning on going back to the open market looking for new development ideas. The Commission will determine if this is an approved course of action at the February 2008 Commission meeting.</p>
Complete the implementation of the North Terminal concession tenants.	All four tenants are open for business by March 1, 2007.	A decision was made to allow HMS Host to postpone the build-out the second floor of IKEs until EPAXs return. Despite a reduction in EPAXs, all four tenants are exceeding minimum planned sales.
Complete a new advertising agreement.	New advertising agreement is in place before existing agreement expires in September 2007.	Completed
Develop and implement a terminal services RFP to secure operators/tenants for ATMs, currency exchange, spas, massage, hair salon, etc.	Complete RFP and award by August 2007.	This objective was not completed in 2007. Mid-year adjustments resulted in the creation of a "Wellness Center" RFP. This RFP addressed spas, massage, hair salon, and also added in a pharmacy / drug store concept. That RFP was completed in 2007. Awards are expected to be approved in March 2008.
Complete the implementation of the Landside Concessions as approved by the Commission.	All units are open for business by November 1, 2007.	This goal was delayed by July concessions re-organization. Commission approved Houlihans as the selected landside restaurant. Plans are underway in early 08 with a revised opening of July 2008
Complete development and implementation of the CMAA Revenue Management & Monthly Report.	Submit monthly reports showing last year, this year, plan, and YTD projections.	This project was completed by Finance (Ed Podnieks)
Ensure Icelandair's long-term satisfaction with MSP operations through establishment of facilities independent of Northwest Airlines in either the Lindbergh or Humphrey Terminal.	Removal of any interest by Icelandair to permanently withdraw service from MSP.	Iceland Air was successfully relocated to the Humphrey Terminal March 15, 2007

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**COMMERCIAL MGT/AIRLINE AFFAIRS****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Assist with efforts to attract international and domestic new entrant airlines in 2007.	Introduction of service by any new entrant airline in 2007.	AeroMexico has announced its intention to commence service effective June 16, 2008.
Identify facilities within either the Lindbergh Terminal or Humphrey Terminal capable of accommodating 2007 winter charter activity potentially displaced due to AirTran moving to the Humphrey Terminal.	Minimal displacement of charter activity.	No charter activity was required to relocate from the Humphrey Terminal to the Lindbergh Terminal.
Assist with CMAA's involvement in discussions with Northwest Airlines related to MAC takeover of all Lindbergh Terminal jet bridges and outbound baggage belts.	Successful ownership of all Lindbergh Terminal jet bridges and outbound baggage belts.	This process was delayed pending more research being done by Airport Development to determine whether or not MAC wants to be responsible for maintenance of this equipment.  BNP Associates has been hired to assist MAC's evaluation of jetbridges and baggage systems. BNP plans to have their recommendations complete by May 1, 2008.
Maximize wireless internet revenues.	In lieu of free service in World Clubs, exceed 2006 revenues by at least 5%.	Responsibility for this contract has been transferred to Bruce Rineer.
Assist with any 2020 Planning associated with the Humphrey Terminal that may arise in 2007		No progress in 2007. Possible phased expansion for the Humphrey Terminal to occur in 2008 with possible construction start in 2009.
Ensure accuracy of airline leased premises throughout the Lindbergh and Humphrey Terminals.	Reduction in the frequency and amount of retroactive invoicing.	Completed in accordance with execution of 2007A Amendments and NWA Third Amendment. Similar effort to be completed in 2008.
Identify permanent office facilities for TSA within Lindbergh Terminal.	Further leasing of space to TSA.	TSA occupied additional office space within both the Lindbergh and Humphrey Terminals, but possible relocation to the APD in the Lindbergh Terminal hinges on MAC's construction of a Public Safety Building. That project is in the 2010 CIP.
Maintain an effective and productive working relationship with all MSP airline tenants.		Ongoing, not aware of any problems or conflicts with any airline tenant.
Attempt to acquire the Ford hydro electric plant as a long term hedge on energy costs and to provide a source of renewable energy to MAC.	Acquire a hydro electric plant capable of providing MSP with nearly all of its annual energy needs from a renewable energy source. Additionally, providing the airport with a long term hedge on electrical energy costs.	On May 31st MAC received official notice that the Ford Motor Company had accepted the bid from Brookfield (a Canadian energy company). MAC was no longer in the running for this project.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**COMMERCIAL MGT/AIRLINE AFFAIRS**

**2008 OBJECTIVES**

Objective	Expected Results
Rebid the rental auto concession agreement	Our goal is to increase the MAG payment by 10% over the 2007/2008 contract year MAG payment.
Award the Premier Pet Boarding Facility RFP at the former Avaya site.	The previous land use on this property was an industrial facility that paid MAC approximately \$30,000 per year in land rent. Our anticipated goal in re-developing this site into a Premier Pet Boarding Facility is to generate approximately \$140,000 to MAC in the first year of operation.
To create new non-aeronautical revenue sources for the Reliever Airport program by developing unused land at each of the Reliever Airports.	Award the first development project at the Anoka County/Blaine Airport and begin the next development RFP project at the same airport. Also, begin the preliminary RFP development project at Flying Cloud.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Financial Responsibility				
<b>Performance Measure:</b>	Rebid rental auto concession agreement and exceed 2006/2007 contract year MAG			
<b>Comments:</b>	This contract has been on a year to year hold over mainly due to the NWA bankruptcy. The rental auto industry asked to delay the bid process until operation at MSP had settled back into normal operation mode. This was approved by the Commission in 2006. The performance goal is to increase rental auto revenue by 5% over the 2006/2007 contract year.			
Customer Service				
<b>Performance Measure:</b>	Open Pet Boarding facility			
<b>Comments:</b>	This is a brand new business opportunity to generate non-aeronautical revenue at MSP. In its previous use as industrial operation the facility only paid MAC land rent in the amount of \$30,000 per year. Our expectation is to be making approximately \$140,000 within the first year of operation.			
Financial Responsibility				
<b>Performance Measure:</b>	Exceed 2007 Reliever Airport non-aeronautical revenue			
<b>Comments:</b>	This is the start of a new real estate development program for the Reliever Airports. Our goal is to establish the first source of non-aeronautical revenue and then build on that going forward.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**CONCESSIONS & BUSINESS DEVELOPMENT**

**BUDGET SUMMARY**

	<u>2006 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Personnel		249,161	338,598	89,437	35.90%
Administrative Expenses		0	17,000	17,000	100.00%
Professional Services		0	84,000	84,000	100.00%
Utilities		0	300	300	100.00%
Operating Services/Expenses		0	603,000	603,000	100.00%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>		<u>249,161</u>	<u>1,042,898</u>	<u>793,737</u>	<u>318.56%</u>

**FULL TIME EQUIVALENT SUMMARY**

	<u>2007 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>
<b>FTE Total:</b>	4	3	4

**RESPONSIBILITY/FUNCTION**

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
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**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Customer Service				100%
<b>Performance Measure:</b> Execute leases before build out and store opening				
<b>Comments:</b>				
Financial Responsibility				
<b>Performance Measure:</b> Revenue meet or exceed 2007				
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**SAFETY**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	101,945	0	0		
Administrative Expenses	2,367	0	0		
Professional Services	5,577	0	0		
Utilities		0	0		
Operating Services/Expenses	0	0	0		
Maintenance		0	0		
Other	5,266	0	0		
<b>Total Budget</b>	<b>115,155</b>				

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESPONSIBILITY/FUNCTION**

The function of the Safety Department is to develop and maintain a "Safety Culture" at the MAC and assist in maintaining a safe airport facility with respect to our tenants and the travelling public. This includes: 1) Keeping all MAC employees informed of, and in compliance with, all Federal, State and Local safety regulations; 2) Developing safety programs/processes for employees; 3) Coordinating safety training for all MAC departments; 4) Conducting accident investigations and documenting all accident data as required by law; 5) Overseeing the Workers' Compensation System; and 6) Exercising safety oversight responsibilities for all construction activities occurring on MAC properties.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Create and implement an internal safety process designed to reduce the number and severity of accidents.	<p>Improve the usability of the monthly loss information currently provided to supervisors.</p> <p>Train all supervisors on effective accident investigation techniques.</p> <p>Identify other training needs to improve safety performance.</p> <p>Implement a coaching process for supervision designed to improve the safety performance of employees.</p> <p>Develop and implement a company-wide safety inspection process.</p> <p>Implement an audit process of the above components to identify the effectiveness of the objective.</p> <p>Train and implement the "Workers' Compensation Management Program".</p>	<p>Monthly Loss Information now submitted through MAC Safety Committee for better distribution of information.</p> <p>Accident Investigation Training was developed and presented to department supervisors.</p> <p>Additional training on requested subjects was conducted.</p> <p>Interviewing techniques were included in the Accident Investigation Training that was done.</p> <p>Departmental audit forms and procedures have been developed and implemented. It is too early to evaluate the effectiveness of these audit processes.</p> <p>The Worker's Compensation Management Program was developed and presented to all departments.</p>

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****SAFETY****2006 PROGRESS REPORT**

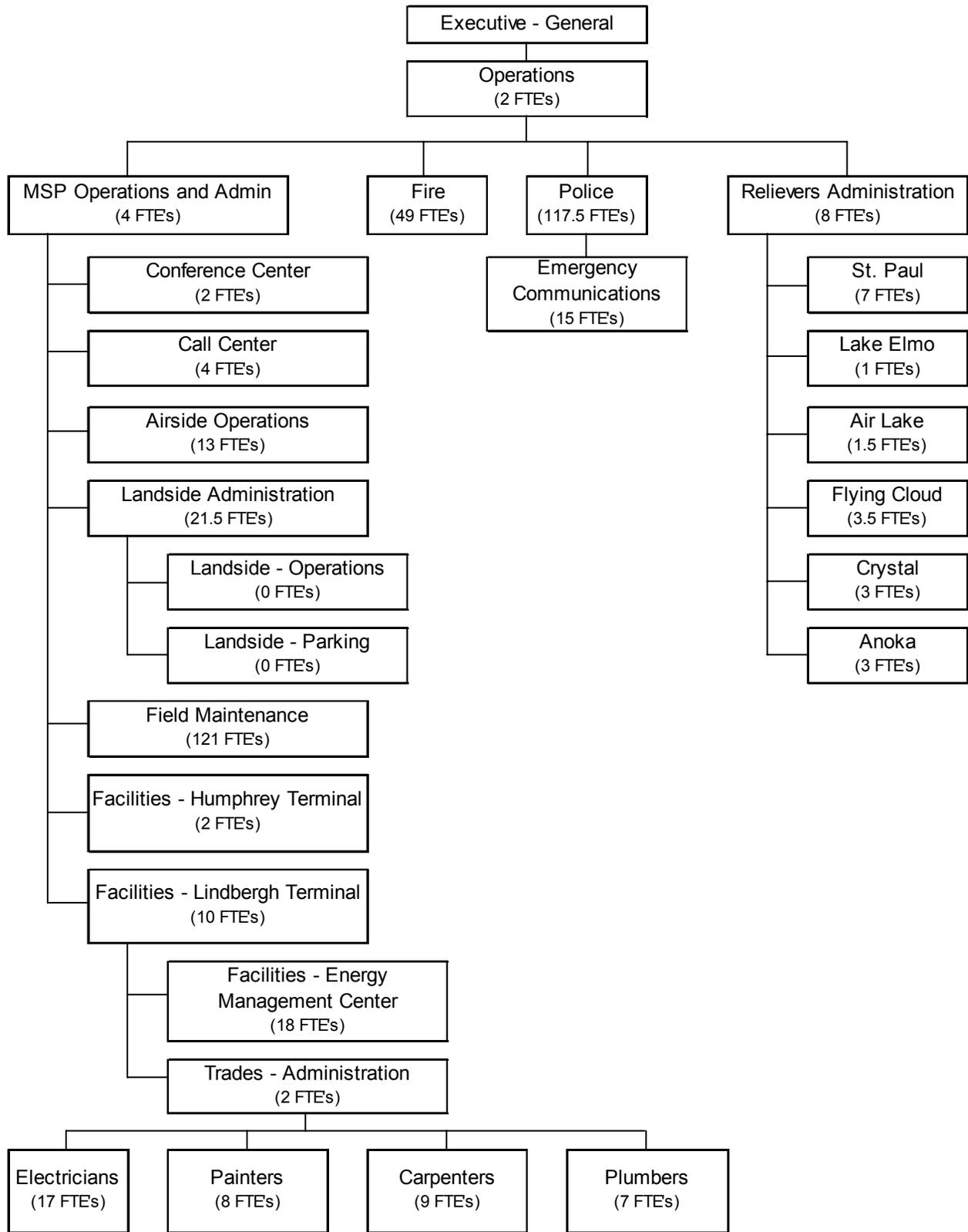
<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Create a public safety process designed to reduce the number and severity of public accidents.	Review public accidents to identify areas/equipment associated with frequent public accidents. Investigate accidents to identify causes/contributing factors associated with those accidents. Provide recommendations for the elimination of public accidents.	Areas and equipment associated with public accidents have been identified via police/fire reports of such accidents. Investigations of these incidents have helped to identify causes and contributing factors. A committee has been established to look at signage modifications, escalator modifications and the installation of additional CCTV's in the terminals.
Review and evaluate the use of the JDE system to track safety data and records.	The improvement of the data tracking and record keeping processes associated with safety training/accident statistics.	JDE was again looked at and ruled out as an adequate system for tracking safety and data records. Other systems are still being considered.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Reduce the financial impact of vehicle losses to the MAC through the implementation of a comprehensive fleet safety program.	A reduction in the total costs from our current losses to the MAC .	This was approved by the Commission and is being implemented.
Update and expand the scope of the current MAC Safety Policy and associated programs.	The development and distribution of the expanded MAC Safety Policy and associated programs	All programs have been reviewed by staff. We are working with other departments to enhance the effectiveness of the system. For example a flow chart was requested by MAC Police and we are developing it.
Improve the safety training process to enhance the effectiveness of regulated and non-regulated safety training for all employees.	Increased number of employees trained compared to the previous year.	Staff is working with the Safety Committees on this process improvement issue.
Increase Safety's presence at the Reliever Airports in order to improve safety performance and reduce employee injuries.	A minimum of two visits per month by the MAC Safety Staff.	Staff is meeting the goals and is also developing a safety committee for the Reliever staff.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Operations Division**



**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**Notations to Service Center Summaries:**

- \* Variance (dollars and %) is computed between 2007 Budget and 2008 Budget
- \* The explanation for the variances is based upon the 2007 Budget and 2008 Budget
- \* FTE's as stated in each service center are as budgeted in December 2007. Salary dollars in each service center may not reflect the budgeted FTE count for that service center.
- \* Negative variances, in most cases, are the result of reductions in one time expenses or budget reductions.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**DEPUTY-OPERATIONS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	179,250	190,558	202,565	12,007	6.30%
Administrative Expenses	16,519	12,558	11,295	-1,263	-10.06%
Professional Services		0	0		
Utilities	442	607	400	-207	-34.10%
Operating Services/Expenses	512	600	500	-100	-16.67%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>196,723</b>	<b>204,323</b>	<b>214,760</b>	<b>10,437</b>	<b>5.11%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

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

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Expand multi-year operating plans (business plans) into additional Operations Departments beyond Fire.	Operations Plans in place in minimum of three Operations departments.	Airside Operations, Fire and Police have made significant progress in developing business plans . Expect completion early in 2007 with other Ops departments to follow. Progress slow due to heavy departmental work load and other exigencies .
Develop "family" of Customer Services indices at MSP.	Indices of Customer Service for MSP tenants exists and usable for progress reporting.	Slow progress being made in gathering raw data from MSP Tenants. Two MAC departments (Landside and Facilities) and one tenant (NWA) have provided this data base information to date.
Re-institute new Customer Service training for frontline MAC employees.	All front line employees have successfully completed the new training module.	Customer Service Training has been reinstated with eight new "facilitators" and a full schedule of sessions underway. Roughly half of front line employees have undergone training in this program.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****DEPUTY-OPERATIONS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Implementation of Reliever Task Force recommendations.	Majority of recommendations have been acted upon and effective.	Majority of prep work for required Ordinance changes and lease language changes has been accomplished and public meetings and hearings are proposed for first quarter of '07.
Transition Operations departments into new MAC organization structure, as applicable.	Affected department(s) have been transitioned and are functioning smoothly.	On hold pending executive level discussion on organization structure.
Partner with Finance and HR departments to develop operational contingency plans.	Best case, worst case and most likely operational contingency plans in place.	No work done on this objective due to more pressing organization wide demands.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Working through CSAC, develop a plan to create an effective customer service culture within the MSP airport community.	Workable plan in place and functioning.	A plan of action has been created on staff, but yet to be finalized by Senior Staff for presentation to the Commission. Meanwhile, the continuing work of CSAC in improving the delivery of Customer Service throughout the terminal complex is having some noticeable results that will give our future efforts a firm foundation upon which to build.
Guide and direct planning process for expanding revenues from non-aeronautical sources at all airports in the system, working with CMAA.	Non-aeronautical revenue increase over past year.	Only marginal progress been made while staff has concentrated its revenue enhancement efforts on finalizing the development plan with Anoka County at the ANE airport. Non-aeronautical revenue enhancement initiatives at ANE have not reached fruition to date, and staff has just been given approval to seek "direct negotiation" opportunities with potential business interests.
Ensure full implementation of the Reliever Task Force Recommendations as approved through the public hearing processes.	New fee structure in place and revenue increase being realized.	Fully accomplished, and new revenue streams are being realized.
Stay abreast of developing domestic and international security issues and ensure MAC is meeting all of its obligations and requirements to provide for the security and safety of the traveling public.	All TSA mandates met and full compliance with the Airport Security Plan exists.	MAC is in compliance with all TSA requirements and mandates as coordinated with TSA's Federal Security Director for this region.  Staff maintains its relationships with AAEE and ACI security committees domestically and I work with ACI at an international level through membership (and as current Vice Chair) on the World Security Standing Committee. Information exchange and MAC input to the various security processes is robust.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****DEPUTY-OPERATIONS****2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
consolidate departmental staffing plans for '09 and beyond for long range budget planning purposes.	Operations Division Plan in place
Oversee and provide direction to the non-aeronautical revenue initiative on the Reliever airports.	Procedure in place to pursue these initiatives and a project underway.
oversee the process for planning and design of the Airport Operations Center (Public Safety) building to ensure compatibility with Operation's needs and proper timing for construction.	design completed and construction timing identified.
develop new customer service training program for MAC employees and, potentially, tenant employees.	new training program in place

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****MSP OPERATIONS & ADMN.****BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	381,558	375,780	341,819	-33,962	-9.04%
Administrative Expenses	35,484	23,720	26,430	2,710	11.42%
Professional Services	29,523	12,500	12,500	0	0.00%
Utilities	3,335	3,200	3,208	8	0.25%
Operating Services/Expenses	2,452,487	3,047,494	2,602,258	-445,236	-14.61%
Maintenance	22,655	25,000	25,000	0	0.00%
Other	14,035	15,100	17,300	2,200	14.57%
<b>Total Budget</b>	<b>2,939,077</b>	<b>3,502,794</b>	<b>3,028,515</b>	<b>-474,280</b>	<b>-13.54%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4</b>

**RESPONSIBILITY/FUNCTION**

The Airport Director's Office responds to both the operational and maintenance needs of the traveling public, outside agencies, airlines and tenants. Considered the "landlord" of MSP, customer service is a key element of this department. Special events and terminal complex activities are coordinated through this office.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Administrative Expenses	The majority of increases in this category are primarily due to the increase of persons in the ADO space.
Operating Services/Expenses	The decreases in this category are budgeted monies transferred to 86100 - Facilities Management. Also, there are monies included in this category for services for the Republican National Convention.
Other	The increase is due to large copier/scanner actual volume of usage.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Conduct a full-scale emergency exercise at MSP.	Compile an after-action report that includes action items identified in the evaluation process and a timeline for changes/improvements.	The full-scale exercise was conducted May 23, 2006 and a final review meeting was conducted June 15, 2006. The After Action Report (ARP) will be issued in July 2006.
Ensure that MAC meets new requirements for the National Response Plan (NRP) and the National Incident Management System (NIMS).	1. A MAC Emergency Plan that meets all new requirements for the NRP. 2. All appropriate MAC staff have received the federal and state required NIMS training. 3. MAC meets all NRP and NIMS requirements in order to remain eligible for federal Homeland Security Grants.	National Incident Management System (NIMS) training will be completed by September 30, 2006. The Airport Emergency Plan update will be completed in October 2006.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****MSP OPERATIONS & ADMN.****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Emergency Management office will acquire the responsibility for managing the reimbursement and reporting aspects for the 2006 Federal Homeland Security and Law Enforcement Grants.	Reports will be issued to Minnesota Homeland Security and Emergency Management (HSEM) on a quarterly basis.	Linda Montgomery has assumed the responsibility of managing the grant tracking and reporting in the State of Minnesota WEGO system. Linda works closely with MAC Police, Fire, Purchasing and Finance to coordinate the reporting requirements.
Develop a 2020 staffing plan and operational plan in line with projected timing needs.	Plan developed with internal and external customer feedback and involvement.	Staffing needs addressed in context of MAC wide vacancy problems.
Update, train and test MSP's Family Reception Area (FRA) plan.	Ensure FRA volunteers are knowledgeable of the plan by offering two training opportunities for those involved.	Had one training session and a full-scale drill to test the process/procedures of the FRA plan.
Facilitate good communication among airlines, TSA and MAC departments to ensure effectiveness of the security program for MSP.	Improved ease of use, processing times and overall airport experience for the traveling public. Security issues included as monthly agenda topic at the Airline Managers Council meetings and formal/informal meetings with airlines. Three "Airport Director Lunches" to be held.	Good participation of Airport Community in CSAC, forums, Airline Managers Council, weekly breakfast meetings and Airport Director lunches.
Enhance working relationship between MAC Operations departments and airport tenants and other MAC departments.	Partnership opportunities identified and reviewed throughout the year (i.e.: tenant involvement in CSAC disability subcommittee).	Business Enterprise Team developed across departments at MAC. Good CSAC forum with guest speaker (Dave Horsager) sponsored by MAC.
Make construction drawings more accessible to key MAC staff.	Review existing equipment, resources and procedures for department and operational suitability. Laserfische initiative underway and training offered to key MAC staff.	Laserfische and Facility Monitoring tools developed and rolled out in 2006.
Enhance security and increase efficiencies in managed loading dock and distribution services as new concessions are fully opened, limiting vendor SIDA access.	Reports on volume of product handled, efficiencies demonstrated and reduction in personnel needing SIDA access.	Completed first 18 months of operations in which handled more than 3.5 million cubic feet of product per year. G elevator remodel cut delivery time by several hours per day. Badging drivers who have access to C dock. Planning for north terminal and landside deliveries.

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## MSP OPERATIONS &amp; ADMN.

## 2006 PROGRESS REPORT

Objective	Measurement	Results
Continue coordination of CSAC Tenant/Vendor Forums and related programs-Update; "By George", MSP Service Professional; "Dorothy" award.	Increased participation in forums. Increased number of MSP Service Professionals. Improve score for "Courtesy of Airport Staff" > 3.88.	Participation on the Customer Service Action Council [CSAC] Team is growing and remains strong and enthusiastic. Membership to whom agendas are dispatched was 29 representatives of MAC functions and tenant and vendor organizations with an average monthly meeting attendance of 18 which compares to a membership of 25 with 17 in attendance, on average, in 2005. The December, 2006 meeting was motivating with 21 reps present and engaged in a dynamic discussion of customer service issues and 2007 projects planning. The Customer Service Action Council executed three Forums for the airport community's mid-level managers in 2006. CSAC auditioned the MAC "Customer Service Excellence" training module at a Forum, conducted a tour of new Airfield facilities for one Forum, and hosted Consultant David Horsager's presentation respecting how "Little Things Make a Big Difference" in customer service. CSAC, with and through CSAC and Forum participants, implements and maintains several motivational initiatives to build the service culture, including the Update (newsletter), the "By George" project, MSP Service Professional awards (number to be determined in 2007) and the 2nd annual "Dorothy" awards with several nominees. The MSP score for "Courtesy of Airport Staff" averages 3.94 to date in 2006 versus 3.89 for 2005.
Establish web-based extranet communications accessible by MSP employees and develop interactive technology for use by the public.	Extranet established. Interactive technology for the public in place. Decreased number of "information" complaints. "Overall Satisfaction" perception > 3.88.	MAC/CSAC did not deploy an extranet for MSP employees or public interactive technology within 2006 in that the sub-team exploring the concepts/technology determined those goals to be not yet feasible. Communication with the public is pursued through the MAC/MSP web site and CNN spots which began airing on the terminal sets in late 2006.  The number of information complaints in the first half of 2006 were 27 versus 28 in 2005.  The "Overall Customer Satisfaction Perception" has held steady, first 3 quarters of 2006, with 2005 at 3.86.
Develop an airport-wide customer satisfaction performance "Family of Metrics" index and display platform.	Completed "family of metrics"-qualitative assessment. Publication of an annual report 2006.	The "Family of Metrics" system finally began development in late 2006; thus, it was not achieved in 2006. It remains an objective for 2007 with the intent to have a format in place by the end of 2007.

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## MSP OPERATIONS &amp; ADMN.

## 2006 PROGRESS REPORT

Objective	Measurement	Results
Develop "branding" of MSP's successes; promote improvements to the public; celebrate completion of the concessions program build-out.	Number of "branding" successes-qualitative assessment. Concessions celebration completed.	"Branding" of MSP's successes, as such, did not occur in 2006. CSAC did create CNN spots within the year, which began airing on terminal sets in late 2006, and further use of the CNN media continues to be studied.  The Concessions program, though mostly completed, did not complete in 2006 and CSAC, together with CMAA and the Marketing Committee, did not choose to pursue a celebration. A sub-team of CSAC is, however, working on a major "re-branding" of MSP-currently undertaking focus group studies-for purposes of promoting MSP and its facility improvements to the traveling public.
Improve handicapped accessibility/accommodations issues.	Decreased number of handicapped services complaints.	MAC/CSAC continued to wrestle with handicapped service considerations-thinking along the lines of a "portal to portal" stretch goal throughout 2006; including meeting with disabled community representatives, studying implementation of visual paging and electric carts safety, as well as continuing to study the operation of the electric carts system and wheel chair services.  Handicapped services complaints for the first half of 2006 were 3 as compared to 7 in 2005.
Provide CSAC support for the Metropolitan Public Airports Foundation (MPAF) in the creation of an Arts & Culture program.	Progress in the implementation of an Arts & Culture program-qualitative assessment. Number of Arts & Culture opportunities provided.	CSAC lent support to the Airports Foundation "Arts & Culture in the Airport" Program. In pursuit of the program, the Foundation developed a DVD (of locations for art) and a Power Point presentation of the program expectations for utilization in policy considerations before the MAC Staff and Commission. MAC/CSAC support included allowing for test displays of art exhibits in the public spaces of the ADO/Lindbergh Terminal, donated office space for an Arts & Culture office within the Foundation, and CMAA marketing budget for some thirteen music performance groups-approximately 1,000 performance hours) during the 2006 Holiday Season. CSAC also provided budget for a recorded oral history of MSP by Dorothy Schaefer.
Develop a pandemic influenza plan for MSP Airport.	Integrated plan in place by mid 2006.	The final draft for the MSP Pandemic Isolation and Quarantine Plan is being reviewed and should be finalized in August 2006. The MAC Internal plan is being drafted and should be completed by October 2006.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****MSP OPERATIONS & ADMN.****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Improve coordination and communication initiatives.	Host monthly "brown bag" lunch meetings with TSA management. Develop effective program to address security exit lane responsibilities. Forward MAC/airline feedback to TSA headquarters regarding Canadian bag rescreening requirements.	Monthly informal TSA lunches have consistent attendance. Support exit lane staffing with bin runners. Feedback on Canadian bag transfer continues at all open forums.
Create objective measures for service needs by beginning to develop multi-year operating plan.	Research airport business models to evaluate MSP possibilities.	Researched airport business models and innovative ideas. Created interdepartmental team to analyze and implement ideas.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Facilitate good communication among airlines, TSA and MAC departments to ensure effectiveness of the security program for MSP.	Improved ease of use, processing times and overall airport experience for the traveling public. Security issues included as monthly agenda topic at the Airline Managers Council meetings and formal/informal meetings with airlines. Three "Airport Director Lunches" to be held.	Formal and informal meetings continued. Only held 2 MSP Director lunches due to schedule/speaker conflicts.
Enhance working relationships between MAC Operational departments and airport tenants and other MAC departments.	Partnership opportunities identified and reviewed throughout the year (i.e. tenant involvement in CSAC disability subcommittee).	Strong partnerships continued and new initiatives with "shared staff" piloted with concessions group.
Consolidate and cross-utilize staff.	Develop processes/procedures to enhance customer service provided by the Airport Director's Office.	New measurements developed and analyzed in Call Center move to Directors Office.
Work with airport community to provide them the necessary information regarding operations at MSP	Develop a program for the Airport Director's Office to reach out to the MSP community by providing customer service services such as new tenant information packets, email modules for immediate updates, improved tenant directory, etc.	Work in progress. Information packages are delivered to new tenants. The tenant contact information is then added to the Airport Tenant listing for notification of future information.
Improve coordination and communication initiatives.	Host monthly "brown bag" lunch meeting with TSA management. Forward MAC/airline feedback to TSA headquarters regarding Canadian bag rescreening requirements.	Brown bag lunches fell off in 2007 but rejuvenated for 2008. Work continues on the Canadian bag transfer.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****MSP OPERATIONS & ADMN.****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop effective program to address security exit lane responsibilities.	Streamline passenger checkpoint processing by assisting the TSA with bag movers and bin runners in exchange for TSA continuing to staff exit lanes. Complete MOU with TSA and contract out the service.	Still assisting TSA with bin running but no move to exit lane takeover at this time.
Enhance security and increase efficiencies in managed loading dock and distribution services as new concessions are fully opened, limiting vendor SIDA access.	Reports on volume of product handled, efficiencies demonstrated and reduction in personnel needing SIDA access. Develop processes for deliveries to the North Terminal and Landside concessions.	This is ongoing with new processes developed for new tenants.
Create objective measures for service needs by developing a multi-year operating plan.	Research airport business models and opportunities to evaluate MSP possibilities. Develop team and implement ideas.	Discussions and evaluations are continuing.
Update, train and test MSP's Family Reception Area (FRA) emergency plan.	Ensure FRA volunteers are knowledgeable of the plan by offering training opportunities. Continue to improve the FRA plan. Develop a FRA plan for the Humphrey Terminal.	Work continues with the development of a more robust the Humphrey program. Monthly call outs tests are conducted to familiarize volunteers with the system. New Emergency Manager position hiring process underway in 2008.
Develop a 2020 staffing plan and operational plan in line with projected timing needs.	Plan developed with internal and external customer feedback and involvement.	Generally 2020 facility planning should proceed staff planning but draft approach is in the works.
Coordinate CSAC-meetings and related programs: Update, "By George", MSP Service Professional and the "Dorothy" Award. Facilitate achievement of the Council goals.	Qualitative assessment of Update efficacy and the efficacy of the "By George" program. Number of MSP Service Professional awards distributed. Number of "Dorothy" award nominees and qualitative assessment of perceptions of the program. Qualitative assessment of program achievements.	Steady utilization numbers seen.  12 CSAC meetings , 3 Forums as well as the "By George", "MSP Service Professional", and "Dorothy" award programs were coordinated.  46 MSP Service Professional awards were distributed; and, 18 "Dorothy" award nominees received.  CSAC efforts were rewarded with the highest ever Airport Service Quality (ASQ) score of 4.14 of 5.00 points possible for "Overall Passenger Satisfaction".
Facilitate the CSAC tenant/vendor forums and forum projects that build the "excellence of the MSP customer service culture.	Increased participation in Forums. Qualitative assessment of the efficacy of various Forum projects. Courtesy of Airline Staff(s), Airport Staff(s), and Security Staff(s) => than 4.00, 4.00, and 3.90 respectively.	There were 3 Forums held in 2007. Forum participation held steady with Forums well attended.  Courtesy fo Airline, Airport, and Security personnel registered 4.37, 4.25, and 4.15 scores within 2007 averaging a 35 point improvement.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**MSP OPERATIONS & ADMN.**

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop a branding concept for MSP and a marketing program that positions the "brand" with the MSP traveler and the Twin Cities public.	Qualitative assessment of successful development and marketing of "brand" concept.	Branding concept still underway with Public Affairs leading the effort.
Complete development of a "Family of Metrics" representing the customer service acuity of the MSP airport community.	Completed "Family of Metric"-qualitative assessment. Publication of an annual report, 2007.	Metrics available in various departments but no consistent across board utilization.  CSAC failed to develop a "Balanced Dashboard " "Family of Metrics. The project stalled because of nonresponsive participants and inadequate staff time. No annual report has, therefore, been published.
Initiate CSAC projects to improve customer satisfaction perceptions with respect to complaints and ASQ elements lagging the CSAC 88% goal: Airline complaints, Concessions complaints, and Signage, Baggage carts, Baggage delivery, and Value of Money.	Respective reductions in the percentage of overall complaints. Customer satisfaction perceptions of "Good+" for greater than 88% of the rating public.	Data still being scientifically analyzed. Working on identified SmarteCarte problems in FIS area in 2008.  MSP consistently gleans a modest # of complaints currently 1.73/100,000 passengers. For 2007, Airline and Concessions complaints wre stable, .5% fewer general complaints, .4% greater rudeness complaints for Airlines.  Signage, Baggage Carts, and Baggage Delivery scored an average 34 points improvement in customer satisfaction perceptions 4Q06 to 4Q07. Value of Money elements averaged 30 points of improvements.  Percentages rating "Good+" within 2007 are no known as of 02/22/08.

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Determine MSP participation in ACI quality programs; specifically, the Airports Service Quality Performance Program and the Airports Assured Program.	"Plan of Action" determined-qualitative assessment.
Create communications systems to disseminate airport-wide internal employee information; and to "get the word out" to the MSP public regarding customer information and service options.	Qualitative assessment of "systems in place" and functioning.
Rework the Customer Service Training Program for 01/01/09 implementation having considered outside consultant resources and expansion of the initiative to all airport front-line employees.	Qualitative assessment of successful rework of the program.
Improve business facilities provided to include moving to eventually free Wi-Fi.	ASQ customer satisfaction score >80% of customers rating services "Good+"; up to 88%.
Work with TSA and airlines to standardize gate pass processes and other security inconsistencies.	Qualitative assessment of improved standardization and functionality.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**MSP OPERATIONS & ADMN.**

**2008 OBJECTIVES**

Objective	Expected Results
Improve handicapped services, specifically, electric carts and wheelchairs; addressing former Primeflight services in non-sterile area.	Improved electric cart and wheelchair services; complaints <2.5% of complaints
Improve restroom cleanliness reducing the number of registered complaints <2.4% of complaints.	Cleanliness complaints >2.4%; ASQ customer satisfaction score "Good">90%".
Coordinate with NWA customer service initiatives, specifically, working with the NWA initiative to improve "Baggage Delivery Services".	ASQ customer satisfaction score > 83% up to 88%.
Improve the Baggage Cart System providing, specifically, for free carts in the FIS	Provision of free carts in the FIS and an ASQ customer satisfaction score >88%
Improve terminal safety.	Upgrade of cart ordinance, visual paging and communication improvements seen for hearing impaired community and lead operations. Effort to introduce new computerized maintenance management system (CMMS) to improve maintenance tracking, response & measurement.
Facilitate good communication and open relationships among airline, TSA, airport tenants, and MAC staff.	MSP Director attend weekly airline manager breakfasts, sponsor 3 all airport luncheons, provide administrative support for monthly Airline Manager Council and Security Consortium.
Gear up emergency planning activities at MSP.	Effective hiring of emergency manager and support offered this individual to facilitate emergency operations planning as a team effort with various MAC departments. Success to be defined in 2008 year-end performance review with Tim Anderson.
Facilitate coordinated MAC response to RNC event in September 2008.	Smooth operations for all involvement coming in and out of town by mobilized response of Travelers Assistance and MAC staff at MSP as well as reliever airports. Measurement to be assessed by internal post-event review.
Service improvements in the FIS.	Work with tenants and staff to improve customer service with luggage carts and signage.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Customer Service				> 4.17
<b>Performance Measure:</b>	Passenger satisfaction score			
<b>Comments:</b>	Target is based upon 3rd quarter 2007			
Customer Service				< 1.18
<b>Performance Measure:</b>	Complaints per 100,000 passengers			
<b>Comments:</b>	Target is based upon 3rd quarter 2007			
Financial Responsibility				
<b>Performance Measure:</b>	Develop key baseline measurements for operational costs & revenues			
<b>Comments:</b>				
Customer Service				
<b>Performance Measure:</b>	Respond to complaints (written/verbal) within 7 business days			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**CONFERENCE CENTER**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	82,334	98,249	104,333	6,084	6.19%
Administrative Expenses	4,696	8,501	9,225	724	8.52%
Professional Services		0	0		
Utilities	145	200	1,000	800	400.00%
Operating Services/Expenses	38,617	41,500	51,620	10,120	24.39%
Maintenance	543	1,500	1,545	45	3.00%
Other	2,208	4,775	5,775	1,000	20.94%
<b>Total Budget</b>	<b>128,542</b>	<b>154,725</b>	<b>173,498</b>	<b>18,773</b>	<b>12.13%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>1</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

The Conference Center provides first class customer service to the external and internal customer. The Center is responsible for the management and promotion of the MSP Airport Conference Center. Amenities such as food and beverage service are provided in compliance with the client's needs. We are responsible for maintenance of audio-visual equipment, invoicing of internal/external clients and providing catering services.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue research into AV and technology enhancements for the Conference Center.	Continue to update equipment and technology that is able to meet the needs of the Conference Center clientele.	Researching technology upgrades to implement in 2007.
Increase revenues and clientele by continuing to market the Conference Center in various media outlets.	Increased revenues by continuing to show profitability and customers.	Revenue exceeded \$200,000 for the first time since 2001.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue to provide first class customer service to all Conference Center clients (internal, external and walk-ins)	Repeat clients. Numbers of clients served. Numbers of requests that cannot be met.	

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**CONFERENCE CENTER**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Increase revenue by expanding business opportunities with existing Conference Center clients.	Revenue increases. New services offered.	
Increase revenue through marketing and outreach to new Conference Center clients.	Revenue increases. Tracking how people heard about conference center.	
Provide the necessary support, infrastructure and services to meet the needs of current and increasing numbers of clients.	Client requests that are not able to be met.	

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Financial Responsibility	\$28,000			
<b>Performance Measure:</b>	Revenue exceed expenses			
<b>Comments:</b>	Net revenues less depreciation			
Customer Service				
<b>Performance Measure:</b>	Increase client usage of conference center through marketing, client retention and excellent customer service			
<b>Comments:</b>	Measure revenue by room, number of clients, revenue from other sources such as catering, non-revenue usage			
Financial Responsibility	\$191,000	\$255,000	\$270,000	
<b>Performance Measure:</b>	Meet or exceed 2007 revenues			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**CALL CENTER**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	196,644	207,846	215,584	7,739	3.72%
Administrative Expenses	92	2,250	1,000	-1,250	-55.56%
Professional Services		0	0		
Utilities		0	0		
Operating Services/Expenses	380	4,408	1,018	-3,390	-76.91%
Maintenance		0	0		
Other		0	0		
<b>Total Budget</b>	<b>197,117</b>	<b>214,504</b>	<b>217,602</b>	<b>3,099</b>	<b>1.44%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>4</b>	<b>4</b>

**RESPONSIBILITY/FUNCTION**

The MAC Call Center is responsible for the airport general information line and two lines on the courtesy phones (Information and Paging and Ground Transportation which includes information regarding taxis, shuttles, buses, and parking). There are approximately 250 courtesy phones in the Lindbergh and Humphrey Terminals combined. The Call Center is also responsible for performing a large portion of the paging function in the terminals. The Center is open 7 days a week, 14 hours a day, 365 days a year and receives many calls to specific departments outside their hours of operation. Due to minimum staffing by many airlines, the Call Center receives calls that may have been answered by them in the past.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The decrease is due to streamlining and efficiency because the Call Center is now located within the Airport Director's Office.
Operating Services/Expenses	The decrease is due to streamlining and efficiency because the Call Center is now located within the Airport Director's Office.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Work with IS to upgrade/enhance the current Qwest telephone system in the Call Center.	To maximize current phone system features to get the most out of the system that we currently have. In addition, to identify features that could be implemented in order to be able to provide the most information to our callers in a timely manner.	Planning completed and construction started on new location at Airport Director's Office. Determined that continuing to use the existing technology is most economical at this time.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**CALL CENTER**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
To integrate Call Center into Airport Director's Office, to provide seamless customer service during operating hours and to cross train employees to best utilize resources.	Number of hours of operation. Call Center was open 7 days a week from 8 AM to 10 PM. We fulfilled our "essential" role by having Call Center staff here 365 days from 8 AM to 10 PM. Our office was not closed for any reason during 2007. Number of Calls taken: Total 111,958 breakdown of those calls: 68,539 from the general information line, 43,419 from the courtesy phones.	Successfully integrated the Call Center into the Airport Director's Office, this allowed us to have seamless customer service during operating hours by cross training employees of the ADO and Call Center to support each other's duties in time of absence. The Call Center took on several additional duties to help support the current staff of the ADO. Call Center also plays a role in covering for the revenue generating Conference Center by assisting with the greeting of night and weekend clientele. Call Center is now more then ever in the public eye which allows us to become more active and support the customer service goals of the organization.

**2008 Key Measurements**

Key Sucess Factor	2006 Actual	2007 Est	2008 Budget	Target
Customer Service	Not have data			
<b>Performance Measure:</b>	Track volume of website inquiries			
<b>Comments:</b>				
Customer Service	2.0%	2.7%		
<b>Performance Measure:</b>	Limit volume of dropped calls to less than 7%			
<b>Comments:</b>	2001: 5%; 2002: 6.8%; 2003: 6.5%; 2004: 6.6%; 2005: 2.3%; 2006: 2.0%; 2007 through October 2.7%			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIRSIDE OPERATIONS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,068,185	962,853	1,107,410	144,557	15.01%
Administrative Expenses	80,931	90,000	94,600	4,600	5.11%
Professional Services	167,701	114,336	120,000	5,664	4.95%
Utilities	14,238	10,560	10,560	0	0.00%
Operating Services/Expenses	22,447	47,000	50,200	3,200	6.81%
Maintenance	6,517	4,900	7,150	2,250	45.92%
Other	53,289	42,000	31,000	-11,000	-26.19%
<b>Total Budget</b>	<b>1,413,306</b>	<b>1,271,649</b>	<b>1,420,920</b>	<b>149,271</b>	<b>11.74%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>12</b>	<b>12</b>	<b>13</b>

**RESPONSIBILITY/FUNCTION**

The Airside Operations Department is responsible for ensuring that Minneapolis-Saint Paul International Airport is in compliance with federal and state regulations, particularly FAR Part 139-Airport Certification. The department conducts safety inspections and determines the operating status of the airfield. Airside coordinates airfield activities with FAA Air Traffic Control facilities and air carrier tenants. The department is responsible for managing the airport emergency plan, the snow and ice control plan, the wildlife control program, construction safety and the airfield drivers training/testing program. Airside Operations is also the 24/7 non-emergency contact for all airport tenants.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are due to wage adjustments, temporary operations coordinators and the restoration of the graduate intern program. Wages also increased as a result of additional headcount.
Administrative Expenses	Increases in computer software and travel expense account for the increase in Administrative Expenses.
Professional Services	The increase in Professional Services is due to the addition of lightning detection service in the current Meteoroglix contract.
Utilities	The increase in Utilities is due to plan adjustments associated with an additional assistant manager.
Operating Services/Expenses	The increase in Operating Services/Expenses is due primarily to additional software maintenance plan costs and minor increases in other technical systems as coordinated with MAC IS.
Maintenance	The increase in Maintenance is due to the addition of a friction testing vehicle to the Airside fleet.
Other	The increase in the Other category is due primarily to computer hardware per coordination with MAC IS. All other object accounts decreased from 2007 budgeted levels.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**AIRSIDE OPERATIONS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue the installation and development of Collaborative Decision Making Systems.	Improve communication between Airside Duty Shift and outside stakeholders including airline operations, FAA and other MAC departments by providing unified information and displays. Install the FAA Information Display System (IDS4). Participate in the Sensis ground traffic display by equipping movement area vehicles with locator radios. Develop integration amongst systems to facilitate data mining. Production of consolidated reports to improve operation efficiencies.	<ul style="list-style-type: none"> <li>- Sensis Aerobahn Airport Traffic displays located in Ops, NWA SOC and FAA Center.</li> <li>- Duty Manager display wall complete.</li> <li>- Created Fax output reports.</li>   <li>- Replacement Airside Log added to 2007 budget process.</li> <li>- IDS-4 in purchase process.</li> <li>- Sensis vehicle locator program delayed pending FAA approval.</li> </ul>
Revise continuity of Operations Plan.	Install servers at the Airside Remote Office to automatically fail-over and seamlessly resume operations. Provide pre-configured laptops at designated off-site locations capable of executing critical departmental functions. Update and maintain all operational documents and procedures in the Laserfiche repository both online and on removable media.	<ul style="list-style-type: none"> <li>- Servers installed.</li> <li>- Laptop installed in OPS 44.</li> <li>- Laserfiche scanning project at 80%.</li>   <li>- Automatic fail-over to DTC in process.</li> <li>- Laserfiche removable media in process.</li> </ul>
Complete documentation and inventory of all departmental systems.	Provide staff with a comprehensive users guide to all operational systems. Complete the inventory of all departmental systems and connections to outside assets.	<ul style="list-style-type: none"> <li>- Inventory at 80%.</li> <li>- Hardware added to the track-It database.</li>   <li>- Users guide in process.</li> </ul>
Provide remote availability and portability to operational systems.	Optimize systems for remote viewing. Provide connections to systems via wireless, dialup and broadband. Equip operational vehicles with laptop and wireless data coverage allowing access to key systems. Provide on-call staff and Duty Managers the ability to view the status of the current operation while off-site.	<ul style="list-style-type: none"> <li>- Systems optimized for remote access.</li> <li>- Available connections include dial-up, VPN, and Citrix Internet Gateway.</li> <li>- Ops 44 equipped with high-speed wireless laptop .</li> <li>- All staff have access to systems from home via Citrix Internet Gateway.</li>   <li>- Ops 33 laptop budgeted for 2007.</li> <li>- Distributing Duty Manager laptops.</li> </ul>

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

## AIRSIDE OPERATIONS

## 2006 PROGRESS REPORT

Objective	Measurement	Results
Develop an Airside Operations Business Plan.	Complete a comprehensive analysis of current assignments, duties and responsibilities. Inventory and document all critical operational tasks, processes and procedures. Update the SWOT analysis of the department that was completed in 2005. Define and create vision and values statements for the department. Develop a three year staffing and succession management plan.	Preliminary analysis of department's physical assets complete. Procedures book updated.
Continue with the development of the MSP Drivers' Licensing Program.	Revise MAC Ordinance 100. Implement a computerized testing system for the current drivers licensed to operate on the Movement Area. Develop a standardized drivers training curriculum for all airlines and tenants that tow or push back aircraft on the Movement Area. Establish a program to maintain training records for all drivers that operate vehicles, equipment or tow/push back aircraft on the Movement Area. Provide communications and low visibility simulator training to 200 Movement Area drivers from the Airside Operations, Field Maintenance, Police, Fire and Trades departments.	Public Hearing for revision of MAC Ordinance 100 completed.  Computerized testing system implemented with testing of Aircraft Pushback Operators completed.  Standardized drivers training curriculum for all airlines and tenants that tow or push back aircraft on the Movement Area completed.  Program to maintain training records for all drivers that operate vehicles, equipment or tow/push back aircraft on the Movement Area completed.  Communications simulator training provided to 130 Movement Area drivers from the Airside Operations, Field Maintenance and Trades departments.  Training/learning objectives for aircraft pushback and tow training programs completed.
Transition the Airside Operations Center to an Airfield Operations Center (AFOC).	Identify key strategic partners and develop an outline for a transformation planning document. Define and document formal Collaborative Decision Making (CDM) processes for use with internal and external partners. Outline a Crew/Team Resource Management (C/TRM) Program for the Airside Duty Manager and Assistant Manager positions. Identify and document procedures, policies and processes specific to an Airfield Operations Center.	Key strategic partners identified.  Outline for Airside Duty Manager C/TRM program completed.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**AIRSIDE OPERATIONS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Meet all training requirements specific to Airside Operations and its areas of responsibility per the recently revised FAR Part 139.	Provide and document the following training to all Airside staff with FAR 139 duties: 1. Wildlife identification training 2. Pyrotechnics and firearms training 3. NOTAM training 4. Airfield self-inspection training 5. Movement area and safety area training. 6. Airport condition reporting training	All training completed.
Participate in the planning and implementation of the MSP 2020 Development Plan.	Attend meetings as required/requested. Review all proposals that have possible impact on airfield operations for safety and efficiency considerations.	MSP 2020 Development Plan placed on hold indefinitely.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue the installation and development of Collaborative Decision Making Systems.	Install the FAA Information Display System (IDS4). Participate in the Sensis ground traffic display by equipping movement area vehicles with locator radios.	We have chosen not to install IDS4 due to the fact that the FAA discontinued support of this product in favor of developing their own replacement application. We will pursue installation of the replacement application once it is made available.  Since February 2007, we have been participating with Sensis and have installed locator units in 4 Airside Operations vehicles and one Field Maintenance vehicle as part of a 6-9 month test.
Continue the transformation of the Airside Operations Center to an Airfield Operations Center (AFOC).	Develop a transformation planning document based on the outline created in 2006. Develop a Crew/Team Resource Management (C/TRM) Program for the Airside Duty Manager and Assistant Manager positions.	The transformation planning document has been put on hold at this time due lack of resources and other priorities.  Crew/Team Resource Management (C/TRM) objectives have been included in the Assistant Manager Performance Review process. The full program is still under development and has been delayed due to lack of resources and other priorities.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIRSIDE OPERATIONS**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Continue with the development of the MSP Drivers' Licensing Program.	License all personnel who operate vehicles on the Movement Area by 6/30/07. Draft a proposal to MAC staff which has the potential to generate revenue and includes the training, testing and licensing of all personnel who operate vehicles on the airport as well as the inspection/registration of all vehicles operated on the airport.	<p>The Movement Area Licensing Program started in January 2007 with the testing of NWA equipment service employees. By the end of October 2007, more than 2,000 Movement Area Drivers had completed the testing and licensing program.</p> <p>The Airport wide Drivers' Licensing Program was included in the FY 2008 budget but was voluntarily deferred until FY 2009. Program technical specifications will be developed in 2008 for bid in FY 2009.</p>

**2008 OBJECTIVES**

Objective	Expected Results
Continue planning for an airport-wide driver's license training, testing and licensing program. FAR Part 139 requires initial and recurrent training of all vehicle operators at MSP.	Prepare a technical specifications program RFP for '08 issuance, '09 purchase. Identify location and staffing levels necessary to efficiently process airport driver's licenses.
Prepare an Airside Operations department staffing plan	Formal recommendation forwarded to Deputy Executive Director / Operations and HR for 2009, 2010 and 2011 budget planning

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Safety				10% reduction from 2007 total
<b>Performance Measure:</b>	MSP AOA driving violations			
<b>Comments:</b>	This includes both Administrative and Warning Citations issued.			
Safety				25% reduction from 2007 total
<b>Performance Measure:</b>	MSP movement area incursions			
<b>Comments:</b>				
Safety				No runway incursions
<b>Performance Measure:</b>	MSP runway incursions			
<b>Comments:</b>				
Airport Operations				100% performance to reopen at coordinated time
<b>Performance Measure:</b>	Winter runway closure efficiency			
<b>Comments:</b>				
Airport Operations				None in excess of 15 minutes
<b>Performance Measure:</b>	Unscheduled maintenance-related runway closures			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**AIRSIDE OPERATIONS**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations				Discrepancies corrected within 14 day
Performance Measure:	FAR Part 139 discrepancies			
Comments:				
Safety				No on-airport wildlife strikes
Performance Measure:	Wildlife management			
Comments:	Airborne bird strikes measured separately			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**EMERGENCY COMMUNICATIONS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	931,715	972,147	1,030,054	57,906	5.96%
Administrative Expenses	9,387	16,993	19,501	2,508	14.76%
Professional Services		0	0		
Utilities	1,714	2,799	4,415	1,616	57.73%
Operating Services/Expenses	30,032	47,524	58,736	11,212	23.59%
Maintenance		0	0		
Other	5,748	7,872	3,650	-4,222	-53.63%
<b>Total Budget</b>	<b>978,596</b>	<b>1,047,335</b>	<b>1,116,356</b>	<b>69,020</b>	<b>6.59%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>15</b>	<b>15</b>	<b>15</b>

**RESPONSIBILITY/FUNCTION**

Emergency Communications is the 911 center for the airport community, operating 24 X 7. The staff makes critical decisions to ensure the safety of the passengers, police officers and firefighters. We are responsible for dispatching and coordinating police, fire, and EMS responses and are the operators of the secured card access system. This center also houses the Honeywell fire alarm system which has over 8400 devices. We operate the CCTV camera system which houses 1025+ cameras. This department controls the audio recording for 30 plus channels of phone and radio traffic. We make terminal announcements regarding security issues and weather and provide the only airport-wide paging service from 10 PM to 7 AM.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Overtime required to meet minimum staffing needs in 911 center. Local seminar increase to match 2006 actuals with less staff members. Current dollars are based on historical dollars and what we need to operate.
Administrative Expenses	Training management software will help manage, track, schedule and document training activity and requirements, \$2000. Travel reflects 2007 budget and is appropriate for dept. historical needs and critical incident dispatch training. Other information sources total is based on increases in hiring costs that had been previously absorbed by HR.
Utilities	Cellular phone costs are \$106 higher per IS calculations and are uncontrollable. Purchase of three smart devices plus service. Two Sprint cards.
Operating Services/Expenses	Increase in telephone maintenance agreement for 4-5 year portion of contract in \$984 and is uncontrollable. Increase of \$625 for service - computers.  Overtime of \$10,961 is to provide coverage for staffing needs in 24 X 7 department during the Republican National Convention and is a one time expense.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**EMERGENCY COMMUNICATIONS**

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Other	<p>This category decreased from \$7,872 in 2007 to \$3,650 in 2008. The variance shown is prior to Minor Assets Computers (\$9,050) and Minor Assets Radios (\$990) being transferred to IS budget.</p> <p>Total budget increase is \$65,446 - 6.25% .</p>
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Pursue plan to increase space for emergency communications department needs. Current space is insufficient to accommodate increase in technical equipment and elevated staffing.	New facility able to meet current and future department needs. Ability to accommodate future planned equipment such as LCD monitors for the CCTV system and additional Secured Card Access system monitors. Space for critical equipment skills training. Ergonomically correct workstations for 24 X 7 staffing. Adequate storage for current and future equipment and supplies. Appropriate office space for administrative functions and on-going training.	Planning and assessing space needs did not begin until June. Will continue next year.
Finish development and revision of Emergency Communications Center policy manual.	Operating consistency, reduction of liability.	This project is being worked on throughout 2006. Due to staffing issues, training, and immenseness of this project, it will carry over to 2007.
Develop and maintain quality control program.	Reduction of complaints from the public and other MAC departments. Reduces liability. Assures continuous improvement of employee adherence to Standard Operating Procedures and quality expectations. Provides remedies to improve performance if objectives are not met.	The plans for this program have been expanded to include numerous job functions. This program will continue into next year.
Develop process to create emergency back-up center.	Uninterrupted assistance of emergency services to airport community. Safe location for emergency communications center personnel to operate from in case of a disaster.	There was no money budgeted for this project this year. Planning has been carried into 2007.

## SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET

**EMERGENCY COMMUNICATIONS****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop tactical dispatch position. Critical incident dispatch will provide on-scene communications to the incident command staff during major events.	Critical information gathering, resource requests, information dissemination, event documentation, mapping, plotting, and system queries will be provided to commanders in the field. This will expand decision making process and safe resolution of the incident. Department members will be trained to provide this airport with an immediate on scene response.	The tactical dispatch program is in the beginning stages of it's design. The supervisor has been working closely with two staff members to research, plan, and design a program that will take this department into the future of tactical dispatching. Next year will require more work to draft the agency policies and procedures and design appropriate training. This department will be developing a core group of department members that will have the expertise and foresight to make this program the best it can be.
Finish development and revision of Emergency Communications Center policy manual.	Operating consistency, reduction of liability. Ability to update as necessary.	This project requires an enormous amount of research and draft copies. Great strides have been made this year. A core group of eight staff members have designed the structure of the new manual, drafted an impressive outline, new forms and a general format to be followed. This group has drafted numerous policies and final copies of these policies are now being implemented. To be continued in 2008.
Develop and maintain quality control program.	Reduces liability. Assures continuous improvement of employee adherence to Standard Operating Procedures and quality expectations. Provides remedies to improve performance if objectives are not met. Supports standard of excellence as stated in the Emergency Communications Mission statement.	The development of this program is in the early stages. Department staffing shortages continued until July 2007.
Complete plan to increase space for Emergency Communications department needs. Current space is insufficient to accommodate increase in technical equipment and elevated staff.	New facility able to meet current and future development needs. Ability to accommodate upcoming planned equipment such as LCD monitors for the CCTV systems and additional secured card access system monitors. Space for critical equipment skills training. Ergonomically correct workstations for 24 X 7 staffing. Adequate storage for current and future equipment and supplies. Appropriate office space for administrative functions and on-going training.	This project was in the planning stage in 2007. As of this date, there is a CIP request for 2008 to start on this project. This year plans were drawn up for a new facility to accommodate or needs. Current space has not met our increase in technical equipment or staffing since 1995.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**EMERGENCY COMMUNICATIONS**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Continue process to establish Emergency Communications back up center.	Provide uninterrupted communications for emergency public safety services to airport community. This center is critical to sustaining emergency services in the event the current facility is rendered inoperative due to severe weather, disaster, utility failure, terrorist attack, or on the occasion that our radio and phone communications systems have failed or been destroyed.	This project has been on hold until plans and funding is determined. At this time the request for the project is in the 2008 CIP requests.

**2008 OBJECTIVES**

Objective	Expected Results
Continue process to establish Emergency Communications back up center.	Provide uninterrupted communications for emergency public safety services to airport community. This center is critical to sustaining emergency services in the event the current facility is rendered inoperative due to severe weather, disaster, utility failure, terrorist attack, or on the occasion that our radio and phone communications systems have failed or been destroyed.
Complete plan to increase space for Emergency Communications department needs. Current space is insufficient to accommodate increase in technical equipment and elevated staff.	New facility able to meet current and future development needs. Ability to accommodate upcoming planned equipment such as LCD monitors for the CCTV systems and additional secured card access system monitors. Space for critical equipment skills training. Ergonomically correct work stations for 24 X 7 staffing. Adequate storage for current and future equipment and supplies. Appropriate office space for administrative functions and on-going training.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People				0-5% complaints
<b>Performance Measure:</b>	Call handling standards on all shifts are met			
<b>Comments:</b>	Appropriate staffing levels. Adequate working positions filled to cover calls for service. Maintain performance levels. Increase training on high priority systems. Incorporate staffing plan that ensures call-answering standards are met along with the ability to optimize training opportunities and cover for time off requests.			
Customer Service				90% or more in 10 seconds or less
<b>Performance Measure:</b>	Answer 911 calls in appropriate time frame			
<b>Comments:</b>	Answering 90% or more of 911 calls is attainable only with appropriate staffing levels. The 90% standard is currently an informal standard mandated in many states. The State of Minnesota is considering requiring adherence to this standard. We were short staffed from August 2003 until July 2007. Increases in job duties and calls for service reveal the need to request two more emergency communications specialists to increase the level of staffing at key times of the 24 hour day.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**LANDSIDE-OPERATIONS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	85	0	0		
Administrative Expenses	10,384	36,246	32,572	-3,674	-10.14%
Professional Services	0	10,000	0	-10,000	-100.00%
Utilities		0	0		
Operating Services/Expenses	152,627	127,336	88,050	-39,286	-30.85%
Maintenance	28,600	36,944	39,908	2,964	8.02%
Other	3,508	0	1,000	1,000	100.00%
<b>Total Budget</b>	<b>195,204</b>	<b>210,526</b>	<b>161,530</b>	<b>-48,996</b>	<b>-23.27%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESPONSIBILITY/FUNCTION**

Landside oversees the operation, maintenance, and design of the Commission's commercial vehicle roadways, the automated system that provides access and revenue control to these roadways, the revenues generated by these roadways, and the vehicles and operators that utilize these roadways. Landside Operations has relationships with other airport and municipal governing entities, local and national commercial vehicle operators.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Professional Services	Deletion of use of a Consultant - Comprehensive transportation services study.
Maintenance	Increased costs for portable toilets at north Post Road Taxi Holding Lot.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**LANDSIDE-PARKING**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel		0	0		
Administrative Expenses	-119	0	5,000	5,000	100.00%
Professional Services	4,330	9,000	0	-9,000	-100.00%
Operating Services/Expenses	6,796,758	7,430,905	8,831,923	1,401,018	18.85%
Maintenance	123,934	242,750	212,000	-30,750	-12.67%
Other		0	0		
<b>Total Budget</b>	<b>6,924,902</b>	<b>7,682,655</b>	<b>9,048,923</b>	<b>1,366,268</b>	<b>17.78%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESPONSIBILITY/FUNCTION**

Landside oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities, the automated system that provides access and revenue control to these parking facilities, the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail train or shuttle bus service. Landside Parking has relationships with the Metropolitan Council, other airport and municipal governing entities, and parking operators.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Administrative Expenses	Landside cost to upgrade or add software during the year.
Operating Services/Expenses	Shuttle costs related to the additional two levels on the Orange Ramp, bus service to Northwest Drive Lot, and service to north Post Road Employee Lot.. Parking advertising increased to market new products. Parking Management costs related to employee health insurance. Service parking equipment increased because items not previously covered (Spine Road, LED signs) were added to the scope of coverage.
Other	Landside technology hardware expenses. Replacing parking revenue control computers that operate 24x7 and are at the end of their useful life. (Replace critical equipment before it fails.) Moved to Information Services Service Center.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**LANDSIDE-ADMINISTRATION**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,306,355	1,290,819	1,429,416	138,597	10.74%
Administrative Expenses	49,006	51,377	53,910	2,533	4.93%
Professional Services		0	0	0	0.00%
Utilities	6,280	4,698	8,184	3,486	74.20%
Operating Services/Expenses	0	0	0		
Maintenance		0	0		
Other	4,593	7,500	7,600	100	1.33%
<b>Total Budget</b>	<b>1,366,234</b>	<b>1,354,394</b>	<b>1,499,110</b>	<b>144,716</b>	<b>10.68%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>20.5</b>	<b>21</b>	<b>21.5</b>

**RESPONSIBILITY/FUNCTION**

Landside Parking oversees the operation, maintenance, marketing, and design of the Commission's public and employee parking facilities, the automated system that provides access and revenue control, the revenues generated by these parking facilities, and inter-terminal transportation services provided by light rail train or shuttle bus service. Landside Parking has relationships with the Metropolitan Council, other airports and municipal governing entities and parking operators. Landside also oversees the operation, maintenance, and design of the Commission's commercial vehicle roadways, the automated system that provides access and revenue control, the revenues generated by these roadways, and the vehicles and operators that utilize these roadways. Landside Operations has relationships with other airports and municipal governing entities, local and national commercial vehicle operators.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
Administrative Expenses	Office supplies increased to 2007 actual levels. Travel expenses increased.
Utilities	Cell phone increased to 2007 actual levels.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Ensure quality ground transportation services are conveniently offered to meet specific customer's needs. Identify and effectively implement taxi ordinance changes that become effective in 2006 and address other customer service issues.	Reduce customer complaints. Plan for increased traffic volumes and implement processes that ensure customer service is not adversely impacted by traffic growth.	Cameras are currently being installed which will improve safety and management of commercial vehicle operations. Staff has met with the owners of the 37 permitted taxicab companies to review their performance and discuss ordinance changes that became effective November 11, 2006.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**LANDSIDE-ADMINISTRATION****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Replace the current software for employee parking (ZipPass) and commercial vehicle management system.	The MAC Automatic Identification System (MAVIS) design and build timeline is kept for completion in March 2007. It meets or exceeds MAC RFP requirements.	Substantial progress has been made in the design and development of MAVIS. We are on schedule to cutover employee parking May 2007, commercial vehicle and taxi June 2007, with final acceptance to follow September 2007.
Market parking effectively through various media, e.g., billboards, CNN, signage and vehicle wraps.	Increase parking revenues by 4% compared to 2005.	Through 11-30-06 parking revenue increased 6.75% comparing Jan - Nov 2006 against Jan - Nov 2005.
Contribute to second Humphrey ramp development and construction.	Parking ramp has state of the art features that are important to customers and MAC.	The Humphrey ramp construction includes flexible parking use, e.g. special event, Light Rail Train, and premium parking. A commercial vehicle lane is being created adjacent to the Humphrey Light Rail Train station.
Manage parking supply and demand through construction and seasonal fluctuations in parking activity.	Minimal customer complaints related to being diverted from the full parking facilities at the Lindbergh Terminal to the Humphrey Terminal facilities. Tenant parkers are informed long in advance of changes required related to construction and seasonal traffic.	Landside and Ampco have fine tuned the process of shifting and diverting parking customers during lot full conditions. We utilize special features of the parking revenue control system to monitor parking capacity. In the event we divert Lindbergh parking customers to the Humphrey parking ramps, we have Ampco staff positioned in the Humphrey facility to quickly guide parking customers to the inter-terminal shuttle bus.
Create a five-year capital project plan.	Projects with long design and lead times are managed and completed so issues are resolved proactively.	Planning and discussions related to the demand and opportunities for commercial vehicle operations, car rental placement, and public and employee parking have taken place. Many of these projects are included in the capital budget and are in development.
Manage annual ramp rehabilitation projects.	Parking facilities are maintained proactively and high priority projects get the resources needed to be successfully completed.	A consultant report that will assist in documenting parking ramp preventative maintenance needs is nearly complete. This document will be used to help prioritize the work that needs to be done. Additionally, staff from Landside Operations, Landside Development, and Ampco have attended various training on parking ramp maintenance.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**LANDSIDE-ADMINISTRATION****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Complete the development and installation of the MAC Automatic Vehicle Identification System (MAVIS) to manage commercial vehicles and employee parking.	MAVIS passes final acceptance. Landside and Ampco staff are trained to operate MAVIS. Employee parking and commercial vehicle access control is maintained and improved reports become available.	June 2007 MAVIS replaced PACS employee parking, October 2007 MAVIS replaced AVI DataFlex (commercial vehicle and taxi). As of December 2007 final Punch List items are being resolved. Final Acceptance of MAVIS should occur early 2008.
Assist in the design and construction of the Humphrey Orange ramp.	The HHH Orange parking ramp has state of the art features that meet the needs of parking customers and MAC.	Landside staff has fully participated in meetings to forecast demand, meetings to review facility design features to best serve the public, and meetings to monitor construction phasing.
Market parking effectively through various media, e.g., billboards, CNN, signage, vehicle wraps, radio advertising, MAC web page.	Increase parking revenues by 5% compared to 2006.	Parking revenue increased year over year by 3.3% without a planned rate increase. All of the planned marketing avenues were utilized.
Manage parking supply and demand through construction and seasonal fluctuations in parking activity.	Minimal customer complaints related to being diverted from the full parking facilities at the Lindbergh Terminal to the Humphrey Terminal facilities. Tenant parkers are informed long in advance of changes required related to construction and seasonal traffic.	Despite a 143% increase in vehicles diverted (42,741), continued improvements in the process, resulted in a very small number of customer complaints. SurePark was created and implemented to provide real-time parking information to allow customers to avoid frustration related to the diversion process by reacting to the information and driving directly to the Humphrey facility. SurePark provides information via the Internet, a voice message, or a text message. As part of the process, employee parkers were shifted from the Humphrey Ramp 1st quarter 2007 with minimal disruption.
Create a five-year capital project plan.	Projects with long design and lead times are coordinated, managed, and completed so issues are resolved proactively and they incorporate the 2006 Parking Ramp Maintenance Study.	A five-year capital project plan was begun and will be continuously updated as needs dictate.
Manage annual parking ramp rehabilitation projects.	Parking and commercial vehicle facilities are proactively maintained so high priority projects get the resources needed to be successfully completed and the projects incorporate the 2006 Parking Ramp Maintenance Study.	2007 projects were completed with excellent cooperation between Ampco, Field Maintenance, Airport Development, and Landside. The process was efficient, and minimized disruption to parking operations.
Develop a Request for Proposal for credit card processing.	Parking and commercial vehicle credit card processing is extremely reliable, fast, accurate, convenient, and at the best possible rates.	The existing contract was amended, resulting in a \$30,000 one-time payment to MAC, and a reduction of \$12,000 per month in fees.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**LANDSIDE-ADMINISTRATION**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Improve parking information available to the customer to help their selection of Lindbergh or Humphrey Ramp.	MAC parking information on the MAC web site and provided directly to cell phone or PDA provides current parking occupancies and other information that customers can use to choose which MSP Airport parking ramp best matches their needs and budget.	Landside created and refined the real-time information product known as SurePark. SurePark provides customers access to parking availability at Lindbergh and Humphrey facilities via the Internet, via voice telephone, and via cell phone text message.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Financial Responsibility	17,144	17,964	19,464	
<b>Performance Measure:</b>	Parking Spaces (public with revenue control)			
<b>Comments:</b>	Increase parking spaces to keep up with demand.			
Financial Responsibility	3,682,607	3,453,677	3,219,832	
<b>Performance Measure:</b>	Commercial Vehicle/Taxi Gross Revenue			
<b>Comments:</b>	Revenue collected approximately equals budgeted cost.			
Financial Responsibility	70,047,541	73,611,847	79,708,261	8.2%
<b>Performance Measure:</b>	Public Parking Gross Revenue			
<b>Comments:</b>				
Financial Responsibility	82,186,506	87,377,809	90,436,033	3.5%
<b>Performance Measure:</b>	Hours parked			
<b>Comments:</b>	By increasing the total hours parked in the parking facilities we will be increasing parking revenue.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FIRE**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	3,532,716	3,464,757	3,580,572	115,814	3.34%
Administrative Expenses	25,435	24,516	32,927	8,411	34.31%
Professional Services	18,006	26,700	18,700	-8,000	-29.96%
Utilities	4,232	3,200	5,200	2,000	62.50%
Operating Services/Expenses	23,156	27,000	36,500	9,500	35.19%
Maintenance	7,893	19,489	9,066	-10,423	-53.48%
Other	130,892	136,343	122,734	-13,609	-9.98%
<b>Total Budget</b>	<b>3,742,330</b>	<b>3,702,005</b>	<b>3,805,699</b>	<b>103,693</b>	<b>2.80%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>44</b>	<b>49</b>	<b>49</b>

**RESPONSIBILITY/FUNCTION**

The Fire Department is responsible for providing aircraft rescue and firefighting, structural firefighting, emergency medical services and response to hazardous material incidents and threats of terrorism at MSP. Technical rescue operations include water rescue and confined space rescue for MSP and surrounding areas. The department provides a full range of code enforcement and fire prevention activities including initial building plan reviews, inspections of new and existing buildings, and the investigation and follow-up of fire safety complaints. The department investigates all fires that occur within our service area determining the origin and cause and ensuring proper documentation for state and federal reporting requirements. The department also provides a number of public education opportunities including Fire Extinguisher, AED, CPR, and First Aid training to airport tenants.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Utilities	Used budget numbers provided by MAC Information Services Department .
Other	The department would like to replace all of our 3M AFFF (foam) as it is considered an environmental hazard. We started to change over to another product several years ago and have about 2,000 gallons remaining to be replaced. The MAC Environment department has been working with us on this issue and fully supports our budget request.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop program to equip & train fire personnel according to the fire department's hazardous materials response plan including the ability to conduct rescuer and mass decontamination operations.	All personnel have been trained and exercised in decontamination operations. All standard operating procedures have been updated to reflect current operations.	Partially completed. Training still ongoing. Waiting for purchase of additional decontamination equipment.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****FIRE****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Conduct detailed analysis to review all available options for meeting our FAR #139 annual live burn training requirements.	Written report developed to recommend best method and location to accomplish the required live burn training. The report will review at least four areas: site location, quality of instruction, quality of ARFF equipment and cost effectiveness.	Report completed. Results/recommendations to be further explored in 2007 and 2008.
Develop and deliver basic training for technical rescue and confined space operations.	All personnel are trained to the operations level in both technical and confined space rescue operations.	Implemented throughout the year and is now incorporated into monthly training.
Complete the integration of all pre-plans into Firehouse for mobile use by fire crews in the field using new approved pre-plan format.	All data imported into firehouse with information being available in a user friendly format to responding crews.	The laptop computer and software have been purchased and are being set up by MAC IS. Department still needs to train all managers in the use of the equipment and have computer installed in Rescue #4.
Increase minimum on-duty staffing to 13 allowing for safer & more effective firefighting operations.	Hire three additional personnel allowing for 16 personnel assigned to each shift and 13 minimum on-duty.	No staffing increase due to MAC budget reductions in 2006.
Review and update as needed all department operating guidelines.	All DOG's reviewed, updated as needed and distributed.	Project underway, not yet completed.
Complete development of Three Year Business Plan.	Plan completed and communicated to Department, Senior Staff & Commissioners.	Still working with MAC HRD to complete.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Develop plan for the construction of a training facility for conducting structural and required live burn training on site at MSP.	Ability to conduct initial and recurrent training on-site at MSP rather than having to go off airport requiring overtime and funds to cover costs of using outside facilities. This would also allow for increased training activities with on-duty personnel limiting the need to always use overtime to cover the shifts.	Not Completed still reviewing possible funding sources and locations
Prepare for the adoption of the 2006 International Fire Code (IFC) by the State.	Update and approval of new Ordinance 99.	Reviewed with MAC Legal and it was their opinion that the current ordinance was sufficient to allowing us to use the 2006 IFC adopted by the state in July of 2007.
Develop long term vehicle replacement policy. This will allow the department to better plan for and manage our vehicle replacement program.	Policy approval by MAC Finance for entire fire department vehicle fleet.	No support from outside fire department for this project

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****FIRE****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Review possible sites for satellite fire station. The current property selected at the end of Bloomington Road near the Minnesota Air National Guard Base is unacceptable because of its remote location from the Lindbergh Terminal Complex.	Two sites selected for additional review by MAC Staff in 2008.	Waiting for status of new ATC Tower project
Select possible location for a one or two truck mini station in terminal area allowing for a rapid response to medicals and fire alarms in the Lindbergh Terminal area.	Two locations selected for additional consideration.	Not completed
Review department 3 year plan for staffing, facilities, and equipment with MAC Senior Staff to insure department plans match Commission expectations for the fire and emergency services and MSP.	Plan reviewed and approved by MAC Senior Staff.	Unable to complete will place in 2008 objectives
Increase Minimum on-duty staffing to 13. This increase would allow for improved firefighting and rescue operations related to Aircraft and Structural emergencies.	Each shift is assigned 16 personnel with a 13 person on-duty minimum.	We went to 13 minimum staffing in Mid January 2007 following shift changes.

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Review need for additional Captain position: .5 fire inspector .5 public educator. (This position would be filled from the current approved head count)	Need clearly identified & documented in request to HR and the Deputy Executive Director of Operations
Review level of emergency medical services offered to determine if any changes are needed	Research completed and report prepared to define the level of service the department will provide over the next five years.
Complete Pre-plan project	Plans produced, reviewed and in response vehicles
Develop internet link to a Fire Department website.	Internet site and link are up and running.
Update all Department Operation Guidelines (DOG's).	All DOG's have been updated to reflect current department operations.
Develop budget to meet the fire protection needs at MSP	Staffing issues, apparatus replacement schedule and funding is addressed in budget with long term commitment from Senior Staff and Commission.
Conduct more inspections of tenant areas to prevent the improper use of their spaces for cooking or other non-approved activities	Reduction in false alarm activations in airline and other tenant break areas.
Provide ARFF training to Richfield and Bloomington using the mobile aircraft trainer here at MSP	Both mutual aid departments participated in the training activities

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FIRE**

**2008 OBJECTIVES**

Objective	Expected Results
Develop plan to have 1/3 of department attend a fixed ARFF Training facility each year and continue annual live burn training here at MSP with the mobile unit.	Able to meet the FAA requirement of all ARFF personnel attending a fixed facility every three years.
Update and maintain Fire Department intranet site.	Site updated with 2007 information and maintained regularly.
2009-2011 Business Plan for the Airport Fire Department.	Business Plan completed and submitted to MAC Senior Staff and Commissioners.
Create newsletter to better communicate with current Fire Department employees, their families, and the retired employees.	Published and distributed three times each year
Prepare, publish and distribute Fire Department Annual Report for 2007.	Report has been distributed.
Full implementation of new Computer Aided Dispatch (CAD) software by December 31, 2008.	Full system functionality has been tested, approved, and cutover has been completed.
Review and revise rates charged for fire extinguisher and CPR / first aid training	Benchmark our rates against other agencies and training institutions and determine a proper rate to charge to cover all costs associated with providing the classes.

**2009 - 2012 LONG TERM OBJECTIVES**

Objective	Expected Results
Review possibility of on-airport ARFF training facility	Plans developed and funding sources identified
Develop plans for possible additional fire stations or station relocation related to new ATC Tower relocation.	Actual sites selected

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations				100%
<b>Performance Measure:</b>	Maintain full compliance with the FAR #139 requirements			
<b>Comments:</b>	Meet or exceed all ARFF requirements in FAR #139 as verified through our annual certification inspection.			
Safety				100%
<b>Performance Measure:</b>	Complete annual inspections of all facilities at MSP			
<b>Comments:</b>	Complete annual fire code compliance inspections of all facilities located at MSP			
Safety				8
<b>Performance Measure:</b>	Complete quarterly terminal inspections			
<b>Comments:</b>	Complete quarterly full fire code compliance inspections of both the Lindbergh and Humphrey Terminals.			
Safety				0
<b>Performance Measure:</b>	Reduce reportable vehicle accidents			
<b>Comments:</b>	Reduce vehicle accidents involving fire department vehicles through training and employee coaching.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FIRE**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Safety				70
<b>Performance Measure:</b>	Maintain annual minimum training hours			
<b>Comments:</b>	Hours are a minimum for each employee this training includes ARFF, structural, EMS, hazardous materials & technical rescue.			
Safety				4:00
<b>Performance Measure:</b>	Meet NFPA response time standards			
<b>Comments:</b>	NFPA 1710 requires the initial responding company to reach the emergency scene with-in 4 minutes 90% of the time. Other units completing the first alarm assignment must arrive with-in 8 minutes 90% of the time.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**POLICE**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	8,644,421	8,464,442	8,911,006	446,564	5.28%
Administrative Expenses	242,869	363,709	388,444	24,735	6.80%
Professional Services	14,926	26,720	40,350	13,630	51.01%
Utilities	33,595	38,489	26,120	-12,369	-32.14%
Operating Services/Expenses	863,009	936,889	1,194,926	258,037	27.54%
Maintenance	72,089	110,125	86,474	-23,651	-21.48%
Other	118,727	133,875	187,900	54,025	40.35%
<b>Total Budget</b>	<b>9,989,635</b>	<b>10,074,249</b>	<b>10,835,220</b>	<b>760,971</b>	<b>7.55%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>110</b>	<b>116.5</b>	<b>117.5</b>

**RESPONSIBILITY/FUNCTION**

With customer service as our foundation, the Airport Police Department is committed to the prevention and detection of crime, the protection of life and property, and the preservation of peace, order and safety. We are driven by our values of vigilance, integrity and pride to reduce fear and foster a sense of security at MSP.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Personnel costs increased because of added headcount. Wages increased as a result of added headcount, as well as to abide by union contracts and cost of living for non organized. Added headcount also results in additional uniform requirements, some of which are governed by contract language.
Administrative Expenses	The increase in administrative expenses is due to:  Anticipated rise in cost of office supplies based on use in 2007.  A software interface that is required to allow communication between MAC Badging and MAC Landside software, for issuance of badges and licenses.  Cost of items required to utilize equipment in use as a result of new technology. (Batteries, CD and DVD disks, items for processing evidence etc.)  Increased costs associated with training, conferences and seminars.  Increased printing costs for forms, badge application information, letterhead and envelopes resulting from increased headcount.
Professional Services	Annual Fit Testing / Medical questionnaire for 135 officers @ \$35.00 each for annual medical evaluations contracted through a specialized physician's clinic.  Contract for video production for Use Of Force training simulator
Utilities	Cost of operation of cellular telephones/Nextels for department decreased by approximately \$12,000.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**POLICE**

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Operating Services/Expenses	<p>Anticipated \$100,000 for personnel overtime costs for the Republican National Convention.</p> <p>Contractual increase of 5% for security guards at gate 101 and 101 staging, gates 222 and 113. Additional guard service at gate 222.</p> <p>Additional costs associated with fees charged for chemical analysis for narcotics cases, use of Pawn System Software, fees to firms utilized by background investigators, interpreter services, etc.</p> <p>Maintenance agreements and service fees for Pro Watch (Security Access system), Visions software, Laserfiche, NetMotion, MN State server fees, E-Ticketing, CCTV system, etc.</p>
Maintenance	<p>Decrease is a result of cost of upgrades and additions of cameras and monitors for the CCTV system being deferred to 2009 and 2010 budgets.</p>
Other	<p>Increase is a result of need for safety equipment (steel toed boots) for Community Service Officers. Medical equipment and supplies, Red Cross training supplies, Oxygen refills, Heartstart AEDs to be assigned to HH Terminal, Police Gym and K-9 squads.</p> <p>Increase in costs for ammunition for range and duty, Simmunitions rounds, Taser cartridges and other training equipment. Level 3A ballistic blanket to place over suspected IED. Additional weapons needs.</p>

**2006 PROGRESS REPORT**

Objective	Measurement	Results
<p>Replace, maintain and improve necessary current and future equipment, technology and security enhancements to meet the changing demands of our environment while maintaining effective means for prompt officer response capabilities.</p>	<p>Would allow for MSP to operate without being fined. Building a strong relationship will combine our resources to best secure MSP providing our customers with the safety and security that they expect. Compliance within the proposed budget.</p>	<p>A laserfiche system is installed and is being implemented. A digital imaging system has been initiated to achieve a paperless reporting system and an electronic ticket writing system is being explored.</p>
<p>Procure additional space to meet the needs of the Airport Police Department due to mandated growth since September 11, 2001.</p>	<p>Development of space in the POC to provide workspace for employees and at the same time develop a space for badging and SIDA training. Continue to explore the feasibility of a stand alone police structure.</p>	<p>New badging office has been completed and is operational. Renovation and increased space in the POC remains a priority with an outlook for completion in 2007. A study has been completed by Miller Dunwiddie in regard to a stand-alone police facility.</p>
<p>Obtain resources to achieve federal mandates, provide police services in the expanded terminal facilities and establish a law enforcement presence to deter crime at the LRT stations.</p>	<p>A combination of qualified full-time and temporary officers will be hired, trained and equipped to effectively perform their assigned duties and meet established federal mandates. The number to be hired may change as mandates dictate and additional tasks need to be performed.</p>	<p>No additional resources have been obtained in 2006, however, existing resources were shifted to provide increased presence at the LRT stations.</p>

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**POLICE****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Continue to implement and maintain federal security directives while working closely with the TSA and coordinating efforts between the agencies setting an example for other airports to follow.	Would allow for MSP to operate without being fined. Building a strong relationship will combine our resources to best secure MSP providing our customers with the safety and security that they expect. Compliance within the proposed budget.	Positive relationships have been fostered with the TSA and the Federal Air Marshals. The APD is working with both agencies on joint information sharing systems in an effort to combat illegal activity. This will continue into 2007.
Install, integrate, test and implement Secured Area Access Control System (SAACS). Introduce biometrics based security technology as part of the new SAACS system in a controlled environment.	Successful installation, testing and implementation of the new SAACS System. Maintain uninterrupted service with minimal impact to all users while facilitating the migration from the old system to the new.	This is currently in progress and will be completed in the first quarter of 2007.
Reorganization of department structure to enable better response to a rapidly changing commercial aviation industry.	Achieve improved efficiencies to better serve customer expectations while reducing fear and promoting confidence among users of MSP.	This has been completed. The department has established a new command reporting structure and has moved intra-departmental functions to better align with divisional responsibilities.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Ensure the safe passage of all dignitaries using MSP during this election year by providing an environment that will deter criminal activity while efficiently and effectively completing these services.	Equipment and personnel will be available to staff all positions relating to the details while others are available to respond to calls for service, staff normal scheduled positions and complete federally mandated assignments. A seamless visit will allow daily activities to take place without delays.	This objective continues into 2008 as we prepare for an election year and Republican National Convention being held in St. Paul.
Procure additional space for the Emergency Communications Center and Back up Center. Complete the police administrative area expansion project. Expand the police operations center. Continue to explore the feasibility of a stand alone police structure.	Provide employees with space needed to perform their duties and providing service to the community. In the event of a disaster, to have an alternate place to perform emergency communications for public safety in order to coordinate all emergency activities, meet federal security mandates and to keep other portions of the airport operational.	Space and funding for a back up center is in the 2008 budget. Remodeling of police administration has completed. Initial plans / drawings for a new public safety building have been completed and budgeting discussions focus on 2009 approval for a 2010 construction start.
Develop, prioritize and implement existing security enhancement needs of the MSP Airport. Specific areas include: perimeter fence, field gates, SIDA incursion sites, fuel farms, exit lanes and the installation of card access on all jet-bridge doors.	Development of a systematic, multi-year approach to address prioritized needs, receive funding approval and begin construction.	Development of program and initial funding completed with initial construction started in 2007. Continued as objective for 2008 - 2010.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**POLICE**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Obtain resources to achieve federal mandates, provide police services in the expanded terminal facilities and establish a law enforcement presence to deter crime at the LRT stations.	A combination of qualified full-time and temporary officers will be hired, trained and equipped to effectively perform their assigned duties and meet established federal mandates. Results will include increased coverage and decreased overtime, while providing continued visual deterrents against all threats and hazards.	Complete.
Continue to implement and maintain federal security directives while working closely with the TSA and coordinating efforts between the agencies setting an example for other airports to follow.	Building a strong relationship will combine our resources to best secure MSP, providing our customers with the safety and security that they expect. Compliance within the proposed budget.	Development of partnership programs (BPR - BDO) with TSA and Federal Air Marshall's are on-going and will continue as an objective in 2008.

**2008 OBJECTIVES**

Objective	Expected Results
Implement security enhancement needs at MSP. Specific areas include perimeter fence line, field gates, SIDA intrusion sites, fuel farm, and checkpoint exit lanes.	Utilize multi-year planning to address prioritized needs, obtain continued funding approval, and facilitate construction.
In partnership with the U.S. Secret Service, ensure safe passage for all dignitaries using MSP during the presidential campaign, to include RNC attendance, by providing an environment that deters criminal activity in an effective and efficient manner.	Required personnel and equipment will be available to staff related details as well as maintain normal operations within mandated requirements.
Continue to implement and maintain federal security directives while working with the TSA and coordinating efforts between the agencies setting an example for the other airports to follow.	Building a strong relationship will combine our resources to best secure MSP and provide our customers with the safety and security that they expect. Compliance within the proposed budget.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Safety	1 accident for every 38343 miles driven	1 accident for every 54,029 Miles	1 accident for every 60,000 miles	0
<b>Performance Measure:</b>	Decrease department vehicle accidents			
<b>Comments:</b>	Continue efforts, in concert with MAC Safety, to minimize damages to department vehicles through training and education.			
Customer Service				0
<b>Performance Measure:</b>	Reduction of sustained CSO complaints.			
<b>Comments:</b>	Use of video and audio technology to verify accuracy and validity of complaints.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**POLICE**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Security		110.5 FTE	122.5 FTE	122.5 FTE
<b>Performance Measure:</b>	100 % staffing of authorized headcount prior to RNC in September 2008, to include all new personnel being trained and ready. Training for new officers takes 16 weeks.			
<b>Comments:</b>	Full staffing will minimize our reliance on outside agencies and associated costs as well as minimize APD overtime for the week of the convention.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FACILITIES-HUMPHREY TERMINAL**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	191,404	194,561	200,847	6,286	3.23%
Administrative Expenses	10,871	9,450	6,300	-3,150	-33.33%
Professional Services		0	0		
Utilities	1,383	1,200	1,400	200	16.67%
Operating Services/Expenses	61,112	20,650	29,040	8,390	40.63%
Maintenance	74,568	101,600	97,350	-4,250	-4.18%
Other	3,327	1,500	2,670	1,170	78.00%
<b>Total Budget</b>	<b>342,666</b>	<b>328,961</b>	<b>337,607</b>	<b>8,646</b>	<b>2.63%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

Oversee all operating activities at the Humphrey Terminal and all other common-use facilities on the airport including Lindbergh and Humphrey FIS Facilities, fueling operations, Humphrey remote ramp and Lindbergh shared airline facilities. Participate in airport/facilities planning activities and airline lease negotiations.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Utilities	Increase due to increase expense for additional staff phone.
Operating Services/Expenses	Added (vendor) staffing costs expected for Republican National Convention.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**FACILITIES-HUMPHREY TERMINAL****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Improved jetbridge maintenance.	Reduced jetbridge down time. Reduced response time to service calls. Archive of maintenance records and documents.	<p>12/05 - Met with primary airline users to discuss improvement ideas to service reporting process and documentation.</p> <p>3/06 - new reports in place and routinely used by ASIG and MAC. Results are shared monthly with airlines.</p> <p>3/06 - weekly walk-throughs are done by Karen W. (MAC) and Kent K. (ASIG) to inspect cleanliness and general condition.</p> <p>7/06 - number of complaints (from Airlines) on jetbridge cleanliness are down to almost nothing; just one complaint in June-06.</p> <p>7/06 - RFP for new jetbridge mx. Contract is complete. Commission approved recommend. To ASIG. Much greater detail will be included in the new contract to ensure proper cleaning, prompt response times and documentation of repairs. New contract (ASIG) will begin Sept. 1st 2006 and is for three years. Note: the airlines we're party to the language in the RFP/Contract outlining the new jetbridge mx. And cleaning requirements.</p> <p>11/30 - New contract in place with ASIG. Additional measures and duties related to bridge maintenance and down time communication with the airlines is expected to improve operations. Staff will work with ASIG (Mx. Vendor) and the airlines to monitor and make necessary adjustments. Completed.</p>

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****FACILITIES-HUMPHREY TERMINAL****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Upgrade Humphrey Common-use systems/applications to support next generation airline IT functions. Maintain benefits of common-use operating concept.	Successful implementation of "next generation" common-use technology to support user airlines.	<p>5/06 - RFP for system support is being drafted. Will be issued/awarded separately from CUPPS system.</p> <p>6/06 - RFP being drafted. Meetings with airline users complete. RFP Covers both new system (software) and new printers. Note: new hardware including PC's and keyboards were purchased and will be installed by end of June 2006.</p> <p>7/06 - RFP for new system/equip. is on the street. Proposals due in mid. August. Implementation/installation will be scheduled for Spring 2007 to avoid impact to busy winter (peak) season.</p> <p>11/06 - Contract award for new system to Ultra Electronics Inc. Implementation planned for second quarter 2007.</p> <p>11/06 - Meetings with each airline to advise new contract and planning/schedule for implementation. Such meetings will be held regularly from January 2007 through completion of installation.</p>

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Increase the use of (CUSS) Kiosks for passenger check-in at Humphrey Terminal.	Increase the percentage of passengers using (CUSS) Kiosks for (domestic) departure check-in. Compare to number using full-service counters and internet check-in (if offered).	<p>11/06 - vendor (Ultra) selected for new CUPPS system. Installation meetings will begin in January 2007 and held through completion of installation.</p> <p>12/31/07 - All (10) CUSS Kiosks have been upgraded and are fully common-use CUSS compliant with new software and support services in place. Now working with airlines to certify their (CUSS) applications on the kiosk operating system. Expect this to happen in 2008.</p>
Successful installation of new common-use technology to meet current and future airline needs.	Successful implementation of next generation Common-Use Passenger Processing System (CUPPS) at Humphrey Terminal. Provide advanced computer systems/software to support airlines Departure Control Systems (DCS) in the common-use environment.	Completed 11/30/07. New vendor is Ultra Elec. Inc. Airlines (customers) are very happy with changes/improvements.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FACILITIES-HUMPHREY TERMINAL**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Safety	2	4	2	0
<b>Performance Measure:</b>	Jetbridge accidents			
<b>Comments:</b>	Eliminate jetbridge related accidents by improved user training, communication and documentation. Execute "MOA" with airline users to formalize responsibilities of both airlines and MAC.  Update (Feb-2008): Training and re-training has started with Sun Country. ASIG to keep list of trainees current. No incidents YTD 2008.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FACILITIES-LINDBERGH TERMINAL**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	583,295	611,189	636,721	25,532	4.18%
Administrative Expenses	19,289	19,582	28,881	9,299	47.49%
Professional Services	130,895	130,240	142,500	12,260	9.41%
Utilities	4,826	3,000	3,090	90	3.00%
Operating Services/Expenses	129,779	236,500	769,354	532,854	225.31%
Maintenance	12,944,002	13,465,551	15,111,828	1,646,277	12.23%
Other	16,869	15,279	13,515	-1,764	-11.54%
<b>Total Budget</b>	<b>13,828,955</b>	<b>14,481,341</b>	<b>16,705,889</b>	<b>2,224,548</b>	<b>15.36%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>10</b>	<b>10</b>	<b>10</b>

**RESPONSIBILITY/FUNCTION**

This department is responsible for the operation, maintenance, and cleaning of the terminal facilities and all of the MAC campus buildings with oversight responsibility for the Energy Management Center as well as the Trades work groups. Facilities Management also provides management oversight for various service, operation and management contracts as well as responding to both immediate and long term tenant and public concerns. The entire department works with Airport Development staff to ensure that Capital Improvement Projects are completed with the least amount of disruption to the traveling public and the terminal building operations. Our goal is to maintain the MSP Airport at a level consistent with the expectations of our internal & external customers and tenants.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Change in this category is the deletion of MAC temporary personnel used in the Trades Trailer.
Administrative Expenses	Increase in this category is due to the addition of \$9,100 for the Joint Laserfiche Project.
Professional Services	Increase in this category is due to the expanded use of VDA for the Field Order # 26 Project to the Concourse Tram.
Operating Services/Expenses	Additional expenses are attributed to the Republican National Convention as a result of increased passenger traffic/activity.
Maintenance	Janitorial and Window cleaning: ABM annual increase, increased frequencies and additions to both terminals and all MAC buildings.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement usage of current cleaning vendor's interactive web site for scoring of cleaning inspections.	MAC is able to enter the inspection scoring and comments, monitor resolution of any problems, and access previous inspection results. Additionally, other reports are	MAC currently uses an outdated inspection report created in Microsoft Access. The janitorial RFP team asked all vendors include any inspection reporting program that MAC could use in their proposals. ABM was awarded the contract and will be getting

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**FACILITIES-LINDBERGH TERMINAL****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
	available to MAC which will be helpful in managing the cleaning inspections. Usage of this software is at no cost to MAC.	MAC up and running on the inspection system.
Successfully complete Elevator / Escalator / Moving Walkway RFP.	New Contract.	Vendor selected. Contract starts Sept. 1, 2006.
Successfully complete Signage RFP.	New Signage maintenance contract in place.	Broken into two parts - VMS and repairing static signage. VMS (Variable Message Signage) contract set to start Sept. 1, 2006.
Participate in Travelers Services RFP.	Help in the creation and execution of the Travelers Services RFP.	RFP on hold.
Develop detailed plan for future C.M.M.S.	Potential recommendation of replacement C.M.M.S. software package.	C.M.M.S. replacement project is in 2007 I.S. CIP program.
Roll-out of Facilities Monitoring program.	Facilities Monitoring program rolled-out.	Roll-out to Facilities staff set to start Aug. 1, 2006.
Participate in the creation of a permanent music program.	Live music in the Lindbergh Terminal.	Background work in process. Attended Arts in Airports Conference in May, 2006.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Participate in the creation of a permanent music program.	Live music in the Lindbergh Terminal.	50% complete. This objective was rolled into the Arts & Culture Program, which is currently being developed.
Develop detailed plan for future C.M.M.S.	Potential recommendation of replacement C.M.M.S. software package	25% Complete - Product selection identified with initial input meetings scheduled for 1st quarter of 2008.
Address cleaning contract renewal option	Renew existing vendor or create new RFP.	100% Complete - Contract has been renewed.
Encourage employee growth	Facilities department personnel attend at least 75% of MAC offered training classes.	100% - Department employees are fully encouraged to participate as often as possible in all applicable, available training classes.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FACILITIES-LINDBERGH TERMINAL**

**2008 OBJECTIVES**

Objective	Expected Results
Ensure newly-acquired baggage systems and jet bridges are maintained to MAC standard.	MAC assets are overseen by staff engineer. No current O&M (budgeted) dollars in 2008 for \$7M Operation.
Maintain expanded facilities.	Properly maintained expanded HT parking and LRT stations.
Minimize disruptions due to key retirements.	MAC remains a high performing organization by preserving organizational knowledge (trades manager & electrical general foreman).
Improve terminal cleanliness.	Increased customer satisfaction (rating) and decreased passenger/tenant complaints.
Improve staff productivity through new and improved technology.	Reduce downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations	25%	50%	75%	100%
<b>Performance Measure:</b>	Coverage of Facilities Monitoring			
<b>Comments:</b>	Current estimate is that 50% of available units are being monitored. In 2008 we want to increase that to at least 75%.			
Airport Operations	90 min.	60 min.	60 min.	30 min.
<b>Performance Measure:</b>	Downtime of Specific Terminal Functions			
<b>Comments:</b>	Improve response time to address non-Trades related items.			
Customer Service	3.86	4.17	4.30	4.50
<b>Performance Measure:</b>	Cleanliness of Airport Terminal ASQ Scores			
<b>Comments:</b>	Increase Customer Satisfaction Decreased Passenger/Tenant Complaints -Increase Customer Satisfaction			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FACILITIES-ENERGY MGT. CENTER**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,090,742	1,135,866	1,244,632	108,766	9.58%
Administrative Expenses	8,025	3,851	4,445	594	15.42%
Professional Services	42,163	40,000	42,163	2,163	5.41%
Utilities	4,124	2,652	3,629	977	36.84%
Operating Services/Expenses	0	0	0	0	0.00%
Maintenance	733,251	1,263,920	1,340,435	76,515	6.05%
Other	8,515	4,578	4,948	370	8.08%
<b>Total Budget</b>	<b>1,886,819</b>	<b>2,450,867</b>	<b>2,640,252</b>	<b>189,385</b>	<b>7.73%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>19</b>	<b>18</b>	<b>18</b>

**RESPONSIBILITY/FUNCTION**

The Energy Management Center (EMC) is responsible for the heating, ventilation and air conditioning (HVAC) of all MAC facilities utilizing a staff of 15 operating engineers who provide 24-hour service. They operate & maintain boilers with jet fuel backup, chillers and cooling towers and numerous misc. components to provide a comfortable environment for all persons at MSP.

EMC utilizes three advanced computerized bldg mgt. systems to operate & maintain the large, complex HVAC system. EMC monitors 200 CO sensors spread around the MSP Campus.

EMC responds to all incoming HVAC-related calls and keeps detailed records of all repair work & preventative maint., gas oil, water & steam usage.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. 2008 is when EMC will begin to roll out an apprentice program. The expected result will be that MAC will no longer rely on a diminishing outside talent pool.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Provide a safe environment for our customers and employees.	Complete installation of audible and visual alarms within Energy Management Center. The majority of time only one operator is available. The operator must be able to see and hear all alarms to be able to respond in a timely manner.	Additional audible and visual alarms have been installed at the EMC.
Minimize damage to buildings due to ice or freeze-ups.	Replace heat in south bay for Lake Elmo.	Additional heating has been installed and is operational.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FACILITIES-ENERGY MGT. CENTER**

**2006 PROGRESS REPORT**

Objective	Measurement	Results
Customer service within MAC. Provide heat to Field Maintenance bays so their equipment is able to operate when needed.	Replace infrared heaters at Building 8.	Infrared heaters have been installed and operational in Building 8.
Continually improve on Energy Management Center preventative maintenance program.	Continue to add assets to electronic tracking system.	We continue to add assets, upon completion of any construction project requiring HVAC.

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Reduce reliance on outside vendors	Train EMC members to take over certain maintenance currently performed by outside vendors. Goal is to reduce outside maintenance budget by 3%	Goals have been met by reducing outside contract repair by at least 3% through cross training EMC personnel on HVAC repairs.
Improve response time on calls for service.	Reduce response time by 5%	5% reduction on response time has been met by training the two, new replacement operators with correct procedures on responses to the airport.
Take advantage of free educational opportunities.	100% attendance by all EMC members.	90% complete on all free training in-house at EMC. We are still completing our Defensive Driver training and testing, and the First-Aid refresher course.
Improve interface with consultants and vendors.	Regularly scheduled meetings with consultants and vendors.	90% improvement in communicating by meeting with consultants on all MAC projects. Also, after the bids are awarded we meet with the vendors on a regular basis, reducing many field order changes.

**2008 OBJECTIVES**

Objective	Expected Results
Maintain Expanded Facilities	Properly maintained expanded HT Parking and LRT Stations
Roll-out of Apprentice Program in EMC	MAC no longer relying on a diminishing outside talent pool. Apprentice achieves license within three years when several staff are eligible to retire.
Improve Staff Productivity Through New and Improved Technology	Reduce Downtime of Specific Terminal Functions (Facilities Monitoring) and Additional Maintenance Performed (Computerized Maintenance Management System)

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations	60 min.	60 min.	30 min.	30 min/day
<b>Performance Measure:</b>	Staff time to administer CMMS			
<b>Comments:</b>	A new, more-efficient CMMS system will cut staff time to input, print and distribute work orders.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FACILITIES-ENERGY MGT. CENTER**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
People	0	0	1	1
<b>Performance Measure:</b>	Apprentice program headcount			
<b>Comments:</b>	MAC can no longer rely on diminishing outside talent pool. Apprentices achieve license within three years.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**TRADES - ELECTRICIANS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	1,437,488	1,444,331	1,378,161	-66,170	-4.58%
Administrative Expenses	6,297	16,648	1,730	-14,918	-89.61%
Professional Services	12,816	11,500	12,200	700	6.09%
Utilities	5,681	6,108	6,219	111	1.82%
Operating Services/Expenses	1,048	728	3,266	2,537	348.45%
Maintenance	752,843	686,915	688,396	1,482	0.22%
Other	20,073	31,494	31,892	398	1.26%
<b>Total Budget</b>	<b>2,236,246</b>	<b>2,197,724</b>	<b>2,121,865</b>	<b>-75,859</b>	<b>-3.45%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>15</b>	<b>17</b>	<b>17</b>

**RESPONSIBILITY/FUNCTION**

The Electrical Department provides maintenance and repairs of all electrical equipment and lighting fixtures throughout all terminal buildings at MSP and MAC Reliever Airports. Electricians are responsible for the maintenance and repair of all directional signage and runway/taxiway lighting to comply with specific FAA regulations throughout all MAC airports. They also maintain and test all airfield lighting regulators and all emergency generator buildings, and all associated lighting and electrical work within MAC parking facilities. Responsibilities include all security gates and electronic card readers throughout MAC's airport system and oversight and repair responsibility for the LRT Platform.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Reduce reliance on outside professionals.	Purchase heat imaging camera to identify electrical hot spots that in-house electricians will utilize.	Objective was completed by using the 2006 Professional Service monies to purchase a heat imaging camera. Then we trained an in-house electrician to do the same service that was contracted out each year.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Seek additional training for one electrician on the Secured Card Access system to take over some of the work currently performed by outside vendors.	Increased knowledge and improved familiarity with security system for the entire airport	Working 16 hours per week with secured card access, getting increased training knowledge.
Conduct our own infrared survey on the electrical equipment resulting in reduced insurance costs.	Reduce expenses in insurance and have a more reliable electrical system in place.	Current plan is working. Repairs are made as problems are discovered, resulting in fewer problems overall.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**TRADES - ELECTRICIANS**

**2007 PROGRESS REPORT**

Objective	Measurement	Results
Maintain a schedule for relamping.	Maintaining lighting throughout the facility results in a more attractive Terminal and increases security. In addition, labor costs decrease with less time committed for relamping.	Schedule is in place. Records are being kept and the plan appears to be working.

**2008 OBJECTIVES**

Objective	Expected Results
Improve staff productivity through new and improved technology.	Reduce downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).
Maintain expanded facilities.	Properly maintained expanded HT Parking and the LRT Stations.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations	90 min.	90 min.	60 min.	30 min.
<b>Performance Measure:</b>	Response Times to Terminal Functions Covered Under Facilities Monitoring			
<b>Comments:</b>	Through the expansion of the Facilities Monitoring program, the electrician group will be able to monitor more items and thereby address more alarms in a timely manner.			
Airport Operations	60 min.	60 min.	30 min.	30 min/day
<b>Performance Measure:</b>	Staff time to administer CMMS			
<b>Comments:</b>	A more-efficient CMMS system will cut staff time to input, print and distribute work orders.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**TRADES - PAINTERS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	564,189	745,737	691,027	-54,710	-7.34%
Administrative Expenses	1,416	518	550	32	6.09%
Professional Services		0	0		
Utilities	1,378	1,485	1,462	-23	-1.57%
Operating Services/Expenses	0	500	3,030	2,530	506.09%
Maintenance	162,241	179,210	209,704	30,494	17.02%
Other	2,788	11,500	2,473	-9,027	-78.50%
<b>Total Budget</b>	<b>732,012</b>	<b>938,950</b>	<b>908,245</b>	<b>-30,704</b>	<b>-3.27%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>6</b>	<b>7</b>	<b>8</b>

**RESPONSIBILITY/FUNCTION**

The function/responsibility of the MAC Paintshop is to maintain a clean, comfortable and safe environment for the traveling public using the MAC's airport terminals. The Paintshop is also responsible to insure that all informational signage is correct and complete, not only in the public buildings, but also on the roadways and in all parking areas.

The Paintshop is also responsible for the correct markings used on public roadways, as well as maintaining runway, taxiway and ramp markings in accordance with FAA regulations.

The Paintshop insures that the most appropriate and safest materials are utilized to accomplish these tasks.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Reduce amount of hazardous waste.	Reducing hazardous waste will reduce disposal costs and employee chemical exposure.	The amount of hazardous waste generated was reduced by about 10% from 2005 levels. The amount received from contractors abandoning of materials has improved. Overall generation from the paint shop has remained the same.
Continue to upgrade sign shop.	Meet substantial demands of signs required at MSP and Reliever Airports.	Additional equipment was purchased in 2006. The upgrade will be an ongoing work/learning process. The addition of a professional sign maker was a great first step.
Continue to maintain MAC airport system to current standards.	Increasing productivity / changing the way work is performed.	All scheduled work for 2006 was completed on schedule.
Meet FAA requirements.	Repaint to new FAA specifications the last 150' of taxi lines prior to the hold position bars.	Enhanced taxiway markings are now installed at all hold bars at MSP airport. All markings passed the Part 139 inspection in August.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****TRADES - PAINTERS****2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Set up sand blasting area to take care of foreseeable large increase of metal prep from ramp maintenance responsibilities.	A sand blasting area has been needed at the MAC for quite some time. Currently, all blasting has to be performed by an outside vendor causing schedule/completion problems. Performance of this work internally will result in a substantial cost reduction.	As of November, 2007, the blast booth is not set up but staff is working with Airport Development to cover funding costs for completion by year-end.
Work with Union Local 386 to insure that we are receiving higher quality temp employees.	We have been dissatisfied with some temp employees from Local 386. Efficient, dependable temp employees will enable the Paint Shop to produce a better finished product with less problems.	There was an improvement in the temp employees in 2007. In addition, cooperation with Local 386 improved.
Maximize use of the six temporary employees requested for 2007. Four temps will be working in the parking ramp areas.	Increased production.	In 2007 there were a total of 4 temps hired, 2 in the parking ramps and 2 on the MAC paint crew and it worked out very well.
Review safety programs and practices in the paint and sign shops.	Reduce/prevent accidents and injuries as well as equipment damage.	Tim Gagnon has installed a much better safety training program that goes on year round. The paint/sign shops had 1 recordable accident (hearing loss verified by hearing test) and no vehicle accidents. Safety first is constantly encouraged and hazardous waste monitoring/control has been given a higher priority
Reduce hazardous waste/solvent consumption.	Less disposal costs, healthier work environment, less fire/explosion hazard.	This will be a constant work in progress.

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Improve staff productivity through new and improved technology.	Reduce downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).
Maintain expanded facilities.	Properly maintained expanded HT Parking and the LRT Stations.
Expand cross training on complex striping trucks and other equipment so in case of injury, retirement or deaths, we will be able to keep meeting workload.	Better trained staff.
Meet all FAA Part 139 field marking requirements/changes.	As indicated above.
Evaluate staffing requirements for 2009-2012 to be able to meet increasing workload.	Meet work requirements.
Reduce and ensure documentation of hazardous waste collection, disposal and exposure.	Accountability, cost savings and health of personnel.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**TRADES - PAINTERS**

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Safety	1 accident	0 accidents	0 accidents	Maintain safety training
<b>Performance Measure:</b>	Get to a zero recordable accidents			
<b>Comments:</b>	0 accidents in 2007			
Airport Operations	7 employees	5 employees + 2 temps	7 employees + 2 temps	Complete work/changes
<b>Performance Measure:</b>	Maintain airfield at MSP and relievers to current advisory circular #150-5340-1J			
<b>Comments:</b>	All work completed			
Airport Development	1 temp	2 temps	2 temps	Complete work targets/requests
<b>Performance Measure:</b>	Maintain temp positions in parking ramps for rehab work			
<b>Comments:</b>	All work completed			
Airport Operations	60 min.	60 min.	30 min.	30 min/day
<b>Performance Measure:</b>	Staff time to administer CMMS			
<b>Comments:</b>	A new, more-efficient CMMS system will cut staff time to input, print and distribute work orders.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****TRADES - CARPENTERS****BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	659,186	684,187	747,428	63,241	9.24%
Administrative Expenses	6,457	3,234	3,596	362	11.19%
Professional Services		0	0		
Utilities	2,808	3,186	3,893	707	22.19%
Operating Services/Expenses	0	5,900	8,440	2,540	43.05%
Maintenance	236,629	220,383	254,644	34,261	15.55%
Other	11,255	9,250	19,207	9,957	107.64%
<b>Total Budget</b>	<b>916,335</b>	<b>926,140</b>	<b>1,037,208</b>	<b>111,068</b>	<b>11.99%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>9</b>	<b>9</b>	<b>9</b>

**RESPONSIBILITY/FUNCTION**

The Carpenter Shop ensures that all of MAC's Facilities are safe, secure & aesthetically acceptable for MAC, its tenants & the traveling public. We provide quality service to our MAC departments & the airport tenants in a timely manner. This includes maintenance on floor to roof, wall to wall services consisting of the following: a locksmith service that separates the "secured areas from the non secured" areas; installation & the care of a wide variety of facility needs & finishes, along with special & varied projects. The Carpenter Shop assists Airport Development in the naming/numbering of doors with identification tags & maintains numbering to reflect tenants' growing needs.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases, along with additional hours needed to fulfill the increased work load.
Maintenance	New Line Item for high security locks, etc. have been added for Budget year 2008.
Other	Rental equipment and Rental Copier increases for the Budget year 2008.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Insure the high standards of security throughout the main campus and relievers.	Attend seminars in security and visit trade shows for current product knowledge.	The locksmith foreman and backup locksmith attended classes in security and locksmith techniques.
Ensure compliance with TSA mandated key management program.	Expand MAC's Key Database Program to include padlocks, cipher codes and the ability to "query" questions from the TSA and MAC Police.	Due to limited resources, this objective has been deferred.

<b>SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET</b>
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**TRADES - CARPENTERS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Establish a contact person within the department who understands the current door numbering system. This "in house" person will work closely with Airport Development and associated architectural firms in keeping with the standard scheme of labeling.	Keeping the system updated for the key database, the Facility Monitoring Program and current blueprints for Architects, Facilities, Police and Fire and Airport Development.	An assigned carpenter works closely with MAC Development and outside architects to ensure plans comply with established door numbering system and that changes in the field are recorded.
Appoint Carpenter Foreman to Lindbergh Terminal.	Create Lindbergh Terminal Carpenter Foreman position.	The position was filled in late November.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Broaden the educational opportunities that exist in both the carpentry and locksmiths fields.	New techniques in our field will be learned and by implementing those changes creates a safer environment for the traveling public.	All Carpentry and Locksmith personnel have received some type of educational training to keep up with new techniques and products in their respective fields.
Operate a safe and efficient Carpentry Department by providing additional part-time staff when needed.	Necessary in maintaining existing facilities and all new buildings that have come on line. Additional personnel will insure the traveling public a safe experience while traveling through the airport complex.	Hired one (1) part-time Carpenter to assist in coverage of airport property and special projects.
Complete the MAC Key Database Program by adding reference to padlocks, cipher codes and Medeco Locks.	Federally mandated by the TSA, MAC is to keep the current system updated. To do this the program, data needs to be created by the IS Department.	No changes in 2007 to the Key Database. Goals have been set for work to be done during the 2008 calendar year.
Implement a plan in the organization of work shops and to inventory the storage areas throughout the airport. Record inventory into Asset Handler for easier viewing, product use and purchasing.	Greater use of storage space and less downtime spent on completing work orders if areas were organized.	Currently on "hold" while new CMMIS program is implemented in 2008.
Establish a contact person within the department who understands the current door numbering system. This "in house" person to work closely with Airport Development and associated architectural firms in keeping the standard scheme of labeling.	Keeping the system updated for the key database, the Facilities Monitoring system, and current blueprints for Architects, Facilities, Police and Fire and Airport Development. They often need a fast response time to questions that relate to their field.	Scott Young is responsible for updates to the current door numbering system.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**TRADES - CARPENTERS**

**2008 OBJECTIVES**

Objective	Expected Results
Maintain Expanded Facilities	Properly maintained expanded HT Parking and LRT Stations.
Improve staff productivity through new and improved technology.	Reduced downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations	90 min.	90 min.	60 min.	30 min.
<b>Performance Measure:</b>	Response Times to Terminal Functions Covered Under Facilities Monitoring			
<b>Comments:</b>	Through the expansion of the Facilities Monitoring program, the carpenter group will be able to monitor more items and thereby be able to address alarms in a timely manner.			
Airport Operations	60 min.	60 min.	30 min.	30 min/day
<b>Performance Measure:</b>	Staff time to administer CMMS			
<b>Comments:</b>	A new, more-efficient CMMS program will cut staff time to input, print and distribute work orders.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**TRADES - PLUMBERS**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	811,921	970,376	950,850	-19,527	-2.01%
Administrative Expenses	792	2,527	7,121	4,594	181.80%
Professional Services	13,703	6,000	6,180	180	3.00%
Utilities	3,383	3,189	3,539	350	10.98%
Operating Services/Expenses	3,973	4,000	5,030	1,030	25.75%
Maintenance	171,263	185,106	219,068	33,962	18.35%
Other	8,981	13,063	27,097	14,034	107.43%
<b>Total Budget</b>	<b>1,014,018</b>	<b>1,184,261</b>	<b>1,218,885</b>	<b>34,623</b>	<b>2.92%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>7</b>	<b>7</b>	<b>7</b>

**RESPONSIBILITY/FUNCTION**

The Plumbers are responsible for protecting the health of the traveling public, in addition to MAC and tenant employees, through the maintenance and repair of the potable water systems, sanitary and storm sewer systems, building plumbing systems, irrigation systems and fire sprinkler systems. Plumbing inspections, utility locates and plumbing plan reviews are also performed in coordination with airport development. Our objective is to provide our customers with functional and cost effective plumbing systems.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	The plumber position will be used to support current staff with maintenance of plumbing and fire sprinkler systems at MSP and relievers as well as performing maintenance with the additional utilities associated with the 17/35 runway including the irrigation system at the 17/35 RPZ.
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**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
To account for lost domestic water by providing field testing and replacement of water meters. To survey water system on an annual basis.	Reduce unaccountable water loss below current level of 6%.	Unaccountable water has been lowered to approximately 3% due to the diligent effort of the plumbing staff by testing and replacing water meters as deemed necessary. We are also replacing water meter registers so as to unify the inventory and provide more consistent reads. We replaced about 80% of the registers so far this year.
To clean five thousand feet of sanitary sewer.	Fewer back ups with more efficient flow in pipe.	As of 6 -28-06 we have cleaned approximately 2500 feet of sanitary sewer and the parking lot lift station. We have also cleaned the sewer laterals to the north and south disposals. During the week nights of 8-1-06 and 8-2-06 we cleaned an additional 2500 feet of sanitary sewer at the 12L Runway approach and beyond.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****TRADES - PLUMBERS****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Create MSP Utilities Drawing Plan.	Now that the 2010 plan is completed, this project will create a comprehensive record of the plumbing systems which will enable a more efficient process of maintenance, repair and rehabilitation of these systems. This project will help reduce the time in searching for records.	A portion of this project is taking place in 2006. Mac Plumbing Staff is currently working on a pipe identification/labeling project which will be incorporated into this project. This is an ongoing effort that will continue as time allows.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
To account for lost domestic water by providing field testing and replacement of water meters. To survey water system on an annual basis. To promote water conservation by implementing industry standardized products for the operation of the irrigation.	Reduce unaccountable water loss below current level. Manage current water usage to an acceptable level based on industry standards.	Replaced faulty water meter at the 34th Ave. vault. Re-tested 34th 10" main meter and 2" meter resulting in a more accurate reading.  We reduced some of the watering times for the drip irrigation and changed the watering program for the turf areas to conserve on water, and to reduce the water usage charge.
To clean ten thousand feet of sanitary sewer (mainline) and five thousand feet of storm sewer line with the new nozzle budgeted for in the 2007 budget.	This objective will reduce sewer overflow, promote more efficient flow, and comply with the industry standards.	As of 11/07/07 we have cleaned over 11,000 feet of sanitary sewer mainline. This accomplishment relates into one tenth of the sanitary sewers being cleaned.
To improve the knowledge base regarding the location of utilities inside the Lindbergh Terminal and its concourses.	Install pipe and valve identification throughout Lindbergh Terminal, HHH Terminal and associated concourses.	We have installed valve identification plaques on approximately one third of the Lindbergh Terminals fire system valves. This objective will carry into 2008.  We accomplished installing about one third of the valve identification information tags on the Lindbergh Terminal fire system.
To provide the necessary cross training to our department personnel to keep up with the changing environment.	Work group will become rounded and flexible.	This has been very challenging objective. We have cross trained personnel as time permits. This is an ongoing objective that will be carried into 2008.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**TRADES - PLUMBERS**

**2008 OBJECTIVES**

<b>Objective</b>	<b>Expected Results</b>
Maintain Expanded Facilities	Properly maintained sprinkler systems on the E and F Concourses as well as the Humphrey Terminal Parking Ramps and LRT Stations
Improve staff productivity through new and improved technology	Reduced downtime of specific terminal functions (facilities monitoring) and additional maintenance performed (computerized maintenance management system).
Create a sewer use ordinance and/or develop a maintenance program with our restaurant tenants that would help them service their grease traps, sanitary sewers, hood vent systems and kitchen areas.	This document will provide a guideline for MAC and their tenants. It will serve as a legal document for sewers and sewage disposal, maintenance responsibilities, legal access through easements of tenant boundaries, etc. The results will be preventative maintenance programs that will minimize service disruptions from sewer back-ups and reduce call backs. More efficient measurement for sewer re-hab projects.
Replace worn fixtures in restrooms with energy conscious equipment (faucets and flush valves).	Reduced water consumption resulting in lower payment to water provider.

**2008 Key Measurements**

<b>Key Success Factor</b>	<b>2006 Actual</b>	<b>2007 Est</b>	<b>2008 Budget</b>	<b>Target</b>
Airport Operations	90 min.	60 min.	60 min.	30 min.
<b>Performance Measure:</b>	Response Times to Terminal Functions Covered Under Facilities Monitoring			
<b>Comments:</b>	Through the expansion of the Facilities Monitoring program, the plumber group will be able to monitor more items and thereby address more alarms in a timely manner.			
Airport Operations	60 min.	60 min.	30 min.	30 min/day
<b>Performance Measure:</b>	Staff time to administer CMMS			
<b>Comments:</b>	A new, more-efficient CMMS program will cut staff time to input, print and distribute work orders.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**TRADES - ADMINISTRATION**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	138,137	141,300	132,704	-8,596	-6.08%
Administrative Expenses	5,047	4,300	5,056	756	17.58%
Professional Services	14,956	35,000	37,500	2,500	7.14%
Utilities		275	290	15	5.45%
Operating Services/Expenses		0	0		
Other	3,978	2,860	5,100	2,240	78.32%
<b>Total Budget</b>	<b>162,118</b>	<b>183,735</b>	<b>180,650</b>	<b>-3,085</b>	<b>-1.68%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>2</b>	<b>2</b>	<b>2</b>

**RESPONSIBILITY/FUNCTION**

This department has the responsibility for the administration and coordination of the carpenters, electricians, painters, and plumbing divisions. Trades Administration works with Airport Development on construction projects, enforces the construction standards, conducts construction inspections, and oversees the computerized maintenance management system. Trades Administration represents the Trades in the CIP process and interfaces with consultants and vendors on behalf of the Trades group. This department is also responsible for the oversight of the Lindbergh and Humphrey Terminal emergency generators and UPS (Uninterruptible Power Supply ) contracts.

**2008 Key Measurements**

<b>Key Success Factor</b>	<b>2006 Actual</b>	<b>2007 Est</b>	<b>2008 Budget</b>	<b>Target</b>
Airport Operations	90 min.	90 min.	60 min.	60 min
<b>Performance Measure:</b>	Staff time to administer CMMS			
<b>Comments:</b>	A new, more-efficient CMMS system will cut staff time to input, print and distribute work orders.			

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FIELD MAINTENANCE**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	7,054,650	8,046,772	8,492,961	446,189	5.54%
Administrative Expenses	47,093	28,475	29,700	1,225	4.30%
Professional Services	31,185	27,500	27,500	0	0.00%
Utilities	12,306	12,000	11,100	-900	-7.50%
Operating Services/Expenses	69,005	66,350	57,300	-9,050	-13.64%
Maintenance	2,294,975	3,222,700	3,382,550	159,850	4.96%
Other	52,561	67,300	58,170	-9,130	-13.57%
<b>Total Budget</b>	<b>9,561,776</b>	<b>11,471,097</b>	<b>12,059,281</b>	<b>588,184</b>	<b>5.13%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>118</b>	<b>119</b>	<b>121</b>

**RESPONSIBILITY/FUNCTION**

The Field Maintenance Department is world-renown for snow removal, but has year-round responsibilities including pavement maintenance, pollution control, landscaping/grounds maintenance, security fence and access gate maintenance, traffic control signage installation, maintenance and cleaning of the parking ramps and refuse removal from non-terminal areas. Snow removal responsibilities include runways, taxiways, ramps, aircraft parking areas, airside roadways, public roadways, terminal sidewalks and from around MAC buildings. Maintenance personnel supervise contracted snow removal operators who remove snow from landside parking areas. The department repairs and maintains MAC's fleet of over 500 vehicles and partners with Purchasing to procure all MAC vehicles and related equipment.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wage increases per bargaining unit agreements.
Administrative Expenses	Minor adjustments for on-site meeting expenses.
Utilities	Decrease in project cell phone expense.
Maintenance	Increase due to pavement sweeper leases in lieu of annual capital equipment purchases; units leased for \$250K.
Other	Replacement computer hardware.

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Reduce the number of injuries and vehicle accidents through a clear focus on safety and safe operations. Conduct training appropriate for the operating environment of the department.	Injury rate per full-time employee and accident rate per full-time employee will be less than 2005 rates. Claim costs will be less than the 2005 total.	2006 injury rates are comparable to 2005. The vehicle accident and claim costs are higher than 2005.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET****FIELD MAINTENANCE****2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Incident command principles and practices are applicable to non-standard, non-emergency events such as snow and ice storms. Department management team should be prepared to respond to any situation that dictates the implementation of incident command.	Managers, assistant managers and working foremen to train and be certified for Incident Command procedures.	The MAC has adopted the National Incident Management System (NIMS). Front-line managers completed Incident Command training prior to October 1, 2006. All Field Maintenance personnel have completed FEMA course work pertaining to the NIMS system and basic incident command.
Identify a computerized payroll system to replace the current manual timesheet process.	Ascertain if ID cards associated with the new security card access control system are compatible with available employee payroll control systems. If applicable, seek permission to use ID cards for payroll purposes. Identify software package for purchase and installation in 2007.	Bid specifications associated with the new security card access control system included multiple-use credentialing media. Discussions with MAC IS are continuing with a goal of computerizing the payroll system within two years.
Enhance customer service by establishing stronger working relationships with MSP air carrier station managers and FAA MSP air traffic control tower supervisors.	Identify a communication forum and direct key department personnel (Maintenance Manager/Planning and Maintenance Manager/Operations) to attend opportunities where the target group routinely convenes.	Meetings scheduled by MAC Field Maintenance and Airside Operations are regularly attended by MSP Air Traffic representatives and Northwest Airlines, but poorly attended by other MSP air carrier representatives. Invitations to specific meetings with air carrier personnel have been extended to front-line Maintenance managers.

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Make final determination if new card access system media can be used internally for Field Maintenance payroll accounting systems. If so, proceed with implementation. If not, identify a stand-alone computerized payroll system.	New card access-based system operating prior to winter '07-'08, or stand-alone system identified and budgeted for 2008.	MAC-wide move to computerized payroll in 2008-2009.
Identify and provide management training opportunities for the Field Maintenance management team, including working foremen.	Prepare individual action plan for each manager based on needs determined by 2006 performance appraisals.	All management team personnel completed Interpersonal Effectiveness (DiSC) training. Two individual managers completed topic-specific training.
Increase fuel efficiencies and support the Minnesota Ethanol Program.	Replace standard combustion vehicles with dual-fuel vehicles when available in class/type. Develop a bio-diesel storage, dispensing and utilization plan. Institute rigid vehicle idling policy.	Dual-fuel vehicles purchased when available in type and class. Eleven such vehicles were added to the fleet in 2007.
Provide support to Fortbrand Services, Inc. in the marketing and sales of the cooperatively-developed multi-task tractor and edge light plow.	Earn sales commissions on the sales of at least six units.	Commissions received on the sale of seven units.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**FIELD MAINTENANCE**

**2008 OBJECTIVES**

Objective	Expected Results
Reduce vehicle accident rate and reduce associated costs through training, professional operation, compliance with safety policies and accountability.	Less than eighteen preventable accidents
Install and operate a computerized payroll system capable of calculating various contractually required payments.	System operating prior to winter season '08-'09
Initiate continuing education program for equipment repair shop personnel.	Program components identified and available to personnel prior to winter '08-'09 operations.

**2008 Key Measurements**

Key Success Factor	2006 Actual	2007 Est	2008 Budget	Target
Airport Operations				Non in excess of 15 minutes
<b>Performance Measure:</b>	Unscheduled maintenance-related runway closures			
<b>Comments:</b>				
Airport Operations				100% performance to reopen at coordinated time
<b>Performance Measure:</b>	Winter runway closure efficiency			
<b>Comments:</b>	No increase to runway closure time frames of 35, 30, 30 and 20 on runways 12R-30L, 12L-30R, 35 and 17, respectively.			
Safety				Reduction from 2007
<b>Performance Measure:</b>	Number of vehicle accidents			
<b>Comments:</b>				

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - ADMINISTRATION**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	609,325	626,337	676,401	50,064	7.99%
Administrative Expenses	5,800	13,215	15,621	2,406	18.21%
Professional Services	22,813	75,000	85,000	10,000	13.33%
Utilities	902	1,200	1,200	0	0.00%
Operating Services/Expenses	1,169	1,000	1,100	100	10.00%
Other		0	0		
<b>Total Budget</b>	<b>640,009</b>	<b>716,752</b>	<b>779,322</b>	<b>62,570</b>	<b>8.73%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>8</b>	<b>8</b>	<b>8</b>

**RESPONSIBILITY/FUNCTION**

The Reliever Airport staff is responsible for the maintenance and safe operation of the MAC's six Reliever Airports. The staff is also responsible for the administration of over 800 leases on the Reliever Airports, which includes responding to tenant requests and monitoring tenant compliance with leases.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
Administrative Expenses	The increase in Administrative Expenses are the result of increasing cost of travel to attend airport conferences, as well as an increase in off-airport meetings. We anticipate holding tenant meetings during the development of new lease forms.
Professional Services	\$85,000 has been included in professional services for 2008. This amount reflects consulting fees anticipated for the development of non-aeronautical properties and the development of new lease forms.
Operating Services/Expenses	The amount included in operating services is for the purchase of items that are handed out at events that support and promote the Reliever Airports.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - ADMINISTRATION**

**2006 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Implement those recommendations from the Reliever Airports Task Force under the control of the Reliever Airports staff.	<p>"Reliever Airports Lease Policies, Rules and Regulations" amended to:</p> <p>1) implement the "Facility Acquisition Fee"</p> <p>2) increase the Administrative Fee applicable to transaction of lease documents</p> <p>Ordinance 101 amended to:</p> <p>1)implement the Sublease Fee</p> <p>2) provide a percentage rent exemption for first 20% of commercial operators revenue</p> <p>3) amend the reverse sliding scale of commercial operators revenue to establish a 1% cap</p> <p>Amend the lease language to ensure adequate control over the use, structural integrity, and aesthetics of facilities</p> <p>Develop an ordinance that provides standards for the structural integrity and aesthetics of hangars</p>	<p>Staff has developed draft language for the ordinance and policy updates and has presented the concepts to the Reliever Airports Advisory Council. The draft language will be presented to all tenants during the first half of 2007. Additionally, staff has begun the process developing non-aeronautical revenue on the Reliever Airports. Staff is assembling the documentation required for submission to FAA for a land release on the proposed non-aeronautical properties at the Anoka Airport.</p>

**2007 PROGRESS REPORT**

<b>Objective</b>	<b>Measurement</b>	<b>Results</b>
Update Reliever Airport Lease Forms	Lease Forms which incorporate the revisions to the Lease Policies, Rules and Regulations.	This process is contingent upon the outcome of the rates and charges ordinance for the Reliever Airports. That process finished in the last quarter of 2007. Updating of lease forms will be done in 2008.
Update Reliever Airport Operations Manuals	Make amendments to the Reliever Airport Operations Manuals with updated information regarding changes to airport operating procedures, air traffic control letter of agreements, airport information, security and wildlife programs.	In 2007, the Reliever Staff updated the airport operations manuals. These manuals were amended to reflect changes to airfield characteristics and operational activities. A section was added on operating and maintaining nav aids. This update also addressed special considerations during airport events and construction projects to keep pedestrians and vehicles clear of active airport operations areas. The staff also updated the security guides. The manual and guide were distributed to FAA, ATCT, FBO's, public safety officials, and appropriate staff.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - ST. PAUL**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	458,483	489,036	442,110	-46,926	-9.60%
Administrative Expenses	2,138	1,700	1,332	-368	-21.65%
Professional Services	11,999	48,000	48,000	0	0.00%
Utilities	1,867	2,428	1,923	-505	-20.80%
Operating Services/Expenses	853	924	195,498	194,574	21057.79%
Maintenance	117,090	159,366	155,027	-4,339	-2.72%
Other	2,023	1,200	962	-238	-19.83%
<b>Total Budget</b>	<b>594,453</b>	<b>702,654</b>	<b>844,852</b>	<b>142,198</b>	<b>20.24%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>7</b>	<b>7</b>	<b>7</b>

**RESPONSIBILITY/FUNCTION**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - LAKE ELMO**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	71,275	78,673	82,960	4,287	5.45%
Administrative Expenses	444	250	148	-102	-40.80%
Professional Services	4,999	12,000	12,000	0	0.00%
Utilities	471	726	485	-241	-33.20%
Operating Services/Expenses		0	0		
Maintenance	27,984	25,175	26,698	1,523	6.05%
Other	1,445	200	204	4	2.00%
<b>Total Budget</b>	<b>106,619</b>	<b>117,024</b>	<b>122,495</b>	<b>5,471</b>	<b>4.68%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>1</b>	<b>1</b>	<b>1</b>

**RESPONSIBILITY/FUNCTION**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - AIRLAKE**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	73,762	78,841	95,849	17,008	21.57%
Administrative Expenses	135	250	250	0	0.00%
Professional Services	4,999	12,000	12,000	0	0.00%
Utilities	290	218	218	0	0.00%
Operating Services/Expenses		0	0		
Maintenance	27,090	24,820	21,364	-3,456	-13.92%
Other		210	212	2	0.95%
<b>Total Budget</b>	<b>106,276</b>	<b>116,339</b>	<b>129,893</b>	<b>13,554</b>	<b>11.65%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>1</b>	<b>1</b>	<b>1.5</b>

**RESPONSIBILITY/FUNCTION**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - FLYING CLOUD**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	164,767	193,802	220,033	26,231	13.54%
Administrative Expenses	493	350	350	0	0.00%
Professional Services	4,999	12,000	12,000	0	0.00%
Utilities	466	553	520	-33	-5.97%
Operating Services/Expenses	130	0	0		
Maintenance	90,567	46,200	54,228	8,028	17.38%
Other	497	250	250	0	0.00%
<b>Total Budget</b>	<b>261,919</b>	<b>253,155</b>	<b>287,381</b>	<b>34,226</b>	<b>13.52%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3.5</b>

**RESPONSIBILITY/FUNCTION**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases. Wages also increased as a result of additional headcount.
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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - CRYSTAL**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	203,511	186,554	254,159	67,605	36.24%
Administrative Expenses	867	2,163	1,434	-729	-33.70%
Professional Services	4,999	12,000	12,000	0	0.00%
Utilities	2,489	2,376	2,376	0	0.00%
Operating Services/Expenses	21,182	1,975	2,034	59	2.99%
Maintenance	72,953	43,140	44,400	1,260	2.92%
Other	-73	370	793	423	114.32%
<b>Total Budget</b>	<b>305,928</b>	<b>248,578</b>	<b>317,196</b>	<b>68,618</b>	<b>27.60%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>4</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

**MAJOR 2008 OPERATING BUDGET CHANGES GREATER THAN \$4,000**

Personnel	Personnel increases are attributable to wage structure adjustments and step increases.
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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

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**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - ANOKA**

**BUDGET SUMMARY**

	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	179,195	198,655	186,413	-12,242	-6.16%
Administrative Expenses	1,324	1,900	1,700	-200	-10.53%
Professional Services	4,999	12,000	12,000	0	0.00%
Utilities	2,198	2,970	2,600	-370	-12.46%
Operating Services/Expenses	157,132	148,900	167,577	18,677	12.54%
Maintenance	130,618	79,000	76,621	-2,379	-3.01%
Other	268	250	100	-150	-60.00%
<b>Total Budget</b>	<b>475,735</b>	<b>443,675</b>	<b>447,011</b>	<b>3,336</b>	<b>0.75%</b>

**FULL TIME EQUIVALENT SUMMARY**

	<b>2007 Actual</b>	<b>2007 Budget</b>	<b>2008 Budget</b>
<b>FTE Total:</b>	<b>3</b>	<b>3</b>	<b>3</b>

**RESPONSIBILITY/FUNCTION**

The Reliever Airport staff is responsible for the operation, maintenance, and administration of the six Reliever Airports. The department staff manages the properties, including the administration of over 800 leases. The staff also respond to tenant, airport user and community issues and concerns.

**SERVICE CENTER SUMMARIES - 2008 OPERATING BUDGET**

**RELIEVERS - ANOKA**

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<b>CIP SUMMARY AND POLICIES – 2008 OPERATING BUDGET</b>
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The construction budget is presented in three sections. The Capital Improvement Plan (CIP) is detailed first, along with a chart and discussion on sources and uses within this budget. This is followed by a brief summary of projects in process. Finally, a detailed description of the major projects by category along with a summary of how these projects will affect operating costs is included.

Each year the MAC approves Capital Projects that will start within the next 12 months and a Capital Improvement Program which covers all projects which are to be started during the second calendar year. In addition, a Capital Improvement Plan which covers an additional five years, is adopted. These serve as a basis for determining funding requirements and other operational planning decisions. Certain projects which have a metropolitan significance are also submitted to the Metropolitan Council for review and approval. The Metropolitan Council is a regional planning agency responsible for coordination and planning of certain governmental services for the metropolitan area.

### **CAPITAL IMPROVEMENT PROGRAM PRIORITY CRITERIA**

Staff has developed a set of project priority categories to use as a guide in determining what projects to include in the CIP. These priorities are key, especially for those projects identified in the first year of the Plan. For those projects listed in the first year, Commission approval authorizes staff to proceed with plans and specifications. Bid results are presented to the Commission prior to awarding any contracts.

These priority categories, with a brief explanation, follow:

0. Committed  
Commission has made a commitment to complete these projects. Some projects are new while others are phases of a larger project.
1. Safety  
This category includes projects that staff feels are required to enhance or insure continued safety at each of the airports in the MAC system.
2. Essential Maintenance  
This category is for projects that cannot be accomplished by MAC maintenance forces, but are "essential" for reasons of economics or continued operation. Failure to proceed with the projects allows continued deterioration, which leads to higher replacement/repair costs, safety problems or insurance claims.
3. Regulatory Requirements  
This category includes projects that are necessitated by regulatory control over the Commission's actions, such as Federal Aviation Regulations and local, state or federal laws.
4. Noise Abatement/Other Environmental  
These projects address various environmental issues ranging from noise abatement, asbestos abatement or wetland mitigation and are precipitated by environmental concerns as well as regulations.
5. Preventative Maintenance  
These are projects oriented toward the constant changes occurring at the airports, the need to continuously upgrade older pavements to meet current loads and to avoid larger, disruptive projects in future years.
6. Customer Service/Tenant Projects  
These projects, as the name implies, are oriented toward improved customer service and/or convenience.
7. Operational Improvements  
These projects have been identified as improving various operational aspects of the airports, whether applicable to aircraft, tenants, and MAC staff or off airport service providers.
8. Other  
As might be expected, there are always projects that don't logically fall into any category.

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

**CIP SUMMARY AND POLICIES – 2008 OPERATING BUDGET**

Commission policies for Capital Projects are:

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

Anticipated project totals planned for 2008, 2009, 2010 and the extended period 2011-2014 (i.e. the proposed Capital Improvement Plan for 2008) are summarized below by location. The amounts shown represent the estimated total cost for the projects in the year construction will begin. These figures differ from those shown in the "Use of Funds" section in the Construction Budget detailed further below because the figures listed in that schedule represent anticipated actual costs for that year.

All project costs listed in this section are in 2008 dollars.

<b>CAPITAL IMPROVEMENT PLAN SUMMARY (CIP)</b>					
<b>(\$ = 000)</b>					
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011-2014</b>	<b>Total 2008-2014</b>
<u>Minneapolis/St. Paul International - 2010 Plan</u>					
Runway 4/22 Development	\$ -	\$ 4,300	\$ -	\$ -	\$ 4,300
Noise Mitigation	7,300	31,400	28,450	56,050	123,200
Taxiway C/D Complex Construction	2,200	6,000	6,000	-	14,200
Airfield Rehabilitation	1,000	1,000	2,800	2,900	7,700
Runway Rehabilitation	10,900	23,700	-	-	34,600
Lindbergh Terminal Rehabilitation & Development	500	-	-	-	500
Landside Rehabilitation & Repair	5,400	5,400	5,400	-	16,200
Miscellaneous Field & Runway	550	400	400	-	1,350
Miscellaneous Landside	800	-	-	5,500	6,300
<b>Total Minneapolis/St. Paul International - 2010 Plan</b>	<b>\$ 28,650</b>	<b>\$ 72,200</b>	<b>\$ 43,050</b>	<b>\$ 64,450</b>	<b>208,350</b>
<u>Minneapolis/St. Paul International - Post 2010 Plan</u>					
10 - Lindbergh Terminal	\$ 47,025	\$ 77,775	\$ 11,200	\$ 247,400	\$ 383,400
13 - Energy Management Center	5,800	1,000	1,000	1,000	8,800
21 - Field & Runway	9,970	14,700	10,750	16,600	52,020
23 - Control Tower	-	-	-	59,800	59,800
26 - Terminal Roads/Landside	100	100	100	800	1,100
31 - Parking	3,380	26,400	-	78,100	107,880
36 - Humphrey Terminal	700	4,000	13,700	126,400	144,800
39 - Public Areas and Roads	650	2,800	800	1,600	5,850
63 - Police	4,450	350	31,300	-	36,100
66 - Fire	300	-	-	-	300
76 - Environment	500	3,000	-	-	3,500
<b>Total Minneapolis/St. Paul International - Post 2010 Plan</b>	<b>72,875</b>	<b>130,125</b>	<b>68,850</b>	<b>531,700</b>	<b>803,550</b>
<b>Total All MSP Projects 2008 -2014</b>	<b>\$ 101,525</b>	<b>\$ 202,325</b>	<b>\$ 111,900</b>	<b>\$ 596,150</b>	<b>\$ 1,011,900</b>
<u>Reliever Airports</u>					
Reliever Airports - 2010 Plan Projects	\$ 15,320	\$ 26,600	\$ 11,750	\$ 9,350	\$ 63,020
Reliever Airports Utility Extension - 2010 Plan	4,300	200	0	500	5,000
<b>Total Reliever Airports - 2010 Plan</b>	<b>\$ 19,620</b>	<b>\$ 26,800</b>	<b>\$ 11,750</b>	<b>\$ 9,850</b>	<b>\$ 68,020</b>
Reliever Airports - Post 2010 Plan	-	675	-	600	1,275
<b>Total All Reliever Airport Projects 2008 - 2014</b>	<b>19,620</b>	<b>27,475</b>	<b>11,750</b>	<b>10,450</b>	<b>69,295</b>
<b>Total All Facilities Projects 2008 - 2014</b>	<b>\$ 121,145</b>	<b>\$ 229,800</b>	<b>\$ 123,650</b>	<b>\$ 606,600</b>	<b>\$ 1,081,195</b>

The seven-year total of approximately \$1.081 billion represents an increase of \$70.0 million from the previous year's CIP. This increase can be attributed to the expansion of the Humphrey Terminal Parking facilities as well as future "demand driven" projects relating to the Lindbergh and Humphrey Terminal expansions. Demand Driven projects represent those projects that will proceed only with increased passenger activity at MSP International.



**CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET****SOURCES AND USES OF FUNDS**

From December 31, 2006 through 2010, MAC has identified nine funding sources totaling \$1,145,791,000 including a beginning balance of \$313,266,000. During this period, MAC will expend \$996,290,000 leaving a net balance of \$149,502,000 at the end of 2010. This balance represents a portion of the 2009 and 2010 projects that were started but not completed by December 31, 2010.

**SOURCES**

Each source of funding is discussed below.

The Transfer from the Operating Budget is made at the end of each year after the debt service requirement and working capital balance have been funded. For 2008, a transfer of \$46.8 million is anticipated. The transfers for the period 2007 through 2010 are assumed to be stable and represent the application of all rates and charges per the Airline Lease Agreement New Airline Amendment. (Refer to Budget Message for discussion on potential methodology/lease changes that occurred in 2007.) The balance to be transferred for the period is estimated at \$222.6 million or 19.43%.

PFC funding or Passenger Facility Charge funding is the largest funding source at \$322.4 million or 28.14% of the total. Passenger Facility Charges (PFCs) were authorized by Congress to allow proprietors of commercial service airports, such as MAC, to impose a charge on enplaning passengers at those airports. The charge was originally set at \$1, \$2, or \$3. Essential Air Service Flights and Frequent Flyers are exempted from this charge. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers, to mitigate noise impacts and to expand airport system capacity. The Commission's first application began collecting PFCs on June 1, 1992.

Including this first application, the Commission has received approval from the Federal Aviation Administration for nine separate applications. A tenth application will be submitted to the FAA in January, 2008. The table below shows the status of all applications including the tenth.

**PFC Summary Table**

<b>Application Number</b>	<b>Approval Date</b>	<b>Amended Approval Amount (\$=000)</b>	<b>Collections As Of 12/01/07 (\$=000)</b>	<b>Paygo, Bond or Both</b>	<b>Status</b>
1	June, 1992	\$ 92,714	\$ 92,714	Paygo	Closed
2	August, 1994	140,779	140,779	Paygo	Closed
3	December, 1995	36,377	36,377	Paygo	Closed
4	December, 1998	55,472	55,472	Paygo	To be amended downward \$8.3 million and closed 1st quarter 2008
5	January, 2000	122,874	122,874	Paygo	To be amended downward \$10.5 million and closed 1st quarter 2008
6	January, 2003	1,161,479	206,742	Both	To be amended downward \$400 million 1st quarter 2008
7	June, 2005	26,411	1,855	Bonds	Open
8	June, 2005	191,380	109,338	Both	Open
9	November, 2005	7,316	9,100	Paygo	To be amended upward \$1.8 million and closed 1st quarter 2008
10		138,450	-	Paygo	Application to be filed January 2008
		<u>\$ 1,973,252</u>	<u>\$ 775,251</u>		

In conjunction with filing these amendments, the Commission was required to file a Competition Plan. Before any approval/consideration could be given to these amendments, the FAA needed to approve this Plan. Approval from the FAA regarding the Competition Plan was received on November 21, 2000. In addition, Congress earlier in 2000 authorized proprietors of commercial service airports to increase the level of PFC up to a maximum of \$4.50. This level of collection required the completion and approval of a Competition Plan for the airport. The Commission received approval of these amendments in January 2001.

<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET</b>
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Federal Grants are funds which are used for FAA approved projects including approved noise compatibility programs and noise insulation projects for communities surrounding the airport. These funds are estimated at \$101.3 million or 8.84% of the sources listed above. Certain criteria must be met when an application for a project is submitted to the FAA. If the criteria are met, the grant money may be issued.

State Grants are similar to Federal grants. The dollars are on a much smaller scale, but each application must meet the required criteria in order to receive the grant. This source is estimated at \$8.9 million or 0.78% of the total funding through 2009.

Interest Income is based on the balance in the fund. As noted above, a 4.00% rate is assumed for 2006 through 2010. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$49.5 million or 4.32% of sources is projected.

Commercial Paper is used as an interim funding source. For the period 2006-2010, the Commission anticipates issuing \$66.4 million or 5.79% in Commercial Paper in lieu of issuing Long Term Debt at the present time.

Federal Letter Of Intent (LOI) is a grant program similar to Federal Grants listed above. MAC submitted an application in June 1998 totaling \$186 million. The LOI was approved in mid 1999 at a \$95 million level. The Commission will receive the \$95 million in various amounts until 2010. LOI funding in 2006 was \$7.5 million. LOI Funding is estimated for the period at \$29.5 million or 2.57%.

Other Receipts are funds received by MAC from various tenants and/or government entities that are paid to MAC for project expenditures incurred by the Commission on behalf of the tenant/entity. This amount is estimated at \$32.0 million or 2.79%.

**CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET**

## USES

There are four general categories of uses listed. The first, CIP project costs (\$724.2 million) represent 72.7% of the total. The second area is Commercial Paper Retired (\$14.5 million) and represents 1.5% of the total. This mechanism is to be used as an interim funding source. The Debt Service Transfer of \$157.6 million or 15.8% of this total represents the transfer of PFC Debt Service for those projects with associated bond payments. The final category is the use of Pay As You Go PFCs. These are used to reimburse the cost of completed projects and represent 10.0% of the total.

CIP project costs include both actual construction costs and any fees (i.e. architectural/engineering) which may be associated with the project. Also included in this figure are projects in process. Significant project costs include those associated with 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.

<b>Projects in Process (As of November 30, 2007)</b>		
<b>(\$ = 000)</b>		
<b><u>Project Description</u></b>	<b><u>Estimated Project Cost</u></b>	<b><u>Payments To Date</u></b>
Rwy 12R/30L Recon-Seg	\$16,000	\$12,577
TWY C-D Complex South--PH 3	\$8,200	\$6,318
2006 Pavement Reconst	\$6,450	\$5,156
2007 Pavement Reconstruction	\$3,200	\$2,922
Runway 12L Deicing Pad Modifications	\$1,700	\$1,137
Runway 17/35 Land Acquisitions and Developments	\$31,100	\$29,632
2005 Miscellaneous Modifications	\$1,200	\$1,137
Lindbergh Terminal In-line Baggage Screening	\$27,410	\$25,239
2006 Miscellaneous Modifications	\$1,200	\$1,016
Police Operations Center (POC) Remodeling	\$2,400	\$265
Lindbergh Terminal Chilled Water Pump Replacement	\$1,000	\$396
Lindbergh Terminal Fire Protection System Phase I - 2007	\$4,900	\$331
2007 Concourse E Re-roof	\$2,000	\$629
HHH Parking Ramp Expansion	\$101,730	\$61,008
2007 Ramp Rehabilitation	\$1,500	\$734
Part 150 Sound Insulation Projects (Homes, Multi-Family)	\$1,455	\$1,445
St. Paul Airport - Perimeter Dike - Compensatory Excavation	\$5,250	\$5,127
St. Paul Airport - Flood Protection Perimeter Dike	\$21,700	\$5,573
St. Paul Airport - Runway Safety Area Improvement	\$3,550	\$2,851
2007 Runway Safety Area Improvements	\$2,400	\$1,419
Secured Access System Upgrade	\$3,523	\$2,860
Commercial Vehicle System Replacement	\$2,700	\$1,985
HHH Common Use Terminal Equipment Upgrades	\$2,000	\$1,770
2020 Vision Projects - Phase One	\$165,242	\$9,375
All Other Projects in Process	\$182,788	\$28,704
<b>Totals:</b>	<b>\$600,598</b>	<b>\$209,606</b>

<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET</b>
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The listing below summarizes all construction, and expansion projects whose costs exceed \$5.0 million at MSP and \$2.0 million at the reliever airports. These dollar limits represent the level at which the Metropolitan Council (a regional planning agency) must review and approve projects. In addition, noise projects in excess of \$1.0 million are summarized.

**CAPITAL IMPROVEMENT PROJECTS**  
(Dollars in Thousands)

**2010 PROGRAM PROJECTS**

	<b>2008</b>	<b>2009</b>
<b>MSP INTERNATIONAL</b>	<b>\$</b>	<b>\$</b>
<b><u>Runway 4/22 Development Program</u></b>		
Runway 4/22 Development Program Projects Less Than \$5,000,000	<u>\$ 0</u>	<u>\$ 4,300</u>
Total Runway 4/22 Development Program Projects	<u>\$ 0</u>	<u>\$ 4,300</u>
<b><u>Noise Mitigation Program</u></b>		
<b><u>Residential Sound Insulation</u></b>		
The project implements the sound insulation program based on the 2007 Noise Exposure Map contained in the Part 150 update consistent with the terms and Conditions of the court ordered Consent Decree.	<u>\$ 7,300</u>	<u>\$31,400</u>
<b>Noise Mitigation Program Projects Less Than \$5,000,000</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total Noise Mitigation Program Projects</b>	<u>\$ 7,300</u>	<u>\$31,400</u>
<b><u>Taxiway C/D Complex Construction</u></b>		
<b><u>Taxiway C/D Complex</u></b>		
These projects will be the fourth and fifth phases in a multi-phase program to reconstruct and reconfigure Taxiways C and D between Taxiway A and Taxiway P. This project consists of reconstruction of segments of Taxiway D from Taxiway A to Taxiway C5 and associated crossover taxiways.	<u>\$ 2,200</u>	<u>\$ 6,000</u>
<b>Taxiway C/D Complex Program Projects Less Than \$5,000,000</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total Taxiway C/D Complex Program Projects</b>	<u>\$ 2,200</u>	<u>\$ 6,000</u>
<b><u>Airfield Rehabilitation Program</u></b>		
<b>Airfield Rehabilitation Projects Less Than \$5,000,000</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
<b>Total Airfield Rehabilitation Projects</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET</b>
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**Runway Rehabilitation Program****Taxiway P Reconstruction**

This project provides for the realignment and reconstruction of the section of Taxiway P from Taxiway C to Taxiway P3. The existing concrete pavement is 12 inches in thickness versus the 16 inches on all other taxiways. The north edge of the taxiway will also be widened to align with Taxiway P west of Runway 4/22. This project will be completed in two phases beginning in 2008.

\$ 9,800	\$ 1,700
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**Pavement Rehabilitation – Runway 12L/30R Seg. 2**

This project provides for the reconstruction of the middle section of Runway 12L/30R located between Runway 4/22 and Taxiway P3 and associated taxiway connectors. Reconstruction of the two end segments has been completed in previous years with Segment 2 being the final section of reconstruction.

\$ 0	\$22,000
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<b>Other Runway Rehabilitation Program Projects Less Than \$5,000,000</b>	\$ 1,100	\$ 0
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<b>Total Runway Rehabilitation Program Projects</b>	<b>\$10,900</b>	<b>\$23,700</b>
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**Terminal Rehabilitation & Development Program**

<b>Terminal Rehabilitation &amp; Development Program Projects Less Than \$5,000,000</b>	\$ 500	\$ 0
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\$ 500	\$ 0
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<b>Total Terminal Rehabilitation &amp; Development Program Projects</b>	<b>\$ 500</b>	<b>\$ 0</b>
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**Landside Rehabilitation & Repair Program**

<b>Landside Rehabilitation &amp; Repair Program Projects Less Than \$5,000,000</b>	\$ 5,400	\$ 5,400
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\$ 5,400	\$ 5,400
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<b>Total Landside Rehabilitation &amp; Repair Program Projects</b>	<b>\$ 5,400</b>	<b>\$ 5,400</b>
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\$ 5,400	\$ 5,400
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**Miscellaneous Field and Runway Program**

<b>Other Miscellaneous Field and Runway Program Projects Less Than \$5,000,000</b>	\$ 550	\$ 400
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\$ 550	\$ 400
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<b>Total Miscellaneous Field and Runway Program Projects</b>	<b>\$ 550</b>	<b>\$ 400</b>
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\$ 550	\$ 400
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**Miscellaneous Landside Program**

<b>Miscellaneous Landside Program Projects Less Than \$5,000,000</b>	\$ 800	\$ 0
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\$ 800	\$ 0
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<b>Total Miscellaneous Landside Program Projects</b>	<b>\$ 800</b>	<b>\$ 0</b>
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\$ 800	\$ 0
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**RELIEVER AIRPORTS PROGRAM****Flying Cloud****Runway 10R/28L Widening/Extension**

This project includes the construction of a 1,200 foot extension to Runway 10R/28L along with the widening of the existing runway pavement from 75 feet to 100 feet. The project also includes the relocation of the VOR, MALSR and glide scope equipment via a reimbursable agreement with the FAA and guidance sign relocations to reflect the extended runway length. This is the second runway project in the multi-phase improvement program.

\$ 0	\$ 11,200
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**South Building Area**

This project will provide for the first phase in the construction of the new South Building Area and will include site grading and sanitary sewer and water main installation. (Funding for this project is to be provided by others.)

\$ 0	\$ 7,000
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<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET</b>
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**St. Paul****Runway Safety Area**

This project is the third and final stage of safety area improvements at St. Paul. This year's project includes the installation of an Engineered material Arresting System (EMAS) at both ends of Runway 14/32, the relocation of the Runway 32 localizer antenna, and minor modifications to some Runway 14 MALSR towers.

<u>\$ 10,700</u>	<u>\$ 0</u>
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**Pavement Rehabilitation**

This project will include the reconstruction of segments of Taxiways A, A1 and A2.

<u>\$ 0</u>	<u>\$ 2,500</u>
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**Airlake****South Building Area Development**

This project provides for the installation of sanitary sewer and water main including a stand alone restroom facility and fire protection hydrant line and alley construction including aggregate base and bituminous. The project also includes paving a section of 225th Street which will then connect to Cedar Avenue. (Funding for this project to be provided by others.)

<u>\$ 0</u>	<u>\$ 2,500</u>
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**Other Reliever Airport Program Projects Less Than \$2,000,000**

<u>\$ 4,620</u>	<u>\$ 3,400</u>
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**Total Reliever Airport Program Projects**

<u>\$15,320</u>	<u>\$26,600</u>
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**Reliever Airports Utility Extension Program****Flying Cloud – Sanitary Sewer and Water Main Extensions**

In accordance with the Memorandum of Agreement with the City of Eden Prairie and the requirements by the Minnesota Pollution Control Agency to close all private well and septic systems at the airport, staff proposes to complete the installation of sanitary sewer and water along Pioneer Trail to serve the FBOs and interested tenants in the north building area. In addition, the project will include construction of a restroom facility for tenants who do not or cannot connect to the new utilities (many are in a non-service area) and a plane wash facility.

<u>\$ 4,300</u>	<u>\$ 0</u>
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**Other Reliever Airports Utility Extension Program Projects Less Than \$5,000,000**

<u>\$ 0</u>	<u>\$ 200</u>
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**Total Reliever Airports Utility Extension Program Projects Less Than \$5,000,000**

<u>\$ 4,300</u>	<u>\$ 200</u>
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**Total 2010 Plan Projects**

<u>\$48,270</u>	<u>\$99,000</u>
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<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET</b>
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**POST 2010 PROJECTS****MSP INTERNATIONAL****10 – Lindbergh Terminal****Lindbergh Terminal Sprinkler System**

Changes in the State Building Code require that the Terminal and Concourse be fully sprinkled. This project will be the third phase in a multi-phase program to provide the required fire sprinkler and alarm system. These projects will be located within the Lindbergh Terminal.

\$ 11,200	\$ 8,600
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**Lindbergh Terminal Carpet Replacement**

The carpet in the Lindbergh Terminal was replaced in phases starting in 1998. The carpet is delaminating and showing excessive wear. A program to replace the carpet is being proposed to start in 2008.

\$ 5,500	\$ 0
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**Concourse G Extension – Site Preparation**

The Commission approved in July, 2007 the demolition of the Building B complex except for premises retained by Northwest Airlines. There will be a series of projects to accomplish the demolition of the structure and below-grade utilities including removal and disposal of all asbestos contained materials and any other environmentally hazardous materials. These projects will provide for the demolition of the superstructure, removal and disposal of all asbestos materials and all environmentally hazardous materials. Also included are below grade demolition and abatement.

\$ 19,800	\$ 16,700
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**Lindbergh Terminal In-line Baggage Screening Expansion**

This project will begin Phase 2 of a 3 phase program to provide the Lindbergh Terminal with an automated, in-line Explosives Detection System (EDS). Phase 2 will provide a replacement building and in-line automated EDS System for the Lindbergh Terminal's existing "bus stop" semi-automated system. This upgrade will improve baggage screening, overall reliability and reduce labor costs.

\$ 0	\$ 25,500
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**D Pod Baggage Conveyor**

This project provides for the installation of a conveyor from the existing EDS baggage screening system to new piers in the ground level of the D pod. The new piers will accommodate a future allocated sortation system. The completed system will improve existing tenant baggage sortation and transfer efficiency and safety and allow a quicker response for entry into the market for future D pod tenants.

\$ 0	\$ 10,000
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<b>Lindbergh Terminal Projects Less Than \$5,000,000</b>	<b>\$ 10,525</b>	<b>\$ 16,975</b>
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<b>Total Lindbergh Terminal Projects</b>	<b>\$ 47,025</b>	<b>\$ 77,775</b>
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**13 – Energy Management Center**

<b>Energy Management Center Projects Less Than \$5,000,000</b>	<b>\$ 5,800</b>	<b>\$ 1,000</b>
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<b>Total Energy Management Center Projects</b>	<b>\$ 5,800</b>	<b>\$ 1,000</b>
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**21 – Field and Runway****Perimeter Fence/Gate Barrier System**

This project is part of a phased program to strengthen the perimeter security fence and airfield access gates. Proposed work includes the replacement of the existing chain link fence with steel cabling and in some locations welded wire mesh fence on concrete barriers. Existing gates will be reinforced and a hydraulic crash barrier will be constructed at one gate location.

\$ 6,400	\$ 6,300
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<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET</b>
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**ASR Shadow Mitigation**

The Airport Surveillance Radar (ASR) provides FAA approach and departure control and air traffic with aircraft separation information for a 40-mile radius around MSP. This is a vital tool in FAA's arsenal to provide safe separation of aircraft using MSP and the surrounding airports. The radar is a line-of-sight technology and as such its signal is impacted by building structures and other physical impediments that can block the signal, posing risk to aircraft which are being handled by the MSP controllers. This project is to provide mitigation technology in concert with the FAA for present and future planned airport and off-airport building shadows that would impact the ASR capability and aviation safety.

\$ 0	\$ 5,000
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<b>Field and Runway Projects Less Than \$5,000,000</b>	\$ 3,570	\$ 3,400
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<b>Total Field and Runway Projects</b>	\$ 9,970	\$ 14,700
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**26 – Terminal Roads/Landside**

Terminal Roads/Landside Projects Less Than \$5,000,000	\$ 100	\$ 100
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Total Terminal Roads/Landside Projects	\$ 100	\$ 100
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**31 – Parking****Humphrey Orange Ramp Outrigger Addition**

This project will add five additional levels (Levels 4-8) of parking on the east side of the Orange Ramp as well as over the Humphrey LRT Station.

\$ 0	\$ 24,200
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Parking Projects Less Than \$5,000,000	\$ 3,380	\$ 2,200
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Total Parking Projects	\$ 3,380	\$ 26,400
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**36 – Humphrey Terminal**

Humphrey Terminal Projects Less Than \$5,000,000	\$ 700	\$ 4,000
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Total Humphrey Terminal Projects	\$ 700	\$ 4,000
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**39 – Public Areas/Roads**

Public Areas/Roads Projects Less Than \$5,000,000	\$ 650	\$ 2,800
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Total Public Areas/Roads Projects	\$ 650	\$ 2,800
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**63 - Police**

Police Projects Less Than \$5,000,000	\$ 4,450	\$ 350
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Total Police Projects	\$ 4,450	\$ 350
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**66 – Fire**

Fire Projects Less Than \$5,000,000	\$ 300	\$ 0
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Total Fire Projects	\$ 300	\$ 0
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<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET</b>
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**76 – Environment**

Environment Projects Less Than \$5,000,000	<u>\$ 500</u>	<u>\$ 3,000</u>
Total Environment Projects	<u>\$ 500</u>	<u>\$ 3,000</u>

**81 – St. Paul**

St. Paul Projects Less than \$5,000,000	<u>\$ 0</u>	<u>\$ 675</u>
Total St. Paul Projects	<u>\$ 0</u>	<u>\$ 675</u>

Total Post 2010 Program Projects	<u>\$ 72,875</u>	<u>\$130,800</u>
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Total 2010 Projects and Post 2010 Projects	<u>\$121,145</u>	<u>\$229,800</u>
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## CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET

<b>Program Summary 2008 - 2009</b>		
<b>\$ = 000</b>		
	<b><u>2008</u></b>	<b><u>2009</u></b>
<u>Remaining 2010 Plan Projects</u>		
Runway Deicing/Holding Pad	\$ -	\$ 4,300
Noise Mitigation	7,300	31,400
Taxiway C/D Complex Construction	2,200	6,000
Airfield Rehabilitation	1,000	1,000
Runway Rehabilitation	10,900	23,700
Lindbergh Terminal Rehabilitation & Development	500	-
Landside Rehabilitation & Repair	5,400	5,400
Reliever Airports	19,620	26,800
Miscellaneous Field & Runway	550	400
Miscellaneous Landside	800	-
Total Remaining 2010 Plan Projects	<u>\$ 48,270</u>	<u>\$ 99,000</u>
<u>Post 2010 Plan Projects</u>		
10 - Lindbergh Terminal	\$ 47,025	\$ 77,775
13 - Energy Management Center	5,800	1,000
21 - Field & Runway	9,970	14,700
23 - Control Tower	-	-
26 - Terminal Roads/Landside	100	100
31 - Parking	3,380	26,400
36 - Humphrey Terminal	700	4,000
39 - Public Areas and Roads	650	2,800
63 - Police	4,450	350
66 - Fire	300	-
76 - Environment	500	3,000
80's - Reliever Airports	-	675
Total Post 2010 Plan Projects	<u>72,875</u>	<u>130,800</u>
Total All Projects	<u>\$ 121,145</u>	<u>\$ 229,800</u>

**CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET**

The following table attempts to identify additional Maintenance & Operations (M&O) expenses that can be attributed to new projects/facilities coming on line in 2008 and 2009. The 2008 budget dollars for operating expenses include the figures listed in the “Budget Year 2008” column. As stated in the Budget Message, the two-year capital program (2008 and 2009) totals \$350.9 million. This total is comprised of the following major projects:

Noise Mitigation	\$	38.7	million	11%
Pavement Rehab - Rwy 12L/30R Seg.2	\$	22.0	million	6%
Taxiway P Reconstruction	\$	11.5	million	3%
Reliever Airports	\$	47.1	million	13%
Perimeter Fence/Gate Barrier System	\$	12.7	million	4%
Lindbergh Term. In-Line Bag Screening	\$	25.5	million	7%
Lindbergh Terminal Sprinkler System	\$	19.8	million	6%
Concourse C Site Preparation	\$	36.5	million	10%
Lindbergh Term. D Pod Bag Conveyor	\$	10.0	million	3%
HHH Terminal Parking Facility	\$	24.5	million	7%
	\$	<u>248.3</u>	million	<u>71%</u>

**Maintenance & Operating Budget Impact of 2008 - 2009 Projects**

**\$=000**

<u>Program/Project Areas</u>	<u>2008-2009 Project Cost Totals</u>	<u>Impact Budget Year 2008</u>	<u>Impact Budget Year 2009</u>
<b>Field &amp; Runway/Airside</b>			
1 Rehab/Other Projects	\$ 63,720	\$ -	\$ -
Completion 2006 - 2008	2,800	-	75
1 Post 2008 Completion	<u>8,200</u>	-	-
<b>Totals</b>	\$ 74,720	\$ -	\$ 75
<b>Environmental</b>			
1 Rehab/Other Projects	\$ 42,200	\$ -	\$ -
Completion 2006 - 2008	-	-	-
1 Post 2008 Completion	<u>-</u>	-	-
<b>Totals</b>	\$ 42,200	\$ -	\$ -
<b>Terminals &amp; Landside</b>			
1 Rehab/Other Projects	\$ 49,150	\$ -	\$ -
Completion 2006 - 2008	37,130	50	90
1 Post 2008 Completion	<u>100,650</u>	-	-
<b>Totals</b>	\$ 186,930	\$ 50	\$ 90
<b>Reliever Airports</b>			
1 Rehab/Other Projects	\$ 12,745	\$ -	\$ -
Completion 2006 - 2008	11,600	10	50
1 Post 2008 Completion	<u>22,750</u>	-	-
<b>Totals</b>	\$ 47,095	\$ 10	\$ 50
<b>Total All Areas</b>			
1 Rehab/Other Projects	\$ 167,815	\$ -	\$ -
Completion 2006 - 2008	\$ 51,530	60	215
1 Post 2008 Completion	<u>\$ 131,600</u>	-	-
<b>Totals</b>	<u>\$ 350,945</u>	<u>\$ 60</u>	<u>\$ 215</u>

1 No budget impact because there were no expanded or new facilities, or noise/sound proofing related or the project will not be completed until post 2009.

<b>CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET</b>
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<b><u>Category</u></b>	<b><u>2008-2009 Maintenance &amp; Operating Expense Impact</u></b>
Field and Runway	Of the \$74.2 million in projects listed, \$71.9 million relate to either rehab projects or those that will be completed post 2009. The maintenance costs shown for 2008 and 2009 are associated with completion of Runway 30R MALSF (Medium Intensity Approach Lighting System with Sequence Flashes) and the Baggage Quarantine Building.
Environmental	A total of \$42.2 million is included and will not have any maintenance costs associated with it.
Terminals and Landside	Of the \$186.9 million of projects, \$149.8 million are rehab or other projects which result in no new areas or facilities and, as such, have no budget impact. Approximately \$37.1 million of projects will either be completed late 2008 or early 2009. The majority of the maintenance cost increase (\$50,000 – 2008; \$90,000 – 2009) can be attributed to the Sprinkler System, Elevator/Escalator at Checkpoint 5 in the Lindbergh Terminal and Emergency Communications Center Backup Facility.
Relievers	Of the \$47.1 million of projects, \$35.5 million relate to either rehab projects or those that will be completed post 2009 and, as such, have no budget impact. The increased cost reflects Runway Safety Area at St. Paul and a Runway Extension at Flying Cloud.

**CAPITAL IMPROVEMENT PROJECT SUMMARIES – 2008 OPERATING BUDGET**

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**DEBT SERVICE POLICIES – 2008 OPERATING BUDGET****DEBT SERVICE BUDGET/FINANCIAL POLICIES**

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

**Debt Service and Reserve****A. Debt**

- 1) Currently the Commission is able to issue Airport Improvement Bonds, General Obligation Revenue Bonds and General Airport Revenue Bonds, both fixed and variable rate.
- 2) Funds will be managed to avoid any property tax levy.
- 3) MAC will maintain the highest rating available from Fitch, Moodys and/or Standard and Poor's Rating Agencies on Airport Improvement Bonds and General Obligation Revenue Bonds.
- 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 must show a minimum 3% Net Present Value (NPV) savings as specified in Minnesota Statute Section 475.67, Subd. 12.
- 6) The current remaining authorized level of issuance for General Obligation Revenue Bonds is \$55 million.
- 7) The MAC will endeavor to keep the total maturity length of General Obligation Bonds below 20 years and retire at least 50% of the principle within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.
- 8) Regarding Special Facility Bonds, staff will adhere to Administrative Policy 2701 dealing with Special Facility Financing.
- 9) In December 2003, the Commission approved a policy to deal with derivative financing products. In July 2004, the Commission along with its Financial Advisor and Bond Counsel refined this policy further. The refinements include establishing separate savings criteria and efficiency criteria in dealing with derivative financing products.

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

**C. Debt Limits** – Currently the Commission has three forms of indebtedness: Commercial Paper, General Airport Revenue Bonds (GARBs) and General Obligation Revenue Bonds (GORBs). The GORB instrument has the most straight forward legal limit. That is, the Commission must receive Legislative approval to authorize and issue this type of debt. Currently the Commission is authorized to issue up to \$55 million of additional GORB debt. With regard to Commercial Paper, the total authorized limit is currently \$200 million. This will not change unless MAC increases the level or “takes out” one of the two programs (\$125 million and \$75 million respectively). 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.

**DEBT SERVICE REQUIREMENTS – 2008 OPERATING BUDGET**

**DEBT SERVICE REQUIREMENT**

The Metropolitan Airports Commission in the past has issued two forms of indebtedness: Airport Improvement Bonds and General Obligation Revenue Bonds. From 1943 to 1975 MAC issued Airport Improvement Bonds to provide funds for its Capital Improvement Program (CIP). Since 1976, General Obligation Revenue Bonds have been issued which are backed by Commission revenues and the authority to levy any required taxes on the assessed valuation of the seven-county metropolitan area. 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, fee, rentals and charges, so that during each fiscal year the Net Revenues, together with any permitted transfer, will be equal to at least 125% of aggregate annual debt service on the outstanding Senior Lien GARBs and 110% for outstanding Subordinate Lien GARBs. (See Long Term Debt Section below.)

With regard to General Obligation Revenue Bonds, 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 required balance as of October 10 in this Debt Service Account for the next five years is as follows (in thousands):

October 10, 2008	\$64,820
October 10, 2009	\$65,342
October 10, 2010	\$62,330
October 10, 2011	\$59,444
October 10, 2012	\$60,110

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

The annual actual debt service requirement for the next five years for the GARB issue 1998 Series B, C, 1999 Series B, 2000 Series B, 2001 Series B, D, 2003 Series A, 2004 Series A, 2005 Series A, B, C and 2007 Series A and B is:

January 1, 2008	\$110,765
January 1, 2009	110,731
January 1, 2010	110,750
January 1, 2011	110,612
January 1, 2012	117,217

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

The table below shows future debt requirements for existing debt on an annual calendar year basis after December 31, 2007 for the next five years, as well as a cumulative total for the period 2013-2035. The dollars shown are in thousands.

(\$ = 000)	Notes Payable (Principal)	General Obligation Bonds (Principal)	General Airport Revenue Bonds (Principal)	Total Outstanding Bonds	Total All Interest	Total Principal & Interest
<b>2008</b>	\$ 45,887	\$ 14,165	\$ 30,315	\$ 44,480	\$ 98,448	\$ 188,815
<b>2009</b>	-	15,085	31,920	47,005	96,002	143,007
<b>2010</b>	-	16,250	33,585	49,835	93,459	143,294
<b>2011</b>	-	17,475	35,395	52,870	90,540	143,410
<b>2012</b>	-	15,160	44,140	59,300	87,448	146,748
<b>2013-2035</b>	-	212,020	1,440,895	1,652,915	871,320	2,524,235
	<b>\$ 45,887</b>	<b>\$ 290,155</b>	<b>\$ 1,616,250</b>	<b>\$ 1,906,405</b>	<b>\$ 1,337,218</b>	<b>\$ 3,289,510</b>

Notes Payable represents Commercial Paper

(The October 10, 2008 listing prior to the above chart will not, nor is it intended to, tie out due to timing of payments and period covered. The information used to calculate the tables above is the same. The tables above do not include any new bond issues or recent refundings.)

**LONG TERM DEBT – 2008 OPERATING BUDGET**

**LONG TERM DEBT**

The acquisition and construction of facilities at the airports operated by the Commission have been substantially financed by the issuance of Airport Improvement Bonds (all of which have been defeased), General Obligation Revenue Bonds (GORBs) and General Airport Revenue Bonds (GARBs).

General Obligation Revenue Bonds are general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission. The Commission has the power to levy property taxes upon all taxable property in the seven county Metropolitan Area in order to pay debt service outstanding on General Obligation Revenue Bonds. (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 General Obligation Revenue Bonds. The Commission currently has available for issuance under the existing legislative authorization approximately \$55 million.

The 1996 Minnesota State Legislature authorized the Commission to issue General Airport Revenue Bonds. 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 General Obligation Revenue Bonds.

The projected coverage ratio for 2008 on Senior Debt Obligations is 2.22x. With the optional coverage transfer this figure goes to 2.36x.

**LONG TERM DEBT – 2008 OPERATING BUDGET**

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

Bonds Payable, due serially (\$ = 000):	Issue Date	Original Amount	Final Payment In	Outstanding as of Year End	
				2008	2007
<b>Notes Payable:</b>					
Series A - 2.80 to 3.25%	*	\$ 83,000	2010	\$ 59,200	\$ 39,119
Series B - 2.95 to 3.45%	*	42,000	2008	6,768	6,768
Series D	*	75,000		-	-
Total Notes Payable				<u>\$ 65,968</u>	<u>\$ 45,887</u>
<b>General Obligation Revenue Bonds:</b>					
Series 13 - 4.0 to 5.25% (Refund Series 7)	11/01/98	38,750	2015	20,950	23,410
Series 14 - 5.0 to 5.5% (Refund Series 8)	11/01/01	25,690	2011	9,875	12,880
Series 15 - 3.0 to 6.85% (Refund Series 9)	01/01/02	287,825	2022	245,165	253,865
Total General Obligation Revenue Bonds				<u>\$ 275,990</u>	<u>\$ 290,155</u>
<b>General Airport Revenue Bonds:</b>					
1998 Series B - 5.00 to 5.20%	06/01/98	84,000	2030	\$ 73,580	\$ 80,810
1999 Series B - 4.75 to 5.625%	07/01/99	135,095	2022	103,610	108,785
2000 Series B - 5.25 to 6.20%	05/01/00	88,745	2021	70,015	73,555
2001 Series B - 5.0 to 5.75%	06/01/01	98,815	2024	81,165	84,490
2001 Series D - 5.0 to 5.75%	06/01/01	70,210	2016	44,360	49,225
2003 Series A - 4.5% to 5.25%	06/01/03	102,690	2031	102,690	102,690
2004 Series A - 5.2%	06/01/04	109,950	2031	103,350	105,650
2005 Series A - 4.25 to 5.00%	06/02/05	136,110	2035	136,110	136,110
2005 Series B - 5.00%	06/02/05	113,155	2026	109,600	113,155
2005 Series C - 3.00 to 5.00%(Refund 2000 A)	06/02/05	123,750	2032	123,110	123,435
2007 Series A - 4.50 to 5.00%(Refund 1998A, 1999A and 2001 A)	01/09/07	440,985	2032	440,985	440,985
2007 Series B - 4.50 to 5.00%(Refund 2001C)	01/09/07	197,360	2032	197,360	197,360
Total General Airport Revenue Bonds				<u>\$ 1,585,935</u>	<u>\$ 1,616,250</u>
<b>TOTAL BONDS OUTSTANDING</b>				<u>\$ 1,927,893</u>	<u>\$ 1,952,292</u>
* Issue dates for the Notes Payable are various.					

**DEBT SERVICE BUDGET AND SOURCES AND USES – 2008 OPERATING**

## BOND REFUNDINGS

In September, 2006, staff was approached by members of its Underwriting Team regarding the potential refunding of certain bond series. At that point in time, gross savings were approximately \$30 million with a net present value savings of 3.5%. The market continued to improve in favor of the refunding. However, the dilemma of disclosure through an official statement caused by the confidentiality of the Northwest Bankruptcy and Lease negotiations (See Budget Message) was an issue. As a result, in December MAC reached agreement with members of its Underwriting Team to “privately place” the refunding bonds. The refunding issue closed in mid-January 2007 with gross savings in excess of \$58 million and net present value savings of 5.16%.

	<b>Prior 1998A 1999A/2001A <u>Debt Service</u></b>	<b>Refunding 2007A <u>Debt Service</u></b>	<b>Gross <u>Savings</u></b>
Senior Bonds	\$ 871,951	\$ 833,182	\$ 38,769
	<b>Prior 2001C <u>Debt Service</u></b>	<b>Refunding 2007B <u>Debt Service</u></b>	<b>Gross <u>Savings</u></b>
Subordinate Bonds	\$ 386,349	\$ 366,918	\$ 19,431
Totals	\$ 1,258,300	\$ 1,200,100	\$ <b>58,200</b>
Net Present Value Savings %			<b>5.16%</b>

In late 2007, staff reviewed the possibility of a current refunding of the 1998B Bonds and a forward refunding of the 1999B Bonds. Market conditions in early December 2007 were extremely favorable for both transactions. However at the time all documents were finalized, the market retreated. In early 2008 a window of opportunity opened for the refunding of the 1998B Bonds and the transaction was completed with present value savings of 3.32%. (This transaction is not reflected in this document.) The forward refunding of the 1999B Bonds has not yet moved ahead based on market conditions. In addition, staff is reviewing action on the 2004A Auction Rate Securities. This action includes converting to Long Term Debt, other Short Term Debt or complete take out of the bonds.

In addition, due to the instability and fluctuations that are and have been occurring in the Auction Rate Securities market (Series 2004A), the Commission will evaluate and position itself to either retain the Auction Rate Securities or convert the Securities to another Variable Rate Instrument or to Long Term Debt during the first quarter 2008.

## NEW DEBT ACTIVITY – 2007

There were no new debt issues in 2007. (See above for 2007A and 2007B Refunding.)

## NEW ISSUES

The Capital Improvement program approved by the Commission in December 2007 for the period 2008-2014 does not include funding of projects with new long term debt in 2008 or 2009. Projects in these two years will be funded with Commercial Paper if other sources (internal, aid and PFCs) are not sufficient. Only if those “Demand Driven” (those tied to passenger and activity growth) projects proceed will there be additional new long term debt.

**DEBT SERVICE BUDGET AND SOURCES AND USES – 2008 OPERATING**

## DEBT SERVICE BUDGET

The Debt Service Budget is shown below.

<b>2007 DEBT SERVICE BUDGET</b>						
<b>(\$=000)</b>						
	<b>Actual</b>	<b>Estimated</b>	<b>Budget</b>	<b>Budget</b>	<b>Projected</b>	<b>Projected</b>
	<b>2006</b>	<b>2007</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
January 1 Balance	\$ 274,596	\$ 266,871	\$ 266,874	\$ 265,280	\$ 266,110	\$ 266,872
Source Of Funds:						
Transfer from Operating Fund	69,885	72,318	70,000	77,937	76,993	73,785
Transfer from PFCs 3	30,941	27,379	35,988	32,141	32,275	32,277
Interest earnings 1	8,069	10,571	7,923	7,400	7,368	7,218
Bond Proceeds 2	-	638,593	-	-	-	-
NWA payments	26,136	26,115	26,269	26,370	27,170	27,190
<b>Total Sources Of Funds</b>	<b>\$ 135,031</b>	<b>\$ 774,976</b>	<b>\$ 140,180</b>	<b>\$ 143,848</b>	<b>\$ 143,806</b>	<b>\$ 140,470</b>
Uses Of Funds						
Bond Series 2007A/B Refund	\$ -	\$ (640,090)	\$ -	\$ -	\$ -	\$ -
Total Principal/Interest Paid 2	\$ (142,756)	\$ (136,477)	\$ (146,846)	\$ (143,018)	\$ (143,044)	\$ (143,277)
<b>Ending Balance 4</b>	<b>\$ 266,871</b>	<b>\$ 265,280</b>	<b>\$ 260,208</b>	<b>\$ 266,110</b>	<b>\$ 266,872</b>	<b>\$ 264,065</b>
1 Interest Rate Assumed 4.00% for the entire period.						
2 Includes Debt Reserve, Capitalized Interest & Issuance Costs.						
3 Used to pay in existing debt which was formerly paid for with operating funds.						
4 Does not include any new issues or contemplated refundings.						

## SOURCES OF FUNDS

Each source of funding is discussed below.

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

The PFC transfer represents the use of PFCs to pay a portion of existing debt beginning in 2003 for various issues in 2003, 2004 and 2005 instead of operating funds. This transfer will fluctuate due to interest earnings, refundings and new issues.

Interest earnings are assumed at 4.00% for 2007 through 2010. In projecting interest income, the Commission typically takes a conservative approach.

Bond proceeds are made up of reserves, issuances costs and capitalized interest. The proceeds in 2007 represent the proceeds from the bond refunding of Series 1998A, 1999A, 2001A and 2001C (Series 2007A and B).

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

- General Obligation Series 13 (2015)
- General Obligation Series 15 (2022)

**DEBT SERVICE BUDGET AND SOURCES AND USES – 2008 OPERATING**

USES OF FUNDS

Disbursements represent principal and interest payments made during the year by bond series. The increase in payments for 2008 from 2007 represents the debt service on 2005 Series A, B and C Bonds as well as the structure associated with the 2007A and B Bonds. It is assumed that the Outstanding Paper will start to be redeemed.

OTHER ISSUES

**General Obligation Revenue Bonds**

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

**Commercial Paper**

The Commission in September 2002 approved an additional \$75 million Commercial Paper Program. This Commercial Paper Issue is in addition to the existing \$125 million issue approved in 2000. The Commission in November 1997 approved a short-term borrowing program. The current program has \$46 million outstanding. The Commercial Paper program is essentially a short-term gap issue based on timing of projects, PFC applications and long term debt issuance.

**DEBT SERVICE BUDGET AND SOURCES AND USES – 2008 OPERATING**

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**HISTORICAL REVENUE/EXPENSE COMPARISON – 2008 OPERATING BUDGET**

The Statistical section is divided into four parts:

1. Historical Revenue/Expense and Facility Comparison of MAC
2. Activity /Operations Statistics
3. Comparison of MAC to other airports on a national level
4. Other informational statistics

**HISTORICAL REVENUE/EXPENSE AND FACILITY COMPARISONS**

The tables in this section compare revenue and expense changes between 1996 and 2006 and compare revenue and expense for the years actual 2005, estimated 2006 and budget 2007. The last table compares facilities as increases affect MAC in all areas.

The three tables are analyzed as follows:

**A.**

<b>HISTORICAL OPERATING REVENUE &amp; OPERATING EXPENSE SUMMARY 1997 VS 2006</b>						
(\$ = 000)						
	1997		2006		1997-2006 Change \$	Annual % Change
	\$	% of Total	\$	% of Total		
Operating Revenue						
Airline Rates & Charges	\$ 41,838	39.4%	\$ 69,382	31.0%	\$ 27,544	5.8%
Concessions	52,279	49.3%	108,381	48.4%	56,102	8.4%
Other	11,944	11.3%	46,364	20.7%	34,420	16.3%
<b>Total Operating Revenue</b>	<b>\$ 106,061</b>	<b>100.0%</b>	<b>\$ 224,127</b>	<b>100.0%</b>	<b>\$ 118,066</b>	<b>8.7%</b>
Operating Expenses						
Personnel	\$ 30,653	32.6%	\$ 54,258	24.3%	\$ 23,605	6.6%
Administrative Expenses	1,108	1.2%	1,240	0.6%	132	1.3%
Professional Services	4,069	4.3%	4,091	1.8%	22	0.1%
Utilities	5,889	6.3%	14,820	6.6%	8,931	10.8%
Operating Services	9,935	10.6%	14,485	6.5%	4,550	4.3%
Maintenance	8,809	9.4%	19,417	8.7%	10,608	9.2%
Depreciation	33,304	35.5%	111,429	50.0%	78,125	14.4%
Other	170	0.2%	3,323	1.5%	3,153	39.1%
<b>Total Operating Expenses</b>	<b>\$ 93,937</b>	<b>100.0%</b>	<b>\$ 223,063</b>	<b>100.0%</b>	<b>\$ 129,126</b>	<b>10.1%</b>
Net Revenues	<u>\$ 12,124</u>	a)	<u>\$ 1,064</u>	a)	<u>\$ (11,060)</u>	

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

This first comparison 1997 versus 2006 emphasizes the changes that occur when comparing the percentage in categories to the total. The average annual percentage increase in revenue from 1997 to 2006 (8.7%) is less than the annual percentage increase in expenses from 1997 to 2006 (10.1%). Over this ten-year period, revenue grew at a slightly lower rate than expenses. The spread between 1997 and 2006 revenue to expense is 1.4%. This percentage difference is due to the economic conditions of the industry that resulted in airline rates and charges being held constant for the years 2002, 2003 and 2004. New and remodeled facilities under construction restricted the revenue growth in 2005. In addition, bankruptcy negotiations resulted in airline amendments to the Airline Use and Lease Agreement. This provided credits and rebates reflected in 2006. (See Operating Budget Revenue Assumptions.)

<b>HISTORICAL REVENUE/EXPENSE COMPARISON – 2008 OPERATING BUDGET</b>
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## 1. Changes in revenue are as follows:

- ◆ The largest growth occurred in the Other Revenue category (16.3%). This increase can be attributable to building rentals including the new Federal Express and UPS building/facilities, Hubert H. Humphrey (HHH) Terminal common use rates and other fees associated with non-signatory airline landing and ramp fees. In 2002, Reimbursed Expense has been reclassified from the Other Expense category to the Other Revenue category, also accounting for part of the increase. (See Operating Budget Revenue Assumptions).
- ◆ The second average annual percentage increase is in the Concessions category (8.4%). This is a result of increasing auto parking fees, facilities, and changes/renewals to the Auto Rental contracts and separate concession agreements with various firms to operate concessions in the terminal building, including food/beverage, newsstands, telephones, advertising, games/amusements, etc. Contract agreements for both indoor and outdoor advertising also contribute to the increase. (See Operating Budget Revenue Assumptions.)
- ◆ The average annual percentage increase for Airline Rates and Charges is 5.8% between the years of 1997 and 2006. This is due in part to landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity. Landing fees are calculated on a breakeven basis with revenue and expense being equal. An increase in revenue, therefore, is a result of increased costs in the Field and Runway area, directly attributable to increases in maintenance, utilities, and depreciation. The increase between 1997 and 2006 also results from changes in the Airline Use Agreement and new facilities that have become operational. In the past, this category had maintained the largest growth, however, due to airline lease and use renegotiations growth has become less than Concessions and Other Revenue. (See Operating Budget Revenue Assumptions.)

## 2. Expense changes are as follows:

- ◆ Personnel expenses have increased from 1997 to 2006 by \$23.6 million. This equates to an average annual increase of 6.6%; however, the percentage of total expense for personnel was reduced from 32.6% in 1997 to 24.3% in 2006. Full Time Equivalent (FTEs) in 1997 were at 410 while actual FTES in 2006 totaled 558.5
- ◆ Professional Services decreased from 4.3% of the 1997 actual expenses to 1.8% of total expenses for 2006. In addition, Operating Services have been reduced from 10.6% in 1997 expenses to 6.5% in 2006. This is a direct result of cost cutting measures that were implemented in response to the economic conditions of the industry. Reductions were made in consulting fees along with contract decreases.
- ◆ Depreciation, by contrast, rose at an average rate of 14.4% or \$78.1 million resulting in the depreciation percent of total increasing from 35.5% in 1997 to 50.0% in 2006. This change can be attributed to the virtual completion of the 2010 Plan which includes several new and/or expanded facilities, most recently, the Green Concourse expansion (Concourse A-D), Runway 12R deicing, HHH facility (including parking), various noise projects, parking ramp expansion, Runway 17/35 and associated taxi lanes and connectors, and two automated people movers.
- ◆ The largest category increase between 1997 and 2006 is Other at 39.1%. General Insurance is included in this category and accounts for the largest part of the increase. The insurance market is based upon factors worldwide. Losses under the deductible, litigation costs, history of costs, and inflationary factors have increased the premium. In 2002, Reimbursed Expense has been reclassified from the Other Expense category to the Other Revenue category, also accounting for part of the increase.

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2008 OPERATING BUDGET**

**B.**

<b>HISTORICAL OPERATING REVENUE &amp; EXPENSE SUMMARY 2006 VS 2008</b>								
	Actual 2006		Estimated 2007		Budget 2008		2006-2008 Change \$	Annual % Change
	\$	% of Total	\$	% of Total	\$	% of Total		
<b>Operating Revenue</b>								
Airline Rates & Charges	\$ 69,382	31.0%	\$ 79,108	33.0%	\$ 81,922	32.2%	\$ 12,541	8.7%
Concessions	108,381	48.4%	112,449	47.0%	118,916	46.7%	10,535	4.7%
Other	46,364	20.7%	47,900	20.0%	53,785	21.1%	7,421	7.7%
<b>Total Operating Revenue</b>	<b>\$224,127</b>	<b>100.0%</b>	<b>\$ 239,457</b>	<b>100.0%</b>	<b>\$254,623</b>	<b>100.0%</b>	<b>\$ 30,496</b>	<b>6.6%</b>
<b>Operating Expenses</b>								
Personnel	\$ 54,258	24.3%	\$ 59,917	24.7%	61,721	24.5%	\$ 7,463	6.7%
Administrative Expenses	1,240	0.6%	1,500	0.6%	1,728	0.7%	488	18.0%
Professional Services	4,091	1.8%	6,000	2.5%	6,052	2.4%	1,961	21.6%
Utilities	14,820	6.6%	15,650	6.5%	16,574	6.6%	1,753	5.8%
Operating Services	14,485	6.5%	16,200	6.7%	18,938	7.5%	4,453	14.3%
Maintenance	19,417	8.7%	21,500	8.9%	23,264	9.2%	3,848	9.5%
Other	3,323	1.5%	3,650	1.5%	3,703	1.5%	380	5.6%
<b>Total Operating Expenses without Depreciation</b>	<b>\$111,633</b>	<b>50.0%</b>	<b>\$ 124,417</b>	<b>51.3%</b>	<b>\$131,979</b>	<b>52.4%</b>	<b>\$ 20,346</b>	<b>8.7%</b>
Depreciation	\$111,429	50.0%	\$ 118,000	48.7%	\$120,000	47.6%	\$ 8,571	3.8%
<b>Total Operating Expenses Including Depreciation</b>	<b>\$223,063</b>	<b>100.0%</b>	<b>\$ 242,417</b>	<b>100.0%</b>	<b>\$251,979</b>	<b>100.0%</b>	<b>\$ 28,917</b>	<b>6.3%</b>
Net Revenues	\$ 1,064	a)	\$ (2,960)	a)	\$ 2,644	a)	\$ 1,580	

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

The above table illustrates 2006 actual, 2007 estimated and 2008 budgeted revenue and expense categories with dollars and percentages. The majority of categories within revenue and expense do fluctuate as a percentage of the total; however, overall, the changes in percentages are not significant for the years of 2006 through 2008. In 2006, the airline rates and charges were reduced to 31.0% of total revenue due to implementation of the amended Airline Use Agreement. The 2007 estimate along with the 2008 budget also reflects the new Airline Agreement and as a result the percent of Airline Rates and Charges to total revenue is consistent at 33.0% and 32.2%.

1. Changes in Revenue are as follows (Please see Operating Revenue Assumptions for details) :

- ◆ Revenue is projected to increase an average of 6.6% annually from actual 2006 to budget 2008. The greatest increase is in the Airline Rates and Charges category (8.7%).
- ◆ Airline Rates and Charges, which include landing fees, ramp fees and terminal building rentals, are increasing 8.7%. The rates are established based upon the amended Airline Use Agreement.

<b>HISTORICAL REVENUE/EXPENSE COMPARISON – 2008 OPERATING BUDGET</b>
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- ◆ Concessions are predicted to increase by 4.7%. Parking revenue for the 2008 budget is projected to increase by \$6.9 million from the 2006 actual. The increase is attributed to a gradual increase in patrons along with a rate increase in short term and long term parking rates. Auto Rental is projected to increase \$595,906 between actual 2006 and budget 2008 due to changes in contract and activity. Food and Beverage increased \$2.5 million, News and Retail increased \$135,115 between 2008 budget and 2006 actuals. This is due to the completion of construction and remodeling of various tenant facilities identified in the new contract and lease agreements. In addition, a new contract for in-terminal advertising increased passenger services. (See Revenue Assumptions.)
  - ◆ Other Revenue is increasing 7.7% or \$7.4 million attributable to Sun Country Airlines increase in activity, and the move to the Humphrey Terminal by Air Tran, Midwest, and Icelandair, an increase in building rentals of \$5.1 million, and Other increase of \$1.7 million as a result of rate changes for the Reliever Airports.
2. Increases in Expenses (excluding depreciation) are projected to be 8.7% from actual 2006 to budget 2008 and will be summarized below. (See Operating Expense Assumptions for details.)
- ◆ Personnel expenses have increased by 6.7% or \$7.5 million between the years 2006 and 2008 budget. Annual wage and step increases have been included in the 2008 budget for both organized and non-contract employees. The 2007 actual FTE count was 551.5 while the 2007 budget is at 599.5 FTEs with the addition of positions. Insurance and pension increases also account for the increase.
  - ◆ The increased amount in Administrative Expense of 18.0% is related to special badging supplies in the Police Service Center due to technological changes to the Secured Area Access Control System. Printing expenses have increased due to the necessity of brochures, forms and information in various service centers. Travel expenses are also greater in the 2008 budget.
  - ◆ Professional Services have increased 21.6% due to a combination of changes including a reduction in legal fees from the 2007 estimate (bankruptcy issues resolved). Areas increasing include Accounting as a result of additional mandates; Computer Consulting; Planning increase for updating the Long Term Comprehensive Plan; and Human Resources for recruiting agency fees.
  - ◆ The category for Utilities indicates a 5.8% increase attributable to the rising costs of utilities along with the completion of additional facilities.
  - ◆ Operating Services reflects a 14.3% increase related to service agreements.
  - ◆ Maintenance has increased 9.5% between the 2006 actual data and the 2008 budget. The largest increase (\$1.8 million) is related to the cleaning of additional facilities. The second largest increase is in Field Maintenance (increase \$1.2 million) for snow removal and is based upon historical average costs. The third largest increase is for building expenses (\$864,324) all related to contracted mechanical areas (Automated People Mover, moving walks, escalator and elevator expenses).
  - ◆ The majority of the 5.6% increase in the Other category reflects MAC's costs for Minor equipment. The replacement and procurement of Minor equipment (items under \$5,000) have increased \$341,187 between the years 1996 and budget 2008. Slight increases have occurred in liability insurance and Other expenses
  - ◆ Depreciation expenses show a 3.8% increase due to completion of major projects, both new and renovations.

**HISTORICAL REVENUE/EXPENSE COMPARISON – 2008 OPERATING BUDGET**

C.

<b>Facility Expansion Lindbergh and HHH</b>				
	<u>1997</u>	<u>2007*</u>	<u>Increase</u>	<u>% Increase</u>
Lindbergh & Regional				
Terminal Square Footage	1,934,935	2,827,238	892,303	46.1%
Number of Gates (Aircraft Loading Positions)	69	117	48	69.6%
Ramp Lineal Footage	8,874	11,302	2,428	27.4%
Humphrey Terminal				
Square Footage	80,000	398,134	318,134	397.7%
Number of Gates	4	10	6	150.0%
Parking (All Facilities)	11,218	19,677	8,459	75.4%
*Actual as of 1/07 (the last drawing date)				

The above chart in this section compares the development and expansion of the major facilities at MSP International between 1997 and 2007. The significance of this growth impacts both revenue and expenses. New facilities occupied by tenants will continue to generate additional income. Expenses include maintenance (both labor and materials), repairs, utilities, security and administrative costs. All sections of MAC are impacted by changes in facilities. (See the Construction Budget for impact of the new facilities on the Operating Budget.)

The following table identifies major new facilities that have been completed since 1997.

<b>Major New Facilities Completed 1997 through 2008</b>			
<u>New Facilities</u>	<u>Closing Date</u>	<u>New Facilities</u>	<u>Closing Date</u>
Ground Transportation Center - Valet	1997	LRT (Light Rail Transit) Tunnel/Stations	2004
Parking Office/ West and East Vertical Circulation		A,B,C Concourse -- Moving Walks, People Mover & Expansion	2004
Runway 12L Deicing Apron	1998	17/35 Runway	2005
Trades Shop Building	1998	Fire Station No. 1	2005
Taxiway W - Segment 2 & 3	1998	North Terminal Expansion	2006
Lindbergh Terminal Concessions Modification Phases 2 & 3	1998	Runway 4/22 Tunnel	2006
Commercial Vehicle Passenger Shelter	1998	Trinity School Acquisition	2006
Material Storage Building	1999	HHH Terminal Projects	2006
A,B,C/G Connector, Bag Check, Emergency Generator	2000	Lindbergh Terminal EDS Bldg. Shell	2006
General Office - West Addition	2000	Taxi-way Phase 3	2007
Parking Ramp Expansion/Auto Rental Facilities	2000	In-line Baggage Screening System	2007
MSP Air Mail Center	2001	Runway 12R/30L Reconstruction Segment 2	2007
Hubert H. Humphrey (HHH) Replacement Terminal Developments	2001	St. Paul Airport Runway Improvements	2007
A,B,C Concourse Apron Expansion	2002	Runway 12L/30R Reconstruction Segment 2	
HHH Parking Ramp	2003	Lindbergh Terminal purchase of jet bridges	2008
Runway 12R Deicing Pad	2004	Taxi-way Phase 4	2008
		St. Paul Airport Runway Safety Area	2008
		Perimeter Fence/Gate Barrier System	2008

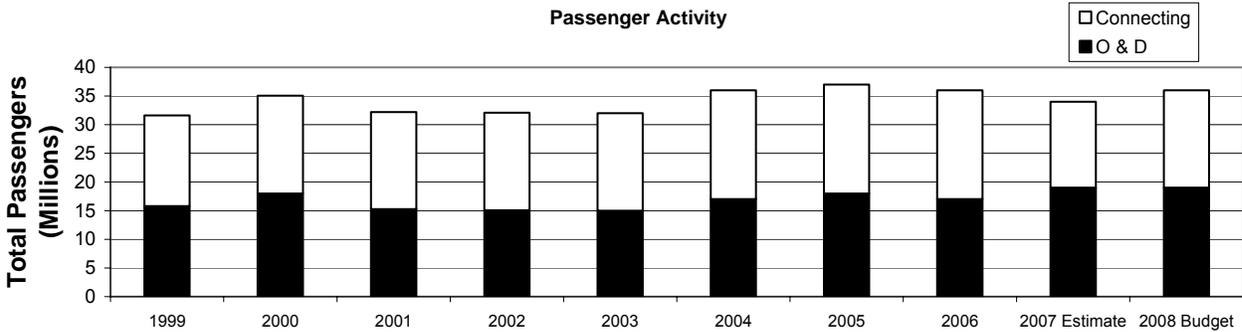
**ACTIVITY/OPERATIONS COMPARISONS – 2008 OPERATING BUDGET**

**ACTIVITY/OPERATIONS STATISTICS**

This section contains the historical and forecasted levels of activity for the period 1998 through 2007 in the MAC's system of airports.

Four charts are reviewed in this section.

A.



This chart illustrates that increases in passenger activity occurred at MSP International during the time period 1994 to 2005. Due to airline bankruptcies, the year 2006 shows a decrease in passenger activity along with estimate 2007. The 2008 budget indicates a slight increase as airline carriers have emerged out of bankruptcy. Approximately 50% of passengers were connecting passengers (those transferring directly to another flight) during the time period 1998 to 2005. 2006 indicates a slightly higher connecting passenger number while 2007 estimate and 2008 budget reflect a slight decrease. This is as a result of the reduction of flights by MAC's major carrier due to bankruptcy. Connecting passengers have fluctuated between 44% and 51% for the time period 1999 thru 2008 budget.

The number of passengers attained a record high in 2005 with 36.5 million passengers. The estimate for 2007 is projected to be lower by 472,026 passengers while the 2008 budget is indicating an increase of 1.37 million (based upon airline projections and bankruptcy issues). (O & D = Originating and Destination.)

B.

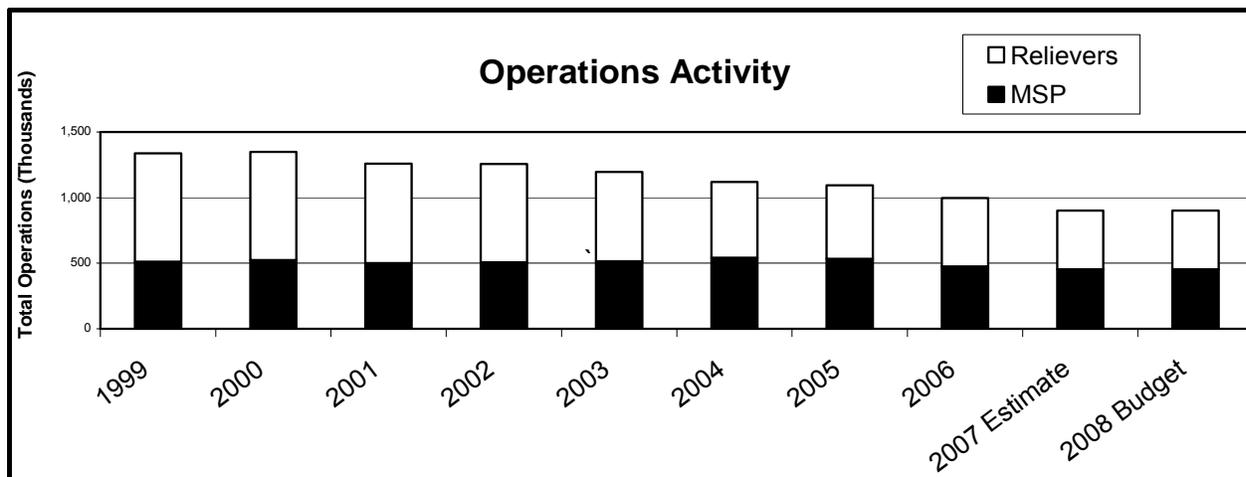
	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Budget
Passenger Type					
Enplaned	7,954,133	8,193,652	10,066,488	9,446,503	9,054,474
Deplaned	8,545,489	8,903,898	10,290,643	9,617,078	9,485,164
Connecting	<u>19,287,012</u>	<u>19,581,318</u>	<u>14,223,638</u>	<u>15,045,162</u>	<u>17,300,362</u>
<b>Total Passengers</b>	<u><b>35,786,634</b></u>	<u><b>36,678,868</b></u>	<u><b>34,580,769</b></u>	<u><b>34,108,743</b></u>	<u><b>35,840,000</b></u>

Estimates of passenger activity form an important element in forecasting revenue each year. The second chart represents actual passenger statistics for 2004, 2005 and 2006 with estimates for 2007 and budget 2008. The following categories are each used in a specific manner when calculating revenue:

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

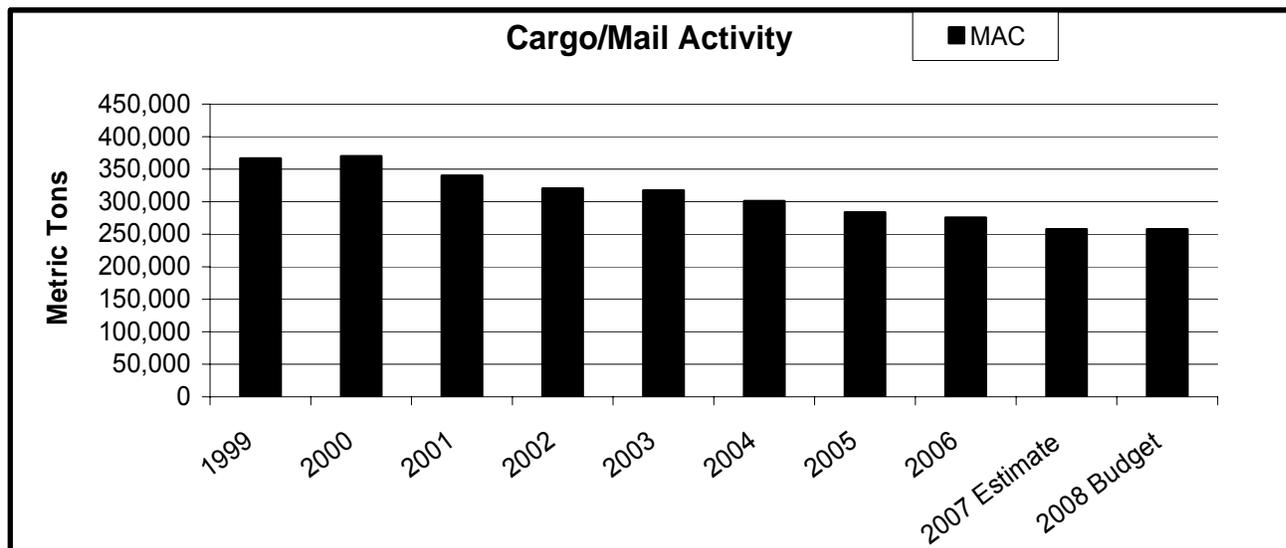
**ACTIVITY/OPERATIONS COMPARISONS – 2008 OPERATING BUDGET**

C.



The third chart depicts the total Operations Activity for both the Reliever Airports and MSP International. An operation represents one takeoff or landing. Total operations for the MAC system have fluctuated from 1999 as shown above. The 2007 estimate and the 2008 budget are projected to be about the same. The Reliever Airport activities are also projected to remain the same.

D.



The Cargo/Mail Activity Chart indicates a steady decrease in activity from 2001 through 2007 estimate, with 2008 budgeted to be about the same volume level as 2007. 2001 indicates a lower number due to the September 11, 2001 events and the economy, along with the Construction of Runway 17/35 requiring the acquisition of a number of freight facilities. This held down cargo traffic while new expanded facilities for Federal Express and UPS were being constructed. 2005 activity is less than the actual for 2004 due to Northwest Airlines' loss of the USPS contract in the last quarter of 2003. The 2008 budget anticipates the same volume level as 2007 estimates as the trend (nationally as well) is for shipments to be made via truck or rail due to costs and security.

**NATIONAL COMPARISONS – 2008 OPERATING BUDGET**

**NATIONAL COMPARISONS**

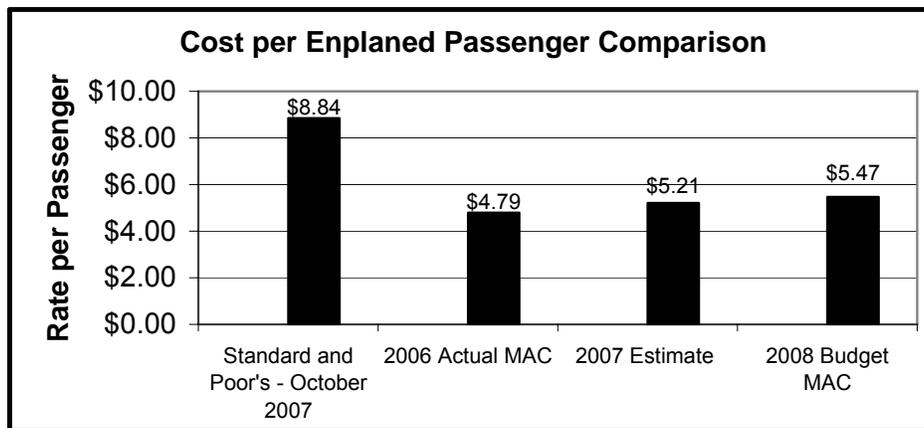
The information presented in this section was obtained from the national airport survey prepared by Standard and Poor's dated October 2007. This survey grouped hub airports into three categories: large, medium, and small. MSP is considered a large hub airport.

The following two subjects are addressed: Rates and Concessions Industry

**RATES AND CONCESSIONS**

Four comparisons will be reviewed in this section utilizing the 2006 national statistics from the most recent Standard & Poor's survey, and MAC's data from the 2008 budget.

A.



This graph, Cost per Enplaned Passenger, compares MSP's operating expenses for airlines in the airfield, ramp, terminal buildings and International Facilities per enplaned passenger to the average cost per enplaned passenger as indicated in the Standard & Poor's report. In the 2008 budget, MAC 's expense of \$5.47 per passenger (which is in the lower half of large hub airports) is less than the 2006 national average of \$8.84.

B.

Year	Parking	Rental Car	Food & Beverage	General	Other	Total
		& Ground Transportation		Merchandise		
2001	\$ 39,339	\$ 16,488	\$ 4,053	\$ 4,572	\$ 5,256	\$ 69,708
2002	36,755	17,001	4,340	4,836	4,485	67,417
2003	41,330	16,870	4,864	5,219	4,055	72,338
2004	50,466	17,958	7,311	6,038	4,198	85,971
2005	60,213	18,979	9,790	6,313	4,178	99,473
2006	64,266	20,255	11,552	8,516	3,792	108,381
2007 Est	68,100	18,900	13,000	8,574	3,875	112,449
2008 Budget	71,201	20,646	14,009	8,650	4,410	118,916

**NATIONAL COMPARISONS – 2008 OPERATING BUDGET**

The table on the previous page presents historical concession revenues from 2001 to 2008. Please see Revenue Assumptions for additional details.

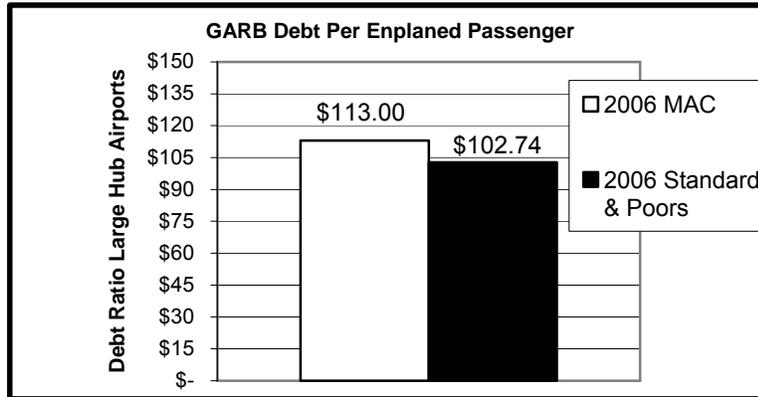
- ◆ Parking revenues are related to the level of originating traffic at MSP. A continued rise in patrons and revenue is reflected in the time period 2003 through budget 2008. Revenue was lower in 2001 and 2002 due to the closing of parking spaces and the decline in passenger air travel related to the economy and events of September 11, 2001. An increase in parking fees in November 2004 and May 2005 also accounts for the higher revenue.
- ◆ Rental car revenue can be associated with the level of destination traffic and rental car agreements. For the 2008 budget, auto rentals are expected to increase slightly over the 2007 estimate as all of the auto rental companies exceeded their minimums in the past several months. Ground Transportation is anticipated to increase slightly in the 2008 budget and can be attributable to changes in the Ordinance rates for Commercial vehicles.
- ◆ Food and Beverage had been steadily increasing due to the expanded facilities and increase in passengers through the 2008 budget, as well as increased dwell time. The decrease in revenue for the estimate in 2007 is related to a credit adjustment for Concessionaries. This credit was based upon a complete reconciliation of store openings and minimum rentals paid based on lease terms. In addition, the budget for 2008 reflects a full year of concessions in the North Terminal.
- ◆ The 2008 budget for General Merchandise reflects an increase related to completion of construction and remodeling. The same explanation for Food and Beverage applies to General Merchandise. In addition, the trend is for Retail sales to remain flat while News sales is increasing.
- ◆ Other revenue consists of advertising both indoor and outdoor, telephones, vending and miscellaneous concessions revenue including in flight catering and auto services. The majority of the increase in the 2008 budget is related to a new in-terminal advertising contract that was effective in 2007.

**NATIONAL COMPARISONS – 2008 OPERATING BUDGET**

**INDUSTRY**

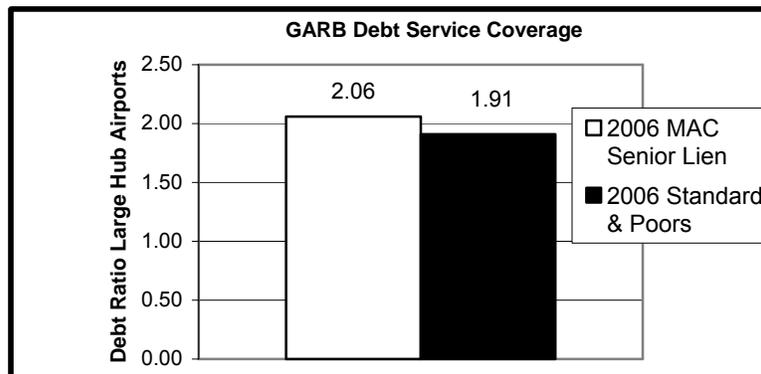
Four charts presented in this segment compare MAC's financial and operating ratios to industry performance ratios. Standard and Poor's publishes separate financial and operating ratios for large, medium and small airports. These ratios are based on 2006 financial and operating data (the most recent available) and have been used for purposes of comparison. The means published by Standard and Poor's are intended to serve as broad indicators. All MAC data is based upon actual 2006 information.

**A.**



Debt per enplaned passenger is calculated by dividing total outstanding General Airport Revenue Bond (GARB) debt by the number of enplaned passengers. MAC's ratio of debt/enplaned passenger is above the industry average because the debt has been issued for the 2010 Plan and passenger traffic has declined due to NWA bankruptcy but is expected to rebound and increase.

**B.**

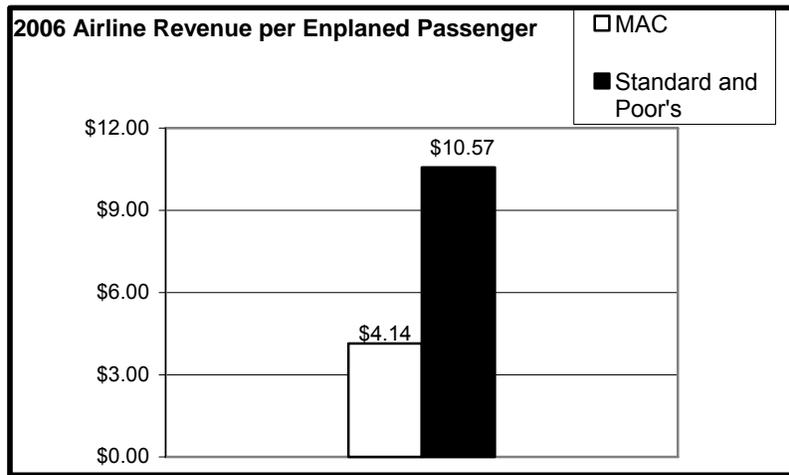


Debt service coverage demonstrates the current ability to repay debt. MAC's coverage ratio for Senior Lien Debt, as shown, is at 2.06 for actual 2006. Debt service coverage is greater than the average of other airports. This is due to completion of the MAC facilities for the 2010 Plan. 2007 and 2008 represent years that MAC will be able to charge a full years' rent for use, thus generating additional revenue and increasing the coverage ratio. (See also Debt Service Section.)

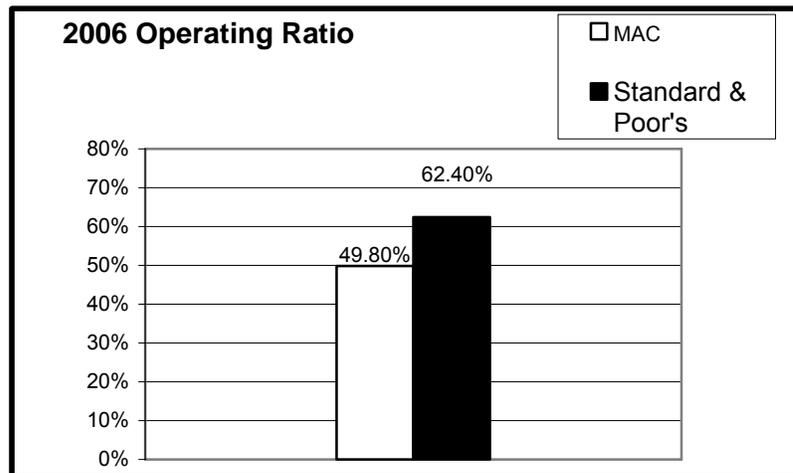
**NATIONAL COMPARISONS – 2008 OPERATING BUDGET**

Ratios derived from the income statement provide measures of profitability. Two ratios are discussed below.

C.



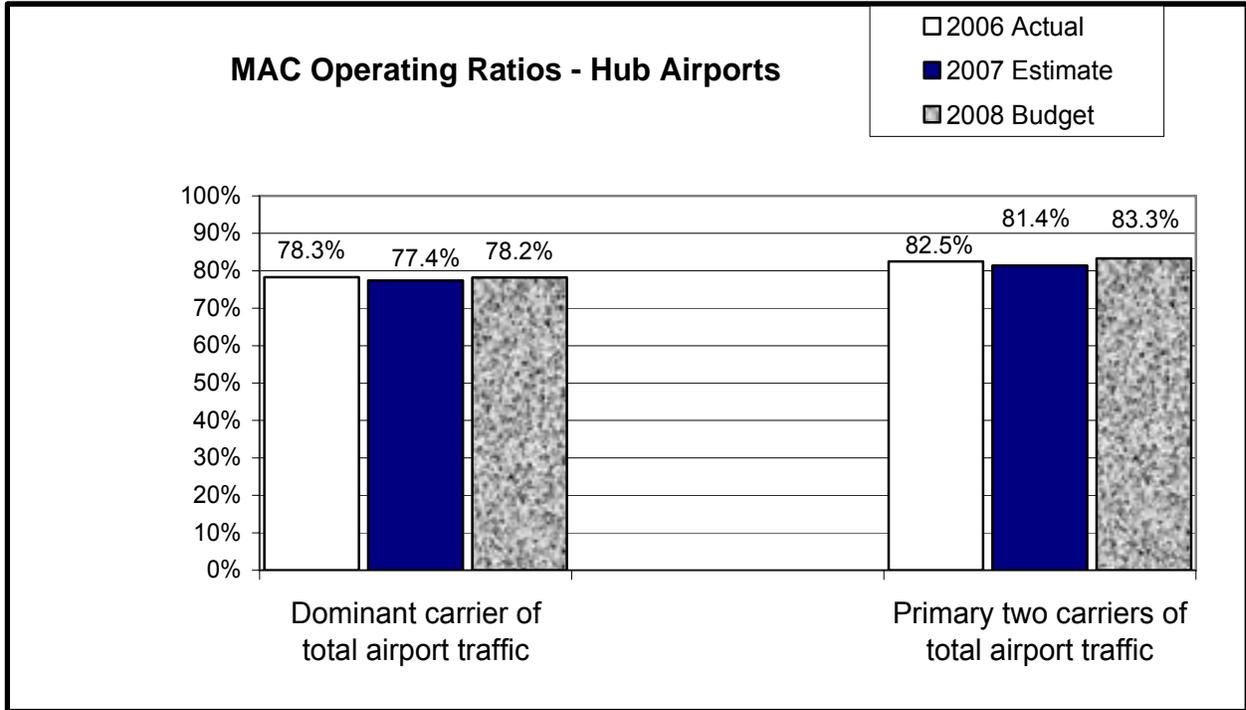
- ◆ Airline Revenue per Enplanement Passenger measures how much airlines pay the airport on a per enplaned passenger basis. Cargo revenue is not included. This ratio is below the median by \$6.43/enplanement (\$10.57-Standard and Poor's less \$4.14-MAC). The primary reason for this difference is MAC's lower operating costs. In addition, the Third Amendment for the airlines established a concessions credit which also lowers the airline cost. The amended Airline Use Agreement (due to airline bankruptcies) allows for a change in rate methodology, lease adjustments, etc. (See Budget Process and Budget Message sections for details.)



- ◆ The operating ratio is calculated by dividing total operating expenses, excluding depreciation, by total operating revenues. MAC's operating ratio indicates that operating expenses are a lower percentage of the total operating revenue than the mean. This difference is partly attributable to the manner in which other airports account for long term leases with the airport tenants.

**NATIONAL COMPARISONS – 2008 OPERATING BUDGET**

D.



The dominant carrier at MSP is Northwest Airlines. The 2008 budget is projecting a slight increase in Northwest percentages.

The second largest carrier in 2007 was Sun Country with 4.3% of total airport traffic.



**OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET****OTHER INFORMATIONAL STATISTICS**

This section will provide information pertaining to the population of Minnesota along with rankings of the Minneapolis-St. Paul airport. Each table will identify its source(s). The following two subjects are reviewed:

Population  
Airport Activity

**POPULATION**

Minnesota ranks 21<sup>st</sup> in the nation in terms of 2006 population estimates and also ranked 21<sup>st</sup> in percent population growth between 1990 and 2000 according to the U.S. Census Bureau. Two tables will be reviewed.

**A.**

<b>POPULATION</b>					
(in thousands)					
Calendar	United		Minneapolis-	MSA *	MSA
<u>Year</u>	<u>States</u>	<u>Minnesota</u>	<u>St. Paul</u>	<u>as % of</u>	<u>as % of</u>
			<u>MSA</u>	<u>U.S.</u>	<u>Minnesota</u>
1993	257,746	4,524	2,656	1.0%	58.7%
1994	260,289	4,566	2,693	1.0%	59.0%
1995	262,765	4,605	2,730	1.0%	59.3%
1996	265,190	4,648	2,765	1.0%	59.5%
1997	267,744	4,687	2,792	1.0%	59.6%
1998	270,248	4,726	2,831	1.0%	59.9%
1999	272,691	4,776	2,872	1.1%	60.1%
2000	281,422	4,919	2,969	1.1%	60.4%
2001	285,094	4,985	3,025	1.1%	60.7%
2002	288,126	5,021	3,055	1.1%	60.8%
2003	290,796	5,052	3,082	0.9%	60.9%
2004	293,638	5,086	3,112	1.0%	61.0%
2005	296,507	5,114	3,141	1.0%	61.2%
2006	299,398	5,155	3,175	1.0%	61.6%

Sources: Official Statement dated 2006, U.S. Depart. of Commerce, Bureau of the Census  
MSA = Metropolitan Statistical Area

The above table presents the population for the nation, the State and the Metropolitan Statistical Area (MSA). Minnesota, in terms of 2006 population estimates, was the 21<sup>st</sup> largest state in the nation. It is the 16th-largest metropolitan area in the country (and roughly 65th-largest in the world), with more than 3 million residents. The MSA is composed of 13 counties located in the east-central region of the State and western portion of Wisconsin. There are seven core counties, which represent over 87% of the MSA's population. Most of the historical population growth is attributed to births outnumbering deaths..

Minneapolis/St. Paul International Airport is the only large hub airport in the MSA serving schedule air commerce.

## OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET

## B.

**EMPLOYERS**

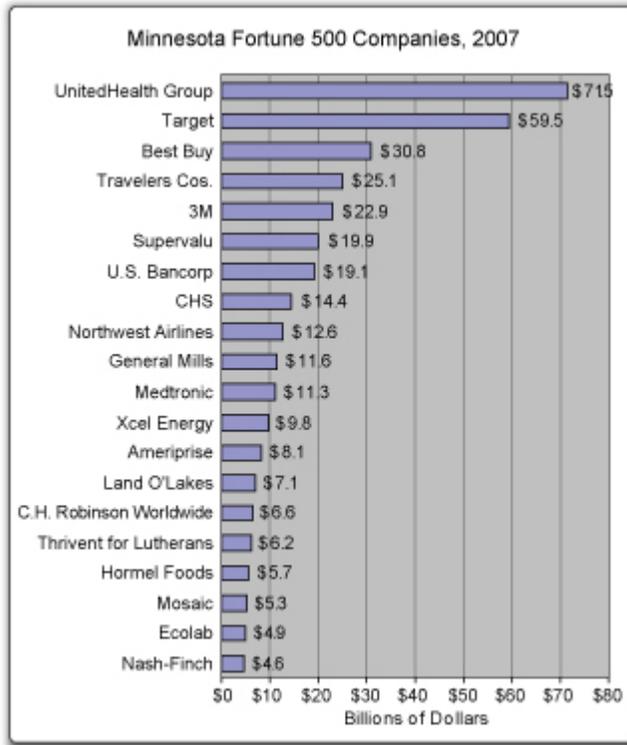
Minnesota's economy has increased the number of *Fortune 500* companies from 14 in 2000 to 20 in 2007. Overall, the state is home to 34 Fortune 1,000 companies, representing a wide variety of industries including insurance, banking, chemical manufacturing and food processing.

<b>Metropolitan Area Top 20 Private Employers</b>		
<b>2007</b>		
<b>Company Name</b>	<b>Number of Employees</b>	<b>Industry</b>
Target Corporation	30,555	General merchandiser: Target, Mervyn's and Daytons
Allina Health System	24,263	Nonprofit healthcare and hospital services
Fairview Health Services	22,495	Nonprofit healthcare and hospital services
Wells Fargo	19,196	Diversified financial services company
3M Corporation	15,960	Diversified industrial, consumer products manufacturer
US Bancorp	14,184	Diversified financial services; bank holding company
Northwest Corporation	Airlines 11,500	Passenger airline; international cargo carrier
Honeywell Inc.	8,690	Producer of consumer products; engineering services
Park Nicollet Health Services	8,341	Nonprofit integrated-care system
United Parcel Service	7,664	Air courier and parcel delivery service
ADC Telecommunications	7,500	Communications company
Ameriprise Financial Inc.	6,500	Financial services
Supervalu Inc.	6,486	Wholesale foods; operating of supermarkets
Xcel Energy Inc.	6,347	Energy company
HealthEast Care System	6,180	Multi-unit health care provider
West Info. Publishing Group	6,000	Business and legal information publishing
Best Buy	6,000	Retailer of name-brand consumer electronics
Carlson Companies Inc.	5,325	Owner of travel agencies, hospitality businesses
CH Robinson	4,800	Third-party logistics provider
Health Partners	4,662	Non-profit healthcare and hospital services

Sources: Minnesota Department of Employment and Economic Development ([www.mnpro.com](http://www.mnpro.com)) website, accessed March 7, 2007; Northwest Airlines employment figure from *Minnesota Public Radio*, January 29, 2007; John F. Brown, Inc.

**OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET**

The following chart specifies the Minnesota Fortune 500 Companies in 2007:



Source: Minnesota Department of Employment and Economic Development website accessed 3/9/08

## OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET

**EMPLOYMENT**

The following table indicates Minnesota's and Minneapolis-St. Paul's historically low unemployment rates. The unemployment rate for the MSA was less than the national unemployment rate in every year, especially in the years that a national recession was indicated including 2001 and 2002. The unemployment rate for the MSA was also approximately half of the national rate for the 1997 to 2000 time period. The unemployment rates began to increase in 2001 through 2003 but remained lower than the national average. 2004 through 2006 indicates declining rates for both Minnesota and the MSA.

Calendar Year	CIVILIAN UNEMPLOYMENT RATE		
	United States	Minnesota	Minneapolis- St. Paul MSA**
1972	5.6%	4.3%	5.0%
1980	7.1%	5.9%	4.5%
*1990	5.6%	4.8%	4.3%
*1991	6.8%	5.1%	4.6%
1992	7.5%	5.1%	4.5%
1993	6.9%	5.1%	4.3%
1994	6.1%	4.0%	3.3%
1995	5.6%	3.7%	2.9%
1996	5.4%	4.0%	3.1%
1997	4.9%	3.3%	2.5%
1998	4.5%	2.6%	2.0%
1999	4.2%	2.8%	2.2%
2000	4.0%	3.2%	2.6%
*2001	4.7%	3.9%	3.4%
2002	5.8%	4.5%	4.4%
2003	6.0%	4.8%	4.7%
2004	5.5%	4.6%	4.3%
2005	5.1%	4.1%	3.8%
2006	4.6%	4.0%	3.7%

Sources: U.S. Department of Labor, Bureau of Labor Statistics,  
Employment and Earnings Publications, May 1991 through May 1999 editio  
Historical Economic Statistics, 1997 Edition, John F. Brown Co.,  
Official Statement dated 5/07

\*Indicates national recession during all or part of year

\*\*The MSA consisted of 9 counties in 1972 (the first year of data) and 1980,  
11 counties in 1990-1992, and 13 counties in 1993 and beyond.

## OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET

## C.

The following chart depicts per capita personal income comparing the nation, Minnesota and the MSA. In every year shown in the chart, the MSA's amount of per capita personal income has been higher than the per capita personal income amount for the nation and the State. This is in conjunction with a moderate cost of living which leads to higher discretionary disposable income, on average, than others throughout the State and the United States and relates positively to the demand for air travel. In addition, the MSA has a well-educated workforce with 91 percent high school graduates and a third with bachelor's degrees or higher. The Minneapolis-St. Paul area ranks fifth in the nation for percentage of the population holding a bachelor's degree or higher. Post secondary education opportunities in the MSA include two public universities, 11 private colleges and universities, ten community colleges and technical colleges and four post-graduate schools. In addition, there are several proprietary schools offering trade and technical training in the MSA.

<b>Per Capita Personal Income</b>			
<b>Year</b>	<b>United States</b>	<b>Minnesota</b>	<b>MSA</b>
2001	\$ 30,575	\$ 32,616	\$ 37,379
2002	30,795	33,230	36,810
2003	31,463	34,295	37,762
2004	33,090	36,163	39,796
2005	34,471	37,290	n.a.
2006	36,276	38,712	n.a.
<b>Historical AAG</b>			
1970-2002	6.5%	6.8%	
1970-1980	9.5%	9.8%	
1980-1990	6.8%	6.8%	
1990-2000	4.4%	4.9%	
2000-2002	1.6%	1.8%	

Source: U.S. Department of Commerce, Bureau of Economic Analysis website, accessed February 2007. Notes: AAG = Average annual compound growth; P=Preliminary; n.a.=not available; n.c.=not calculated.

**TOURISM AND ATTRACTIONS**

The Minneapolis/St Paul area have numerous tourist attractions as well as local activities as described below:

- Home to the nation's largest shopping center and entertainment complex, the Mall of America, receives approximately 40 million visitors per year.
- Nationally renowned cultural organizations including the Guthrie Theater, Children's Theater Company, Minnesota Orchestra, St. Paul Chamber Orchestra, Minnesota Opera, Walker Art Center, Minneapolis Institute of Arts and Minnesota Museum of Art.
- The State Theater, Orpheum Theatre and Ordway Music Theatre are host to Broadway shows as well as other cultural events.
- Six major professional sports teams include: Minnesota Twins baseball team, Minnesota Vikings football team, Timberwolves basketball team, Minnesota Lynx women's basketball team, Minnesota Thunder soccer team and Minnesota Wild hockey team.
- University of Minnesota Gophers participate in the Big Ten Conference in a number of sports including basketball, hockey, football and soccer.
- Minnesota, with its more than 10,000 lakes and 136,000 acres of parks, trails and wildlife management areas, is known for its wide variety of outdoor activities such as sailing, fishing, skiing and hunting.
- Popular local activities in Minnesota include the following annual events: Minnesota State Fair, Taste of Minnesota, Minneapolis Aquatennial and St. Paul Winter Carnival.

**OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET**

**INTERESTING FACTS ABOUT MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT**

**Historical Facts**

- In 1914 Snelling Speedway, an auto racing venue, was an unsuccessful venture. The Minneapolis Aero Club acquired the property which became what is known as today, Minneapolis-St. Paul International Airport.
- In 1920 the first hangar, a wooden structure, was constructed to accommodate air mail service. The 160-acre property became known as Speedway Field.
- In 1923 Speedway Field was renamed Wold-Chamberlain Field in honor of two local pilots, Ernest Wold and Cyrus Chamberlain, who lost their lives in combat during World War I.

**Current MSP Information**

- Minneapolis-St. Paul International Airport is made up of 1,300 acres of turf area requiring mowing of more than a third of MSP's total area.
- The MSP Airport Surveillance radar sweeps the sky once every four seconds.
- Runway 17/35 is 150 feet wide by 8,000 feet long with an average depth of 18 inches – enough concrete to build a sidewalk from Minneapolis to New Orleans.
- Concrete at MSP totals 4,274,250 cubic yards – this equates to a 12 foot road 2,849.5 miles in length, the distance between New York City and San Diego.
- MSP operates one of the nation's most extensive airport noise mitigation programs. Between 1992 to the present, the Commission has insulated over 7,800 single-family homes and 1,327 multi-family units at a total cost of more than \$229.5 million.

## OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET

## AIRPORT ACTIVITY

The passenger traffic at MSP is affected by the region's economic profile. For example, the amount and type of commerce in the region may affect the level of business travel to (or from) MSP or the amount of personal income in the region may affect the level of discretionary travel from MSP.

Three tables are provided.

## A.

2006 Ranking of U.S. Airports (for the 12 months ended December 31, 2006)					
Rank	Total Passengers <sup>1</sup> (in thousands)		Rank	Total Cargo <sup>1</sup> (freight and mail, in thousands of metric tons)	
	Airport	Passengers		Airport	Cargo
1	Atlanta	84,847	1	Memphis	3,692.1
2	Chicago-O'Hare	77,028			
3	Los Angeles	61,041	17	Houston	409.1
4	Dallas/Ft. Worth	60,226	18	Toledo	353.5
5	Denver	47,325	19	Washington-Dulles	350.8
6	Las Vegas	46,193	20	Seattle	341.9
7	New York-Kennedy	43,762	21	Boston	324.9
8	Houston-Bush	42,550	22	Phoenix	286.8
9	Phoenix	41,437	23	Portsmouth	285.3
10	New York-Newark	36,724	24	Portland	283.8
11	Detroit	35,973	25	Denver	281.9
<b>12</b>	<b>Minneapolis-St. Paul</b>	<b>35,612</b>	26	<b>Minneapolis-St. Paul</b>	<b>275.0</b>
13	Orlando	34,640	27	Ft. Worth	250.5
14	San Francisco	33,575	28	Detroit	214.1
15	Miami	32,534	29	Orlando	198.0

<sup>1</sup> Sum of enplaned and deplaned volume.  
Source: ACI, 2006 North American Traffic Report.

MSP is one of the highest-activity airports in the United States. Approximately 50% of the passengers are connecting while the other 50% were origin-destination. International travelers and a strong demand for charter services also contribute to providing MSP with a strong and diverse passenger base. MSP was in 9<sup>th</sup> place in 2002 thru 2004, however, the 2005 statistics indicate MSP is 10<sup>th</sup> when ranking the U.S. airports for passengers. For 2006 MSP is at 12<sup>th</sup> as a result of airline bankruptcies and reduced passenger levels.

When ranked with total cargo, MSP placed 26<sup>th</sup> in the U.S. The cargo volume is expected to remain about the same in 2007 and 2008. Cargo revenues help to support the viability of scheduled passenger flight operations at MSP as a portion is carried in the belly compartments of passenger flights.

## OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET

## B.

Although domestic air service at MSP peaked at the beginning of the current decade, there has been only a modest net change in the level of domestic service over the past eleven years. In March 2007, MSP had 2.3 percent more domestic flights, and 8.3 percent more domestic seats than it had in March 1996. The quality of its domestic air service, however, has changed substantially. Thirteen more cities were served nonstop from MSP and seven cities were upgraded to jet service from turboprop service. Jet flights accounted for 89 percent of total flights in 2007, up from 73 percent in 1996, reflecting a significant increase in the use of regional jets to replace turboprop flights and, in some cases, larger mainline aircraft.

International service at MSP in March 2007 showed a significant increase from March 1996. Seventeen cities were linked to MSP by nonstop service, compared to 11 in 1996, and there were double the number of seats to international destinations.

## Scheduled Passenger Service

## Minneapolis-St. Paul International Airport

	1996	2001	2006	2007	Change		
					1996 -2001	2001 -2006	2006 -2007
<u>Domestic:</u>							
Number of Cities Served <sup>1</sup>	105	99	122	118	- 6	+ 23	- 4
Flight Departures	3,753	4,156	3,924	3,840	+ 403	- 232	- 84
Departing Seats	375,841	456,480	404,346	407,036	+ 80,639	- 52,134	+ 2,690
Departing Seats per Flight	100.1	109.8	103.0	106.0	+ 9.7	- 6.8	+ 3.0
<u>International:</u>							
Number of Cities Served <sup>1</sup>	11	15	15	17	+ 4	0	+ 2
Flight Departures	179	234	259	294	+ 55	+ 25	+ 35
Departing Seats	19,667	33,943	34,300	39,401	+ 14,276	+ 357	+ 5,101
Departing Seats per Flight	109.9	145.1	132.4	134.0	+ 35.2	- 12.6	+ 1.6

Source: Official Airline Guide.

<sup>1</sup> Number of cities served by at least five nonstop flights during the week.

**OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET**

**C.**

The final table presented indicates the Air Carriers providing service at the airport. As of January 1, 2008, the airport was served by 36 air carriers, including 23 U.S.-flag carriers providing scheduled service, three U.S.-flag carriers providing charter service, seven all-cargo service carriers and three foreign-flag carriers.

**Minneapolis-St. Paul International Airport  
Air Carriers Serving the Airport**

**As of January 2008**

**U.S.-Flag Carriers**

**Scheduled Service**

Air Tran*	Continental*	Pinnacle** <sup>6</sup>
Air Wisconsin <sup>2</sup>	Delta* <sup>5</sup>	Republic Airlines <sup>5</sup>
American	Express Jet <sup>7</sup>	Shuttle America <sup>2,4</sup>
American Eagle* <sup>3</sup>	Frontier*	SkyWest <sup>2</sup>
Atlantic Southeast*** <sup>4</sup>	Mesa Air Group <sup>5</sup>	Sun Country**
Chautaugua** <sup>4,5</sup>	Mesaba** <sup>6</sup>	United*
Comair* <sup>3,4</sup>	Midwest Airlines**	US Airways*
Compass** <sup>6</sup>	Northwest**	
Continental*		

**Non-scheduled (Charter) Service**

Champion Air*	Omni Air Express**	Ryan International*
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**All-Cargo Services**

ABX Air*	Bemidji**	Kitty Hawk
AStar Air Cargo <sup>8</sup>	FedEx	UPS**
ATI <sup>9</sup>		

**Foreign-Flag Carriers**

Air Canada**	Icelandair*	KLM**
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\* Signatory to Airline Lease Agreement that expires on December 31, 2010.

\*\* Signatory to Airline Lease Agreement that expires on December 31, 2020.

\*\*\* Signatory to Airline Lease Agreement that expires on December 31, 2015.

<sup>1</sup> Excludes carriers reporting fewer than 1,000 enplaned passengers per annum. Does not indicate which major air carriers codeshare with each other.

<sup>2</sup> Codeshare with United.

<sup>3</sup> Codeshare with American.

<sup>4</sup> Codeshare with Delta.

<sup>5</sup> Codeshare with US Airways.

<sup>6</sup> Codeshare with Northwestern Airlines.

<sup>7</sup> Codeshare with Continental. Express Jet is in the process of executing the Airline Lease Agreement. The Commission expects to receive an executed Airline Lease Agreement from Express Jet in the first quarter of 2008.

<sup>8</sup> Provides air service to DHL.

<sup>9</sup> Provides air service to BAX Global.

Sources: **Metropolitan Airports Commission**

Three branches of the United States Armed Forces are represented at the Airport: the Air Force Reserve 934th Tactical Airlift Group, the Marine Air Reserve Training Detachment, and the Naval Air Reserve-Twin Cities Center. Also located at the Airport is the Minnesota Air National Guard 133rd Tactical Airlift Group. At the St. Paul Downtown Airport, the Army maintains a dozen support helicopters and the National Guard bases its Fixed Wing Squadron. Training flights, servicing and simulated emergencies are conducted on a regular basis.

**OTHER INFORMATIONAL STATISTICS – 2008 OPERATING BUDGET**

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<b>GLOSSARY – 2008 OPERATING BUDGET</b>
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**AA** – Affirmative Action

**AAAE** – American Association of Airport Executives

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

**ACI** – Airports Council International

**Administrative Expenses** – One of the main expense categories and includes the following: office supplies, computer supplies, postage, printing, memberships, and travel.

**ADO** – Airport Director's Office

**AED** - Automated External Defibrillator

**AETRA** – An airport customer satisfaction benchmarking program. (Not an acronym – derived from the Latin word for clear sky, upper sky.)

**Agreement (The)** – The Airline Agreement which expires on 12/31/10. This Agreement is the basis for airline rates and charges primarily the landing fee, ramp fee, carousel and conveyors, terminal building rates and the noise surcharge.

**Agreement (The) Third Amendment** – This was an amendment to the Airline Agreement approved in 2007 by all carriers. Major components of this amendment include converting the rate methodology from Depreciation and Interest to Debt Service and also incorporating a portion of the concessions (25% of Food & Beverage, Retail, News and On Airport Auto Rental revenues to MAC up to a maximum of \$32.3 million) as a rebate to Lindbergh and Humphrey Terminal tenants.

**AIP Entitlements** – Funding available under the FAA's Airport Improvement Program (AIP). Entitlement grants are based on the number of enplaning passengers and landed cargo weight.

**AIP Grants – Noise** – Funding available under the FAA's Airport Improvement Program (AIP). Environmental Mitigation Projects are discretionary grants that are approved on a project by project basis.

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

**AMSS** – Airport Message Sending System

**ANOMS** – Airport Noise and Operations Monitoring System

**AOA** – Airport Operations Area

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

**ARFF** - Aircraft Rescue Fire Fighting

**ASIG** – Aircraft Service International Group

**AVI** – Automated Vehicle Identification. Relates to Landside Operations.

**Balanced Budget** – Refers to Budgeted Operating Revenue equal to Budgeted Operating Expense plus depreciation.

**BIDS** – Baggage Information Display System

<b>GLOSSARY – 2008 OPERATING BUDGET</b>
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**Bonds** – A formal promise to pay a specified principal at a certain date in the future along with periodic interest on that principal at a specified rate per period.

**CAD** – Computer Aided Design

**CFC** - Customer Facility Charge

**CSAC** – Customer Service Action Council

**CSOs** – Community Service Officers

**CUPPS** – Common Use Passenger Processing System

**Capital Equipment** – Represents equipment with a cost of at least \$5,000 that will be depreciated.

**Capital Expenditure** – Refers to a project or piece of equipment that will be depreciated over its useful life (\$5,000 minimum cost).

**Capital Improvement Program (CIP)** – This program covers projects which will be started during the next two years. Also, a Capital Improvement Plan is used to project an additional five years' worth of projects. These serve as a basis for determining funding requirements and other operational planning decisions.

**Capitalized Interest** – Interest costs incurred from date of capital project commencement through date of beneficial occupancy (substantial completion).

**The Commission** – Metropolitan Airports Commission

**Commercial Paper** – Short-term debt obligation sold with maturity dates of 270 days or less.

**Concessions** – One of the three main revenue categories. This category includes: food and beverage, news & gifts, parking, auto rental, vending, ground transportation, telephones, and numerous other small lessees.

**Concourse** – The long hallway-like structure where loading and unloading of passengers takes place.

**Connecting Passengers** – Passengers who transfer to another flight - Mpls.-St. Paul International not being their final destination.

**Construction Fund** – A special account whose monies are used for capital project expenditures, including consulting fees, at all Commission facilities. (See Construction Budget.)

**C.U.T.E.** - Common Use Terminal Equipment - used for ticketing and gate use.

**Debt Service** – Represents issuer's obligation to repay the principal and interest.

**Debt Service Account** – An account which MAC is required by law to maintain whereby the balance on hand on October 10<sup>th</sup> of each year is equal to all principal and interest due on all Airport Improvement Bonds and General Obligation Revenue Bonds payable therefrom to the end of the second following year.

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

**Defeased** – Refers to Bond Refundings where the old debt is replaced by a new debt schedule - in most cases at a lower interest rate.

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

<b>GLOSSARY – 2008 OPERATING BUDGET</b>
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**Depreciation** – The accounting process of allocating against periodic revenue the cost expiration of tangible plant, property and equipment over their useful lives.

**Derivative Financing Products** – A transaction or contract whose value depends on or, as the name implies, derives from the value of underlying assets such as stock, bonds, or mortgages. One party with exposure to unwanted risk can pass some or all of the risk to a second party. The first party can assume a different risk from a second party, pay the second party to assume the risk, or as is often the case, create a combination. Derivatives are normally used to control exposure or risk.

**DNL** - Day Night Noise Level

**DOG** – Department Operating Guidelines

**DOT** – Department of Transportation – FY05 Omnibus DOT Appropriation

**DCS** – Departure Control Systems

**DTN** – Data Transmission Network Corporation

**Dual Track Process** – The path designated by the Legislature that MAC and the Metropolitan Council will follow regarding a new airport. One track deals with a new airport whereas the other track deals with expansion of MSP International. The decision to expand MSP International was made in March 1996.

**ECP** – Environmental Compliance Program

**EDS** – Explosive Detection Systems - Machine that scans baggage for explosives.

**EMS** – Emergency Medical Services

**Encumbered** – Refers to the fact that funds have been committed for payment for goods or services.

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

**Enterprise Fund** – The cost (expenses including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges. That is, operating and capital expenses are paid from revenues generated by users.

**EPA** – Environmental Protection Agency

**EVIDS** – Electrical Visual Information Display System

**Exclusive Use** – Space rented to a specific airline.

**Exclusive Use–Janitored** – With this space the Commission furnishes janitorial cleaning.

**FAA** – Federal Aviation Administration

**FAA Regulation Part 36** – This regulation deals with noise standards, aircraft type, worthiness and certification.

**FAA Regulation Part 150** – This regulation: a) establishes a uniform nationwide system of describing aircraft noise and noise exposure on different communities; b) describes land-use compatibility for the guidance of local communities; and c) provides technical assistance to airport operators and other governmental agencies to prepare and execute noise compatibility planning.

<b>GLOSSARY – 2008 OPERATING BUDGET</b>
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**FD&E Committee** - Finance, Development and Environment Committee composed of Commissioners meeting on a monthly basis.

**FIDS** – Flight Information Display System

**FOD – Foreign Objects/Debris**

**FTE** – Full Time Equivalent – term referring to employee headcount.

**Fuel Storage Facility** – Operated by Airline Consortium and used to provide fuel to the airlines.

**Funds** – Refers to the Commission's three funds segregated for accounting purposes – Operating, Debt, and Construction.

**Fund Balance** – Refers to the balance (year-end) in the three Commission Funds (Operating, Debt and Construction).

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

**GASB 34 – Basis of Account** – Effective January 1, 2002, the Commission adopted GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments, Statement No. 37, Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Disclosures (GASB Statement No. 34). These statements establish comprehensive, new financial reporting requirements for governmental units. Under GASB Statement No. 34, the Commission is considered to be a special purpose government unit engaged primarily in business type activities (BTA). As a BTA, the Commission prepares its financial statements using the accrual basis of accounting and the economic resources measurement focus.

**General Airport Revenue Bonds (GARBs)** – These bonds are secured by the pledge of all operating revenues of the Commission subject to the prior pledges of such revenues for payment of General Obligation Revenue Bonds.

**General Insurance** – Part of the "Other" expense category. This includes insurance covering property, casualty, liability, crime, auto, and equipment.

**General Obligation Bonds (GORBs)** – General obligations of the Commission. Payments of these bonds are secured by the pledge of all operating revenues of the Commission. The Commission has the power to levy property taxes upon all taxable property in the seven-county Metropolitan Area in order to pay debt service on outstanding General Obligation Revenue Bonds.

**GIS** – Geographic Information System

**GISW** – Glycol Impacted Storm Water management

**HHH Terminal** – Hubert H. Humphrey Terminal – The Commission's second terminal where some international, some scheduled and most charter flights arrive and depart.

**HRIS** – Human Resources Information Systems

**HVAC** – Heating, Ventilating and Cooling System

**IATA** – International Air Transport Association

**IMLA** – International Municipal Lawyers Association

<b>GLOSSARY – 2008 OPERATING BUDGET</b>
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**Imputed Interest** – This rate is essentially a weighted average of all outstanding bond issue interest rates. It is used in the calculation of landing fees, ramp fees and terminal building rates.

**Infield Area** – An area constructed for parking or maintenance by cargo companies. Currently occupied by Federal Express and UPS.

**IS** – Information Systems

**Issuance Costs** – Represents costs associated with issuing debt. These include, but are not limited to, underwriter fees, consultant fees and bond insurance.

**Landed Weight** – Actual gross weight of a particular plane. The weights for all aircraft are published by the FAA.

**Landing Fees** – This fee is charged to all airplanes that land at MSP. The fees are calculated by dividing total field and runway costs by total landed weight. (See Revenue Assumptions section.)

**Lindbergh Terminal** – The main terminal where most of the scheduled flights arrive and depart. Also referred to as the "Terminal Building".

**Line Items** – Refers to specific accounts (line items) within the Commission's accounting system.

**Lobby Fees** – These fees are a per passenger fee charged to airlines when they use the HHH Terminal.

**LOI** – Letter of Intent – Grant program by the FAA. Used for major projects and requires a separate application.

**LRT** – Light Rail Transit

**M & O Committee** - Management and Operations Committee composed of Commissioners meeting on a monthly basis.

**MAC** – Metropolitan Airports Commission

**MAC Funds** – Amounts generated from operations that the Commission intends to apply toward the cost of the Capital Plan after payment of all operating expenses, debt service and other payment obligations.

**Maintenance Expense** – One of the main expense categories and includes five subdivisions: Trades building, field, equipment and cleaning.

**Major Carriers** – Those airlines which participate in the Airline Agreement. As of January 1, 2008, these include American, Air Tran, America West/USAir, Air Canada, Continental, Delta, Frontier, Northwest, Sun Country and United. In addition to these, there are several freight carriers, charter carriers, and commuter carriers that participate in the airline agreement.

**MALSR** – Medium Approach Lighting System with a Rail (Runway alignment indicator lights)

**MERF** – Minneapolis Employees Retirement Fund

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

**MnDot** – Minnesota Department of Transportation

**MOU** – Memorandum of Understanding

**MSA** – Metropolitan Statistical Area

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

<b>GLOSSARY – 2008 OPERATING BUDGET</b>
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**MUFIDS** – Multiple Users Flight Information Display

**NIGP** – National Institute of Governmental Purchasing

**NOC** - Noise Oversight Committee

**Noise Surcharge** – The surcharge established in the Airline Agreement. All Stage II and Stage III jet aircraft landings are subject to this surcharge.

**NPDES** – National Pollutant Discharge Elimination System

**NOTAMS** – Notice to Airmen System

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

**NWA** – Northwest Airlines

**OAG** – Official Airline Guide

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

**Operating Services** – One of the main expense categories and includes the parking management and contract, shuttle bus, advertising costs, copy agreement, bank charges, pollution control, service contracts, loading dock fees, computer service contracts, storm water monitoring and other charges.

**Operation** – The aircraft operation which represents a takeoff or landing.

**OSHA** – Occupational Safety and Health Administration

**Other Expenses** – One of the main expense categories and includes general insurance, safety materials and miscellaneous items.

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

**Passenger Facility Charge (PFC)** – An authorization by Congress which allows proprietors of commercial service airports, such as MAC, to impose a passenger facility charge upon revenue passengers enplaning at those airports. The charge can be set at \$1.00, \$2.00, or \$3.00, \$4.00, or \$4.50. There are exemptions for passengers flying on Essential Air Service flights. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers to mitigate noise impacts and to expand airport system capacity. MAC's initial application was approved with charges starting June 1, 1992. On April 1, 2001 the level of PFC's charged by MAC will go to \$4.50. The Commission will file its tenth application in February, 2008.

**PERA** – Public Employees Retirement Association

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

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

**RFP** – Request for Proposals

**RFQ** – Request for Qualifications

<b>GLOSSARY – 2008 OPERATING BUDGET</b>
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**RAAC** – Reliever Airports Advisory Council

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

**Reimbursed Expense** – Costs paid by the Commission initially and then billed back to tenants. (This is recorded in "Other Revenue".)

**Reliever Airports** – Refers to St. Paul Downtown, Flying Cloud, Crystal, Anoka, Lake Elmo, and Airlake Airports. These airports provide facilities for general aviation activity and reduce traffic and congestion at MSP International.

**Revenue Bonds** – Represent bonds that are paid with an entity's operating revenue generated from rents, fees and charges.

**SAAC** – Secured Area Access Control System

**SCAN** – Spot, Challenge and Notify – An airport employee watch guard program

**Scope** – Non-traditional or derivative financial products are those products other than traditional long-term fixed rate debt obligations and traditional short-term variable rate products (including variable rate demand obligations, commercial paper and auction rate notes). Such non-traditional financial products include, but are not limited to, "swaps", "swaptions", "municipal warrants" and "interest rate caps".

**Self-Liquidating Rents** – Fees received for the rental of facilities constructed for a specific airline or tenant; leases or lease amendments are negotiated for each facility to assure that the payment of all associated costs of constructing, financing and maintaining it are reimbursed to the Commission.

**Service Center** – The Commission's terminology for a specific department in order to keep track of costs.

**Seven County Metropolitan Area** – The counties surrounding and including the cities of Minneapolis, St. Paul and MSP International. The counties include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

**SIDA** – Security Identification Display Area

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

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

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

**Southwest Cargo Area** – An area constructed for parking or maintenance by cargo and airline companies. Currently occupied by Sun Country, Petters Aviation and various cargo companies.

**STP** – St. Paul Reliever Airport

**Subledger** - Commission terminology for grouping expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

**Subordinated Debt** – Debt that is paid after Senior obligations have been met.

**GLOSSARY – 2008 OPERATING BUDGET**

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

**SWOT** – An analysis that provides information that is helpful in matching the firm's resources and capabilities to the competition.

**TSA** – Transportation Security Administration

**Taxiway** – Paved areas on the airport to be primarily used for ground movements of aircraft to, from, and between runways, ramp and apron space, and storage areas.

**Unencumbered** – Funds not yet committed for purchase of goods or services.

**Utilities/Expense** – One of the major expense categories. Included in this section are electricity, telephone, water, sewer, and fuel. (Fuel includes both natural gas and fuel oil.)

**VALE** – Voluntary Airports Low Emission

**VOR** – Visual Omni-Directional Radio

**WMD** – Weapons of Mass Destruction

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

**Working Capital** – Current assets minus current liabilities.

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