



# 2025 OPERATING BUDGET

METROPOLITAN AIRPORTS COMMISSION MINNEAPOLIS-SAIN T PAUL, MN



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# TABLE OF CONTENTS



## OUR PURPOSE

To provide exceptional airport experiences so Minnesota thrives

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- ▶ **EXECUTIVE SUMMARY ..... page 5**
  - ▶ Budget Targets ..... 5
  - ▶ Fund Overview..... 5
  - ▶ Consolidated Enterprise Fund Table..... 6
  - ▶ Budget Development ..... 7
  - ▶ Enterprise Strategic Plan..... 11
  - ▶ Key Performance Indicators ..... 12
  - ▶ Acknowledgment ..... 16
  - ▶ 2024 GFOA Budget Award ..... 16
  - ▶ 2024 GFOA Budget Award Certificate ..... 17
  - ▶ Awards Received During 2024 ..... 18
- ▶ **THE ORGANIZATION..... page 21**
  - ▶ The Commission ..... 21
  - ▶ Board Members ..... 22
  - ▶ Organizational Chart..... 24
  - ▶ Full-time Equivalent Positions ..... 26
- ▶ **BUDGET PROCESS & FINANCIAL POLICIES..... page 31**
  - ▶ Full-time Equivalent Requests..... 31
  - ▶ Other Costs..... 31
  - ▶ Controllable Expenses..... 31
  - ▶ Budget Schedule ..... 32
  - ▶ Capital Improvement Program Schedule ..... 32
  - ▶ Calendar ..... 33
  - ▶ Budget Amendment Process..... 34
  - ▶ Financial Policies and Procedures ..... 34
  - ▶ Compliance Statement ..... 38
  - ▶ Operating & Non-Operating Revenue and Expense Summaries..... 39
- ▶ **FUND STRUCTURE ..... page 43**
  - ▶ Flow of Funds ..... 43
  - ▶ Fund Balance Summary ..... 44
  - ▶ Sources and Uses of Funds ..... 45
  - ▶ Operating Fund Budget Table ..... 46
- ▶ **OPERATING BUDGET REVENUE ..... page 49**
  - ▶ 2025 Operating Revenue Table ..... 50
  - ▶ Revenue Assumptions and Guidelines ..... 51
  - ▶ Airline Rates & Charges ..... 51
  - ▶ Concessions ..... 54
  - ▶ Rentals/Fees..... 56
  - ▶ Utilities & Other Revenue ..... 57

- ▶ **OPERATING BUDGET EXPENSE .....page 59**
  - ▶ 2025 Operating Expense Table.....60
  - ▶ Expense Assumptions and Guidelines.....61
  - ▶ Personnel.....61
  - ▶ Administrative Expenses .....63
  - ▶ Professional Services .....64
  - ▶ Utilities .....65
  - ▶ Operating Services/Expenses .....66
  - ▶ Maintenance .....67
  - ▶ Other .....68
  
- ▶ **CONSTRUCTION FUND .....page 71**
  - ▶ Capital Equipment & Technology Projects.....71
  - ▶ 2025 Capital Equipment & Technology Projects Table .....73
  - ▶ Capital Equipment Narratives.....74
  - ▶ Technology Project Narratives .....76
  - ▶ Capital Improvement Program (CIP) Expenditures.....78
  - ▶ 2025 CIP Projects.....78
  - ▶ CIP Operating Cost Projections Table .....78
  - ▶ 2025 CIP Narratives .....79
  - ▶ 2025 CIP Funding by Source Table .....93
  - ▶ 2026-2031 CIP Funding by Source Table.....98
  - ▶ Sources and Uses of Funds .....105
  - ▶ Construction Fund Budget.....105
  - ▶ Projects in Process Table.....107
  
- ▶ **DEBT SERVICE FUND.....page 109**
  - ▶ Long-Term Debt .....109
  - ▶ Current Long-Term Debt Table .....110
  - ▶ Debt Service Requirements .....111
  - ▶ Future Debt Service Payments .....111
  - ▶ Sources and Uses of Funds .....114
  - ▶ Bond Ratings .....115
  
- ▶ **DIVISION SUMMARIES .....page 117**
  - ▶ Executive Division .....118
  - ▶ Strategy & Stakeholder Engagement Division .....121
  - ▶ Finance & Revenue Development Division.....124
  - ▶ Human Resources & Labor Relations Division .....127
  - ▶ Planning & Development Division .....129
  - ▶ Management & Operations Division.....132
  
- ▶ **STATISTICS & INFORMATIVE FACTS ..... page 137**
  - ▶ Historical Operating Revenue and Operating Expense ..... 137
  - ▶ Facility Expansion..... 139
  - ▶ Activity/Operations Statistics ..... 141
  - ▶ Informative Facts About Minnesota ..... 143
  - ▶ Tourism and Attractions..... 148
  - ▶ Current MSP Information..... 148
  - ▶ MAC Facts ..... 149
  
- ▶ **GLOSSARY ..... page 155**

The December Operations, Finance and Administration Committee meeting is available to view at:  
<https://metroairports.granicus.com/>

Additional financial information is found on the Investor Relations page of the website:  
<https://metroairports.org/doing-business/investor-relations>

# EXECUTIVE SUMMARY

## DECEMBER 16, 2024

To the Public:

We are pleased to present the 2025 Metropolitan Airports Commission (MAC) Budget which was adopted by the Board of Commissioners (Commission) on December 16, 2024.

Total Operating Revenue for 2025 is projected to be \$536.3 million and Operating Expense is \$302.0 million excluding depreciation and noise amortization. Non-Operating Expense, including Non-Operating Revenue, is budgeted to be \$166.4 million. The approved 2025 budget results in \$67.9 million of Net Revenue Available for Designation.

The 2025 budget process commenced in May 2024. Key short-term issues and associated risk factors faced by the MAC in developing the overall targets for the operating budget are generally consistent year-over-year. These include:

- ▶ Future growth and capacity management.
- ▶ Changes in the state of the economy and the airline industry in 2025.
- ▶ Funding the Capital Improvement Program (CIP), which totals \$570.7 million.
- ▶ Challenging borrowing costs from the interest rate environment.
- ▶ Elevated cost inflation on purchases, although inflation in certain areas has moderated.

These risks are addressed by these considerations:

- ▶ Future growth is a top priority of the MAC. Two additional gates are being built in terminal 2 to handle the additional passengers expected.
- ▶ Revenue and expenses are based on the passenger enplanement count.
- ▶ Inflationary costs are included in both revenue and expenses.
- ▶ Funding for the CIP is determined based on borrowing costs, grants projected and other factors.

Our Purpose Statement guides the MAC's decisions and actions.

**Our Purpose:** To provide exceptional airport experiences so Minnesota thrives

## BUDGET TARGETS

The Commission identified four targets that were used in developing the 2025 Operating Budget. Presented are the targets and their respective budget results.

**Target** The MAC will maintain a coverage ratio of at least 2.4x on Senior General Airport Revenue Bonds (GARBs) and an overall coverage of at least 1.4x (with transfer).

**Result** The coverage ratio will be 4.42x on Senior GARBs and 1.86x on total coverage (with transfer).

**Target** The MAC will maintain a minimum of a six-month reserve in the Operating Fund.

**Result** The current reserve covers six months of operating expenses.

**Target** The MAC will maintain a Cost Per Enplanement (CPE) below the median among U.S. Large Hubs.

**Result** We anticipate MSP will remain below the median among U.S. Large Hubs.

**Target** The budget shall have the financial resources to operate the MAC's system of airports, meet its debt service obligations and fund its reserves and capital requirements of the Commission.

**Result** The budget forecasts \$67.9 million in Net Revenues Available for Designation.

## FUND OVERVIEW

The MAC is accounted for as an Enterprise Fund. For internal purposes, three funds are maintained. Each fund relates to a specific function: Operating Fund (Budget – operations of the airport), Construction Fund (Budget – Capital Improvement Program) and Debt Service Fund (Debt). The Operating Fund reserve is set by the Commission. Based on current policy, that reserve amount needs to be at least six months of operating expenses, excluding depreciation and noise amortization.

Transfers from the Operating Fund to the Debt Fund are made annually in June and December to make debt service payments and to ensure the respective debt service reserve accounts are fully funded. At the end of the year, after all operating expenses and debt service have been funded, any balance not designated is transferred to the Construction Fund.

The table below presents a consolidated schedule of revenue, expenses and other sources and uses for all funds. Revenue is projected to grow 1.2% in 2025 compared to the 2024 estimate, with revenue expected to increase 3-4% in the years to follow based on projected enplanements. Expenses also increased in 2025 over the 2024 estimate based on the number of passenger enplanements and inflationary measures. Expenses are projected to grow an additional 3-5% in years 2026 and 2027. Assumed interest earnings are modest with a 3-4% increase. A bond issue is planned for 2026 along with the expectation of receiving additional federal and state grants to help fund CIP projects.

## Consolidated Enterprise Fund ►►►

(\$ = 000)

2025 Budget vs 2024 Estimate

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	2026 Projection	2027 Projection
<b>Sources All Funds</b>						
Balance Carried Forward January 1 <sup>1</sup>	\$ 779,058	\$ 844,485	\$ 844,485	\$ 1,280,192	\$ 820,709	\$ 966,830
<b>Operating Fund Revenues</b>						
Airline Rates & Charges	164,074	185,587	188,077	197,483	205,382	211,543
Concessions	214,586	230,204	227,484	241,771	249,024	256,495
Other Operating Revenues	90,228	92,007	93,036	97,056	99,765	101,081
Interest Earnings	13,018	9,218	11,709	9,940	9,779	10,073
Other & Self-Liquidating Revenue	87,045	41,347	710	2,204	1,998	2,388
Transfers in Equipment Financing	8,875	19,000	16,654	15,000	3,363	15,000
<b>Construction Fund Revenues</b>						
PFC Funding	66,834	75,332	79,243	77,264	79,196	81,127
Federal & State Grants	27,895	204,588	54,507	54,196	23,214	53,897
Interest Income	20,295	25,000	34,601	25,000	22,200	12,600
Bond/Notes Proceeds	-	705,045	593,050	-	633,500	-
Short-Term Funding Program	46,400	23,500	45	13,800	16,600	2,400
Other Receipts	3,867	-	-	-	-	-
Transfers In - Operating Fund	91,734	87,000	173,899	86,128	67,000	71,201
<b>Debt Fund Revenues</b>						
Interest Earnings	638	1,208	1,759	1,295	1,336	1,341
Bond Proceeds	176,897	-	-	-	-	-
Transfers In (PFC and GARB Requirements)	147,607	154,702	154,702	158,540	159,805	157,991
<b>Total All Receipts</b>	<b>\$ 1,939,051</b>	<b>\$ 2,698,223</b>	<b>\$ 2,473,961</b>	<b>\$ 2,259,869</b>	<b>\$ 2,392,871</b>	<b>\$ 1,943,967</b>
<b>Uses All Funds</b>						
<b>Operating Fund Expenses</b>						
Personnel	112,422	123,571	120,770	129,801	136,291	140,380
Administration	1,454	2,334	2,050	2,557	2,685	2,766
Professional Services	8,992	14,639	14,200	15,488	16,262	16,750
Utilities	24,713	24,940	23,221	27,351	28,719	29,581
Operating Services	33,992	40,276	39,217	43,951	46,149	47,533
Maintenance	58,147	67,043	67,481	70,616	74,147	76,371
Other	5,808	12,381	13,369	12,239	12,851	13,237
Equipment & Other Capital Expenditures	14,898	36,153	36,153	32,366	26,981	27,040
Transfers Out - Debt	124,961	134,331	134,331	142,479	150,014	168,813
Transfers Out - Equipment Financing	4,789	7,814	7,814	7,986	6,733	6,286
Transfers Out - Construction	91,734	87,000	173,899	86,128	67,000	71,201
<b>Construction Fund Expenses</b>						
CIP Project Costs	226,673	461,149	378,290	684,349	672,295	504,956
Debt Service PFC Transfer	26,814	25,183	25,183	24,929	25,730	25,379
<b>Debt Fund Expenses</b>						
Bond Refundings	198,781	-	-	-	-	-
Bond Principal & Interest Payments	160,388	157,791	157,791	158,920	160,184	158,371
<b>Total All Costs</b>	<b>\$ 1,094,566</b>	<b>\$ 1,194,605</b>	<b>\$ 1,193,769</b>	<b>\$ 1,439,160</b>	<b>\$ 1,426,041</b>	<b>\$ 1,288,664</b>
<b>Total Ending All Net Fund Balances</b>	<b>\$ 844,485</b>	<b>\$ 1,503,618</b>	<b>\$ 1,280,192</b>	<b>\$ 820,709</b>	<b>\$ 966,830</b>	<b>\$ 655,303</b>

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

### BUDGET DEVELOPMENT

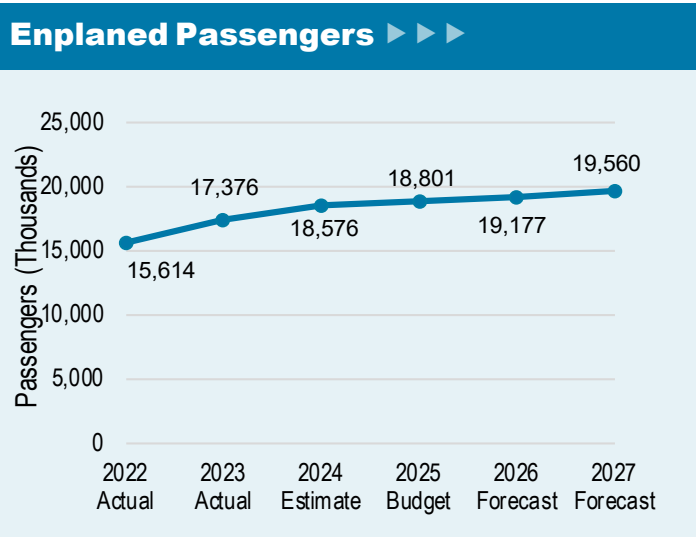
The Metropolitan Airports Commission is dedicated to providing services that consistently exceed the expectations of its customers and stakeholders. The MAC strives to fulfill its purpose: To provide exceptional airport experiences so Minnesota thrives. Ensuring the organization's long-term financial strength and enabling the organization to fulfill the Enterprise Strategic Plan is crucial to the MAC.

As part of the budgeting process, long-range financial plans are developed to identify anticipated trends in financial resources, designate appropriate capital resources to future needs and establish a link between the Enterprise Strategic Plan and the MAC's long-range financial plans. The forecast is adjusted as each year's actual results are known and as future years are budgeted.

This is done in conjunction with the Capital Improvement Program, which is a seven-year forecast with funding sources identified. The construction of the Safety and Security Center to house police, fire and other emergency personnel is an example of capital costs used to fulfill the Enterprise Strategic Plan.

As previously indicated, the Commission's process for developing targets and guidelines for the 2025 budget included a discussion of critical issues around future growth and capacity as well as changes in the economy and in the airline industry. Key to this discussion was the enplanement forecast, increased need for operating expenses, maintaining our coverage ratios, working with our stakeholder partners to reduce their costs as well as looking for opportunities to derive new revenue and a competitive cost per enplaned passenger.

The enplaned passenger graph shows historical as well as forecasted enplaned passenger counts. Passenger enplanements are expected to grow based on forecasts obtained from airlines and various other industry sources. The MAC projects continued growth with enplanements up 6.9% to 20.3 million by 2027 from the budgeted 2025 estimate. Forecasts are updated throughout the year.



The 2025 budget was developed on 18.8 million enplanements projected. The increasing number of enplanements result in the need to hire additional staff to maintain service to passengers - 18 new headcount are budgeted in 2025. The new headcount will support MAC's strategic plan goals, cover increasing needs and enable the MAC to provide exceptional airport experiences to the traveling public.

The Commission monitors and evaluates expenses to keep the cost per enplanement low for the airlines.



*Delta Plane Carries Team USA to the 2024 Olympics in Paris*

OPERATING BUDGET

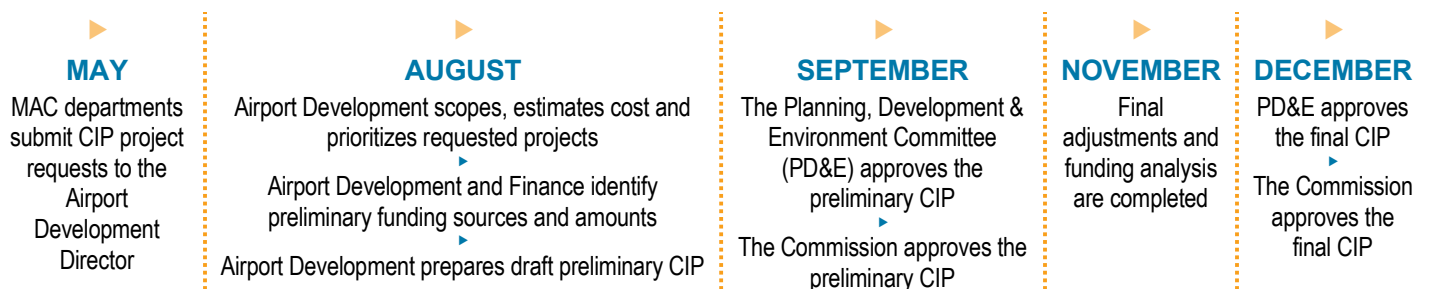
The following table is a summary of Revenue, Expense and Non-Operating Revenue and Expense comparing 2023 Actual through the 2025 Budget. Revenue and expenses are both increasing along with the growth in passengers. Details regarding recent changes in revenues and expenses are within the Operating Budget Revenue and Operating Budget Expense sections of this document.

<b>Operating Budget Summary</b> ►►►						
(\$ = 000)						
2025 Budget vs 2024 Estimate						
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Operating Revenue</b>						
Airline Rates and Charges	\$ 164,074	\$ 185,587	\$ 188,077	\$ 197,483	\$ 9,406	5.0%
Concessions	214,586	230,205	227,484	241,771	14,287	6.3%
Rentals/Fees	64,425	66,535	66,825	69,581	2,757	4.1%
Utilities & Other Revenues	25,803	25,472	26,211	27,475	1,265	4.8%
<b>Total Operating Revenue</b>	<b>\$ 468,888</b>	<b>\$ 507,799</b>	<b>\$ 508,596</b>	<b>\$ 536,310</b>	<b>\$ 27,714</b>	<b>5.4%</b>
<b>Operating Expense</b>						
Personnel	\$ (112,422)	\$ (123,571)	\$ (120,770)	\$ (129,801)	\$ (9,031)	7.5%
Administrative Expenses	(1,454)	(2,334)	(2,050)	(2,557)	(507)	24.7%
Professional Services	(8,992)	(14,639)	(14,200)	(15,488)	(1,288)	9.1%
Utilities	(24,713)	(24,940)	(23,221)	(27,351)	(4,130)	17.8%
Operating Services	(33,992)	(40,276)	(39,217)	(43,951)	(4,734)	12.1%
Maintenance	(58,147)	(67,043)	(67,481)	(70,616)	(3,135)	4.6%
Other	(5,808)	(12,381)	(13,369)	(12,239)	1,130	-8.5%
<b>Total Operating Expense <sup>1</sup></b>	<b>\$ (245,529)</b>	<b>\$ (285,183)</b>	<b>\$ (280,309)</b>	<b>\$ (302,003)</b>	<b>\$ (21,694)</b>	<b>7.7%</b>
<b>Net Operating Revenue</b>	<b>\$ 223,359</b>	<b>\$ 222,616</b>	<b>\$ 228,287</b>	<b>\$ 234,306</b>	<b>\$ 6,020</b>	<b>2.6%</b>
<b>Non-Operating Revenue (Expense)</b>						
Add: Other Non-Operating Revenue	\$ 108,937	\$ 73,840	\$ 28,985	\$ 27,145	\$ (1,840)	-6.3%
Less: Debt Service/Equipment/Other	(157,980)	(204,327)	(200,152)	(193,530)	6,622	-3.3%
<b>Total Non-Operating Revenue (Expense)</b>	<b>\$ (49,043)</b>	<b>\$ (130,487)</b>	<b>\$ (171,167)</b>	<b>\$ (166,385)</b>	<b>\$ 4,782</b>	<b>-2.8%</b>
<b>Net Revenue</b>	<b>\$ 174,316</b>	<b>\$ 92,128</b>	<b>\$ 57,121</b>	<b>\$ 67,923</b>	<b>\$ 10,802</b>	<b>18.9%</b>

<sup>1</sup> Excludes depreciation  
Numbers may not sum to totals due to rounding

CAPITAL IMPROVEMENT PROGRAM

The Commission approves a seven-year Capital Improvement Program which is divided into three areas. The first area is approval of projects that will be initiated in year one of the program. The second area identifies projects which may be reviewed in detail to determine cost and feasibility. The third area of the program is identifies potential projects in years three through seven. At the same time the final Capital Improvement Program is presented for approval, a plan for funding the first three years is provided. Milestones for the 2025-2031 Capital Improvement Program development schedule are:





The following table summarizes the funding for prior Capital Improvement Program years and the current three-year program. The annual CIP varies each year as it is built on necessity and funding. The 2024 CIP budget was significant as three large projects were included: the Terminal 2 gate expansion, Concourse G infill project and the second phase of the Safety and Security Center. The 2027 CIP is escalated from plans to expand the Energy Management Center (EMC) building and to replace the Terminal 1 boiler and chiller units.

<b>Capital Improvement Program Summary</b> ►►►					
(\$=000)					
	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027
<b>Projects - All Airports</b>					
<b>Minneapolis-St. Paul International Airport</b>					
End-of-Life/Replacement Projects	\$ 90,495	\$ 59,575	\$ 88,600	\$ 35,400	\$ 555,400
Information Technology	10,850	7,910	24,500	31,050	21,750
Long-Term Comprehensive Plan Projects	72,025	581,000	41,800	43,700	1,100
Maintenance / Facility Upgrade Projects	46,015	281,130	204,700	128,695	174,885
Ongoing Maintenance Programs	59,500	82,165	91,970	77,370	84,995
Noise Mitigation Projects	500	1,000	500	500	1,000
MSP Tenant Projects	31,100	90,620	81,875	970	445
<b>Total Minneapolis-St. Paul International Airport</b>	<b>\$ 310,485</b>	<b>\$ 1,103,400</b>	<b>\$ 533,945</b>	<b>\$ 317,685</b>	<b>\$ 839,575</b>
<b>Reliever Airports</b>	10,680	32,400	36,750	23,450	54,275
<b>Total Projects - All Airports</b>	<b>\$ 321,165</b>	<b>\$ 1,135,800</b>	<b>\$ 570,695</b>	<b>\$ 341,135</b>	<b>\$ 893,850</b>
<b>Funding</b>					
Passenger Facility Charges (PFCs)	\$ 52,877	\$ 29,642	\$ 62,150	\$ 17,000	\$ 41,150
Federal and State Grants	80,591	204,588	54,196	23,214	53,897
General Airport Revenue Bonds-Line of Credit	111,626	804,495	343,795	218,450	682,420
Internal/Airline Funds	76,072	97,076	110,554	82,471	116,383
<b>Total Funding</b>	<b>\$ 321,165</b>	<b>\$ 1,135,800</b>	<b>\$ 570,695</b>	<b>\$ 341,135</b>	<b>\$ 893,850</b>
<i>Numbers may not sum to totals due to rounding</i>					

**AIR SERVICE**

Maintaining and adding air service is vital to the Commission. The Air Service Development service center is responsible for three primary areas: 1) developing air service by marketing MSP for new domestic and international passenger flights and cargo flights; 2) promoting the facilities and services of MSP and the MAC's system of airports both domestically and internationally; and 3) building community relations by establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region and to solicit their support. As of January 2025, MSP provides air service to 131 domestic and 32 international non-stop destinations. Competitive air service is provided to 94 destinations.



*Plane Departing Minneapolis-St. Paul International Airport*

**DEBT**

**Long-Term Debt**

The Commission anticipates a new long-term debt issue in 2026 to finance a number of capital improvement program projects in the amount of \$633.5 million. The last debt issued was in 2024.

**Short-Term Debt**

For many years, the Commission has used a revolving line of credit for short-term borrowing to finance various projects. This Short-Term Borrowing Program also allows the Commission some flexibility in financing unanticipated or unforeseen capital improvements. The

Commission has a line of credit of \$200 million. As of December 31, 2024, the Commission has utilized \$87.7 million of its line of credit. The amount utilized from the line of credit will be paid off with future PFC applications and bond issues.

**Refundings**

The Commission has aggressively pursued the refunding options of its outstanding debt. Bond proceeds are also used to retire a portion of the Commission’s older long-term debt. The Commission realized an average annual debt service savings of approximately \$25.7 million per year.

**Debt Refundings Summary** ►►►

(\$=000)

Series Refunded	Refunding Year	Total Savings	Annual Savings	Present Value % Savings
1998A, 1999A, 2001A & 2001C <sup>1</sup>	2007	\$ 33,050	\$ 2,330	5.19%
1998B <sup>1</sup>	2008	2,440	365	3.32%
1999B & 2000B <sup>1</sup>	2009	8,140	990	4.95%
2001B & 2001D <sup>1</sup>	2010	9,640	1,150	8.94%
GO 13 <sup>2</sup>	2010	633	214	4.50%
2003A <sup>1</sup>	2011	3,318	369	6.10%
2003A <sup>1</sup>	2012	5,272	293	12.50%
2005A, B & C <sup>1</sup>	2014	60,235	3,011	14.69%
2007A & B <sup>1</sup>	2016	164,340	10,956	25.74%
2009A & B & 2010A, B, C & D <sup>1</sup>	2019	39,489	2,468	14.70%
2011A & 2012 B <sup>1</sup>	2022	13,032	1,448	18.40%
2014A & 2014B <sup>1</sup>	2023	25,677	2,140	7.82%
		<b>\$ 365,266</b>	<b>\$ 25,734</b>	<b>10.57%</b>

**Average Present Value Savings**

<sup>1</sup> General Airport Revenue Bond Refunding

<sup>2</sup> General Obligation Revenue Bond Refunding



Delta Airbus A319

# ENTERPRISE STRATEGIC PLAN

## ENTERPRISE STRATEGIC PLANNING PROCESS

The MAC completed a robust strategic planning process in 2022 to develop the 2023-2027 Enterprise Strategic Plan.

The process included:

- ▶ **External analysis:** Conducting an assessment of the aviation industry, MAC airport system and regional landscape.
- ▶ **Stakeholder engagement:** Inviting key stakeholders—such as staff, commissioners, tenants, business leaders, civic leaders and government leaders—to provide input into the needs and perspectives that should be considered in the plan.
- ▶ **Divergence:** Engaging in a process to explore options informed and guided by the external analysis and stakeholder engagement learnings.

- ▶ **Convergence:** Narrowing down ideas to develop the proposed purpose, values, focus areas, goals and key performance indicators.
- ▶ **Finalize:** Finalizing the plan’s purpose, values, focus areas, goals and key performance indicators. Staff presenting and receiving approval from the Commission for the purpose, values and focus areas.

The Enterprise Strategic Plan contains a Purpose Statement, set of Values and five Focus Areas<sup>1</sup>, which are listed in the accompanying graphic. Each division advances goals that will enable the organization to fulfill the MAC’s enterprise strategic plan. The Division Summaries section will illustrate the connections between Key Performance Indicators (KPIs)<sup>2</sup>, Division Goals and Focus Areas.

# OUR PURPOSE

To provide exceptional airport experiences so Minnesota thrives





OUR VALUES

<p style="text-align: center; background-color: #003366; color: white; padding: 5px;"><b>We take ownership</b></p> <ul style="list-style-type: none"> <li>We prioritize safety and security</li> <li>We take care of our natural environment</li> <li>We are accountable for our actions and to each other</li> <li>We maintain a solution-oriented mindset and step-up to solve problems</li> </ul>	<p style="text-align: center; background-color: #003366; color: white; padding: 5px;"><b>We treat each other well</b></p> <ul style="list-style-type: none"> <li>We are respectful</li> <li>We seek diverse perspectives and commit to an inclusive environment</li> <li>We prioritize the wellbeing of our employees and stakeholders</li> <li>We invest in the professional growth of our employees</li> </ul>
<p style="text-align: center; background-color: #003366; color: white; padding: 5px;"><b>We act with integrity</b></p> <ul style="list-style-type: none"> <li>We fulfill our promises</li> <li>We communicate openly and honestly</li> <li>We choose to do what’s right</li> <li>We act to positively impact MAC’s reputation</li> </ul>	<p style="text-align: center; background-color: #003366; color: white; padding: 5px;"><b>We commit to continuous improvement</b></p> <ul style="list-style-type: none"> <li>We set high standards and deliver exceptional service</li> <li>We operate efficiently</li> <li>We contribute new ideas and optimize our ways of working</li> <li>We collaborate to arrive at the best outcomes</li> </ul>

FOCUS AREAS

 Invest in our workforce and partnerships	 Optimize financial performance while investing to sustain growth	 Actively manage sustainability and stakeholder & community relations	 Operate the airports in a friendly, efficient, safe and secure manner	 Position the MAC for changes in the aviation industry
---------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------

<sup>1</sup> The MAC identifies Strategic Goals as Focus Areas.

<sup>2</sup> The MAC identifies Performance Measures as Key Performance Indicators.

To achieve our Focus Areas, the MAC strives to accomplish the following objectives:

**Invest in our Workforce and Partnerships**

Investing in our workforce and partnerships, the MAC will increase employee engagement and workforce diversity, expand utilization of targeted group businesses and increase the organization’s economic impact.

**Optimize Financial Performance while Investing to Sustain Growth**

Optimizing financial performance while investing to sustain growth will be accomplished by adding nonstop destinations, growing passenger and air cargo volumes, modernizing facilities and systems to meet passenger and cargo demands and increasing revenue while managing expenses.

**Actively Manage Sustainability and Stakeholder & Community Relations**

Actively managing sustainability and stakeholder & community relations will assist in achieving sustainability goals, enhancing brand recognition and fostering stakeholder engagement.

**Operate the Airports in a Friendly, Efficient, Safe and Secure Manner**

Operating the airports in a friendly, efficient, safe and secure manner will deliver top rankings in customer experience and operations performance, grow customer insights and engagement, as well as strengthen process improvement capabilities.

**Position the MAC for Changes in the Aviation Industry**

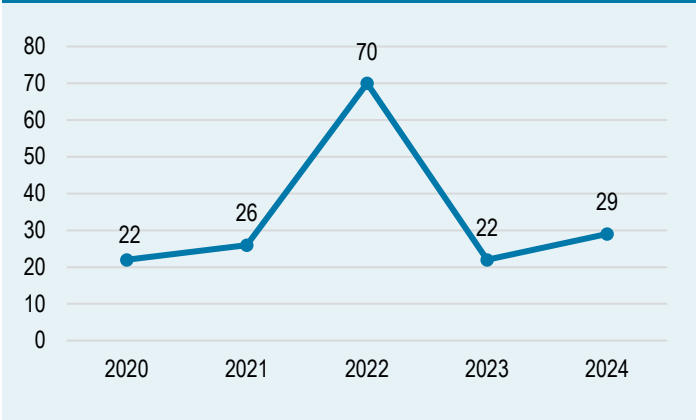
To position the MAC for changes in the aviation industry, the organization will identify, understand and prepare for future industry trends and build a future-development program with local partners.

**KEY PERFORMANCE INDICATORS**

Key performance indicators measure how successful the MAC is as an organization in a number of important areas.

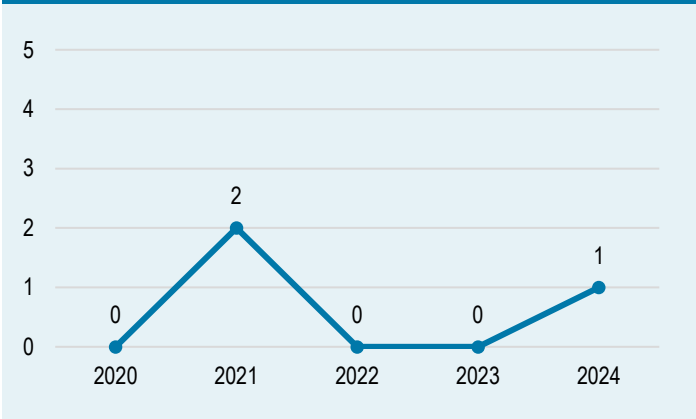
**SAFETY AND SECURITY**

**OSHA-Recordable Injuries/Illnesses**



In 2022, the increase in reportable injuries resulted from employees infected at work and testing positive for COVID-19. Most reported injuries in 2024 resulted in no or minimal medical treatment.

**MSP Security Breaches**

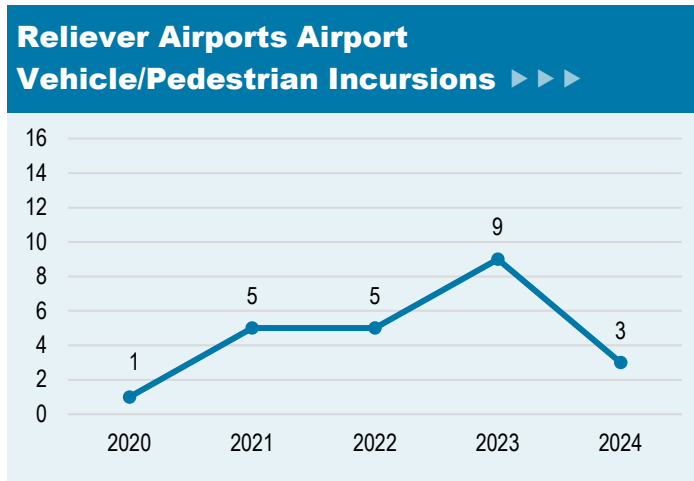
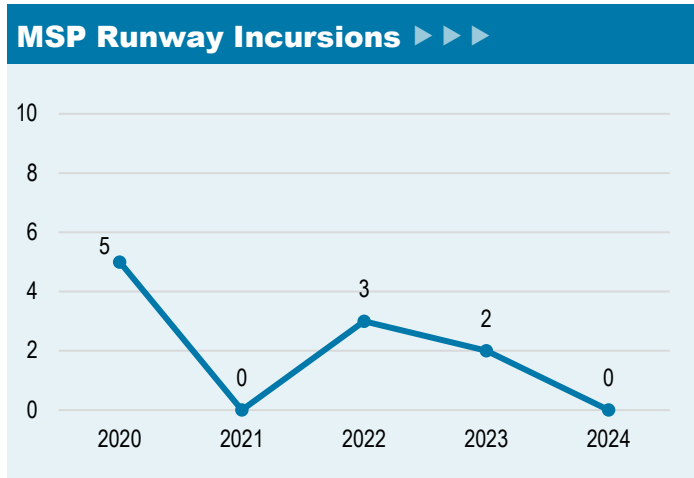


These security breaches impacted operations.

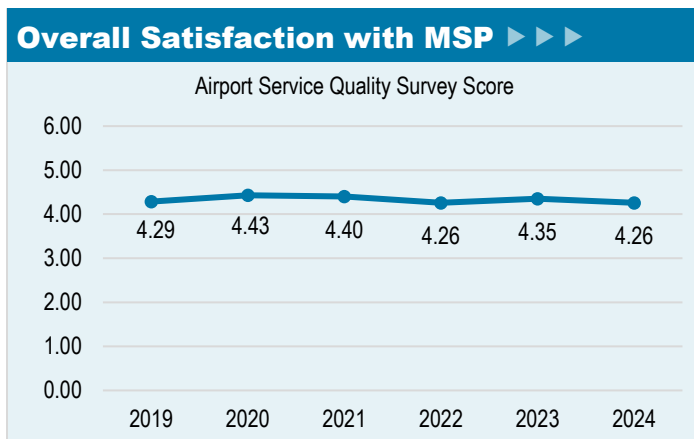


Outdoor View of Delta Sky Club at Terminal 1

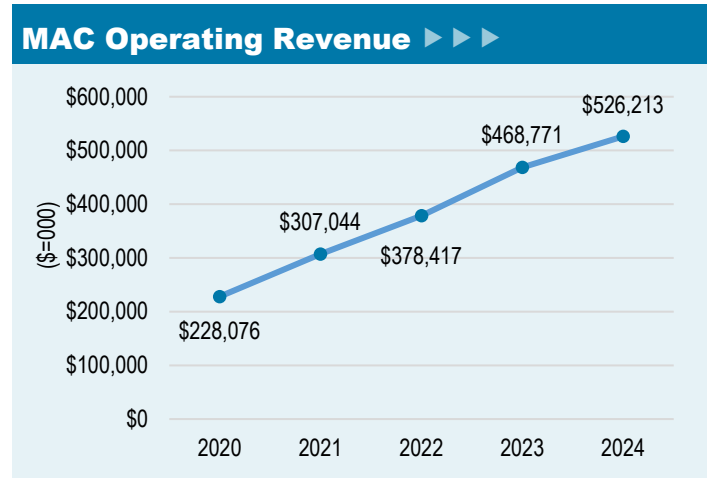
SAFETY AND SECURITY CONTINUED



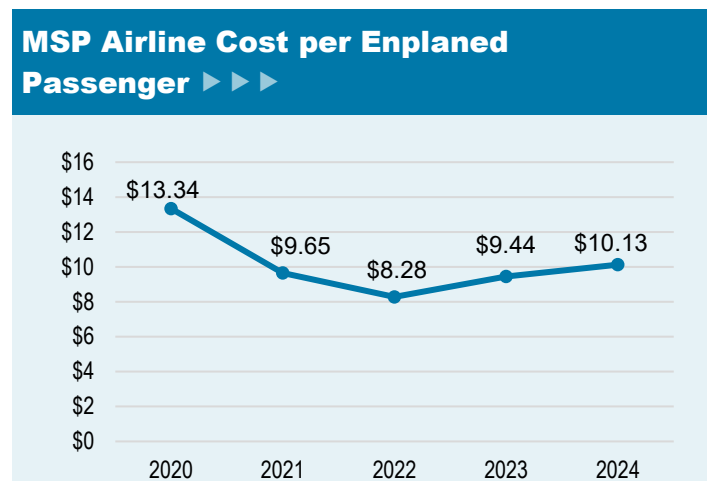
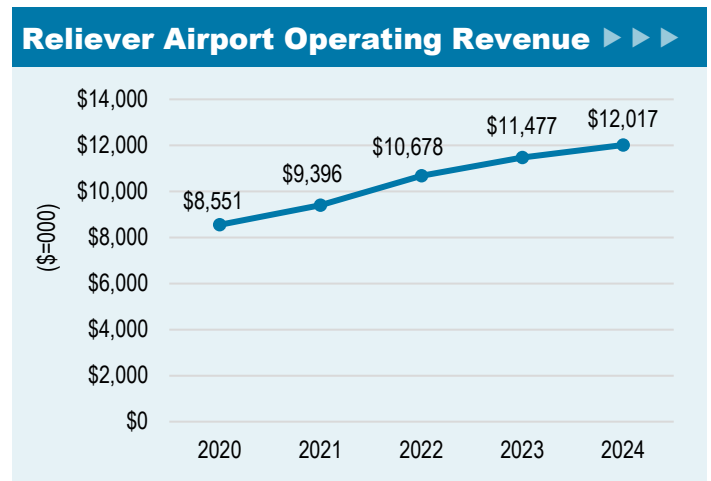
CUSTOMER EXPERIENCE



FINANCIAL



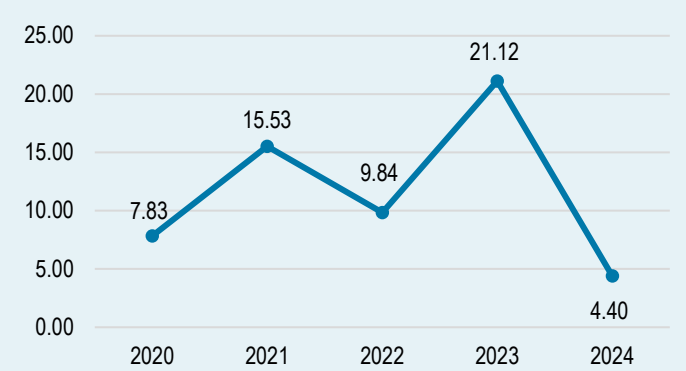
MAC operating revenue was at a low in 2020 from the pandemic. Revenue continues to increase through 2025.



The elevated cost per enplaned passenger in 2020 is a result of the low passenger count due to the pandemic.

FINANCIAL CONTINUED

**MAC Senior Debt Service Coverage Ratio without Transfer ▶▶▶**

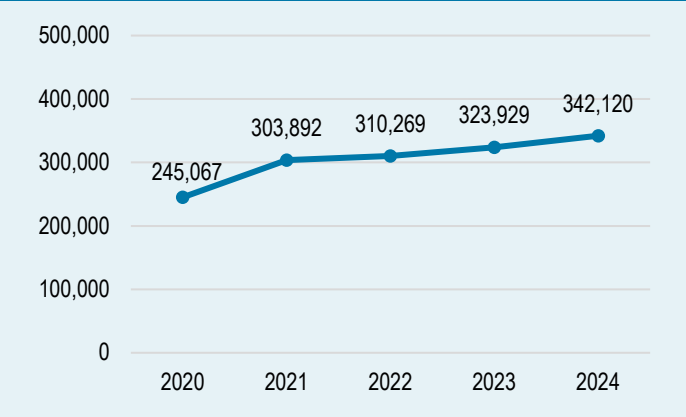


The higher ratios stem from federal COVID relief grants received in those years, which reimbursed debt payments, with the last reimbursement in 2023.

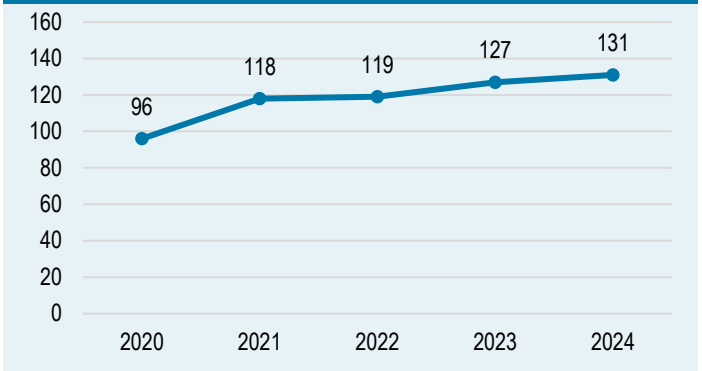
OPERATIONS

Operations were significantly affected by the onset of the pandemic in 2020. By 2024, MSP operations have rebounded as shown in the following graphs.

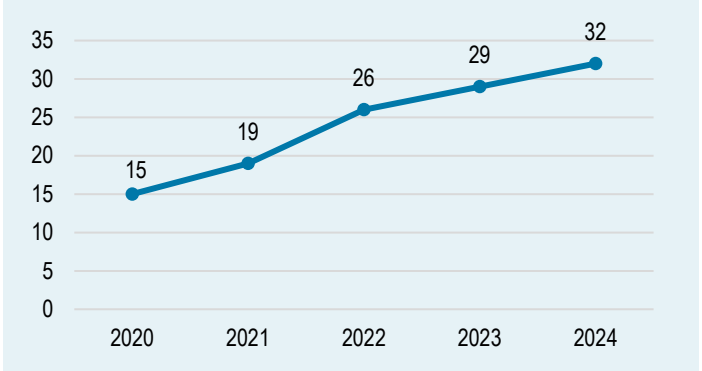
**MSP Operations ▶▶▶**



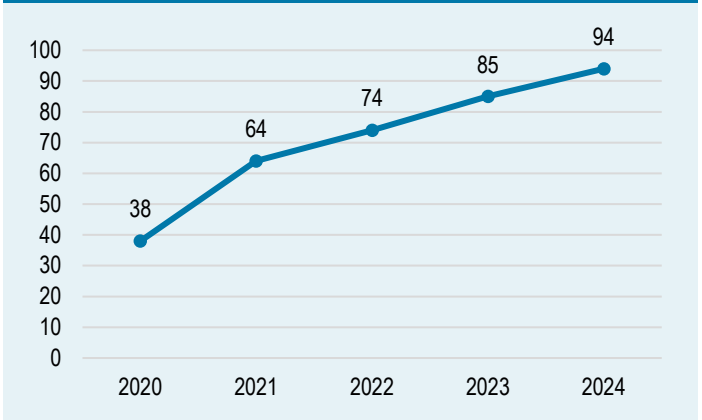
**MSP Non-Stop Domestic Destinations ▶▶▶**



**MSP Non-stop International Destinations ▶▶▶**

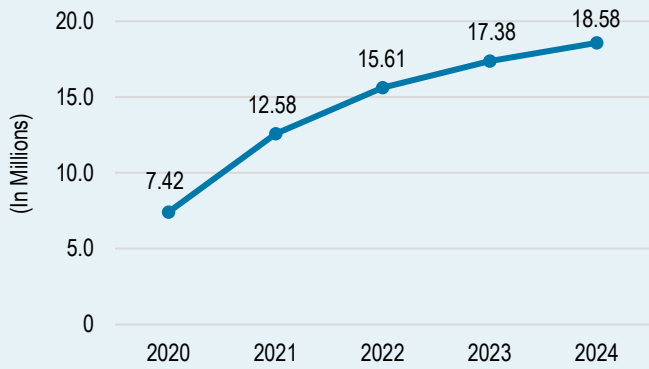


**MSP Competitive Destinations ▶▶▶**

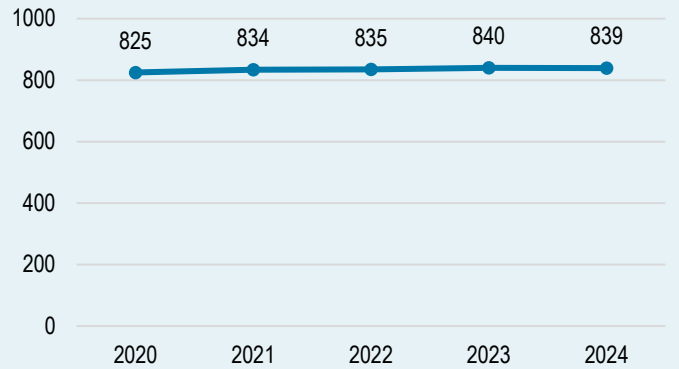


OPERATIONS CONTINUED

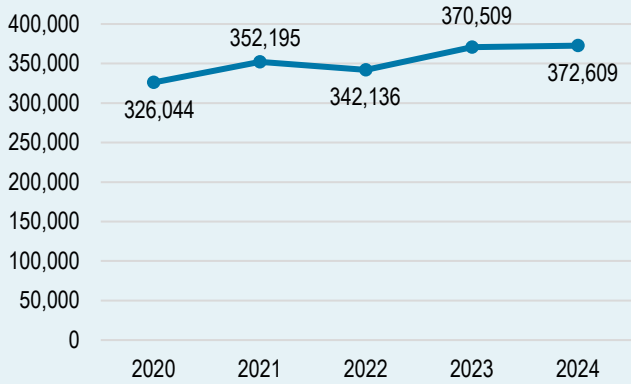
**MSP Enplaned Passengers** ►►►



**Reliever Airport Tenants** ►►►

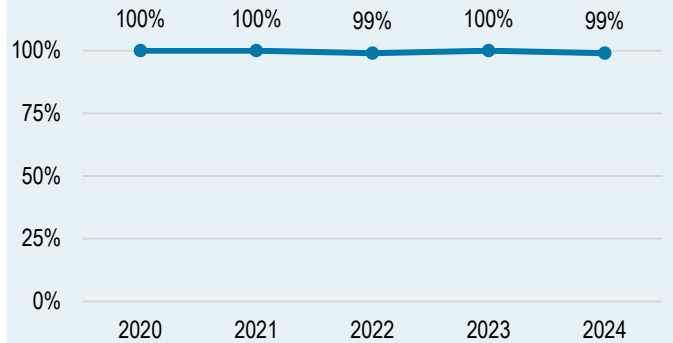


**Reliever Operations** ►►►

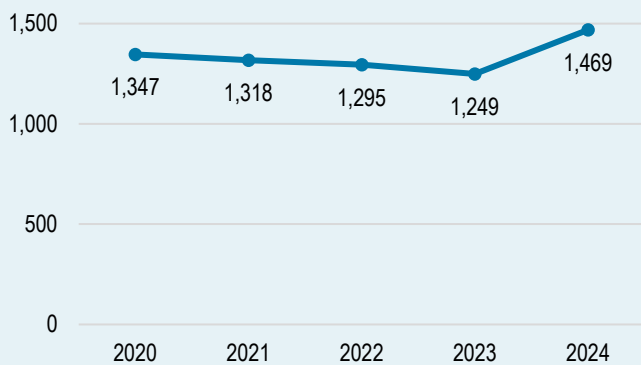


DEVELOPMENT

**MAC Capital Improvement Program Implementation** ►►►

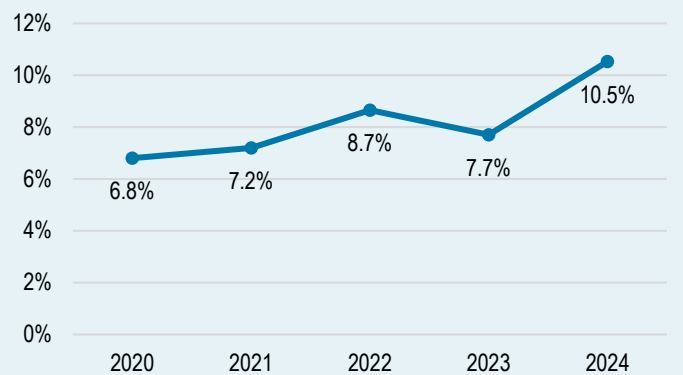


**Reliever-based Aircraft** ►►►



EMPLOYEE ENGAGEMENT

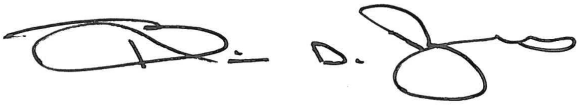
**MAC Employee Turnover Rate** ►►►



## ACKNOWLEDGMENT

The budget is the result of countless hours of work by the Finance Department staff. A very big thank you goes out to MAC staff in all departments who worked hard to develop the final 2025 Budget. Through this hard work and effort, we are confident the MAC will continue to be one of the safest, most efficient and most cost-effective airport operators in the nation. It is significant to note that the Distinguished Budget Presentation Award has been presented to the Commission annually by the GFOA since 1985.

Respectfully submitted,



Brian Ryks  
Executive Director/CEO



Tim Simon  
Chief Financial Officer

## 2024 GFOA BUDGET AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation Award to the Metropolitan Airports Commission for its annual budget for the fiscal year beginning January 1, 2024. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for the 2025 award.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

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

For the Fiscal Year Beginning

**January 01, 2024**

*Christopher P. Morill*

**Executive Director**

## Awards Received During 2024 ►►►

Award	Project	Given by
2023 On-Time Performance Award - Global Airport Category	Global Airports, On Time Performance	Cirium, a Gobar Aviation Analytics Firm
2023 On-Time Performance Award - Large Airport Category	Large Airports, On Time Performance	Cirium, a Gobar Aviation Analytics Firm
Best Airport in North America, 3rd consecutive year	Global Airport Service Quality (ASQ) Program	Airport Council International
North Central HIDTA Outstanding Group Achievement Award	Airport Police Department Interdiction	North Central HIDTA/Executive Board
No 1 U.S. Airport	World's Best Awards	Travel & Leisure
Certificate of Achievement for Excellence in Financial Reporting, 39 consecutive years	Annual Comprehensive Financial Report	Government Finance Officers Association
Distinguished Budget Presentation Award, 40 consecutive years	Annual Budget Document	Government Finance Officers Association
Silver Telly, Non-Broadcast General - Documentary: Short Form	MSP Airport Police Department	Telly Awards
Silver Telly, Non-Broadcast General - Recruitment	MSP Airport Police Department	Telly Awards
Bronze Telly, Non-Broadcast General - Workplace Culture	MSP Airport Police Department	Telly Awards
Silver Telly, Non-Broadcast General - Governmental Relations	MSP Airport Police Department - An Inside Look	Telly Awards
Bronze Telly, Non-Broadcast General - Information	MSP Airport Police Department - An Inside Look	Telly Awards
Silver Telly, Non-Broadcast General - Information	MSP Airport Prebooked Parking	Telly Awards
Silver Telly, Non-Broadcast General - Travel & Tourism	Working at MSP Airport - Mona	Telly Awards
Silver Telly, Non-Broadcast General - Recruitment	MSP Airport Police Department	Telly Awards
Silver Telly, Non-Broadcast General - Governmental Relations	MSP Airport Police Department - An Inside Look	Telly Awards
Silver Telly, Non-Broadcast General - Products & Services	MSP Airport Prebooked Parking	Telly Awards
Bronze Telly, Non-Broadcast General - Government Relations	Meet the Fleet: Goodyear Blimp	Telly Awards
Bronze Telly, Non-Broadcast General - Recruitment	MSP Airport Concessions Recruitment	Telly Awards

## Awards Received During 2024 Continued ►►►

Award	Project	Given by
#1 in Customer Satisfaction among Mega Airports <sup>1</sup>	Mega Airport	J.D. Power
AirportNEXT Industry Award	Stakeholder Sentiment About Airports	Airports Council International-North America
Uber Best-in-Class Rideshare Experience	Airport of the Year	Uber
2024 Info-Tech CIO Award	CIO Awards	InfoTech Research Group
Balchen/Post Award, Honorable Mention, 2023-2024 Large Commercial Airport	Outstanding Achievement in Airport Snow and Ice Control	Northeast Chapter of the American Association of Airport Executives
Best Customer Experience Program	Elevating MSP	Airports Council International-North America MarComCX
Wellness Champion	Live Well, Stay Well Committee	Hennepin County

<sup>1</sup> Minneapolis-St. Paul International Airport received the highest score among mega airports (33 million or more passengers per year) in the J.D. Power 2022 and 2024 North America Airport Satisfaction Studies of customers' satisfaction with the airport they traveled through. Visit [jdpower.com/awards](https://www.jdpower.com/awards) for more details.

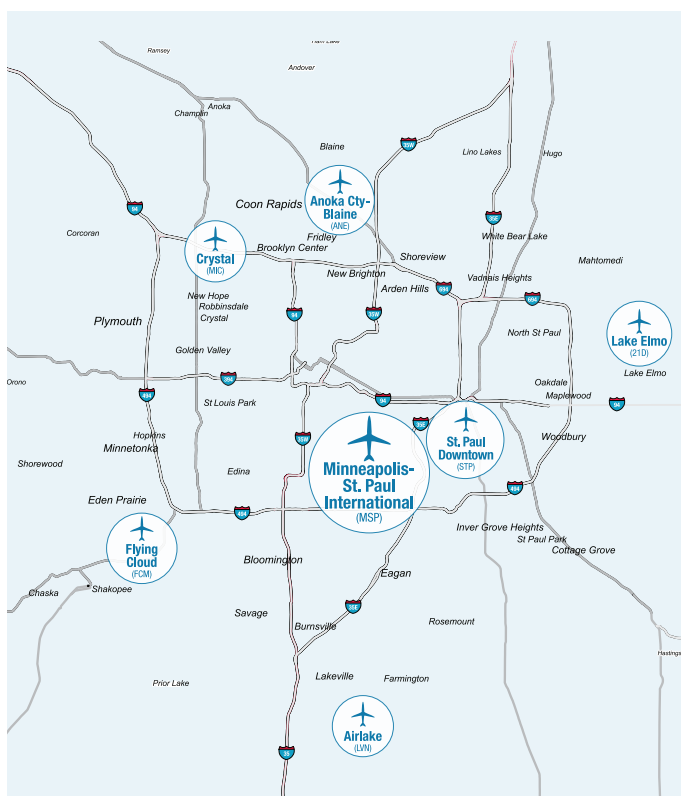
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# THE ORGANIZATION

## THE COMMISSION

The Minneapolis-St. Paul Metropolitan Airports Commission was created by an act of the Minnesota State Legislature in 1943 as a public corporation of the State. The purpose of the Commission is to:

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



## COMMISSION JURISDICTION 35-MILE RADIUS

The area over which the Commission exercises its jurisdiction is the Minneapolis-St. Paul metropolitan area which includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties, and extends approximately 35 miles out in all directions from the Minneapolis and St. Paul City Halls. The Commission owns and operates seven airports within the metropolitan area. Scheduled air carriers are served by the Minneapolis-St. Paul International Airport (MSP). Six Reliever Airports serve business and general aviation:

- ▶ Airlake Airport
- ▶ Anoka County-Blaine Airport
- ▶ Crystal Airport
- ▶ Flying Cloud Airport
- ▶ Lake Elmo Airport
- ▶ St. Paul Downtown Airport

# BOARD MEMBERS

The Chair and fourteen Commissioners govern the Metropolitan Airports Commission (MAC). The Governor of the State of Minnesota appoints the Chair and 12 Commissioners. Of these 12 Commissioners, eight are from designated districts within the metropolitan area and four are from

outside of the metropolitan area. The Mayors of St. Paul and Minneapolis also have seats on the Commission, with the option to appoint a surrogate to serve in their place. While the Commissioners' terms are four years, the Chair serves at the pleasure of the Governor.



**Rick King**  
Commission Chair



**Carl Crimmins**  
District A



**Braj Agrawal**  
District B



**James Lawrence**  
District C



**Awaiting  
appointment**

**Vacant**  
District D



**James Deal**  
District E



**Rodney Skoog**  
District F



**Richard Ginsberg**  
District G



**Yodit Bizen**  
District H



**Leili Fatehi**  
City of Minneapolis



**Ikram Koliso**  
City of Saint Paul



**Patti Gartland**  
Outstate St. Cloud



**Don Monaco**  
Outstate Duluth



**Dixie Hoard**  
Outstate Thief River Falls



**Randy Schubring**  
Outstate Rochester



The Commission has two committees: Operations, Finance & Administration (OF&A) and Planning, Development & Environment (PD&E). Each committee meets monthly. The committees are responsible for all aspects of business which fall under their respective jurisdictions. Recommendations on all action items are made by the committees to the full Commission. The Commission also meets monthly.

Typically, Committee and Commission meetings take place in MSP’s Terminal 1. Meetings are also livestreamed and archived on the MAC’s website. Occasionally, the full Commission meets outside the terminal to provide easier access for the general public.

Regular meeting times are as follows:

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

When a meeting falls on a holiday, the meeting moves to the Tuesday immediately following.

The Capital Improvement Program is reported to and acted on by the PD&E Committee. The Other Post-Employment Benefit (OPEB) Trust Board oversees OPEB reports and actions. Financial information generally is reported to and acted upon at the OF&A Committee meeting and then reported to the full Commission. In some cases, financial information is reported to a different body before reaching the Commission. The table shows financial topics reported to the OF&A Committee and the Commission.

**DIVISIONS**

Under the direction of the Commission, the MAC’s organizational structure consists of six divisions within the Operating Fund. The Executive Division oversees all MAC business and is directly responsible to the MAC’s Board of Commissioners. The six divisions are:

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

**Operations, Finance & Administration Committee ►**

2024 Financial Topics

**Audits**

- Annual Financial Audit Plan
- Approval of Audit and Financial Statements
- Internal Audit Quarterly Report

**Operating Budget**

- 2025 Budget Targets
- 2025 Commercial Vehicle and Taxicab Per-Trip Use Fees
- 2025 Non-Represented Employee Wage Structure
- 2025 Preliminary and Final Budgets
- Aviation Liability Renewal
- Accounts Receivable Monthly Summary
- Allocation of 2023 Net Revenues
- Budget Amendments and Purchase Approvals
- Commission Travel Quarterly Report
- Employee Benefits and Compensation
- Monthly Budget Variance Report
- MSP Percent for Arts and Culture Program 5-Year Plan
- Parking Rates Adjustments
- Property and Automobile Insurance Renewals

**Bonds, Debt and Capital Funding**

- Issuance and Occurrence of Bonds
- Short-Term Borrowing Program

**Investments**

- Investment Portfolio Quarterly Report

**Leases and Agreements**

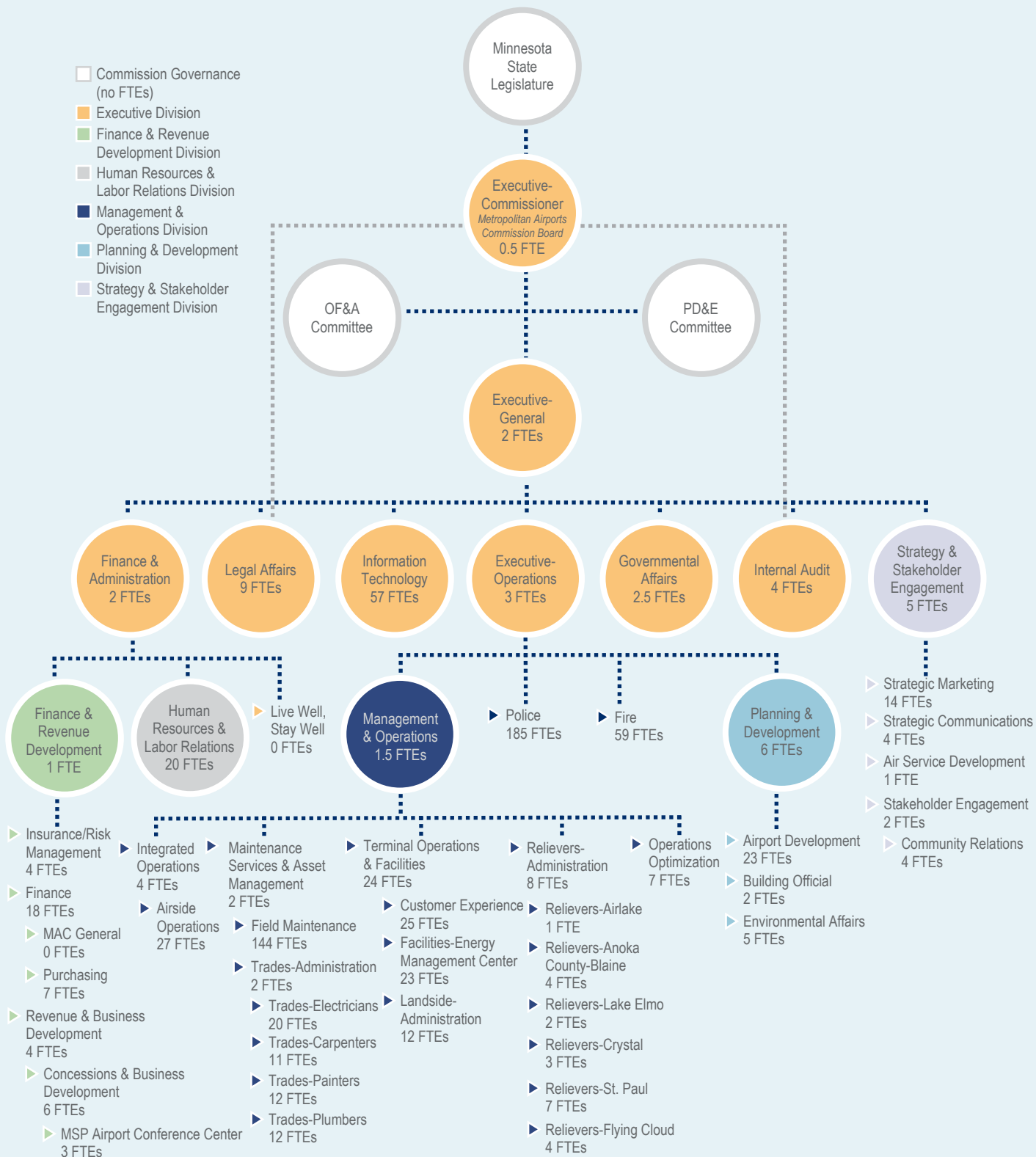
- Concessions Leases, Agreements and Amendments
- Equipment Financing and Leases
- Professional Service Authorizations Quarterly Report
- Ratification of Labor Agreements
- Requests for Proposals, Qualifications and Bids
- Sponsorship Agreements

**Miscellaneous**

- MAC Policy Revisions
- Ordinance Revisions
- Organized Performance Incentive Program

# ORGANIZATIONAL CHART

- Commission Governance (no FTEs)
- Executive Division
- Finance & Revenue Development Division
- Human Resources & Labor Relations Division
- Management & Operations Division
- Planning & Development Division
- Strategy & Stakeholder Engagement Division





SERVICE CENTERS

Service centers are the lowest budget levels in the organization. Sometimes a combination of service centers is referred to as a department. These service centers are responsible for specific functions that relate to one another. The department format provides department heads the opportunity to review together related functions that they manage. For example, Finance includes Purchasing and MAC General. The table below shows a listing of service centers and the divisions in which they reside.

# ORGANIZATIONAL STRUCTURE ►►►

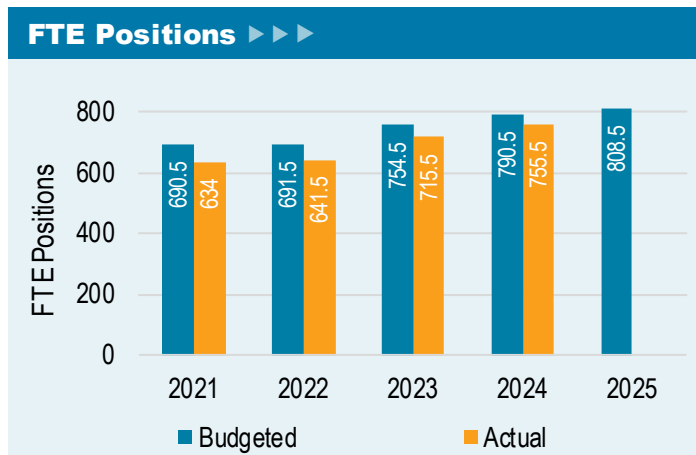
By Division and Service Center

Executive Division		Planning & Development Division	
75100	Executive-Commissioner	75500	Planning & Development
75000	Executive-General	77000	Airport Development
75600	Finance & Administration	77100	Building Official
76700	Live Well, Stay Well	85100	Environmental Affairs
76500	Executive-Operations		
78300	Internal Audit	Management & Operations Division	
79000	Information Technology	75800	Management & Operations
79500	Governmental Affairs	82000	Customer Experience
81000	Legal Affairs	82100	Integrated Operations
		82600	Airside Operations
Strategy & Stakeholder Engagement Division		83400	Landside-Administration
76200	Strategy & Stakeholder Engagement	85500	Operations Optimization
76000	Strategic Communications	86100	Terminal Operations & Facilities
76100	Air Service Development	86300	Facilities-Energy Management Center
85000	Strategic Marketing	87000	Maintenance Services & Asset Management
85200	Stakeholder Engagement	88400	Trades-Administration
85300	Community Relations	88000	Trades-Electricians
		88100	Trades-Painters
Finance & Revenue Development Division		88200	Trades-Carpenters
76300	Finance & Revenue Development	88300	Trades-Plumbers
76800	Insurance/Risk Management	89000	Field Maintenance
78000	Finance	90000	Relievers-Administration
78100	MAC General	90200	Relievers-St. Paul
78200	Purchasing	90300	Relievers-Lake Elmo
80000	Revenue & Business Development	90400	Relievers-Airlake
80100	Concessions & Business Development	90500	Relievers-Flying Cloud
82050	MSP Airport Conference Center	90600	Relievers-Crystal
		90700	Relievers-Anoka County-Blaine
Human Resources & Labor Relations Division		84200	Police
75700	Human Resources & Labor Relations	83600	Fire

**FULL-TIME EQUIVALENT POSITIONS (FTEs)**

Actual FTE counts are lower than budget each year. This is shown in the graph below and the table on the following pages. Most vacancies are the result of natural attrition and the time it takes to fill an open position. One of MAC’s cost-control measures is to evaluate each vacated position to determine if it is needed, whether it should be changed or if duties can be merged into another position.

The FTE Positions bar graph shows an overall increase in budgeted FTEs across the years. Generally, this increase has been correlated to increasing passenger activity. Evolving safety, security, maintenance and customer experience needs have led to newly authorized FTEs in recent years.



The 2025 Budget includes an increase of 18 FTEs, bringing the total count to 808.5 FTEs. The additional positions will support growing demands across the organization and ensure essential resources are available to support the traveling public.

In 2024, FTEs increased by 36 over the 2023 Budget, bringing the total to 790.5 FTEs. Most of the new FTEs were key parts of MAC’s strategic plan. The FTEs were added to support new and increasing needs throughout MAC.

The 2023 FTEs of 754.5 was an increase of 63 over the 2022 Budget. There were two primary drivers for the increase. First, the employee engagement survey identified service centers within the organization were understaffed for their strategic plan responsibilities. As a result, additional FTEs were added. Second, to support the increased service levels needed for winter operations, 35 FTEs were added between the Field Maintenance and Airside Operations service centers.

In 2022, one FTE was added, bringing the total to 691.5 FTEs. The added FTE was an airport maintenance worker for the Relievers-Lake Elmo service center.

The 2021 FTE budget of 690.5 was an increase of four over the 2020 budget, due to the decision during 2020 to add four Trades staff. The four FTEs were temporary positions that were converted to permanent status to meet an increased workload. The conversion of these temporary positions to permanent took place prior to the hiring freeze instituted during 2020.



*The First MAC Town Hall was Held in 2024*



*More than 400 MAC Staff Attended the Town Hall Sessions*



*Town Halls were Held in the Morning and Evening to Accommodate Staff in All Shifts*

# Regular Status FTE Position Count ►►►

by Division and Service Center

	2021 Actual <small>As of 12/31/21</small>	2022 Actual <small>As of 12/31/22</small>	2023 Actual <small>As of 12/31/23</small>	2024 Actual <small>As of 12/31/24</small>	2024 Budget	2025 Budget
<b>EXECUTIVE DIVISION</b>						
75000 Executive-General	2	2	2	2	2	2
75100 Executive-Commissioner	0.5	0.5	0.5	0.5	0.5	0.5
75600 Finance & Administration	3	2	2	2	2	2
76500 Executive-Operations	3	3	3	4	3	3
76700 Live Well, Stay Well	0	0	0	0	0	0
78300 Internal Audit	4	4	4	4	4	4
79000 Information Technology	46	50	52	53	56	57 <sup>1</sup>
79500 Governmental Affairs	1.5	1.5	1.5	2.5	2.5	2.5
81000 Legal Affairs	8	8	9	8	9	9
<b>Division Total</b>	<b>68</b>	<b>71</b>	<b>74</b>	<b>76</b>	<b>79</b>	<b>80</b>
<b>Division Budget</b>	<b>70</b>	<b>70</b>	<b>76</b>	<b>79</b>	<b>79</b>	<b>80</b>
<b>STRATEGY &amp; STAKEHOLDER ENGAGEMENT DIVISION</b>						
76000 Strategic Communications	4	2	4	4	4	4
76100 Air Service Development	1	1	1	1	1	1
76200 Strategy & Stakeholder Engagement	3	3	3	5	5	5
85000 Strategic Marketing	7	8	8	10	12	14 <sup>2</sup>
85200 Stakeholder Engagement	2	2	2	2	2	2
85300 Community Relations	4	3	3	3	4	4
<b>Division Total</b>	<b>21</b>	<b>19</b>	<b>21</b>	<b>25</b>	<b>28</b>	<b>30</b>
<b>Division Budget</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>28</b>	<b>28</b>	<b>30</b>
<b>FINANCE &amp; REVENUE DEVELOPMENT DIVISION</b>						
76300 Finance & Revenue Development	0	0	1	1	1	1
76800 Insurance/Risk Management	6	6	6	6	7	4 <sup>3</sup>
78000 Finance	14	14	15	17	16	18 <sup>4</sup>
78100 MAC General	0	0	0	0	0	0
78200 Purchasing	6	6	6	7	6	7 <sup>5</sup>
80000 Revenue & Business Development	3	4	4	4	5	4 <sup>6</sup>
80100 Concessions & Business Development	5	6	6	5	6	6 <sup>5,6</sup>
82050 MSP Airport Conference Center	1	3	3	3	3	3
<b>Division Total</b>	<b>35</b>	<b>39</b>	<b>41</b>	<b>43</b>	<b>44</b>	<b>43</b>
<b>Division Budget</b>	<b>43</b>	<b>43</b>	<b>41</b>	<b>44</b>	<b>44</b>	<b>43</b>

**FTEs differ between the 2024 and 2025 budgets for the following reasons:**

- <sup>1</sup> One FTE was added in 2025 for an Information Technology Systems Analyst to provide advanced technical support of critical systems.
- <sup>2</sup> Two new FTEs were added in 2025. The Social/Digital Media Specialist will focus on content and communications through MAC digital channels. The Customer Relationship Management (CRM) Digital Strategist will focus on management of CRM functionalities within the MAC's digital ecosystem.
- <sup>3</sup> During 2024, the Employee Benefits Manager and two Benefit Administrators were transferred from 76800 to 75700. The reclassification more accurately reflects the service center that their work supports.
- <sup>4</sup> Two FTEs were added in 2025 to hire an Accounting Specialist and a Senior Accountant to address increasing workload, requests and requirements of Finance.
- <sup>5</sup> During 2024, the Manager of Contracts & Proposals transferred from 80100 to 78200 to better align with the reporting structure and service center.
- <sup>6</sup> At the beginning of 2024, the Senior Manager of Strategic Partnerships transferred from 80000 to 80100 to match the work this FTE performs to the proper service center.

## Regular Status FTE Position Count Cont. ►►►

by Division and Service Center

	2021 Actual As of 12/31/21	2022 Actual As of 12/31/22	2023 Actual As of 12/31/23	2024 Actual As of 12/31/24	2024 Budget	2025 Budget	
<b>HUMAN RESOURCES &amp; LABOR RELATIONS DIVISION</b>							
75700 Human Resources & Labor Relations	12.5	13	13	15	16	20	3.7
<b>Division Total</b>	12.5	13	13	15	16	20	
<i>Division Budget</i>	13	13	14	16	16	20	
<b>PLANNING &amp; DEVELOPMENT DIVISION</b>							
75500 Planning & Development	3	4	4	4	4	6	8
77000 Airport Development	13	14	13	23	23	23	
77100 Building Official	2	1	1	2	2	2	
85100 Environmental Affairs	4	4	5	5	5	5	
<b>Division Total</b>	22	23	23	34	34	36	
<i>Division Budget</i>	25	25	28	34	34	36	
<b>MANAGEMENT &amp; OPERATIONS DIVISION</b>							
75800 Management & Operations	2.5	3.5	1.5	1.5	1.5	1.5	
82000 Customer Experience	2	2	25	24	25	25	
82100 Integrated Operations	0	0	6	3	4	4	
82600 Airside Operations	17	17	24	25	25	27	9
83400 Landside-Administration	34	35	12	12	13	12	10
83600 Fire	49	49	51	59	59	59	
84200 Police	150	147	164	170	181	185	11
85500 Operations Optimization	10	10	10	6	7	7	
86100 Terminal Operations & Facilities	9	8	9	21	23	24	10
86300 Facilities-Energy Management Center	21	20	22	23	23	23	
87000 Maintenance Services & Asset Management	0	0	2	2	2	2	
88000 Trades-Electricians	18	20	20	20	20	20	
88100 Trades-Painters	10	9	12	12	12	12	
88200 Trades-Carpenters	11	11	11	11	11	11	
88300 Trades-Plumbers	10	10	10	12	12	12	
88400 Trades-Administration	2	2	2	2	2	2	
89000 Field Maintenance	102	104	133	140	140	144	12
90000 Relievers-Administration	8	8	8	8	8	8	
90200 Relievers-St. Paul	7	7	7	7	7	7	
90300 Relievers-Lake Elmo	1	2	2	2	2	2	
90400 Relievers-Airlake	1	1	1	1	1	1	
90500 Relievers-Flying Cloud	4	4	4	4	4	4	
90600 Relievers-Crystal	3	3	3	3	3	3	
90700 Relievers-Anoka County-Blaine	4	4	4	4	4	4	
<b>Division Total</b>	475.5	476.5	543.5	572.5	589.5	599.5	
<i>Division Budget</i>	516.5	517.5	571.5	589.5	589.5	599.5	
<b>TOTAL ACTUAL FTEs</b>	<b>634.0</b>	<b>641.5</b>	<b>715.5</b>	<b>755.5</b>	<b>N/A</b>	<b>N/A</b>	
<b>TOTAL BUDGET FTEs</b>	<b>690.5</b>	<b>691.5</b>	<b>754.5</b>	<b>790.5</b>	<b>790.5</b>	<b>808.5</b>	

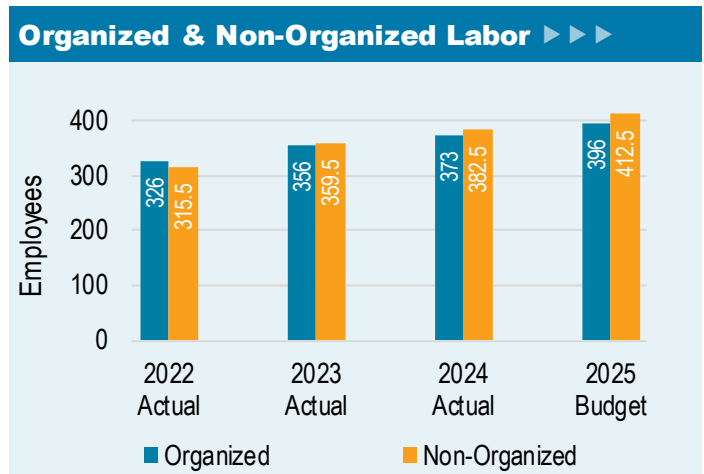
**FTEs differ between the 2024 and 2025 budgets for the following reasons:**

- <sup>7</sup> One FTE was added in 2025 to hire a Contract and Certification Specialist-Compliance to assist with the Disadvantaged Business Enterprise Program monitoring and compliance. This position will also assist with new business certifications, track participation and reporting.
- <sup>8</sup> Two FTEs were added in 2025 to hire a Grant Coordinator and an Airport Planner. The Grant Coordinator will assist with managing the grant portfolio, reimbursement submissions and reporting. The Airport Planner will assist with the implementation of streamlined processes between the planning and development departments.
- <sup>9</sup> Two FTEs were added in 2025 to hire two Assistant Managers to support the needs associated with increased service levels and to ensure airport compliance.
- <sup>10</sup> During 2024, one FTE moved from 83400 to 86100 to hire a Terminal Operations Coordinator to support the needs associated with increased service levels at Terminal 2.
- <sup>11</sup> Four FTEs were added in 2025 to hire two Police Officers and two Community Service Officers (CSO). The Police Officers will provide additional highly visible police presence in the public areas of the terminals. The CSOs will direct and control traffic and enforce parking regulations at Terminal 2 based on increased passenger levels.
- <sup>12</sup> Four FTEs were added in 2025 to hire four Airport Maintenance Workers to meet increasing demands of MAC's Field Maintenance department.



*MAC Staff Displaying the 2024 J.D. Power Award at Town Hall*

The table below lists staff by job classification. “Organized” refers to those work areas or employees represented by a labor union contract. All 14 labor groups have specific contracts dictating wages, benefits and work rules. “Non-Organized” refers to all other employees outside the labor unions. The graph shows that Organized versus Non-Organized FTEs remain close in number. This illustrates the variety of careers available at the MAC.



## Regular Status FTE Position Count ►►►

By Job Classification

	2022 Actual	2023 Actual	2024 Actual	2025 Budget
<b>ORGANIZED</b>				
70 - Operating Engineers	21.0	21.0	20.0	22.0
49 - Equipment Maintenance	18.0	20.0	24.0	22.0
320 - MSP International - Field	79.0	94.0	94.0	106.0
320 - MSP International - Facilities	0.0	0.0	0.0	0.0
320 - Reliever Airports	21.0	20.0	22.0	21.0
386 - Painters	10.0	12.0	12.0	12.0
CAR - Carpenters	11.0	11.0	11.0	11.0
034 - Plumbers	10.0	10.0	12.0	12.0
292 - Electricians	20.0	20.0	20.0	20.0
Emergency Communications Specialists	13.0	13.0	14.0	16.0
307 - Police Lieutenants, Sergeants	18.0	20.0	19.0	20.0
302 - Police Officers	61.0	69.0	70.0	80.0
S6 - Firefighters	34.0	36.0	45.0	44.0
S6 - Fire Captains	10.0	10.0	10.0	10.0
<b>TOTAL ORGANIZED</b>	<b>326.0</b>	<b>356.0</b>	<b>373.0</b>	<b>396.0</b>
<b>NON-ORGANIZED</b>				
Chairperson, Executive Director/CEO	1.5	1.5	1.5	1.5
Executives, Vice Presidents, Directors, Assistant Directors	41.0	45.0	38.0	49.0
Managers, Assistant Managers, Supervisors	94.0	102.0	108.0	111.0
Police Chief, Fire Chief	2.0	2.0	2.0	2.0
Community Service Officers	24.0	23.0	24.0	28.0
Passenger Service Assistants	19.0	22.0	18.0	22.0
Fire Marshall, Training Coordinator	2.0	2.0	2.0	2.0
Police Commander, Deputy Chief, Training Coordinator	1.0	3.0	2.0	3.0
Administrative, Professional, Technical Support	131.0	159.0	187.0	194.0
<b>TOTAL NON-ORGANIZED</b>	<b>315.5</b>	<b>359.5</b>	<b>382.5</b>	<b>412.5</b>
<b>TOTAL MAC</b>	<b>641.5</b>	<b>715.5</b>	<b>755.5</b>	<b>808.5</b>

# BUDGET PROCESS & FINANCIAL POLICIES

The Metropolitan Airports Commission’s purpose is to provide exceptional airport experiences so Minnesota thrives. Our Values and Focus Areas as outlined in our five-year enterprise strategic plan serve as the foundation for advancing that purpose as an organization. Staff led the strategic planning process, which included engagement with staff members, commissioners and other stakeholders; an assessment of industry trends; and the identification of organizational opportunities and challenges. The final Enterprise Plan was approved by the MAC Commission. Divisions then developed goals and objectives that align with the approved Enterprise Strategic Plan. Each year, the annual budget process establishes funding to advance the strategic goals and priorities and ensure the organization’s ongoing operational needs are met.



The annual budget targets are presented to the Commission at the beginning of the budgeting process. The targets for the 2025 budget are presented in the Executive Summary section.

Organizational priorities are communicated to division staff along with guidelines and the budget targets. The divisions link their Goals, Objectives and Key Performance Indicators to the Focus Areas.

The budget is then developed with requests for resources based on organizational priorities. Personnel requests and other costs are evaluated using the following criteria:

## FULL-TIME EQUIVALENT REQUESTS

**First Priority** Necessity to meet legal mandates and regulatory requirements

**Second Priority** Ability to maintain a safe and secure airport system

**Third Priority** General business need

## OTHER COSTS

**First Priority** Additional costs required to meet security requirements

**Second Priority** Embedded cost increases such as scheduled contract escalators, salary adjustments for organized labor and utility rate increases

**Third Priority** Costs to maintain facilities

**Fourth Priority** Costs to advance organizational strategic goals

## CONTROLLABLE EXPENSES

The MAC prepares a line-item budget for each division. Controllable expenses allow a division to budget for those line items for which it has direct responsibility and control. In addition to the account number, expenses are also budgeted using the appropriate subledger, which is part of the account code. Expenses are budgeted to the appropriate subledger through either direct cost or allocation. Expenses of the organization are key factors in revenue calculations. Rates and charges revenue collected from the airlines are governed by the Airline Use Agreement and corresponding amendments. Other revenue collections are dictated by either lease or ordinance. The summarized costs from the subledgers determine the calculation of various rates and charges.

## BUDGET SCHEDULE

The MAC's fiscal year is January through December. Preparation for the next year begins in January with discussions on organizational priorities. The long-range financial plan analysis is prepared during the first quarter of the year. In April, staff presents to the Operating, Finance & Administration Committee (OF&A) the budget targets for the upcoming year with a 30-day public comment period. Also, the budget database is updated and prepared for budget entries. In May, staff requests approval from the OF&A to allocate prior year available funds. The Commission approves the targets in May.

Each service center assigns a budget specialist to coordinate budget information for the respective service center and to input the budget into the database. The database contains historical data, which includes the prior year actual data. In June, the budget database is available to service center staff to input their budget requests. Staff use their strategic planning goals to complete their budgets. Divisions present their budgets to Executive staff in early July for review. Staffing is one of the first items reviewed and approved. Finance also performs an initial review of budget information in July.

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

During September, supporting documents and presentations are prepared for the OF&A, Senior Leadership and airlines. In addition, a draft budget is sent to the Minnesota State Legislature. The airlines receive a formal budget presentation in October. Also, the month of October is reserved for a first draft presentation to the OF&A. Public comment on the upcoming budget is allowed at each of the Commission meetings in October and December. Revisions are made between October and December prior to requesting final approval.

Notifications of rate changes are sent to those affected at the beginning of December based upon assumed approval from the full Commission. The recommendation from the OF&A for final approval is requested at the December Commission meeting. The proposed budget is adopted at this time. Final approval of the 2025

Operating Budget was given at the December 16, 2024, full Commission meeting.

## CAPITAL IMPROVEMENT PROGRAM – SCHEDULE

Initial discussions of the Capital Improvement Program (CIP) begin in May. Project proposals and related data are submitted by service centers. Airport Development and Finance analyze the project scope, costs and priorities with a preliminary draft developed in August.

In September, approval for environmental review is requested for the preliminary CIP plan from the Planning, Development & Environment Committee (PD&E). Mailings are sent to the affected communities and municipalities. In October, a 30-day notice is published for the public hearing that is held in November.

At the December Commission meeting, the PD&E recommends the CIP for approval. Upon the successful approval, the CIP is distributed to MAC departments, the Metropolitan Council, State Historical Society and affected communities.

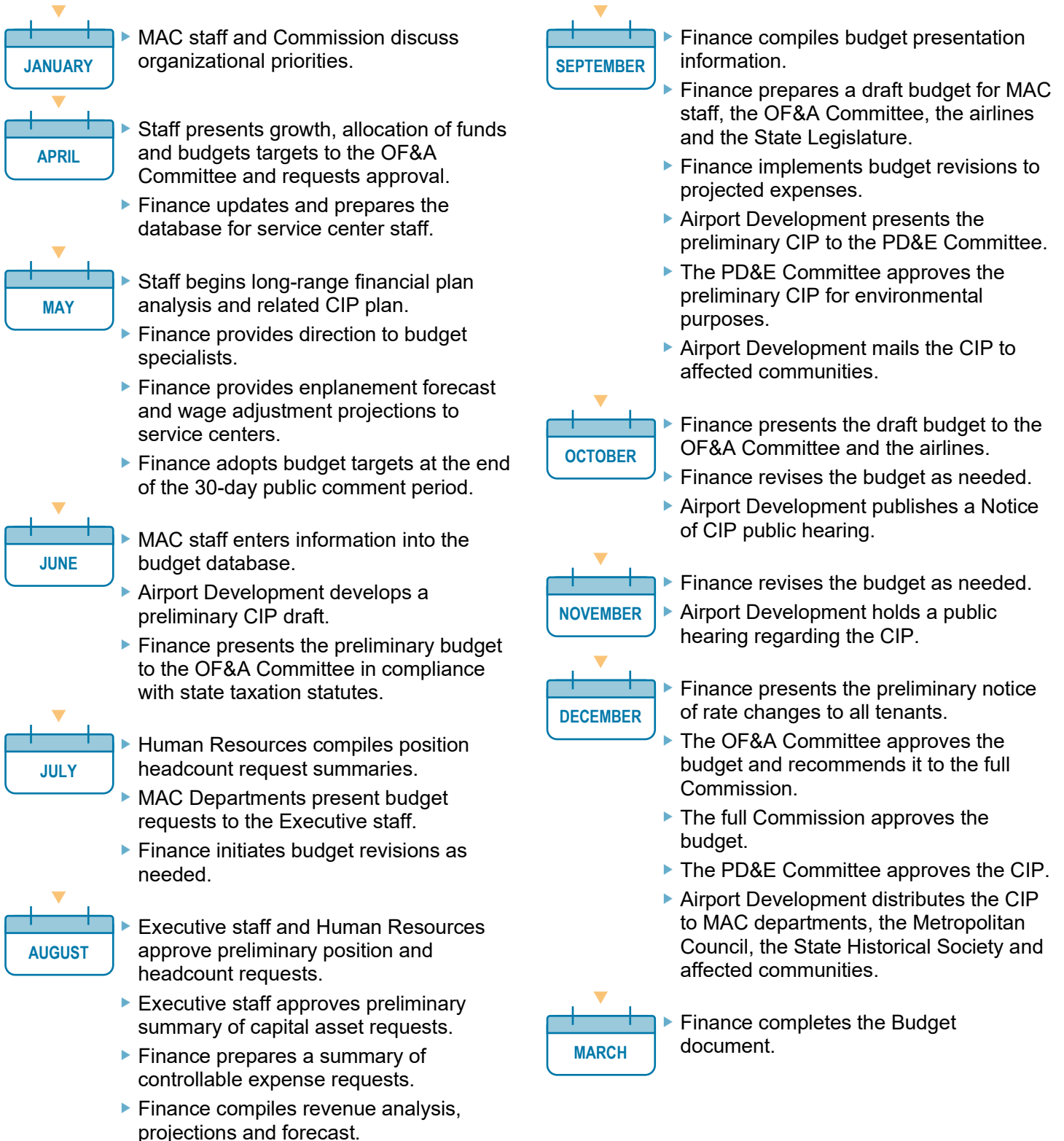


*Rendering of Terminal 2 Showing Two New Gates Planned for Projected Growth*



**CALENDAR**

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



## BUDGET AMENDMENT PROCESS

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

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

The Executive Director/Chief Executive Officer shall have the responsibility of securing adequate quantities of office, janitorial maintenance 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/Chief Executive Officer's authority to secure these items shall be subject to the Commission's purchasing procedures and be subject to the category budget constraints of the annual budget.

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

## FINANCIAL POLICIES AND PROCEDURES

The following categories contain summaries of the Metropolitan Airports Commission Financial Policies:

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

The Commission utilizes these policies to provide structure and to ensure the development of the budget meets its purpose, values, focus areas and goals.

### FINANCIAL POLICIES AND PROCEDURES – OPERATING BUDGET

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

#### Operating Budget Policies and Procedures

- ▶ The Commission will pay all current expenditures from current revenues.
- ▶ The budget shall be prepared under the accrual basis of accounting.
- ▶ The Operating Budget will be submitted with operating and non-operating revenue to exceed operating and non-operating expenses with a sufficient margin to provide for replacement of property, plant and equipment.
- ▶ The budget will provide adequate funding for the retirement plans.
- ▶ The Finance Department will assist service centers in reviewing monthly variance reports comparing actual versus budget revenue and expense on the financial software system.
- ▶ The budget will provide summary information using the Operating Fund, Construction Fund and Debt Service Fund projected for the next two years.
- ▶ Where possible, the Commission will integrate performance measurement and/or efficiency indicators in the budget.
- ▶ Department heads will review monthly reports comparing actual revenues and expenses to budgeted amounts. Any variance in expense (spending category or capital expenditures for their department as a whole projected to exceed

**BUDGET PROCESS & FINANCIAL POLICIES**

\$100,000 by year-end) will be reported in writing to the Director of Finance and the Executive Director/Chief Executive Officer.

**Budget Targets**

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

- ▶ Targets will be presented one month, and final adoption will not occur until the following month at the earliest. Targets will be presented no later than May of the preceding budget year.
- ▶ A draft of the Operating Budget must be presented to the Commission and mailed to the appropriate legislative committees by September, 90 days prior to final adoption.

**Operating Reserve**

The Operating Reserve was established by the Operations, Finance & Administration Committee as at least six months of operating expenses less depreciation. The 2025 operating budget expenses are \$302.0 million and the reserve account is carrying a balance of \$151.0 million. In the event of a revenue shortfall in a current budget year, the Executive Director/Chief Executive Officer could freeze new hires, reduce temporary work force, defer wage adjustments, reduce discretionary spending, decrease capital and project expenditures and may recommend a transfer from the Commission's operating reserve.

**Revenue**

The Commission monitors revenues on a monthly basis and deviations from budget are identified and explained.

- ▶ One-time revenues include, but are not limited to, grants and rebates. Grants are accounted for as contributions while rebates are accounted for as miscellaneous operating revenue. This revenue generated will become available to the Construction Fund, capital equipment purchases or other one-time expenditures as approved by the Commission.
- ▶ The Commission maintains a diversified revenue

system which is consistently monitored to help protect from possible short-term fluctuations.

- ▶ Although the Commission has the ability to levy ad valorem property taxes upon properties at the airport and, under certain circumstances, upon all taxable property within the metropolitan area, the Commission is not currently levying taxes for these purposes. Rentals, rates and charges and other fees will be sufficient to meet all operational and maintenance expenses.

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

**Basis of Budgeting**

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

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

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

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

### Accrual Basis of Accounting

The budgets for all three Segregated Funds previously mentioned are prepared using the accrual basis of accounting in accordance with GAAP, as this is the same method used for MAC accounting. The accrual basis of accounting attempts to record financial transactions in the period they occur rather than recording them in the period they are paid. In addition, the audited fund financial statements are also produced using the same accrual method of accounting. Strictly speaking, the accrual basis of accounting is described as follows:

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

### Balanced Budget

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

### Use of Estimates

The use of 2024 estimates in the reporting of the 2025 budget financial statements is based upon assumptions and estimates at the time of completion of the final budget draft. Actual results could differ from those estimates.

### Budget Monitoring

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

Reports are distributed monthly to the MAC Board of Commissioners.

## FINANCIAL POLICIES AND PROCEDURES – INVESTMENT/CASH MANAGEMENT

### Cash Management

- ▶ All securities are safekept at one institution.
- ▶ All deposits must be insured or collateralized.

### Investments

- ▶ All investment purchases require bids to be taken from several different dealers.
- ▶ Investments purchased shall meet the primary objectives of:
  1. Safety of principal
  2. Liquidity
  3. Return on investment
- ▶ The average rate of return on MAC-managed investments will exceed the six-month Treasury Bill.
- ▶ All repurchase agreements are required to be collateralized. The maturity of any investment shall not exceed four years (average portfolio life of no greater than 12 years for post-retirement medical funds).
- ▶ To the extent possible, the MAC will attempt to match its investments with anticipated cash flow requirements.
- ▶ The addition of new accounts shall require the written authorization of the Chief Financial Officer and Executive Director/Chief Executive Officer.

### Collateral

- ▶ Collateral must always be held by an independent third party with whom the MAC has a custodial agreement.
- ▶ A clear marked evidence of ownership (safekeeping) must be supplied to the entity and retained.
- ▶ To the extent that funds deposited are in excess of the available Federal Deposit Insurance, the MAC shall require the financial institutions to furnish collateral security or corporate surety bond executed by a company authorized to do business in the state.

## FINANCIAL POLICIES AND PROCEDURES – CAPITAL PROJECTS

Each year, the Commission reviews, revises and approves capital projects that will start within the next 12 months and adopts a CIP, which covers all projects to be started during the second calendar year.

Commission approval authorizes staff to proceed with plans and specifications and to obtain bids for contract award by the Commission.

In addition, a CIP that covers an additional five years is adopted. These serve as a basis for determining funding requirements and other operational planning decisions. The Commission’s policy is to include in the CIP those projects which enable the Commission to maximize federal aid and enhance safety and those that are customer service-oriented.

Projects which have a metropolitan significance are also submitted to the Metropolitan Council for review and approval. The Metropolitan Council is a regional planning agency responsible for coordinating and planning certain governmental services for the metropolitan area.

**Capital Projects**

Commission policies for Capital Projects include:

- ▶ Capital projects are safety-oriented and customer service-oriented.
- ▶ The Commission will maximize all federal aid.
- ▶ Metropolitan Council approval is required on Reliever Airport projects in excess of \$2 million and MSP Airport projects in excess of \$5 million if they are viewed as having a metropolitan significance.
- ▶ Projects follow priority categories in this order of importance:
  1. Projects which the Commission has made a commitment to complete
  2. Projects that enhance or ensure continued safety at each of the airports in the airport system
  3. Projects that cannot be accomplished by Commission maintenance crews but are essential for reasons of economics or continued operation
  4. Projects that are necessitated by regulatory requirements such as Federal Aviation Administration (FAA) regulations and local, state or federal laws
  5. Projects which address various environmental issues ranging from asbestos abatement to wetland mitigation
  6. Projects constituting preventative maintenance
  7. Projects which improve customer service and/or convenience
  8. Projects which have been identified as

improving various operational aspects of the airport system, whether applicable to aircraft, tenants, Commission staff or off-airport service providers

9. Projects which have an estimated useful life typically ranging from 5 to 40 years

**Capital Equipment**

All equipment purchases will be accounted for based on the 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 the MAC’s purchasing policies.
- ▶ All equipment or project costs must be greater than or equal to \$25,000.
- ▶ Estimated useful life for capital equipment ranges from three to 15 years.

**FINANCIAL POLICIES AND PROCEDURES - PURCHASING**

Purchasing oversees the acquisition of materials, services and equipment to meet the needs of end users by using the method resulting in the most efficient use of MAC resources. Purchasing also administers the Commercial Card program for the MAC staff. Purchasing also disposes of surplus property by selling items publicly, donating items to various charities or distributing between the MAC service centers.

Purchasing’s objective is to provide a foundation for effective and consistent consideration of aspects of purchasing including:

- ▶ Purchases will ensure fair and equitable treatment of all suppliers.
- ▶ The procurement procedures followed by the MAC should foster public confidence.
- ▶ Purchases will comply with applicable state and federal laws.
- ▶ Advantages and economies derived from a standardized purchasing system will be secured.
- ▶ The Commission will promote the use of modern, professional and ethical business methods when using public funds to secure supplies, materials,

**BUDGET PROCESS & FINANCIAL POLICIES**

equipment (or the rental thereof) or the minor construction, alteration, repair or maintenance of real or personal property.

- ▶ Each Purchase Requisition-RSS will have the funding available, proper account code, appropriate approvals authorizing the expenditure and backup text and scanned documents attached. Capital Equipment Purchases are considered over \$25,000.
- ▶ The standard purchasing process is followed based on procurement amount. Commission approval is required for procurement that is over \$175,000.
- ▶ Emergency purchases are allowed within limits based on proper authorization upon declaration of an emergency.

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

- ▶ The Commission is currently able to issue General Obligation Revenue Bonds (GORBs) and General Airport Revenue Bonds (GARBs), both fixed and variable rate.
- ▶ Funds will be managed to avoid any property tax levy.
- ▶ The MAC will maintain the highest possible rating available from Fitch and Standard and Poor's Rating Agencies.
- ▶ Procedures/mechanisms will be developed and maintained to obtain the highest possible rating on the GARBs.
- ▶ All refundings of GORBs or Airport Revenue Bonds must show a minimum 3% Net Present Value savings as specified in Minnesota Statute Section 475.67, Subdivision 12.
- ▶ The current remaining authorized level of issuance for GORBs is \$55 million.
- ▶ The MAC will endeavor to keep the total maturity length of GORBs below 20 years and retire at least 50% of the principal within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.
- ▶ Staff will adhere to Administrative Policy 2701 dealing with Special Facility Financing which defines project evaluation, reimbursement of costs and investment criteria.
- ▶ Regarding Derivative Financing Products, staff will

adhere to Administrative Policy 2702 which defines its purpose, eligible counterparties, solicitation method and accounting treatment.

- ▶ Policy 2703 defines the roles and responsibilities, types of debt, debt limits, investment of proceeds, compliance with Federal Tax law and market disclosure obligations, rating agencies and investor relations.

**Reserve**

The Commission is required to have a restricted investment balance on October 10 each year for GORBs 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.

**Debt Limits**

Currently the Commission has three available forms of indebtedness: Short-term borrowing, GARBs and GORBs. The GORB instrument has the most straightforward legal limit. Currently the Commission is authorized to issue up to \$55,051,875 of additional GORB debt without statutory authorization and without having to meet the requirements of the additional bonds test set forth in the Senior Indenture. Prior to issuing GORB debt in excess of the above-mentioned limit, the Commission would be required to seek authorization from the Minnesota State Legislature and would have to comply with the additional bonds test set forth in the Senior Indenture or Subordinate Indenture.

With regard to Revolving Line of Credit, the total authorized limit is currently \$200 million.

The legal limit for GARBs is based on the Commission's ability to generate sufficient revenues to pass the additional bonds test described in the applicable Senior Indenture or Subordinate Indenture. As long as there are adequate revenues to pass the test, additional debt can be issued.

**COMPLIANCE STATEMENT**

Policies are reviewed and updated annually. The MAC is in compliance with all policies and procedures. MAC policies are available upon request.

**OPERATING AND NON-OPERATING REVENUE AND EXPENSE SUMMARIES**

The MAC financial statements are issued in conformance with GAAP. The “Basis of Budgeting” in this section explains the differences in the approved budget and the GAAP statement.

The following tables show summaries of the Metropolitan Airports Commission 2025 Budget:

- ▶ Generally Accepted Accounting Principles (GAAP) Operating & Non-Operating Summary
- ▶ Approved Operating & Non-Operating Revenue and Expense Summary

GAAP OPERATING & NON-OPERATING SUMMARY

<b>GAAP Operating &amp; Non-Operating Summary</b> ▶▶▶						
(\$=000)	2025 Budget vs 2024 Estimate					
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>OPERATING REVENUE</b>						
Airline Rates & Charges	\$ 164,074	\$ 185,587	\$ 188,077	\$ 197,483	\$ 9,406	5.0%
Concessions	214,586	230,205	227,484	241,771	14,287	6.3%
Rentals/Fees	64,425	66,535	66,825	69,581	2,757	4.1%
Utilities & Other Revenues	25,803	25,472	26,211	27,475	1,265	4.8%
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 468,888</b>	<b>\$ 507,799</b>	<b>\$ 508,596</b>	<b>\$ 536,310</b>	<b>\$ 27,714</b>	<b>5.4%</b>
<b>OPERATING EXPENSE</b>						
Personnel <sup>1</sup>	\$ 108,211	\$ 128,571	\$ 125,770	\$ 134,801	\$ 9,031	7.2%
Administrative Expenses	1,454	2,334	2,050	2,557	507	24.7%
Professional Services	8,992	14,639	14,200	15,488	1,288	9.1%
Utilities	24,713	24,940	23,221	27,351	4,130	17.8%
Operating Services/Expenses	33,992	40,276	39,217	43,951	4,734	12.1%
Maintenance	58,147	67,043	67,481	70,616	3,135	4.6%
Other	5,808	12,381	13,369	12,239	(1,130)	-8.5%
Depreciation	186,890	200,676	194,788	215,163	20,375	10.5%
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 428,207</b>	<b>\$ 490,859</b>	<b>\$ 480,097</b>	<b>\$ 522,166</b>	<b>\$ 42,069</b>	<b>8.8%</b>
<b>OPERATING GAIN (LOSS)</b>	<b>\$ 40,680</b>	<b>\$ 16,940</b>	<b>\$ 28,500</b>	<b>\$ 14,145</b>	<b>\$ (14,355)</b>	<b>-50.4%</b>
<b>NON-OPERATING REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>						
Interest Income and Other	\$ 45,480	\$ 6,309	\$ 11,961	\$ 12,850	\$ 890	7.4%
Passenger Facility Charges	66,821	74,855	62,567	76,382	13,815	22.1%
Interest Expense	(58,560)	(67,531)	(85,850)	(95,739)	(9,889)	11.5%
Capital Contributions & Grants	142,859	249,588	59,000	54,196	(4,804)	-8.1%
<b>TOTAL NON-OPERATING REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>	<b>\$ 196,600</b>	<b>\$ 263,221</b>	<b>\$ 47,678</b>	<b>\$ 47,690</b>	<b>\$ 12</b>	<b>0.0%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 237,280</b>	<b>\$ 280,161</b>	<b>\$ 76,178</b>	<b>\$ 61,834</b>	<b>\$ (14,344)</b>	<b>-18.8%</b>

<sup>1</sup>Personnel includes GASB 68 Pension Adjustment

Numbers may not sum to totals due to rounding

APPROVED OPERATING & NON-OPERATING REVENUE AND EXPENSE SUMMARY

<b>Operating &amp; Non-Operating Summary Report</b> ►►►						
(\$=000)	2025 Budget vs 2024 Estimate					
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>OPERATING REVENUE</b>						
<b>Airline Rates &amp; Charges</b>						
<b>Airline Agreement</b>						
Landing Fees	92,842	105,086	105,086	108,272	3,187	3.0%
Ramp Fees	6,835	9,669	9,669	10,061	392	4.1%
Airline R&R	5,842	5,801	5,801	5,777	(23)	-0.4%
T1 Rentals	50,842	57,654	57,654	62,274	4,620	8.0%
T1 Other	7,992	9,936	9,812	10,784	972	9.9%
Concessions Rebate	(20,077)	(23,155)	(21,955)	(22,740)	(785)	3.6%
<b>Total Airline Agreement</b>	<b>\$ 144,277</b>	<b>\$ 164,991</b>	<b>\$ 166,067</b>	<b>\$ 174,430</b>	<b>\$ 8,362</b>	<b>5.0%</b>
T2 Lobby	13,945	15,181	15,697	16,481	784	5.0%
T2 Other /Passenger	5,852	5,415	6,313	6,572	259	4.1%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 164,074</b>	<b>\$ 185,587</b>	<b>\$ 188,077</b>	<b>\$ 197,483</b>	<b>\$ 9,406</b>	<b>5.0%</b>
<b>Concessions</b>						
<b>Terminal</b>						
Food & Beverage	29,590	33,432	31,653	33,102	1,449	4.6%
News	5,286	5,930	5,610	5,840	230	4.1%
Retail Stores	5,057	5,421	5,116	5,262	146	2.9%
Passenger Services	8,592	8,848	9,733	9,982	250	2.6%
<b>Total Terminal</b>	<b>\$ 48,525</b>	<b>\$ 53,631</b>	<b>\$ 52,112</b>	<b>\$ 54,187</b>	<b>\$ 2,075</b>	<b>4.0%</b>
<b>Parking/Ground Transportation</b>						
Parking	124,647	131,482	130,636	141,436	10,800	8.3%
Ground Transportation	15,070	16,720	17,394	18,157	763	4.4%
Auto Rental - On Airport	23,312	25,382	24,150	24,704	554	2.3%
<b>Total Parking/Ground Transportation</b>	<b>\$ 163,029</b>	<b>\$ 173,585</b>	<b>\$ 172,181</b>	<b>\$ 184,297</b>	<b>\$ 12,116</b>	<b>7.0%</b>
Other Concessions	3,032	2,989	3,191	3,287	96	3.0%
<b>Total Concessions</b>	<b>\$ 214,586</b>	<b>\$ 230,205</b>	<b>\$ 227,484</b>	<b>\$ 241,771</b>	<b>\$ 14,287</b>	<b>6.3%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	16,862	17,864	17,932	19,264	1,332	7.4%
Auto Rental CFC	19,343	21,085	20,669	21,083	413	2.0%
Ground Rentals	16,743	17,066	17,223	17,631	407	2.4%
Reliever Airports	11,477	10,520	11,000	11,604	604	5.5%
<b>Total Rentals &amp; Fees</b>	<b>\$ 64,425</b>	<b>\$ 66,535</b>	<b>\$ 66,825</b>	<b>\$ 69,581</b>	<b>\$ 2,757</b>	<b>4.1%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	6,786	6,913	6,924	7,207	283	4.1%
General Aviation/Airside Fees	7,185	7,402	7,638	7,872	234	3.1%
<b>Maintenance, Cleaning &amp; Distribution Fees</b>						
Other Revenues	2,490	2,427	2,997	3,015	19	0.6%
Reimbursed Expense	4,778	3,787	3,787	3,901	114	3.0%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 25,803</b>	<b>\$ 25,472</b>	<b>\$ 26,211</b>	<b>\$ 27,475</b>	<b>\$ 1,265</b>	<b>4.8%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 468,888</b>	<b>\$ 507,799</b>	<b>\$ 508,596</b>	<b>\$ 536,310</b>	<b>\$ 27,714</b>	<b>5.4%</b>



## Operating & Non-Operating Summary Report ►►►

(\$=000)

2025 Budget vs 2024 Estimate

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Total Operating Revenue</b>	\$ 468,888	\$ 507,799	\$ 508,596	\$ 536,310	\$ 27,714	5.4%
<b>OPERATING EXPENSE</b>						
Personnel	112,422	123,571	120,770	129,801	9,031	7.5%
Administrative Expenses	1,454	2,334	2,050	2,557	507	24.7%
Professional Services	8,992	14,639	14,200	15,488	1,288	9.1%
Utilities	24,713	24,940	23,221	27,351	4,130	17.8%
Operating Services/Expenses	33,992	40,276	39,217	43,951	4,734	12.1%
Maintenance	58,147	67,043	67,481	70,616	3,135	4.6%
Other	5,808	12,381	13,369	12,239	(1,130)	-8.5%
<b>TOTAL OPERATING EXPENSE</b>	\$ 245,529	\$ 285,183	\$ 280,309	\$ 302,003	\$ 21,694	7.7%
Excludes Depreciation and Noise Amortization						
<b>NET OPERATING REVENUE</b>	\$ 223,359	\$ 222,616	\$ 228,288	\$ 234,308	\$ 6,020	2.6%
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
<b>Other Non-Operating Revenue</b>						
Interest Income	9,582	9,218	10,068	9,940	(128)	-1.3%
Unrealized Gain/Loss on Investments	3,436	-	1,641	-	(1,641)	-100.0%
Self-Liquidating Income	588	622	622	2,012	1,391	223.7%
	\$ 13,605	\$ 9,840	\$ 12,331	\$ 11,953	\$ (378)	-3.1%
<b>Debt Service</b>						
Short Term Financing	(4,168)	(4,812)	(4,812)	(4,000)	812	-16.9%
Bond Principal & Interest						
Operating Fund Transfer	(120,793)	(129,519)	(129,519)	(138,479)	(8,959)	6.9%
Equip Financing Principal & Interest Payments	(4,789)	(7,814)	(7,814)	(7,986)	(172)	-10.6%
	\$ (129,749)	\$ (142,145)	\$ (142,145)	\$ (150,465)	\$ (8,320)	5.9%
<b>Equipment</b>						
Capital Expenditures	(1,437)	(1,703)	(1,703)	(2,282)	(579)	34.0%
Equipment Purchases	(13,461)	(34,450)	(34,450)	(30,084)	4,366	-12.7%
Equipment Financing	8,875	19,000	16,654	15,000	(1,654)	-9.9%
	\$ (6,023)	\$ (17,153)	\$ (19,499)	\$ (17,366)	\$ 2,133	-10.9%
<b>Other</b>						
Six Month Reserve Transfer	(13,333)	(21,754)	(21,754)	(10,699)	11,055	-50.8%
Grant Reimbursements	85,701	45,000	-	-	-	0.0%
Gain (Loss) on Equipment & Other	756	(4,275)	(100)	192	292	-292.0%
	\$ 73,124	\$ 18,971	\$ (21,854)	\$ (10,507)	\$ 11,347	-51.9%
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	\$ (49,043)	\$ (130,487)	\$ (171,167)	\$ (166,385)	\$ 4,782	-2.8%
<b>Net Revenue Available for Designation</b>	\$ 174,316	\$ 92,128	\$ 57,121	\$ 67,923	\$ 10,802	18.9%

Numbers may not sum to totals due to rounding

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# FUND STRUCTURE

The Metropolitan Airports Commission is accounted for as an Enterprise Fund. An Enterprise Fund reports any activity for which a fee is charged to users for goods or services. For internal purposes, the MAC maintains three funds corresponding to three major functions:

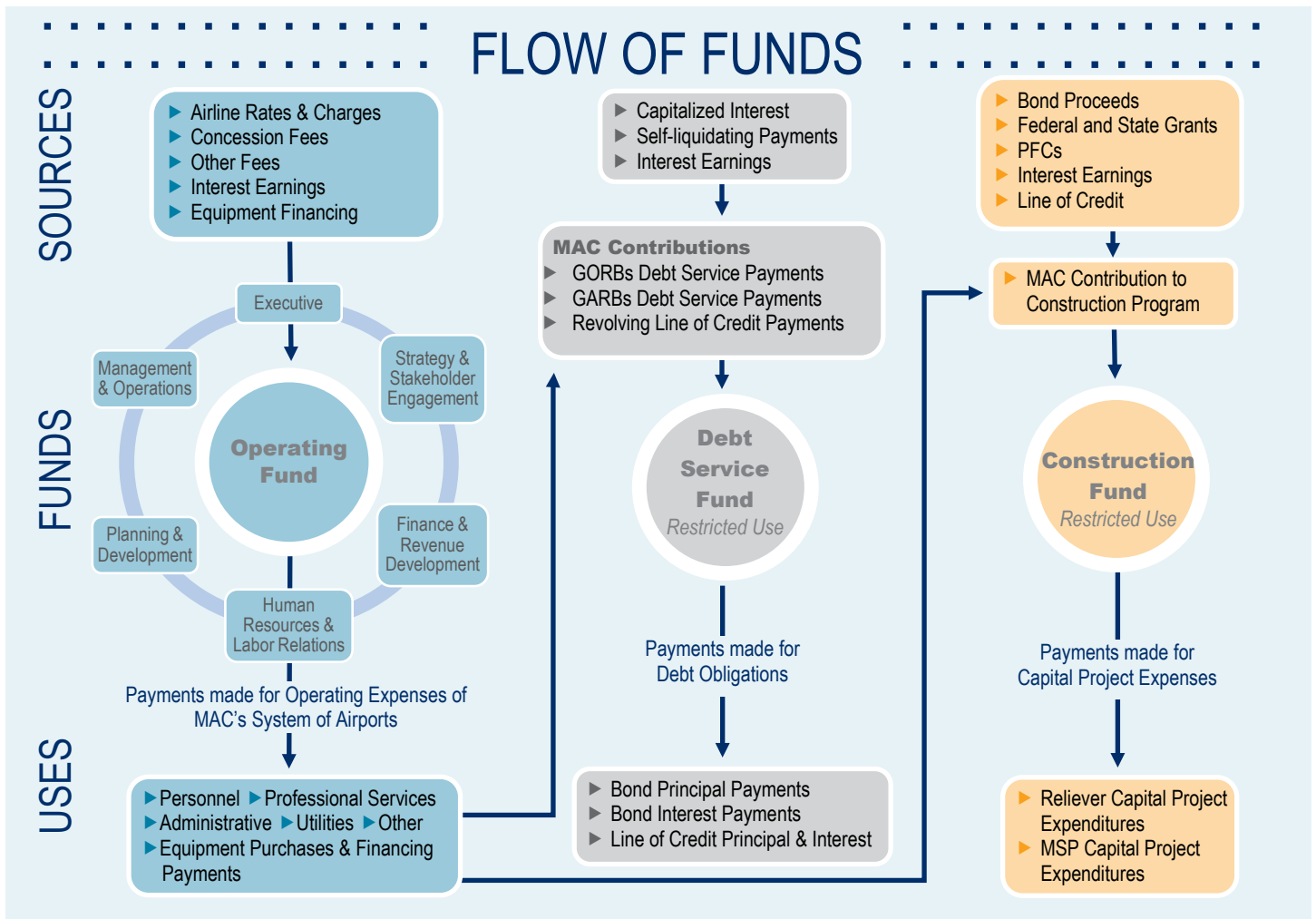
- ▶ Operating Fund
- ▶ Construction Fund
- ▶ Debt Service Fund

The MAC uses the accrual basis of accounting in accordance with Generally Accepted Accounting Principles. All three segregated funds identified here are prepared using GAAP. These funds are not appropriated by the State of Minnesota. The Operating Fund is unrestricted, while the Construction and Debt Service Funds are restricted funds.

Budgeted and projected uses of funds reflect expenses that have been approved because they will further the MAC’s pursuit of its Strategic Plan. The Strategic Plan is outlined in the Executive Summary.

The Division section notes the primary Strategic Plan goals and objectives for which each Division budgets. The Construction Fund section notes how the Strategic Plan drives the Capital Improvement Plan (CIP). Projecting the Debt Service Fund is driven by the Strategic Plan, as the fund’s purpose is to pay required debt principal and interest payments for debt obligations that fund Strategic Plan initiatives.

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



**FUND BALANCE SUMMARY**

A fund balance is the net value of a fund’s assets less its liabilities at a point in time. When assets exceed liabilities, the balance is positive. Conversely, the balance is negative when its liabilities exceed assets. Additionally, a fund balance may be designated as unreserved or reserved. Unreserved fund balances are free to be authorized for future expenditures, while reserved balances may not be designated for future expenditures.

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. Footnotes explain fund balance changes greater than 10% from the 2024 estimate to the 2025 budget. Funds are described in detail, including all sources and uses, in their respective sections within this document.

<b>Fund Balance Summary</b> ►►►						
(\$ = 000)						
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	2026 Projection	2027 Projection
<b>Operating Fund</b>						
Balance Carried Forward January 1	\$ 216,072	\$ 311,988	\$ 311,988	\$ 217,153	\$ 209,645	\$ 211,124
Total Sources of Funds	577,826	577,363	537,670	563,454	569,311	596,580
Total Uses of Funds	(390,176)	(463,482)	(458,606)	(484,834)	(500,832)	(528,757)
Transfers	(91,734)	(87,000)	(173,899)	(86,128)	(67,000)	(71,201)
<b>Operating Fund December 31 Balance</b>	<b>\$ 311,988</b>	<b>\$ 338,869</b>	<b>\$ 217,153</b>	<b>\$ 209,645 <sup>1</sup></b>	<b>\$ 211,124</b>	<b>\$ 207,746</b>
<b>Construction Fund</b>						
Balance Carried Forward January 1	\$ 401,524	\$ 405,062	\$ 405,062	\$ 936,934	\$ 484,044	\$ 627,729
Total Sources of Funds	257,025	1,120,465	935,345	256,388	841,710	221,225
Total Uses of Funds	(253,487)	(486,332)	(403,473)	(709,278)	(698,025)	(530,335)
<b>Construction Fund December 31 Balance</b>	<b>\$ 405,062</b>	<b>\$ 1,039,195</b>	<b>\$ 936,934</b>	<b>\$ 484,044 <sup>1</sup></b>	<b>\$ 627,729</b>	<b>\$ 318,619</b>
<b>Debt Service Fund</b>						
Balance Carried Forward January 1	\$ 161,462	\$ 127,435	\$ 127,435	\$ 126,105	\$ 127,020	\$ 127,977
Total Sources of Funds	325,142	155,910	156,461	159,835	161,141	159,332
Total Uses of Funds	(359,169)	(157,791)	(157,791)	(158,920)	(160,184)	(158,371)
<b>Debt Service Fund December 31 Balance</b>	<b>\$ 127,435</b>	<b>\$ 125,554</b>	<b>\$ 126,105</b>	<b>\$ 127,020</b>	<b>\$ 127,977</b>	<b>\$ 128,938</b>
<b>Total All Funds</b>						
Balance Carried Forward January 1	\$ 779,058	\$ 844,485	\$ 844,485	\$ 1,280,192	\$ 820,709	\$ 966,830
Total Sources of Funds	1,159,993	1,853,738	1,629,476	979,677	1,572,162	977,137
Total Uses of Funds	(1,002,832)	(1,107,605)	(1,019,870)	(1,353,032)	(1,359,041)	(1,217,463)
Transfers	(91,734)	(87,000)	(173,899)	(86,128)	(67,000)	(71,201)
<b>Total All Funds December 31 Balance</b>	<b>\$ 844,485</b>	<b>\$ 1,503,618</b>	<b>\$ 1,280,192</b>	<b>\$ 820,709 <sup>2</sup></b>	<b>\$ 966,830</b>	<b>\$ 655,303</b>

<sup>1</sup> The 2025 Construction Fund year-end balance of \$484.0 million represents a 48% decrease from the 2024 estimate. Bonds were issued in 2024 to fund construction projects. No bonds will be issued in 2025, resulting in the reduction in the Construction Fund balance.

<sup>2</sup> At the end of 2025, the total balance of All Funds is budgeted to be \$820.7 million, which is a 36% decrease from the 2024 estimate. The overall decrease in the All Funds balance is a result of no bonds being issued in 2025 as noted in footnote 1.

Numbers may not sum to totals due to rounding.

The Operating Fund is used for day-to-day operations. The overall change in the fund balance from the 2023 Actual ending balance of \$312.0 million to the 2027 Projected ending balance of \$207.7 million is a total decrease of \$104.3 million. This change is mainly attributed to increased transfers to the Construction Fund.

The Construction Fund is used to pay capital costs associated with the CIP. The fund had an ending balance of \$405.1 million in 2023 and is projected to have a 2027 ending balance of \$318.6 million. The overall decrease of \$86.5 million is primarily the result of bond issues to fund projects scheduled between 2024 to 2026.

The Debt Service Fund is used to pay required debt principal and interest payments. The fund had an ending balance of \$127.4 million in 2023 and is projected to remain relatively unchanged, with a year-end balance of \$128.9 million in 2027.



*MAC General Office Building*

### TAXING AUTHORITY

The Commission has the ability to levy ad valorem property taxes upon properties at MSP and, under certain circumstances, upon all taxable property within the Metropolitan Area.

Such taxing authority includes:

- ▶ The power to levy property taxes on land leased at MSP for operation, police and fire protection, and maintenance of roadway systems.
- ▶ The power to levy property taxes not in excess of 0.00806% in each year upon the net tax capacity of all taxable property in the metropolitan area for MSP operation and maintenance costs of MSP 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 fees received by the Commission, together with other charges, rates and fees imposed by the Commission, are sufficient to meet all expenses of operation and maintenance of the Commission's property.

### SOURCES AND USES OF FUNDS

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

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

- ▶ Operating Reserve Transfer
- ▶ Operating Revenues
- ▶ Other Non-Operating Revenues

In general, there are three uses of revenues:

- ▶ Operating Expenses
- ▶ Non-Operating Expenses
- ▶ Unrestricted Net Transfer Out-Construction

The table below summarizes the Operating Fund sources and uses from 2023 through 2027.

<b>Operating Fund Budget</b> ►►►						
(\$ = 000)						
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	2026 Projection	2027 Projection
<b>Beginning Balance January 1</b>	\$ 216,072	\$ 311,988	\$ 311,988	\$ 217,153	\$ 209,645	\$ 211,124
<b>SOURCES OF FUNDS</b>						
<b>Operating Revenues</b>						
Airline Rates & Charges	164,074	185,587	188,077	197,483	205,382	211,543
Concessions	214,586	230,204	227,484	241,771	249,024	256,495
Other Operating Revenues	90,228	92,007	93,036	97,056	99,765	101,081
<b>Subtotal Operating Revenues</b>	<b>\$ 468,888</b>	<b>\$ 507,798</b>	<b>\$ 508,597</b>	<b>\$ 536,310</b>	<b>\$ 554,171</b>	<b>\$ 569,119</b>
<b>Other/Non Operating Revenues</b>						
Interest Earnings <sup>1</sup>	13,018	9,218	11,709	9,940	9,779	10,073
Other & Self-Liquidating Revenue	87,045	41,347	710	2,204	1,998	2,388
Transfers In Equipment Financing	8,875	19,000	16,654	15,000	3,363	15,000
<b>Subtotal Other/Non Operating Revenue</b>	<b>\$ 108,938</b>	<b>\$ 69,565</b>	<b>\$ 29,073</b>	<b>\$ 27,144</b>	<b>\$ 15,140</b>	<b>\$ 27,461</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 577,826</b>	<b>\$ 577,363</b>	<b>\$ 537,670</b>	<b>\$ 563,454</b>	<b>\$ 569,311</b>	<b>\$ 596,580</b>
<b>USES OF FUNDS</b>						
<b>Operating Expenses</b>						
Personnel	112,422	123,571	120,770	129,801	136,291	140,380
Administrative Expenses	1,454	2,334	2,050	2,557	2,685	2,766
Professional Services	8,992	14,639	14,200	15,488	16,262	16,750
Utilities	24,713	24,940	23,221	27,351	28,719	29,581
Operating Services	33,992	40,276	39,217	43,951	46,149	47,533
Maintenance	58,147	67,043	67,481	70,616	74,147	76,371
Other	5,808	12,381	13,369	12,239	12,851	13,237
<b>Subtotal Operating Expenses</b>	<b>\$ 245,528</b>	<b>\$ 285,184</b>	<b>\$ 280,308</b>	<b>\$ 302,003</b>	<b>\$ 317,104</b>	<b>\$ 326,618</b>
<b>Non-Operating Expenses</b>						
<b>Equipment</b>						
Equipment & Other Capital Expenditures	14,898	36,153	36,153	32,366	26,981	27,040
Transfers Out - Equipment Financing	4,789	7,814	7,814	7,986	6,733	6,286
<b>Subtotal Equipment</b>	<b>\$ 19,687</b>	<b>\$ 43,967</b>	<b>\$ 43,967</b>	<b>\$ 40,352</b>	<b>\$ 33,714</b>	<b>\$ 33,326</b>
<b>Debt Service</b>						
Transfers Out - Debt Service	124,961	134,331	134,331	142,479	150,014	168,813
<b>Subtotal Debt Service</b>	<b>\$ 124,961</b>	<b>\$ 134,331</b>	<b>\$ 134,331</b>	<b>\$ 142,479</b>	<b>\$ 150,014</b>	<b>\$ 168,813</b>
<b>TOTAL USES OF FUNDS</b>	<b>\$ 390,176</b>	<b>\$ 463,482</b>	<b>\$ 458,606</b>	<b>\$ 484,834</b>	<b>\$ 500,832</b>	<b>\$ 528,757</b>
<b>Unrestricted Net Transfer Out-Construction</b>	<b>91,734</b>	<b>87,000</b>	<b>173,899</b>	<b>86,128</b>	<b>67,000</b>	<b>71,201</b>
<b>Ending Balance December 31</b>	<b>\$ 311,988</b>	<b>\$ 338,869</b>	<b>\$ 217,153</b>	<b>\$ 209,645</b>	<b>\$ 211,124</b>	<b>\$ 207,746</b>

<sup>1</sup> Interest rate assumed is 4% for the period 2025 through 2027.

Numbers may not sum to totals due to rounding.

## SOURCES OF FUNDS

### Operating Reserve Transfer

The January 1 Balance reflects the Operating Reserve established by the Commission plus the amount to be transferred to the Construction Fund in the following year. In 2006, the Commission established a six-month reserve of operating expenses. The minimum operating reserve balance for 2025 is \$151.0 million.

### Operating Revenues

Operating Revenues consist of Airline Rates & Charges, Concessions, Rentals & Fees and Utilities & Other Revenues. The changes in each of these areas are explained in detail in the Operating Budget Revenue Section.

Airline rates and charges are expected to increase in 2025 due to anticipated growth in enplanements, driven by airlines adjusting their flight schedules in response to economic forecasts. Similarly, Concession sales are also expected to rise with the increase in passengers. The total Operating Revenues for 2025 is \$536.3 million.

### Other Non-Operating Revenues

Other Non-Operating Revenues consist of Interest Earnings, Self-Liquidating Revenue and Gain/Loss on Disposal of Assets and Other Sources. Interest Earnings is assumed to be 4% for the period 2025-2027. Interest is earned on the balance in the Operating Fund which includes self-liquidating leases. Interest earnings are affected by a change in the assumed rate of interest. Self-liquidating leases are those facilities built by the MAC and then leased to tenants.



*Non-Operating Revenues Include Gains from Sale of Assets Such as MAC Vehicles*

## USES OF FUNDS

### Operating Expenses

Operating Expenses consist of Personnel, Administrative Expenses, Professional Services, Utilities, Operating Services/Expenses, Maintenance and Other expenses. Details of changes for each of these areas are identified in the Operating Budget Expense section. The total Operating Expense for 2025 is \$302.0 million.

### Non-Operating Expenses

Non-Operating Expenses are comprised of an Equipment category and a Debt Service category.

- ▶ Equipment includes capital equipment to be purchased based on Commission approval. The MAC has a \$25,000 threshold for capital equipment. The anticipated amount for 2025 is \$30.1 million and includes capital equipment and technology projects. Equipment Financing of approximately \$15.0 million will offset equipment expense.
- ▶ Debt Service consists of transfers that are required to cover all debt service. In June and December, the Commission must transfer the required amount for the General Airport Revenue Bonds reserve. The debt service portion also includes payments on the Commission's revolving Line of Credit. Total payments for these two items are expected to be approximately \$142.5 million in 2025.

### Unrestricted Net Transfer Out-Construction

Unrestricted Net Transfer Out-Construction represents the amount of internally generated funds that are transferred to the Construction Fund after payment of all operating expenses have been made, all debt service requirements accounted for and the Operating Reserve is funded at six months of Operating Expenses.

Based on the 2024 estimate, an Unrestricted Net Transfer Out-Construction of \$86.1 million is budgeted for 2025. The transfer for 2026 is expected to be \$67.0 million.

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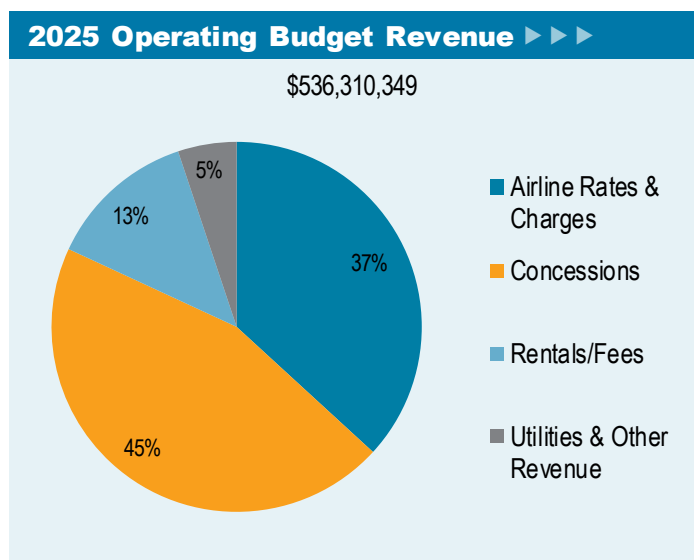
# OPERATING BUDGET REVENUE

The 2025 operating revenue budget is based on a projection of 18.8 million enplaned passengers, which is approximately 1.2% above the estimated 2024 enplanements of 18.6 million. The projected slight increase in enplanements in 2025 is a result of airlines adjusting their flight schedules to economic forecasts.

Operating Budget Revenue is segmented into four categories: Airline Rates & Charges, Concessions, Rentals/Fees and Utilities & Other Revenue.

Revenue Summary ►►►						
					2025 Budget vs 2024 Estimate	
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>	\$164,074	\$185,587	\$188,077	\$197,483	\$9,406	5.0%
<b>Concessions</b>	214,586	230,205	227,484	241,771	14,287	6.3%
<b>Rentals/Fees</b>	64,425	66,535	66,825	69,581	2,757	4.1%
<b>Utilities &amp; Other Revenue</b>	25,803	25,472	26,211	27,475	1,265	4.8%
<b>Total Operating Revenue</b>	<b>\$468,888</b>	<b>\$507,799</b>	<b>\$508,596</b>	<b>\$536,310</b>	<b>\$27,714</b>	<b>5.4%</b>

*(\$=000)*  
*Numbers may not sum to totals due to rounding.*



Total Operating Budget Revenue for 2025 is \$536.3 million, which is an increase of \$27.7 million or 5.4% over the 2024 estimate.

Each of the four revenue categories are illustrated in the chart as a percentage of total revenue with the largest revenue sources being Concessions and Airline Rates & Charges with 45% and 37%, respectively.

## 2025 Operating Revenue ►►►

(\$=000)

2025 Budget vs 2024 Estimate

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>						
<b>Airline Agreement</b>						
Landing Fees	\$ 92,842	\$ 105,086	\$ 105,086	\$ 108,272	\$ 3,187	3.0%
Ramp Fees	6,835	9,669	9,669	10,061	392	4.1%
Airline R&R	5,842	5,801	5,801	5,777	(23)	-0.4%
Terminal 1 Rentals	50,842	57,654	57,654	62,274	4,620	8.0%
Terminal 1 Other	7,992	9,936	9,812	10,784	972	9.9%
Concessions Rebate	(20,077)	(23,155)	(21,955)	(22,740)	(785)	3.6%
<b>Total Airline Agreement</b>	<b>\$ 144,277</b>	<b>\$ 164,991</b>	<b>\$ 166,067</b>	<b>\$ 174,430</b>	<b>\$ 8,362</b>	<b>5.0%</b>
Terminal 2 Lobby Fees	13,945	15,181	15,697	16,481	784	5.0%
Terminal 2 Other /Passenger Fees	5,852	5,415	6,313	6,572	259	4.1%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 164,074</b>	<b>\$ 185,587</b>	<b>\$ 188,077</b>	<b>\$ 197,483</b>	<b>\$ 9,406</b>	<b>5.0%</b>
<b>Concessions</b>						
<b>Terminal</b>						
Food & Beverage	\$ 29,590	\$ 33,432	\$ 31,653	\$ 33,102	\$ 1,449	4.6%
News	5,286	5,930	5,610	5,840	230	4.1%
Retail Stores	5,057	5,421	5,116	5,262	146	2.9%
Passenger Services	8,592	8,848	9,733	9,982	250	2.6%
<b>Total Terminal</b>	<b>\$ 48,525</b>	<b>\$ 53,631</b>	<b>\$ 52,112</b>	<b>\$ 54,187</b>	<b>\$ 2,075</b>	<b>4.0%</b>
<b>Parking/Ground Transportation</b>						
Parking	\$ 124,647	\$ 131,482	\$ 130,636	\$ 141,436	\$ 10,800	8.3%
Ground Transportation	15,070	16,720	17,394	18,157	763	4.4%
Auto Rental - On Airport	23,312	25,382	24,150	24,704	554	2.3%
<b>Total Parking/Ground Transport</b>	<b>\$ 163,029</b>	<b>\$ 173,585</b>	<b>\$ 172,181</b>	<b>\$ 184,297</b>	<b>\$ 12,116</b>	<b>7.0%</b>
<b>Other Concessions</b>	<b>\$ 3,032</b>	<b>\$ 2,989</b>	<b>\$ 3,191</b>	<b>\$ 3,287</b>	<b>\$ 96</b>	<b>3.0%</b>
<b>Total Concessions</b>	<b>\$ 214,586</b>	<b>\$ 230,205</b>	<b>\$ 227,484</b>	<b>\$ 241,771</b>	<b>\$ 14,287</b>	<b>6.3%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	\$ 16,862	\$ 17,864	\$ 17,932	\$ 19,264	\$ 1,332	7.4%
Auto Rental CFC	19,343	21,085	20,669	21,083	413	2.0%
Ground Rentals	16,743	17,066	17,223	17,631	407	2.4%
Reliever Airports	11,477	10,520	11,000	11,604	604	5.5%
<b>Total Rentals &amp; Fees</b>	<b>\$ 64,425</b>	<b>\$ 66,535</b>	<b>\$ 66,825</b>	<b>\$ 69,581</b>	<b>\$ 2,757</b>	<b>4.1%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	\$ 6,786	\$ 6,913	\$ 6,924	\$ 7,207	\$ 283	4.1%
General Aviation/Airside Fees	7,185	7,402	7,638	7,872	234	3.1%
Maintenance, Cleaning & Distribution Fees	4,563	4,943	4,865	5,480	615	12.6%
Other Revenues	2,490	2,427	2,997	3,015	19	0.6%
Reimbursed Expense	4,778	3,787	3,787	3,901	114	3.0%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 25,803</b>	<b>\$ 25,472</b>	<b>\$ 26,211</b>	<b>\$ 27,475</b>	<b>\$ 1,265</b>	<b>4.8%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 468,888</b>	<b>\$ 507,799</b>	<b>\$ 508,596</b>	<b>\$ 536,310</b>	<b>\$ 27,714</b>	<b>5.4%</b>

Numbers may not sum to totals due to rounding.

### REVENUE ASSUMPTIONS AND GUIDELINES

The revenue projections for 2025 are based on the following assumptions and guidelines:

- ▶ Airline Rates & Charges are based on the current Airline Use Agreement.
- ▶ Revenue projections are prepared on an accrual basis. This basis of accounting records financial transactions in the period in which they occur, rather than recording them in the period in which they are received. The MAC uses this method for both accounting and budgeting.
- ▶ The revenue projections are based on estimates and assumptions compiled from the following sources:
  - ▶ Historical trends and projected airline industry forecasts
  - ▶ Expense estimates that determine various components of Airline Rates & Charges
  - ▶ Lease agreements, contracts and MAC ordinances
  - ▶ Federal Aviation Administration publications
  - ▶ Utility consultants
- ▶ The budgets for all revenue categories are projected to increase in 2025 over 2024, primarily due to a slight increase in projected enplanements, rate increases within lease and ordinance terms and economic inflation.

### AIRLINE RATES & CHARGES

The Airline Rates & Charges category, which is approximately \$197.5 million or 37% of the MAC’s \$536.3 million in revenues, is generated from charges to airlines. This category is projected to increase \$9.4 million or 5.0% from the 2024 estimate. The formulas that produce these rates are established in the Airline Use Agreement and are used within landing fees, ramp fees, airline Terminal 1 rental rates and the Terminal 1 International Arrivals Facility (IAF) use fees.

This agreement incorporates debt service in the calculation of rates and charges for the recovery of capital improvements. In accordance with this agreement, expenses from Police, Fire, Maintenance Staffing, Maintenance Equipment and Administration service centers are allocated to the Field & Runway, Ramp, Terminal Building and IAF service centers and are detailed in the Operating Budget Expense section.

Total costs plus allocations are then used to determine Airline Rates & Charges. Fluctuations in allocated costs can cause a change in the airline rates. Rates for Terminal 2 are set by ordinance, which is primarily based on the recovery of budgeted operating and maintenance costs. The Concessions Rebate of \$22.7 million represents the revenue sharing found in the Airline Use Agreement.

## Airline Rates & Charges ▶▶▶

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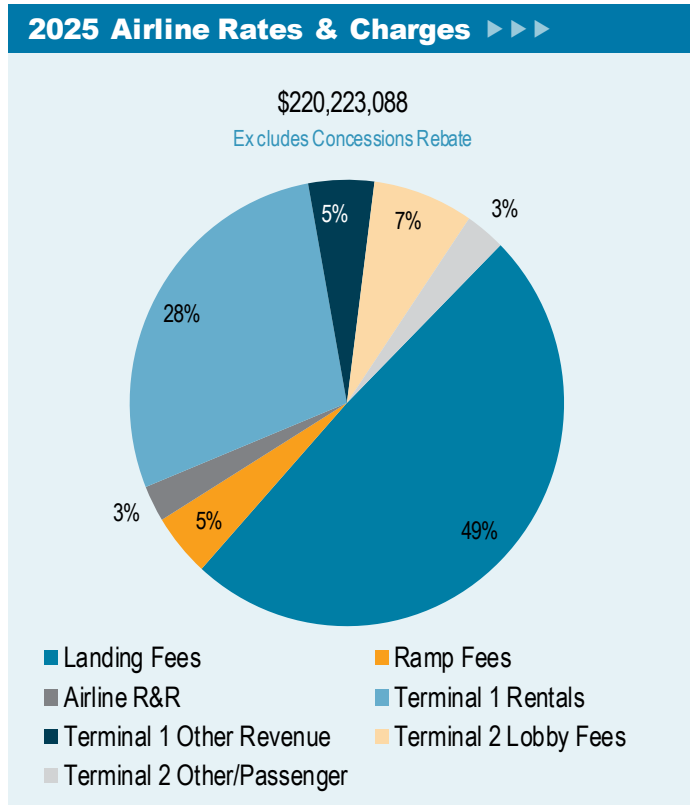
2025 Budget vs 2024 Estimate

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
Landing Fees	\$92,842	\$105,086	\$105,086	\$108,272	\$3,187	3.0%
Ramp Fees	6,835	9,669	9,669	10,061	392	4.1%
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Terminal 1 Other Revenue	7,992	9,936	9,812	10,784	972	9.9%
Concessions Rebate	(20,077)	(23,155)	(21,955)	(22,740)	(785)	3.6%
Terminal 2 Lobby Fees	13,945	15,181	15,697	16,481	784	5.0%
Terminal 2 Other/Passenger	5,852	5,415	6,313	6,572	259	4.1%
<b>Total Airline Rates &amp; Charges</b>	<b>\$164,074</b>	<b>\$185,587</b>	<b>\$188,077</b>	<b>\$197,483</b>	<b>\$9,406</b>	<b>5.0%</b>

Numbers may not sum to totals due to rounding.

**OPERATING BUDGET REVENUE**

The chart below shows the breakdown of revenue sources within Airline Rates & Charges. Landing Fees and Terminal 1 Rentals represent the largest revenue sources with 49% and 28% of the total, respectively.



**LANDING FEES**

Landing fees are projected to increase \$3.2 million or 3.0% when compared to the 2024 year-end estimate. The landing fee rate is constructed by dividing the Field & Runway service center by the estimated annual landed weight. This Landing Fee rate, which is shown below, is then used throughout the year.

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget
Landing Fee	\$4.14	\$4.54	\$4.54	\$4.92
Landed Weight*	22,426	23,147	23,147	22,007
Revenue <sup>§</sup>	\$92,842	\$105,086	\$105,086	\$108,272

\*lbs in 000,000  
§ = 000

The landing fee rate will increase \$0.38 or 8.4% in 2025 over the 2024 estimate. The landed weight in 2025 is projected at 22.0 billion pounds, which is below the 2024 estimated 23.1 billion pounds. The decrease in landed weight is a result of airlines adapting to economic changes and up gauging their fleets to fewer but larger aircraft.

At the end of the calendar year, the landing fees are recalculated on a residual (breakeven) basis using the actual annual airfield cost. Adjustments (invoices or credits) are necessary based on whether the year-end calculation results in over or under collection of landing fees paid during the year, while using the budgeted landing fee rate.

**RAMP FEES**

Aircraft Ramp Fees are calculated in the same residual manner as landing fees. Ramp fees are determined by dividing total Terminal 1 ramp expenses by total lineal feet of ramp available. Year-end adjustments will be made for over or under collection of Ramp Fees during the year.

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget
Ramp Fee*	\$621.95	\$908.30	\$908.30	\$914.58
Ramp Footage*	11,001	11,001	11,001	11,001
Revenue <sup>§^A</sup>	\$6,835	\$9,669	\$9,669	\$10,061

\*Per Lineal Foot (LF)  
§=000  
^=358 of the 11,001 LF is budgeted within common use gates

The 2025 Ramp Fee per lineal foot is \$914.58, which is \$6.28 higher than the 2024 estimated rate. This ramp fee revenue increase of \$391,825 or 4.1% is primarily created from the inflationary costs within the cost center.

**AIRLINE REPAIR AND REPLACEMENT SURCHARGE**

Per the Airline Lease Amendment, there is an additional Repair and Replacement surcharge (R&R) for the airlines leasing space at Terminal 1. This surcharge rate increases annually at a rate of 3.0% as stated in the airline agreement. The R&R rate for 2025 is \$8.78 per lineal foot and total R&R revenue is projected to be \$5.8 million.

**OPERATING BUDGET REVENUE**

**TERMINAL 1 RENTALS**

Airline Terminal 1 Rental rates are calculated by allocating Terminal 1 building costs over the total rentable square footage in Terminal 1. Airlines are charged for the space they occupy.

<b>Terminal 1 Rental Rates</b> ►►►				
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget
<b>Exclusive*</b>	\$69.24	\$81.46	\$81.46	\$88.29
<b>Exclusive Janitorial*</b>	\$81.75	\$95.97	\$95.97	\$103.95
<b>Total Revenue<sup>§</sup></b>	\$50,842	\$57,654	\$57,654	\$62,274
<i>*Per Square Foot</i>				
<i>§=000</i>				

Unlike landing fees and ramp fees, which are residual calculations, airline Terminal 1 building rates are a compensatory calculation. Under this calculation method, costs are recovered from the airlines in proportion to the rentable space they occupy in the terminal building. The Terminal 1 building rate does not include the R&R surcharge.

The Terminal 1 rental rate is increasing from the 2024 estimate of \$81.46 to \$88.29 per square foot in 2025. The janitorial rate is increasing from the 2024 estimate of \$95.97 to \$103.95 per square foot in 2025.

The 2025 revenue budget for Terminal 1 Rentals is \$4.6 million or 8.0% higher than the 2024 estimate. This increase is due to a new janitorial contract and inflationary increases in other costs as well.

**TERMINAL 1 OTHER**

Revenue from Terminal 1 Other is expected to increase by \$972,114 or 9.9% over the 2024 estimate. Revenues in this area are generated by International Arrival Fees (IAF), porter service fees, baggage claim maintenance fees, queue line management fees, flight information display maintenance, public address system maintenance and common use gates.

The largest components of 2025 Terminal 1 Other revenue are IAF at \$6.6 million and baggage handling system maintenance fees at \$1.3 million.

The IAF fee is a residual concept similar to ramp and landing fees in which IAF costs are divided by international enplanements. Users of the IAF are charged a passenger use fee based upon projected passengers and expenses. At year-end, an adjustment is made for any over or under collection of fees.

The 2025 IAF fee will decrease from \$6.37 to \$5.67 or 11.0% from the 2024 estimate. IAF costs are projected to increase by \$783,465 based on the increase in international passengers.

<b>International Arrival Fee</b> ►►►				
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget
<b>Total Cost<sup>§</sup></b>	\$4,048	\$5,769	\$5,769	\$6,552
<b>Passengers</b>	625,657	905,651	905,651	1,155,556
<b>Fee per Passenger</b>	\$6.47	\$6.37	\$6.37	\$5.67
<i>§=000</i>				

**CONCESSIONS REBATE**

As part of the Airline Use Agreement, airlines share selected concessions revenue from food and beverage, news, retail and on-airport auto rental revenues. The amount of concessions revenue shared with the airlines is 33% of selected revenues for 2025.

For the 2025 budget, the concessions rebate is projected to be \$22.7 million. The \$785,140 or 3.6% increase over the 2024 estimate is due to revenue growth from food and beverage, news, retail and auto rental sales in 2025.

**TERMINAL 2 LOBBY FEES**

Terminal 2 Lobby Fees are expected to increase \$784,473 or 5.0% over the 2024 estimate. Lobby fees are set by a MAC ordinance that sets rates on a budgetary basis, with no true-up based on actual expenses or year-end operational activity.

**OPERATING BUDGET REVENUE**

Each gate at Terminal 2 has a revenue cap. For 2025, the gate revenue cap is \$1,107,168 per airline using the gate. The MAC has a total of 16 gates at Terminal 2 and projects 12 of these gates will reach the revenue cap. Additional revenue will generate from gate use on the gates that do not reach the revenue cap as well as non-priority gate use on capped gates.

The Terminal 2 Lobby Fees revenue increase in 2025 is predominately due to an increase in the revenue cap per gate.

**TERMINAL 2 OTHER / PASSENGER FEES**

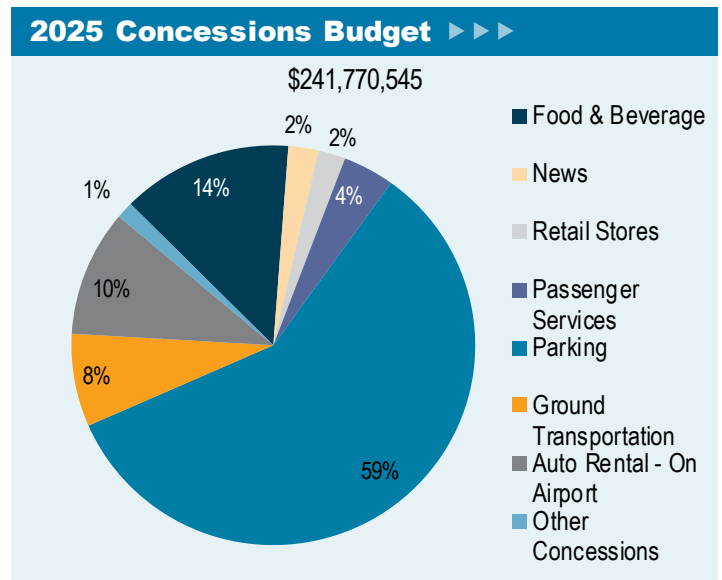
Terminal 2 Other/Passenger Fees include Federal Inspection Service (FIS) charges for international passengers, Terminal 2 building rentals, apron fees and non-signatory landing fees.

Terminal 2 Other Fees are expected to increase \$259,050 or 4.1% over the 2024 estimate. This increase is derived from higher Terminal 2 building rent, apron fees and non-signatory landing fees. Offsetting this increase is FIS charges that do not have a year-end true up of actual expenses, similar to Lobby Fees. FIS revenue is budgeted to decrease \$117,054 or 3.5% from the 2024 estimate, due to two airlines decreasing international flights.

**CONCESSIONS**

The Concessions revenue category is \$241.8 million or 45% of total operating revenue for 2025 and is projected to increase \$14.3 million or 6.3% from the 2024 estimate.

The chart below indicates each revenue source as a percentage of the Concessions revenue category. Parking revenue is projected to generate over half of total Concession revenue with 59%, followed by Food & Beverage and Auto Rentals with 14% and 10%, respectively.



**Concessions**

(\$=000)

2025 Budget vs 2024 Estimate

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Food &amp; Beverage</b>	\$29,590	\$33,432	\$31,653	\$33,102	\$1,449	4.6%
<b>News</b>	5,286	5,930	5,610	5,840	230	4.1%
<b>Retail Stores</b>	5,057	5,421	5,116	5,262	146	2.9%
<b>Passenger Services</b>	8,592	8,848	9,733	9,982	250	2.6%
<b>Parking</b>	124,647	131,482	130,636	141,436	10,800	8.3%
<b>Ground Transportation</b>	15,070	16,720	17,394	18,157	763	4.4%
<b>Auto Rental - On Airport</b>	23,312	25,382	24,150	24,704	554	2.3%
<b>Other Concessions</b>	3,032	2,989	3,191	3,287	96	3.0%
<b>Total Concessions</b>	<b>\$214,586</b>	<b>\$230,205</b>	<b>\$227,484</b>	<b>\$241,771</b>	<b>\$14,287</b>	<b>6.3%</b>

Numbers may not sum to totals due to rounding.

Revenue from food and beverage, news, retail, passenger services and auto rentals are based on various lease agreements which allow the concessionaires to operate in MAC facilities. The rates charged for parking are approved by the Commission, while ground transportation fees are authorized according to MAC ordinances.

**FOOD & BEVERAGE**

Food & Beverage concession revenue is expected to increase \$1.4 million or 4.6% over the 2024 estimate. The Food & Beverage revenue increase in 2025 is expected primarily from product price inflation leading to increased rent due.

**NEWS**

News concession revenue is expected to increase by \$229,751 or 4.1% over the 2024 estimate. The News revenue increase is projected based on product price inflation in 2025.

**RETAIL STORES**

Revenue from Retail Stores is projected to increase \$146,381 or 2.9% compared to the 2024 estimate. Revenue from Retail Stores is expected to increase from product price increases leading to additional rent due.

**PASSENGER SERVICES**

Revenue from Passenger Services is budgeted to increase \$249,518 or 2.6% over the 2024 estimate. Similar to other concessions, Passenger Services revenue will increase in 2025 from product prices.



**PARKING**

Parking revenue is estimated to reach \$130.6 million in 2024 and is expected to increase by \$10.8 million or 8.3% in 2025 to \$141.4 million. The parking revenue increase is primarily from an approved parking rate increase set to begin in January 2025.

**GROUND TRANSPORTATION FEES**

Ground Transportation fees are projected to increase \$762,776 or 4.4% over the 2024 estimate. This increase in revenue is based on the expected passenger projection for 2025 plus the annual inflationary increase to the Commercial Vehicle Per-Trip Fee and Taxicab Airport Use Fee.

**ON-AIRPORT AUTO RENTAL**

On-Airport Auto Rental revenue is projected to increase \$553,686 or 2.3% from the 2024 estimate. The 2025 Auto Rental revenue budget is based on projected passenger levels and an inflationary increase to the rental rates charged to the public resulting in increased rent due.

**OTHER CONCESSIONS**

Revenue in the Other Concessions category consists of outdoor advertising, auto services, in-flight catering, shared services and additional miscellaneous concessions. Other Concessions revenue is expected to increase \$95,728 or 3.0% from the 2024 estimate based on inflationary increases within lease terms and on products sold.



*Passengers Enjoy Many Food & Beverage, News and Retail Options Throughout Terminal 1 and Terminal 2*

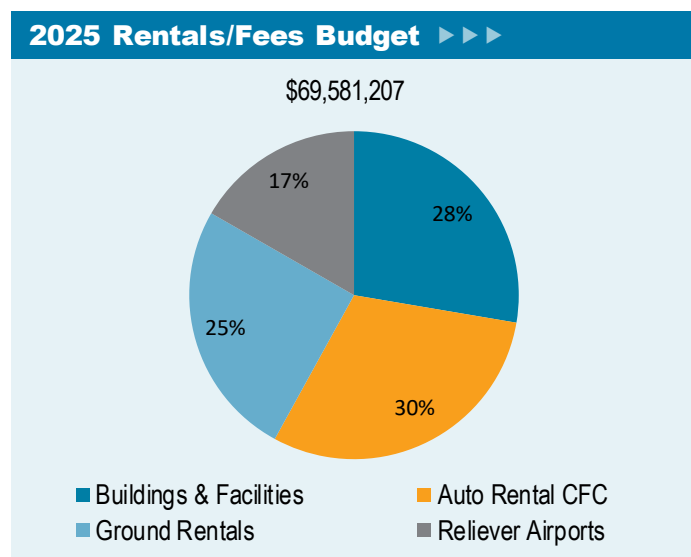
**RENTALS/FEES**

Rentals/Fees revenue is \$69.6 million or 13% of total operating revenue for 2025 and is projected to increase \$2.8 million or 4.1% from the 2024 estimate. These revenue sources consist of the non-airline building rentals, Auto Rental-Customer Facility Charges (CFCs), ground rental space and reliever airport revenue. Ground rental space revenue and a portion of reliever airport revenue are based on MAC ordinances, while the remaining revenue items are based on leases and agreements.

<b>Rentals/Fees</b> ►►►						
(\$=000)						
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	2025 Budget vs 2024 Estimate	
					Dollar Change	% Change
<b>Buildings &amp; Facilities</b>	\$16,862	\$17,864	\$17,932	\$19,264	\$1,332	7.4%
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<b>Reliever Airports</b>	11,477	10,520	11,000	11,604	604	5.5%
<b>Total Rentals/Fees</b>	<b>\$64,425</b>	<b>\$66,535</b>	<b>\$66,825</b>	<b>\$69,581</b>	<b>\$2,757</b>	<b>4.1%</b>

*Numbers may not sum to totals due to rounding.*

The chart below shows that Auto Rental CFC revenue is expected to bring in the highest percentage of Rentals/Fees, accounting for 30% of the total. Buildings & Facilities and Ground Rent revenue are close behind with 28% and 25%, respectively. Reliever airports contribute the remaining 17%.



**BUILDINGS & FACILITIES**

Buildings & Facilities revenue is projected to increase \$1.3 million or 7.4% over the 2024 estimate. The 2025 budget reflects terminal rates, lease terms and contract escalators generally ranging from 2.5% to 3.0%.

**AUTO RENTAL-CUSTOMER FACILITY CHARGE**

The revenue from Auto Rental CFCs is budgeted to increase \$413,386 or 2.0% over the 2024 estimate. The CFC rate will remain at \$5.90 per auto rental transaction per day and is used to repay the debt obligation and maintenance for the auto rental facilities including the Terminal 1 Silver Ramp. The 2025 revenue projection stems from trends in customer transactions.

**GROUND RENTALS**

Compared to the 2024 estimate, Ground Rentals are budgeted to increase \$407,359 or 2.4%. Ground rental rates are established in MAC ordinances. The projected increase in 2025 is primarily the result of scheduled higher lease rates.

**RELIEVER AIRPORTS**

Revenue from Reliever Airports is projected to increase \$604,312 or 5.5% from the 2024 estimate. This increase is based on ordinance escalators, historical trends and increasing activity at the reliever airports.



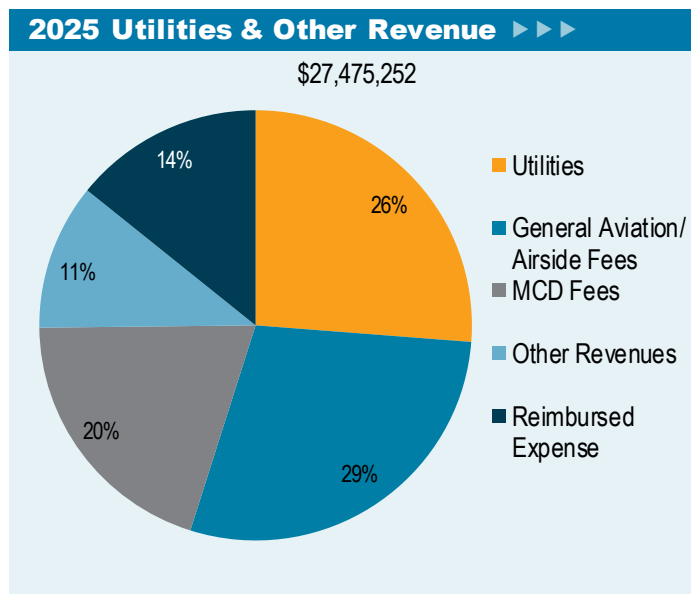
### UTILITIES & OTHER REVENUE

Utilities & Other Revenue is \$27.5 million or 5% of total operating revenue for 2025 and is projected to increase \$1.3 million or 4.8% over the 2024 estimate.

<b>Utilities &amp; Other Revenue</b> ►►►						
	2025 Budget vs 2024 Estimate					
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Utilities</b>	\$6,786	\$6,913	\$6,924	\$7,207	\$283	4.1%
<b>General Aviation/ Airside Fees</b>	7,185	7,402	7,638	7,872	234	3.1%
<b>MCD Fees</b>	4,563	4,943	4,865	5,480	615	12.6%
<b>Other Revenues</b>	2,490	2,427	2,997	3,015	18	0.6%
<b>Reimbursed Expense</b>	4,778	3,787	3,787	3,901	114	3.0%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$25,803</b>	<b>\$25,472</b>	<b>\$26,211</b>	<b>\$27,475</b>	<b>\$1,265</b>	<b>4.8%</b>

*Numbers may not sum to totals due to rounding.*

The chart below illustrates General Aviation/Airside Fees and Utilities are projected to bring in over half of the revenue in this category with 29% and 26% of the total, respectively.



#### UTILITIES

Water, sewer, electricity and heating fuel are consumed by concessionaires and auto rental companies. Ground power is consumed by airlines. The MAC receives utility reimbursements from these tenants. Compared to the 2024 estimate, Utilities revenue is projected to increase \$282,758 or 4.1% mainly from utility rate increases.

#### GENERAL AVIATION / AIRSIDE FEES

This category includes general aviation landing fees, ramp fees, general aviation fuel flowage fees and apron services. This category is expected to increase \$234,278 or 3.1% from the 2024 estimate. Airside service operators who offer aircraft cleaning, deicing and other services are projected to produce additional revenue and provide additional rent to MAC.

#### MAINTENANCE, CLEANING & DISTRIBUTION FEES

Maintenance, Cleaning & Distribution (MCD) fees are expected to increase \$615,018 or 12.6% over the 2024 estimate. The revenue increase from these fees is produced by the new airline club on the G concourse and the projected increase in concession store sales.

#### OTHER REVENUES

The Other Revenues category is expected to remain relatively stable from the 2024 estimate with a 0.6% increase projected. Included in this category are parking fines, auction revenue, building permits, security badges and other miscellaneous revenues.

#### REIMBURSED EXPENSES

Reimbursed Expenses are projected to increase \$113,946 or 3.0% over the 2024 estimate. Reimbursements are related to certain eligible costs. Past examples include terminal cleaning, police patrolling, Reliever Airports expenses and canine training.

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# OPERATING BUDGET EXPENSE

Expenses that arise from daily operations are within the Operating Fund. In preparing the 2025 Budget, the MAC analyzed data provided by partner airlines and consultants. Each department is charged with examining all expenses and determining which resources would be necessary in 2025 to maintain a healthy financial path that would promote the MAC’s strategic priorities.

Expenses are also key factors in determining revenue. For example, Rates & Charges revenue collected from the airlines is based on expenses. It is governed by the Airline Use Agreement. In certain cases, lower expenses bring in less revenue.

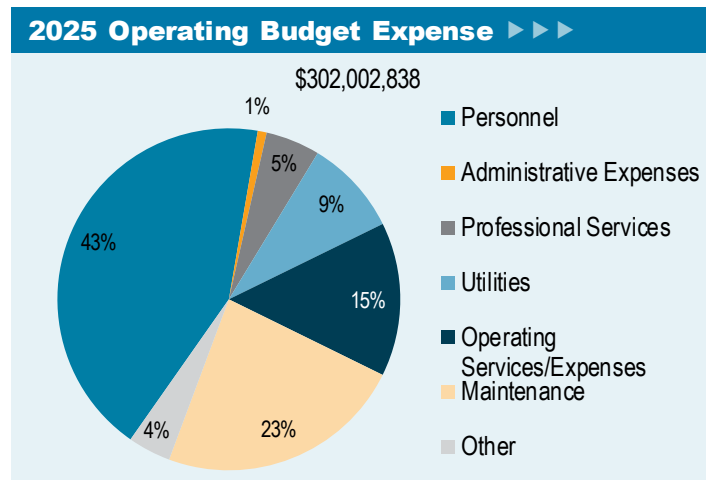
Operating Budget Expense is segmented into seven categories: Personnel, Administrative Expenses, Professional Services, Utilities, Operating Services/Expenses, Maintenance and Other.

<b>Expense Summary</b> ▶▶▶						
(\$=000)		2025 Budget vs 2024 Estimate				
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Personnel</b>	\$112,422	\$ 123,571	\$120,770	\$ 129,801	\$9,031	7.5%
<b>Administrative Expenses</b>	1,454	2,334	2,050	2,557	507	24.7%
<b>Professional Services</b>	8,992	14,639	14,200	15,488	1,288	9.1%
<b>Utilities</b>	24,713	24,940	23,221	27,351	4,130	17.8%
<b>Operating Services/Expenses</b>	33,992	40,276	39,217	43,951	4,734	12.1%
<b>Maintenance</b>	58,147	67,043	67,481	70,616	3,135	4.6%
<b>Other</b>	5,808	12,381	13,369	12,239	(1,130)	-8.5%
<b>Total Operating Expense</b>	<b>\$245,529</b>	<b>\$285,183</b>	<b>\$280,309</b>	<b>\$302,003</b>	<b>\$21,694</b>	<b>7.7%</b>

*Numbers may not sum to totals due to rounding.*

Total Operating Budget Expense for 2025 is \$302.0 million, excluding depreciation and amortization, which is an increase of \$21.7 million or 7.7% from the 2024 estimate.

The pie chart illustrates the seven expense categories as percentages of the total. Personnel is the largest expense category with 43% of the total. Maintenance, Operating Services/Expenses and Utilities follow with 23%, 15% and 9%, respectively.



OPERATING BUDGET EXPENSE

## 2025 Operating Expense ►►►

(\$=000)

2025 Budget vs 2024 Estimate

	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	\$ 80,123	\$ 90,467	\$ 89,255	\$ 94,341	\$ 5,086	5.7%
Benefits	32,299	33,104	31,515	35,461	3,946	12.5%
<b>Total Personnel</b>	<b>\$ 112,422</b>	<b>\$ 123,571</b>	<b>\$ 120,770</b>	<b>\$ 129,801</b>	<b>\$ 9,031</b>	<b>7.5%</b>
<b>Administrative Expenses</b>						
Administrative Expenses	\$ 1,454	\$ 2,334	\$ 2,050	\$ 2,557	\$ 507	24.7%
Professional Services	\$ 8,992	\$ 14,639	\$ 14,200	\$ 15,488	\$ 1,288	9.1%
<b>Utilities</b>						
Electricity	\$ 16,545	\$ 16,598	\$ 14,428	\$ 18,609	\$ 4,182	29.0%
Heating Fuel	3,995	4,733	4,289	4,653	364	8.5%
Water & Sewer	3,334	2,654	3,555	2,956	(598)	-16.8%
Telephones	838	954	950	1,133	183	19.3%
<b>Total Utilities</b>	<b>\$ 24,713</b>	<b>\$ 24,940</b>	<b>\$ 23,221</b>	<b>\$ 27,351</b>	<b>\$ 4,130</b>	<b>17.8%</b>
<b>Operating Services/Expenses</b>						
Storm Water Monitoring	\$ 2,716	\$ 2,035	\$ 2,314	\$ 2,185	\$ (129)	-5.6%
Shuttle Bus Services	2,398	2,366	2,512	2,461	(51)	-2.0%
Parking Management	4,972	5,700	5,402	5,900	498	9.2%
Service Agreements	15,526	18,561	18,376	21,070	2,694	14.7%
Operating Services - Other	8,380	11,613	10,613	12,335	1,722	16.2%
<b>Total Operating Services/Expenses</b>	<b>\$ 33,992</b>	<b>\$ 40,276</b>	<b>\$ 39,217</b>	<b>\$ 43,951</b>	<b>\$ 4,734</b>	<b>12.1%</b>
<b>Maintenance</b>						
Trades	\$ 3,495	\$ 3,408	\$ 3,250	\$ 3,898	\$ 648	19.9%
Field	13,372	15,660	16,902	16,325	(577)	-3.4%
Building	18,016	18,770	18,425	20,127	1,702	9.2%
Cleaning	19,669	24,092	23,742	25,288	1,546	6.5%
Equipment	3,596	5,112	5,163	4,978	(184)	-3.6%
<b>Total Maintenance</b>	<b>\$ 58,147</b>	<b>\$ 67,043</b>	<b>\$ 67,481</b>	<b>\$ 70,616</b>	<b>\$ 3,135</b>	<b>4.6%</b>
<b>Other</b>						
General Insurance	\$ 3,924	\$ 5,414	\$ 5,648	\$ 5,059	\$ (589)	-10.4%
Minor Equipment	541	775	675	894	219	32.4%
Other - Other	1,343	6,192	7,046	6,286	(760)	-10.8%
<b>Total Other</b>	<b>\$ 5,808</b>	<b>\$ 12,381</b>	<b>\$ 13,369</b>	<b>\$ 12,239</b>	<b>\$ (1,130)</b>	<b>-8.5%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 245,529</b>	<b>\$ 285,183</b>	<b>\$ 280,309</b>	<b>\$ 302,003</b>	<b>\$ 21,694</b>	<b>7.7%</b>

Numbers may not sum to totals due to rounding.

**OPERATING BUDGET EXPENSE**

**EXPENSE ASSUMPTIONS AND GUIDELINES**

The operating expense budget is compiled with information provided by the MAC’s service center staff, utility companies, vendors and historical analyses. The expense budget projections for 2025 are based on the following assumptions and guidelines:

- ▶ The MAC will continue to maintain all facilities at the standards expected by its tenants and the traveling public.
- ▶ The MAC will provide a safe and secure system of airports.
- ▶ Expenses are prepared on an accrual basis. This basis of accounting attempts to record financial transactions in the period in which they occur rather than recording them in the period in which they are paid. The Commission uses this method for both accounting and budgeting.

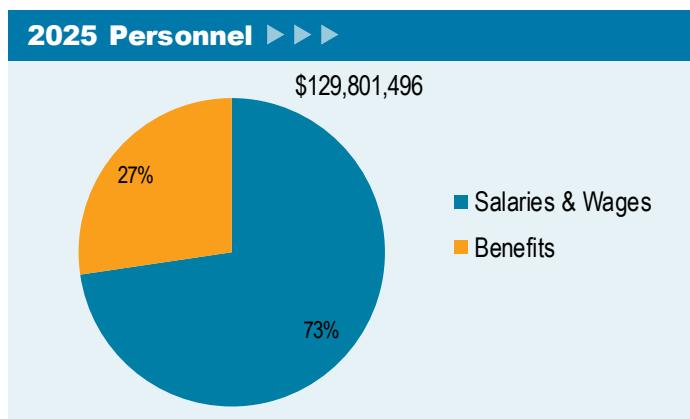
- ▶ There are 18 new full-time equivalent (FTE) employees authorized for 2025. These employees will support new and increasing needs throughout the organization and provide the necessary staff resources to serve the traveling public.
- ▶ Cost increases, such as scheduled contract or step increases for the organized and non-organized workforce, utility rate changes and insurance rate adjustments are included.
- ▶ Service center staff budget what is necessary to meet the MAC’s strategic plan and objectives. Variable expenses in the budget are based on the level of enplaned passengers. As a result of the projected growth, the budget for all expense categories increased in 2025 over 2024.

**PERSONNEL**

The Personnel category, which is approximately \$129.8 million or 43% of the \$302.0 million Operating Expense budget, is projected to increase by \$9.0 million or 7.5% from the 2024 estimate.

<b>Personnel</b> ▶▶▶						
(\$=000)		2025 Budget vs 2024 Estimate				
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>Salaries &amp; Wages</b>	\$80,123	\$90,467	\$89,255	\$94,341	\$5,086	5.7%
<b>Benefits</b>	32,299	33,104	31,515	35,461	3,946	12.5%
<b>Total Personnel</b>	<b>\$112,422</b>	<b>\$123,571</b>	<b>\$120,770</b>	<b>\$129,801</b>	<b>\$9,031</b>	<b>7.5%</b>

*Numbers may not sum to totals due to rounding.*



As shown in the pie chart, 73% of the Personnel category is made up of Salaries & Wages. Benefits make up the remaining 27%.

Major differences between the 2025 budget and 2024 estimate are explained as follows.

**SALARIES & WAGES**

Salaries & Wages are projected to increase by \$5.1 million or 5.7% over the 2024 estimate. There are several factors contributing to the increase.

The 2025 budget includes 18 new FTEs, which accounts for \$1.3 million of the increase. One FTE is scheduled for the Human Resources & Labor Relations division to handle contract and certification compliance. In the Finance & Revenue Development division, two new FTEs will be added to address increasing workload. In the Strategy & Stakeholder Engagement division, two new FTEs will be added for digital content strategy and communications. The Management & Operations division will hire 10 new FTEs to support public safety and operations. The Planning & Development division will add two new FTEs to support grant compliance and airport planning. One new FTE will be added to the Information Technology (IT) service center for systems support. Some new FTEs are key parts of the MAC’s strategic plan, while others are needed to support and maintain the airport.

Full-Time Equivalent Positions ►►►		
	Actual	Budget
2021	634	690.5
2022	641.5	691.5 <sup>a</sup>
2023	715.5	754.5 <sup>b</sup>
2024	755.5	790.5 <sup>c</sup>
2025	n/a	808.5 <sup>d</sup>

<sup>a</sup> One new FTE was authorized on 1/1/2022.  
<sup>b</sup> 28 new FTEs were authorized 1/1/2023. During 2023, 35 additional FTEs were approved for a total of 63 FTEs.  
<sup>c</sup> 36 new FTEs were authorized on 1/1/2024.  
<sup>d</sup> The 2025 budget includes 18 new FTEs to achieve strategic plan initiatives and meet increased service levels.

The MAC expects all or most of the 2024 vacancies to be filled in 2025. The 2025 total salaries and wages increase is approximately \$8.2 million over the 2024 estimate. This increase includes wage adjustments, overtime and new FTEs. There is a \$3.1 million vacancy factor that offsets the wage increase to account for any open positions during 2025. After accounting for the vacancy factor, the overall net increase for salaries and wages is \$5.1 million over the 2024 estimate.

**BENEFITS**

Benefits include employee insurance, post-retirement healthcare, Social Security, Medicare, retirement plan contributions, severance, workers’ compensation and other miscellaneous items. An increase of \$3.9 million or 12.5% is projected over the 2024 estimate.

Several benefit categories increased in 2025, largely a result of projecting that most or all 2024 vacancies will be filled, and 18 new FTEs will be hired. Approximately \$3.0 million is attributable to employee insurance benefits, \$511,666 for payroll taxes and expenses and \$434,244 for education and development benefits.

In 2025, the MAC expects to draw funds from its Other Post-Employment Benefits (OPEB) trust. Withdrawals are budgeted to be \$4.7 million, which is an offset of 100% of the MAC’s budgeted retiree insurance costs.



*All-Employee Events Help Staff Learn More About Benefits and Wellness Offerings at the MAC*



*Live Well, Stay Well is the MAC’s Employee-Managed Health Committee and Offers Suggestions for a Healthier Life at the All-Employee Event*

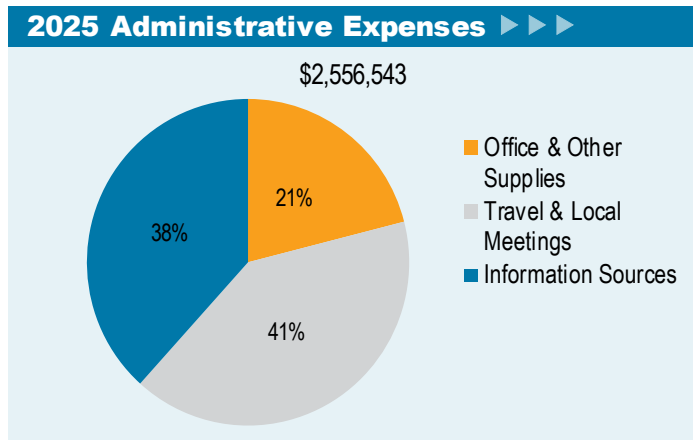
**ADMINISTRATIVE EXPENSES**

Administrative Expenses, which is approximately \$2.6 million or 1% of the \$302.0 million expense budget, is projected to increase in 2025 by \$506,543 or 24.7% over the 2024 estimate, as identified in the table below.

<b>Administrative Expenses</b> ▶▶▶						
(\$=000)						
2025 Budget vs 2024 Estimate						
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
Office & Other Supplies	\$289	\$419	\$368	\$537	\$169	45.9%
Travel & Local Meetings	533	906	796	1,040	244	30.7%
Information Sources	632	1,010	886	980	94	10.6%
<b>Total Administrative Expenses</b>	<b>\$1,454</b>	<b>\$2,334</b>	<b>\$2,050</b>	<b>\$2,557</b>	<b>\$507</b>	<b>24.7%</b>

*Numbers may not sum to totals due to rounding.*

As shown in the pie chart, Travel & Local Meetings account for the largest portion of this budget category, at 41% of Administrative Expenses. Information Sources account for 38% and Office & Other Supplies account for the remaining 21%.



**OFFICE & OTHER SUPPLIES**

The 2025 budget projects an increase of \$168,877 or 45.9% in Office & Other Supplies expenses over the 2024 estimate. The office supplies increase of \$15,826 is a result of office needs and supplies for new employees. A \$153,052 special supplies increase is due to equipment needs for the customer experience service center, supplies to support the new multipurpose room on the G Concourse and project management platforms for marketing. The remaining increase is due to higher costs for computer supplies.

**TRAVEL & LOCAL MEETINGS**

The Travel & Local Meetings budget for 2025 is expected to increase \$244,071 or 30.7% over the 2024 estimate. The increase results from out-of-state mandatory training requirements and increasing registration fees. A number of staff serve on national committees that typically require out-of-state travel.



*A MAC Firefighter Participates in an Emergency Training Exercise*

**INFORMATION SOURCES**

Information Sources are projected to increase \$93,595 or 10.6% over the 2024 estimate. Printing, postage and mailing costs are expected to increase \$76,720 in 2025. Administrative expenses related to strategic planning are projected to increase by \$51,631. The increases are offset by a \$34,756 decrease in memberships, subscriptions, and other information sources from 2024 that will not be necessary in 2025.

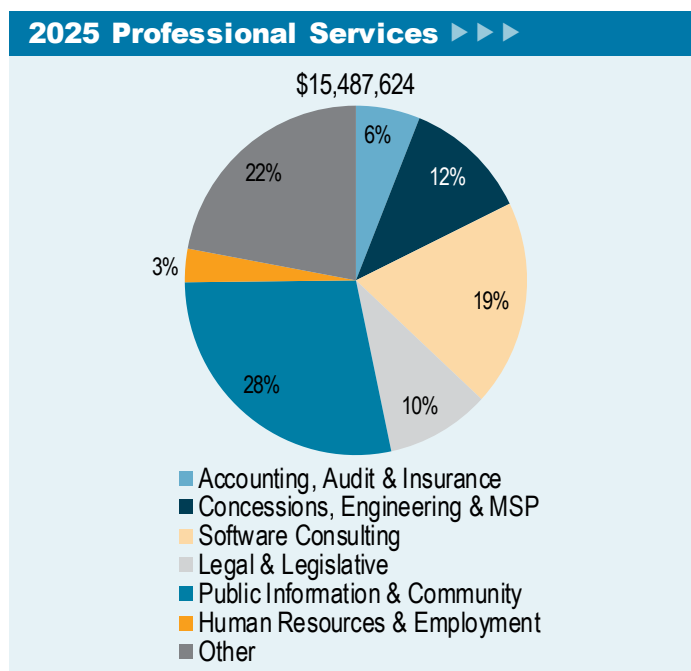
**PROFESSIONAL SERVICES**

Professional Services, which is approximately \$15.5 million or 5% of the \$302.0 million expense budget, is estimated to increase \$1.3 million or 9.1% over the 2024 estimate.

<b>Professional Services</b> ▶▶▶						
(\$=000)		2025 Budget vs 2024 Estimate				
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
Accounting, Audit & Insurance	\$805	\$916	\$888	\$938	\$50	5.6%
Concessions, Engineering & MSP	1,531	1,563	1,516	1,814	297	19.6%
Software Consulting	1,652	2,913	2,825	2,962	137	4.8%
Legal & Legislative	802	1,373	1,333	1,516	183	13.7%
Public Information & Community	2,147	3,828	3,713	4,358	646	17.4%
Human Resources & Employment	476	482	467	479	12	2.6%
Other	1,578	3,564	3,458	3,420	(38)	-1.1%
<b>Total Professional Services</b>	<b>\$8,992</b>	<b>\$14,639</b>	<b>\$14,200</b>	<b>\$15,488</b>	<b>\$1,288</b>	<b>9.1%</b>

*Numbers may not sum to totals due to rounding.*

The pie chart shows the distribution of expenses for Professional Services. The largest expense categories are Public Information & Community, Other expenses and Software Consulting at 28%, 22% and 19%, respectively.



**ACCOUNTING, AUDIT & INSURANCE**

The Accounting, Audit & Insurance budget is projected to increase \$49,884 or 5.6% over the 2024 estimate. Accounting and audit fees increased by \$25,317 and insurance consultants increased by \$24,567 based on inflationary costs.

**CONCESSIONS, ENGINEERING & MSP**

The 2025 budget for Concessions, Engineering & MSP is projected to increase \$297,417 or 19.6% over the 2024 estimate. The increase is for building information modeling, support for geographic information system development and general planning services for Minneapolis-St. Paul International Airport (MSP).

**SOFTWARE CONSULTING**

Software Consulting is expected to increase by \$136,830 or 4.8% over the 2024 estimate. Infrastructure and operations are projected to increase \$500,936. This is offset by the \$375,377 decrease in enterprise system consulting. The remaining variance is for general information technology project management services.



**OPERATING BUDGET EXPENSE**

**LEGAL & LEGISLATIVE**

The Legal & Legislative budget projects an increase of \$182,883 or 13.7% from the 2024 estimate. Legal fees are estimated to increase \$158,552 and local and national legislative activity is expected to increase \$24,331.

**PUBLIC INFORMATION & COMMUNITY**

The 2025 budget increase for Public Information & Community is \$645,704 or 17.4% over the 2024 estimate. Design resources, videography services, digital marketing support and survey costs make up \$309,510 of the overall increase. The remaining increase of \$336,194 is for strategic planning.

**UTILITIES**

Utilities, which is approximately \$27.4 million or 9% of the \$302.0 million expense budget, is estimated to increase \$4.1 million or 17.8% from the 2024 estimate.

**HUMAN RESOURCES & EMPLOYMENT**

Human Resources (HR) & Employment is projected to increase \$11,870 or 2.6% for planned recruiting activity, which includes hiring for 18 new FTEs.

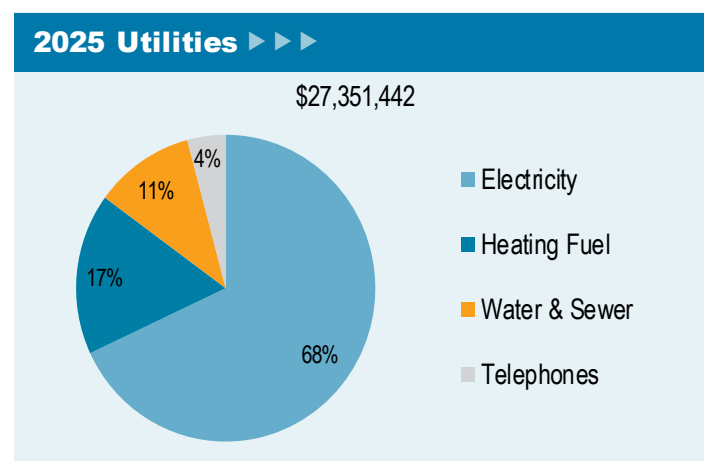
**OTHER**

The Other budget is projected to decrease \$37,517 or 1.1% from the 2024 estimate. Consulting services are estimated to decrease \$288,229 in the Integrated Operations and Maintenance Services and Asset Management service centers due to higher start-up costs in 2024 compared to 2025. This decrease is offset by \$250,712 for increases to wildlife management services, HR leave management consulting and strategic planning.

<b>Utilities</b> ▶▶▶						
(\$=000)						
2025 Budget vs 2024 Estimate						
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
Electricity	\$16,545	\$16,598	\$14,428	\$18,609	\$4,182	29.0%
Heating Fuel	3,995	4,733	4,289	4,653	364	8.5%
Water & Sewer	3,334	2,654	3,555	2,956	(598)	-16.8%
Telephones	838	954	950	1,133	183	19.3%
<b>Total Utilities</b>	<b>\$24,713</b>	<b>\$24,940</b>	<b>\$23,221</b>	<b>\$27,351</b>	<b>\$4,130</b>	<b>17.8%</b>

*Numbers may not sum to totals due to rounding.*

The pie chart shows the distribution of Utilities expenses. Electricity is the largest utility expense at 68% of the category, followed by Heating Fuel at 17%, Water & Sewer at 11% and Telephones at 4%. Variances in the 2025 budget versus the 2024 estimate are explained as follows.



**OPERATING BUDGET EXPENSE**

**ELECTRICITY**

Electricity is expected to increase by \$4.2 million or 29.0% over 2024 estimate. This is based on rate increases, average usage provided by the utility company and budget forecasts provided from the outside consultant. The Energy Manager will assist with sustainability goals and efficiencies as the MAC is working proactively to reduce utility costs.

**HEATING FUEL**

Heating Fuel is estimated to increase by \$363,886 or 8.5% from the 2024 estimate based upon the forecast provided by the outside consultant.

**WATER & SEWER**

The 2025 budget for Water & Sewer is projected to decrease \$598,228 or 16.8% from the 2024 estimate. There was a water main break that increased expenses in 2024 compared to 2025. The budget decrease is also driven by water usage efficiencies built into recent capital projects and by MAC sustainability staff working proactively to lower water usage at MSP.

**TELEPHONES**

The Telephones budget is projected to increase \$182,709 or 19.3% over the 2024 estimate. The primary factors for the increase are newly issued cellular stipends, increases to internet service fees and new phone line needs and replacements.

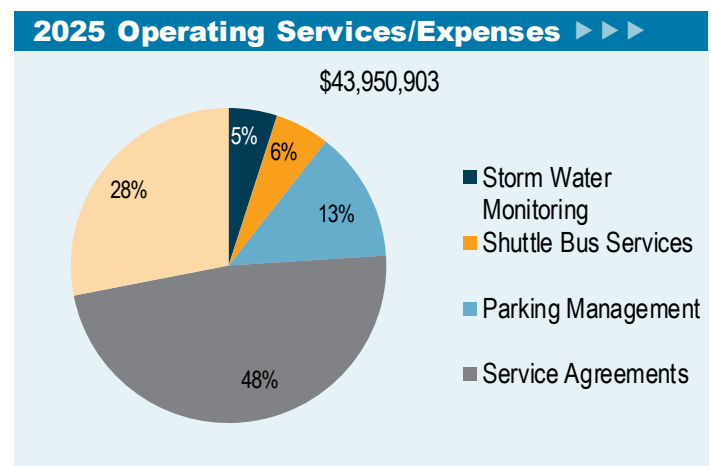
**OPERATING SERVICES/EXPENSES**

Operating Services/Expenses, which is approximately \$44.0 million or 15% of the \$302.0 million expense budget, is projected to increase \$4.7 million or 12.1% over the 2024 estimate. The following table lists the major components in this category.

<b>Operating Services/Expenses ►►►</b>						
					2025 Budget vs 2024 Estimate	
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
Storm Water Monitoring	\$2,716	\$2,035	\$2,314	\$2,185	(\$129)	-5.6%
Shuttle Bus Services	2,398	2,366	2,512	2,461	(51)	-2.0%
Parking Management	4,972	5,700	5,402	5,900	498	9.2%
Service Agreements	15,526	18,561	18,376	21,070	2,694	14.7%
Operating Services - Other	8,380	11,613	10,613	12,335	1,722	16.2%
<b>Total Operating Services/Expenses</b>	<b>\$33,992</b>	<b>\$40,276</b>	<b>\$39,217</b>	<b>\$43,951</b>	<b>\$4,734</b>	<b>12.1%</b>

*Numbers may not sum to totals due to rounding.*

As the pie chart indicates, Service Agreements and Operating Services – Other make up 48% and 28% of the Operating Services/Expenses budget, respectively. Significant changes in the 2025 budget versus the 2024 estimate are as follows.



**OPERATING BUDGET EXPENSE**

**STORM WATER MONITORING**

Storm Water Monitoring expenses are projected to decrease \$128,604 or 5.6% from the 2024 estimate. These costs are based on environmental permits and stormwater regulatory costs.

**SHUTTLE BUS SERVICES**

Shuttle Bus Services are projected to stay relatively flat compared to the 2024 estimate.

**PARKING MANAGEMENT**

Parking Management costs are budgeted to increase \$497,929 or 9.2% from the 2024 estimate. The increase is based on a three-year contract for parking management services.

**MAINTENANCE**

The Maintenance budget is approximately \$70.6 million or 23% of the \$302.0 million expense budget and includes a \$3.1 million or 4.6% increase over the 2024 estimate. The table lists the major components in this category.

**SERVICE AGREEMENTS**

A \$2.7 million or 14.7% increase in Service Agreements is projected over the 2024 estimate. Notable service increases include \$2.5 million for computers, software and other equipment. The remaining variance is used to fund services such as security, radios and electrical switchgear equipment repairs.

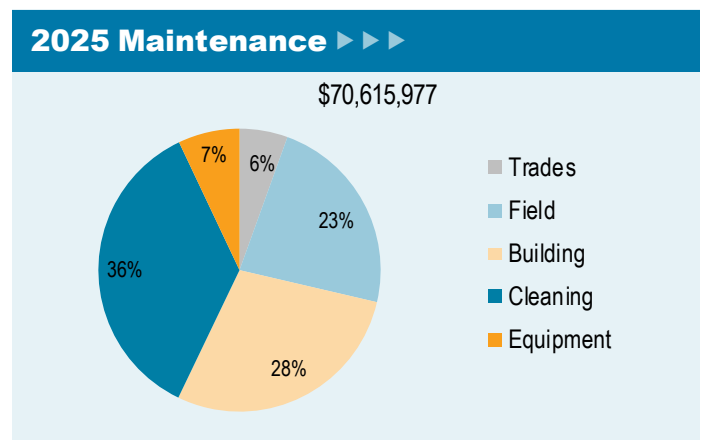
**OPERATING SERVICES – OTHER**

Operating Services – Other is projected to increase \$1.7 million or 16.2% over the 2024 estimate. An increase of \$877,327 is for strategic planning. Rising gate and vehicle security expenses account for \$268,632 of the increase. The remaining variance is due to rising miscellaneous costs.

<b>Maintenance</b> ►►►						
(\$=000)						
2025 Budget vs 2024 Estimate						
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
Trades	\$3,495	\$3,408	\$3,250	\$3,898	\$648	19.9%
Field	13,372	15,660	16,902	16,325	(577)	-3.4%
Building	18,016	18,770	18,425	20,127	1,702	9.2%
Cleaning	19,669	24,092	23,742	25,288	1,546	6.5%
Equipment	3,596	5,112	5,163	4,978	(184)	-3.6%
<b>Total Maintenance</b>	<b>\$58,147</b>	<b>\$67,043</b>	<b>\$67,481</b>	<b>\$70,616</b>	<b>\$3,135</b>	<b>4.6%</b>

*Numbers may not sum to totals due to rounding.*

The pie chart shows the distribution of Maintenance expenses in the 2025 budget. Cleaning and Building maintenance make up just under two-thirds of the total, covering 36% and 28%, respectively. Significant changes in the 2025 budget versus the 2024 estimate are as follows.



**OPERATING BUDGET EXPENSE**

**TRADES**

The projected increase in Trades expenses over the 2024 estimate is \$647,679 or 19.9%. Key drivers include a \$186,971 increase to cover fire protection system inspections and maintenance contracts, \$177,975 for electrical parts and materials and \$104,719 to cover the inflationary impact on paint and related materials. The remaining increase will cover repairs and replacement of traffic signs, hardware, tug doors and other MAC-owned equipment throughout Terminal 1, Terminal 2 and the Reliever Airports.

**FIELD**

Field expenses is projected to decrease \$576,918 or 3.4% compared to the 2024 estimate. These costs are based on forecasted winter events for 2025.

**BUILDING**

Building maintenance is projected to increase \$1.7 million or 9.2% over the 2024 estimate. Mechanical area maintenance costs account for \$668,539 of the increase. An additional \$559,305 is for jet bridge and baggage handling system maintenance. The remaining variance will cover higher costs for fire alarm inspection, testing and maintenance contracts.

**OTHER**

The Other expense category, which is approximately \$12.2 million or 4% of the \$302.0 million expense budget, is projected to decrease \$1.1 million or 8.5%. The following table lists the major components in this category.

**CLEANING**

The 2025 Cleaning budget includes a \$1.5 million or 6.5% increase compared to the 2024 estimate. The janitorial cleaning services contract accounts for \$1.1 million of this increase. Contractual increases and rising inflation contribute significantly to the variance. The remaining increase is a result of inflationary impacts for restroom supplies, window cleaning and rubbish disposal costs.

**EQUIPMENT**

Equipment costs are projected to decrease \$184,450 or 3.6% over the 2024 estimate. The primary driver of the decrease is due to lower projected gas and fuel usage based on forecasted winter events in 2025.

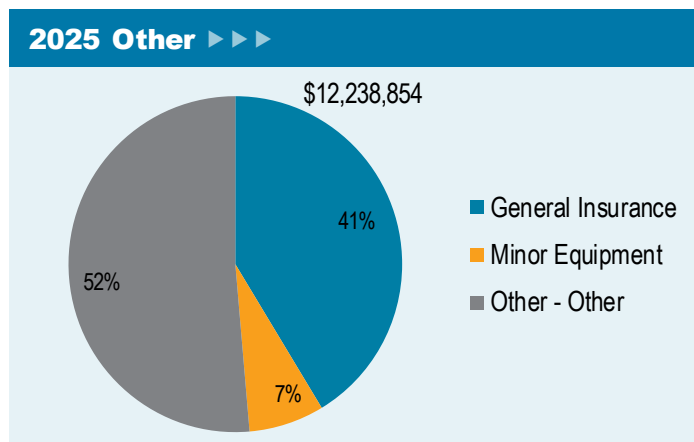


*Snowplows Clearing Snow Off the Runways*

<b>Other</b> ▶▶▶					2025 Budget vs 2024 Estimate	
(\$=000)	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	Dollar Change	% Change
<b>General Insurance</b>	\$3,924	\$5,414	\$5,648	\$5,059	(\$589)	-10.4%
<b>Minor Equipment</b>	541	775	675	894	219	32.4%
<b>Other</b>	1,343	6,192	7,046	6,286	(760)	-10.8%
<b>Total Other</b>	<b>\$5,808</b>	<b>\$12,381</b>	<b>\$13,369</b>	<b>\$12,239</b>	<b>\$ (1,130)</b>	<b>-8.5%</b>

*Numbers may not sum to totals due to rounding.*

As the pie chart illustrates, Other expenses make up 52% of the budget followed by General Insurance and Minor Equipment expenses at 41% and 7%, respectively.



### GENERAL INSURANCE

General Insurance includes property, liability, crime, auto, equipment and several other insurance products. The projected decrease in General Insurance is \$588,991 or 10.4% from the 2024 estimate. Property insurance is the main driver of the decrease as new construction investment to improve infrastructure, roadways and emergency response capabilities, paired with the softening market, caused the premium to decrease.

### MINOR EQUIPMENT

Minor equipment is equipment that is less than \$25,000. Minor equipment is projected to increase \$218,955 or 32.4% over the 2024 estimate. The 2025 budget includes furniture for conference rooms, workstations for new employees and other equipment and tool purchases that were delayed as a cost-saving measure.

### OTHER

The Other category consists of expenses for safety, medical, other equipment, license fees and other miscellaneous expenses. The 2025 budget is projected to decrease \$760,388 or 10.8% from the 2024 estimate. The decrease is primarily attributed to higher airline incentives in the 2024 estimate compared to the 2025 budget, which can vary based on factors such as planned aircraft frequencies, incentive periods and eligible costs. Additionally, the remaining decrease is due to lower miscellaneous expenses and reduced spending on safety training materials in 2025 budget compared to 2024 estimate.



Water Cannon Salute to Welcome Lufthansa to MSP

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# CONSTRUCTION FUND

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

- ▶ Equipment and Technology-Related Expenditures
- ▶ Capital Improvement Program (CIP) Expenditures

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

**Airport improvements and buildings:**

10 to 40 years

**Moveable equipment:**

3 to 15 years

Costs incurred for major improvements are carried in construction in progress until disposition or completion of the related projects. Costs relating to projects not pursued are expensed, while costs relating to completed projects are capitalized. The capitalization threshold for capital assets is \$25,000.

For CIP expenditures, a monthly report of all final payments, including any change orders, are reviewed and approved by the Commission.

## CAPITAL EQUIPMENT & TECHNOLOGY PROJECTS

### SELECTION PROCESS

The MAC completes its capital requests annually. Requests are made by staff for new or replacement equipment. They are then reviewed by division and MAC leadership. Capital requests are prioritized, first with the goal of maintaining safety and security, followed by effective operations.

Technology requests include a review by the Information Technology (IT) Department. Projects are categorized as either non-discretionary or discretionary projects. Non-discretionary projects meet one or more of the following criteria:

- ▶ Regulatory or compliance based
- ▶ Operational continuity requirements or needs
- ▶ End-of-life hardware or software that will not run for another year.

Due to their critical nature, non-discretionary projects are funded first. Then, discretionary projects are selected using the remaining funds available. Discretionary projects are organized into high, medium and low priority categories, based on the MAC's strategic goals and objectives. These ratings dictate which projects receive the remaining funds. Discretionary projects are business process improvements. These initiatives have sound returns on investment, such as providing efficiency or producing revenue.

### FUNDING

Capital equipment and technology projects are funded in two ways. First, those pieces of equipment, which are chargeable to the tenants and airlines, are acquired through notes payable or other equipment financing. The term of those financings is 10 years. The principal and interest associated with those equipment financings are charged based on the appropriate rate outlined in the Airline Use and Lease Agreement, resulting in the recovery of all or a portion of the total financed. The remaining value of capital equipment is funded with funds generated internally.

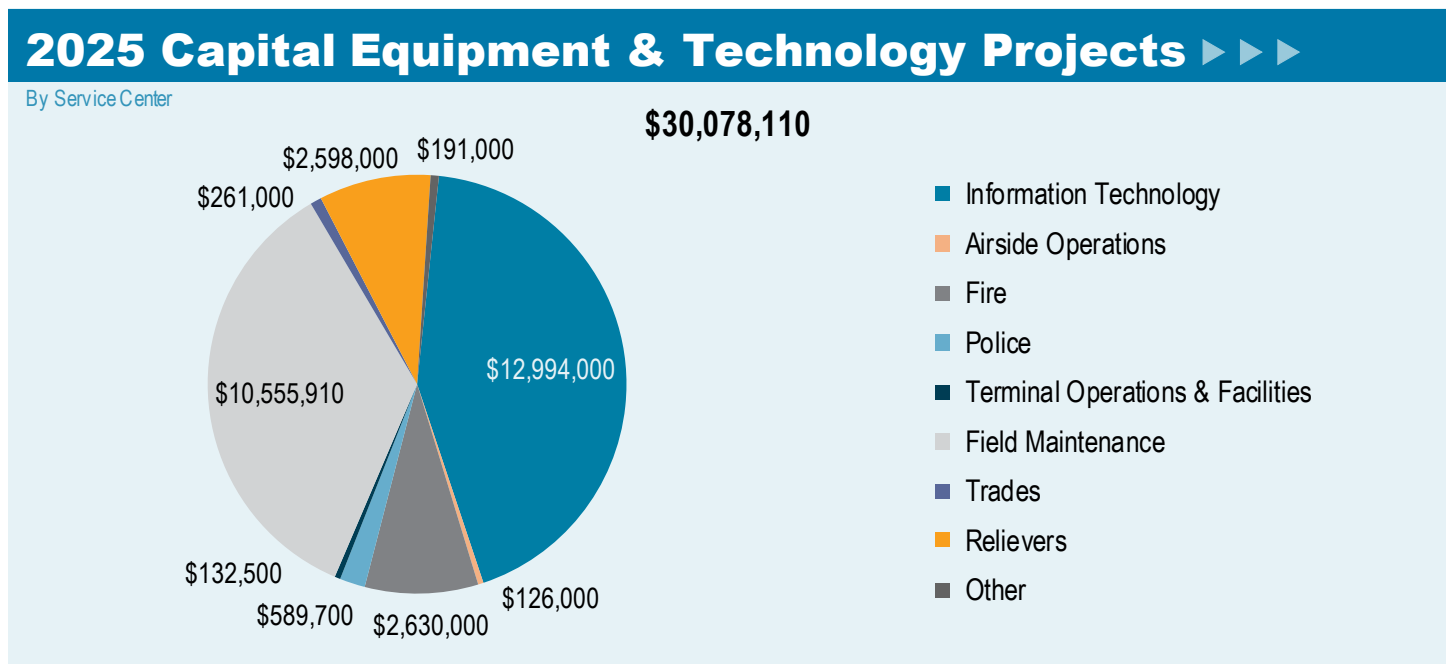
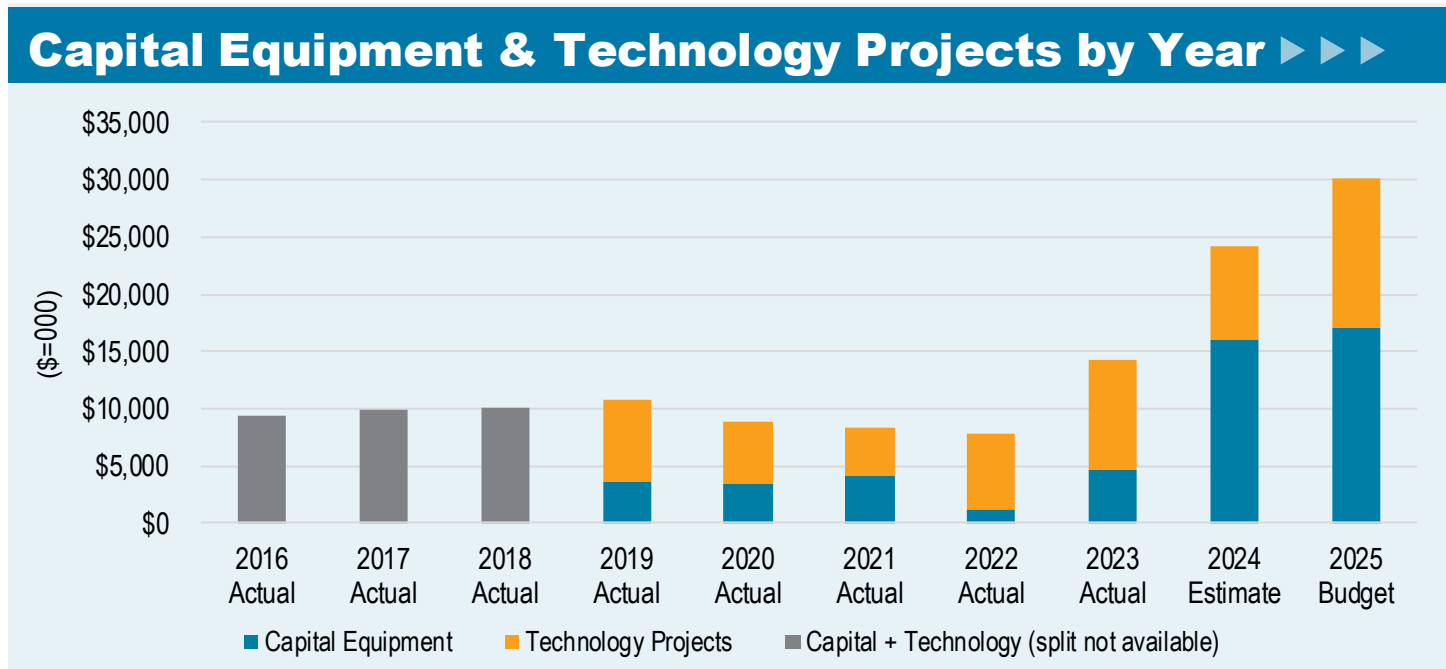
The 2025 Budget includes \$30.1 million for capital equipment and technology projects. Of this, \$15 million will be financed, with the remainder funded internally. Compared to the 2024 estimate of \$24.1 million, the 2025 Budget for Capital Equipment and Technology Projects will increase by \$6.0 million or 24.7%.

**EQUIPMENT & TECHNOLOGY BUDGET**

The 2025 capital equipment budget is \$17.1 million, which is approximately \$1.1 million greater than the 2024 estimate of \$16.0 million. The 2025 budget includes several large pieces of equipment that were due for replacement but were delayed. Technology projects in 2025 are budgeted at \$13.0 million, which is \$4.9 million greater than the 2024 estimate of \$8.1 million.

The Technology Refresh project accounts for \$5.7 million, or 43.8% of the technology budget total. Critical hardware will be replaced throughout MAC systems. A description of all projects and costs is found later in this chapter.

The bar chart shows equipment and technology purchases for the past 10 years, while the pie chart displays the budget allocation for 2025 across various Service Centers.





## 2025 Capital Equipment & Technology Projects ►►►

	Service Center	Acquisition	Individual Cost	Trade-in Value	Quantity	Total
<b>Capital Equipment Projects</b>						
Midsize 4 Wheel Drive Sports Utility Vehicle	75800	Replacement	\$ 48,000	\$ 1,000	1	\$ 47,000
Small 4 Wheel Drive Sports Utility Vehicle	77000	Replacement	44,000	1,000	1	43,000
Double Convection Oven	82050	New	52,000	-	1	52,000
Midsize 4 Wheel Drive Sports Utility Vehicle	82600	Replacement	64,500	3,000	2	126,000
Air Rescue and Fire Fighting (ARFF) Truck	83600	New	2,300,000	-	1	2,300,000
Dry Chemical Loading System	83600	New	40,000	-	1	40,000
Hazmat Response Trailer	83600	Replacement	30,000	-	1	30,000
Piping and Tank Retrofit for ARFF Truck	83600	New	260,000	-	1	260,000
Emergency Response Team Vehicle	84200	Replacement	127,500	2,500	1	125,000
Midsize 4 Wheel Drive Sports Utility Vehicle	84200	Replacement	77,540	-	1	77,540
Midsize 4 Wheel Drive Sports Utility Vehicle	84200	Replacement	77,540	-	1	77,540
Midsize 4 Wheel Drive Sports Utility Vehicle	84200	Replacement	78,000	1,000	1	77,000
Midsize 4 Wheel Drive Sports Utility Vehicle	84200	New	77,540	-	1	77,540
Midsize 4 Wheel Drive Sports Utility Vehicle	84200	Replacement	77,540	-	2	155,080
Midsize 4 Wheel Drive Sports Utility Vehicle	85100	Replacement	50,000	1,000	1	49,000
Midsize 4 Wheel Drive Sports Utility Vehicle	86100	Replacement	53,000	500	1	52,500
Trash Compactor	86100	New	80,000	-	1	80,000
1/2 Ton 4 Wheel Drive Truck	88000	Replacement	66,250	1,000	1	65,250
3/4 Ton 4 Wheel Drive Truck	88000	Replacement	66,250	1,000	1	65,250
3/4 Ton 4 Wheel Drive Truck	88100	Replacement	66,250	1,000	1	65,250
3/4 Ton 4 Wheel Drive Truck	88300	Replacement	66,250	1,000	1	65,250
1/2 Ton 4 Wheel Drive Truck	89000	New	59,505	-	2	119,010
4,000 Gallon Runway Deicer	89000	New	570,000	-	1	570,000
Hydraulic Metal Shear	89000	Replacement	102,000	-	1	102,000
Light Duty Finish Mower	89000	Replacement	29,000	2,500	1	26,500
Multi-Function Equipment	89000	Replacement	1,260,000	30,000	4	5,010,000
Non-Scalable Fence	89000	New	145,000	-	1	145,000
Portable Light Plant	89000	Replacement	54,800	-	3	164,400
Runway Chemical Application Truck with Plow	89000	Replacement	785,000	5,000	1	780,000
Runway Chemical Application Truck with Plow	89000	New	785,000	-	2	1,570,000
Runway Lighted X	89000	Replacement	32,000	-	4	128,000
Runway Snow Blower	89000	Replacement	940,000	10,000	2	1,870,000
Skid Steer	89000	Replacement	72,000	1,000	1	71,000
Compact Track Loader	90200	Replacement	72,000	1,000	1	71,000
Runway Broom	90200	Replacement	835,000	5,000	1	830,000
Sweeper/Vacuum Truck	90200	Replacement	406,000	1,500	1	404,500
26' Mower Deck	90300	Replacement	70,000	10,000	1	60,000
Heavy Duty Finish Mower	90500	Replacement	49,000	1,000	1	48,000
Runway Plow Truck	90600	Replacement	785,000	5,000	1	780,000
Sweeper/Vacuum Truck	90700	Replacement	406,000	1,500	1	404,500
<b>Subtotal Capital Equipment Projects</b>						<b>\$ 17,084,110</b>

## 2025 Capital Equipment & Technology Projects Cont. ►►►

	Service Center	Acquisition	Individual Cost	Trade-in Value	Quantity	Total
<b>Technology Projects</b>						
Cybersecurity	79000	New	\$ 1,090,000	\$ -	1	\$ 1,090,000
Technology End-of-Life Refresh	79000	New	5,694,000	-	1	5,694,000
Technology Strategic Initiatives	79000	New	2,675,000	-	1	2,675,000
Technology Functionality Enhancements	79000	New	966,000	-	1	966,000
Unsupported/External Technology Compliance	79000	New	2,575,000	-	1	2,575,000
<b>Subtotal Technology Projects</b>						<b>\$ 13,000,000</b>
<b>GRAND TOTAL</b>						<b>\$ 30,084,110</b>

### CAPITAL EQUIPMENT NARRATIVES

#### Midsize 4-Wheel Drive Sports Utility Vehicle (SUV)

A midsize 4-Wheel Drive (4WD) SUV is needed for departmental field operations and overall MAC emergency response. The existing vehicle is 16 years old, has high mileage and has incurred substantial maintenance expenses.

#### Small 4 Wheel Drive Sports Utility Vehicle

This small 4WD SUV is for departmental field operations. The existing vehicle is 17 years old, has high miles and has incurred substantial maintenance expenses.

#### Double Convection Oven

A new double convection oven with a ventless hood system is needed to support food service for the Airport Conference Center and G Concourse Multipurpose Room. The current ovens cannot handle the increased quantity of food being cooked at once and requires additional capacity to serve 165 guests at one time.

#### Midsize 4 Wheel Drive Sports Utility Vehicle

Two midsize 4WD SUVs are needed for 24/7 departmental Part 139 field operations including emergency response duties. The existing vehicles are 11 and 12 years old, have high miles and have incurred substantial maintenance expenses.

#### Air Rescue and Fire Fighting (ARFF) Truck

This ARFF 8x8 4500 Gallon Truck will help with Part 139 operations and will have the new fluorine-free foam system. The existing vehicle is 10 years old, has considerable hours of usage and has incurred substantial maintenance expenses.

#### Dry Chemical Loading System

This Dry Chemical Loading System will enhance vehicle readiness while minimizing health and safety risks during the loading of dry chemical into ARFF equipment.

#### Hazmat Response Trailer

This Hazmat Response Trailer replaces the current trailer and is used during hazmat response. The current trailer is 16 years old and has incurred substantial maintenance expenses.

#### Piping and Tank Retrofit for ARFF Truck

This Piping and Tank Retrofit will allow transition to the ARFF 3000-gallon truck for the new F3 foam system as required by regulations.

#### Emergency Response Team (ERT) Vehicle

This ERT Response Vehicle will help the Airport Police Department (APD) Emergency Response Team with transportation and storage during emergency tactical operations. The existing vehicle is 18 years old, has high miles and has incurred substantial maintenance expenses.

#### Midsize 4 Wheel Drive Sports Utility Vehicle

This midsize 4WD SUV will transport Emergency Communications Center staff during emergency events. The existing vehicle is 19 years old, has high miles and has incurred lifetime maintenance expenses.

#### Midsize All Wheel Drive Sports Utility Vehicle

This midsize AWD SUV LE rated is an unmarked police vehicle for investigations and civil transport. The existing vehicle is 13 years old, has high miles and has incurred substantial maintenance expenses.

**Midsized All Wheel Drive (AWD) Sports Utility Vehicle**

This midsized AWD SUV is an unmarked vehicle for command staff for daily and emergency response. The existing vehicle is eight years old, has high miles and has incurred substantial maintenance expenses.

**Midsized 4 Wheel Drive Sports Utility Vehicle**

This midsized 4WD SUV LE rated is a marked vehicle for the APD Patrol Division used for 24/7 daily emergency calls for service due to increased call volume and added patrol responsibilities.

**Midsized 4 Wheel Drive Sports Utility Vehicle**

These two midsized 4WD SUV LE rated are marked vehicles for the APD Patrol Division used for 24/7 daily emergency calls for service. The existing vehicles are each four years old, have high miles and have incurred substantial maintenance expenses.

**Midsized 4 Wheel Drive Sports Utility Vehicle**

This midsized 4WD SUV is for departmental field operations. The existing vehicle is 27 years old, has high miles and has incurred substantial maintenance expenses.

**Midsized 4 Wheel Drive Sports Utility Vehicle**

This midsized 4WD SUV is for departmental field operations. The existing vehicle is 18 years old, has high miles and has incurred substantial maintenance expenses.

**Trash Compactor**

This is a 30-yard self-contained auger-style trash compactor placed on the non-secure side of Terminal 2. The compactor will provide service as Terminal 2 continues to experience record passenger growth and increased need for trash capacity and removal.

**1/2 Ton 4 Wheel Drive Truck**

This 1/2 ton 4WD Truck Crew Cab is for departmental field operations. The existing vehicle is 22 years old, has high miles and has incurred substantial maintenance expenses.

**3/4 Ton 4 Wheel Drive Truck**

This 3/4 ton 4WD Truck Extended Cab is for departmental field operations. The existing vehicle is 17 years old, has high miles and has incurred substantial maintenance expenses.

**3/4 Ton 4 Wheel Drive Truck**

This 3/4 ton 4WD Truck Extended Cab is for departmental field operations and airfield painting/marketing application. The existing vehicle is 16 years old, has high miles and has incurred substantial maintenance expenses.

**3/4 Ton 4 Wheel Drive Truck**

This 3/4 ton 4WD Truck Extended Cab is for departmental field operations. The existing vehicle is 22 years old, has high miles and has incurred substantial maintenance expenses.

**1/2 Ton 4 Wheel Drive Truck**

These 1/2 ton 4WD Truck Crew Cabs are for departmental field operations due to increased number of employees.

**4,000 Gallon Runway Deicer**

This 4,000 Gallon Runway Deicer is for runway snow removal and chemical application operations. Winter weather climate change necessitates an additional piece of equipment to meet airline service level expectations with timely response on multiple runways simultaneously.

**Hydraulic Metal Shear**

This Hydraulic Metal Shear is for fleet/weld/mechanic shop operations. The current shear is past its useful life and parts are becoming obsolete.

**Light Duty Finish Mower**

This Light Duty Finish Mower is for MSP campus grounds. The existing vehicle is six years old, has considerable hours of usage and has incurred substantial maintenance expenses.

**Multi-Function Equipment**

These four Multi-Function Equipment (MFE) are necessary for runway snow removal operations. They are part of a five-year equipment replacement program. The equipment scheduled to be replaced averages 16 years old, has an average of 4,500 hours each and have incurred substantial maintenance expenses.

**Non-Scalable Fence**

This Non-Scalable Fence is a replacement for emergency response around Field Maintenance for Hennepin County Joint Powers Agreement responsibilities.

## CONSTRUCTION FUND

**Portable Light Plant**

These three Portable Light Plant replacements are for department night field pavement repair and Part 139 operations. The existing equipment class averages 20 years old, averages 4,100 hours and has incurred substantial maintenance expenses.

**Runway Chemical Application Truck with Plow**

This Runway Chemical Application Truck with Plow is for runway snow removal and chemical application operations. The truck is part of a five-year equipment replacement program. The existing equipment class averages 18 years old, averages 2,000 hours and has incurred substantial maintenance expenses.

**Runway Chemical Application Truck with Plow**

These two Runway Chemical Application Trucks with Plows are for runway snow removal and chemical application operations. The truck consolidates multiple types of equipment into a multi-use piece of equipment.

**Runway Lighted X**

These four Runway Lighted X's are for Part 139 runway closure operations and to assist air development in scheduled construction closures. The existing equipment class averages 4 years old, averages 3,500 hours and has incurred substantial maintenance expenses.

**Runway Snow Blower**

These two Runway Snow Blowers will be used for runway snow removal operations. They are part of a five-year equipment replacement program. Equipment scheduled to be replaced averages 16 years old, averages 2,950 hours each and has incurred average lifetime maintenance expenses.

**Skid Steer**

This Skid Steer is for department field operations. The existing vehicle is 18 years old, has considerable hours of usage and has incurred substantial maintenance expenses.

**Compact Track Loader**

This Compact Track Loader will be used for daily field operations. The current piece of equipment is 25 years old and has considerable hours of usage.

**Runway Broom**

This Runway Broom will be used for snow removal operations. The current vehicle is 16 years old, has considerable hours of usage and has incurred substantial maintenance expenses.

**Sweeper/Vacuum Truck**

This Sweeper/Vacuum Truck is for department operations to assist with removing winter sand in the spring, increase safety on roadways and enhance the airport's appearance. The existing vehicle is eight years old and has considerable hours of usage.

**26' Mower Deck**

This Mower Deck will be used for airfield mowing operations. The current piece of equipment is 16 years old and has reached the end of its useful life.

**Heavy-Duty Finish Mower**

This Heavy-Duty Finish Mower is for airfield mowing operations. The existing piece of equipment is 26 years old and has considerable hours of usage.

**Runway Plow Truck**

This Runway Plow Truck will be used for airfield snow removal operations. The current vehicle is 16 years old and has considerable hours of usage.

**Sweeper/Vacuum Truck**

This Sweeper/Vacuum Truck is for department operations to assist with removing winter sand in the spring, increase safety on roadways and enhance the airport's appearance. The existing vehicle is nine years old and has considerable hours of usage.

**TECHNOLOGY PROJECT NARRATIVES****Cybersecurity**

This is a multi-year effort to mature the Cybersecurity program including Compliance Management, Configuration Management and Vulnerability Remediation, Data Security, Identity and Access Management, Penetration Testing and System Security Governance.

**Technology End of Life Refresh**

This budget will refresh end-of-life hardware and software components including Airport Police Department asset management, Xovis migration to cloud, end user devices, conference room technology, network switch replacements, Cradle Point routers, storage, virtual servers, Cisco Vision system, hardware switches, radios and firewalls.

**Technology Strategic Initiatives**

This budget will support the MAC Corporate Strategic Initiatives: Center of Excellence maturity, streamline professional service agreements entry and approval, asset management platform, situational awareness, North STAR Center intake management, cross-functional implementation of customer relationship management, internal communication maturation and new engagement survey vendor.

**Technology Functionality Enhancements**

This budget will upgrade or enhance existing technology or provide new functionality. The project will also upgrade or replace existing equipment.

**Unsupported/External Technology Compliance**

This budget will support the following projects: Targeted Group Business/Disadvantaged Business Enterprise Reporting and Payment Database, Conference Center Reservation System modernization, Safety Management System technology application, Leave Management System and/or integration into EnterpriseOne, Records Management System and Computer-Aided Dispatch replacement for the Airport Police Department, Records Management implementation for Legal, migrate parking transactions from magstripe to chip and pin, Airport Fire Department integration into Cityworks for Part 139 Federal Aviation Administration inspection, Small Business Program searchable database, MSP security training, Learning Management System review, Digital Evidence Management System and Mobile Command Center upgrades.



*HOPE HydroStations at MSP Offer Travelers Free, Cold, Filtered Water and an Interactive Experience*

**CAPITAL IMPROVEMENT PROGRAM EXPENDITURES**

On December 16, 2024, the Commission adopted the 2025-2031 Capital Improvement Program. The seven-year CIP forecasts construction projects in the MAC’s system of airports.

Since 2020, many scheduled projects were delayed or paused. To develop the 2025-2031 CIP, all deferred, paused and newly proposed projects were reviewed and categorized as follows:

**2025 CIP Projects (Year 1):**

Projects reasonably defined for implementation in the upcoming calendar year.

**2026 CIP Projects (Year 2):**

Identified needs or potential needs requiring further study to determine project scope, feasibility and cost.

**2027-2031 CIP Projects (Years 3-7):**

Projects that appear to be needed in the last five years of the total program. Forecasting years three to seven assists in financial planning and meets the requirements of the Metropolitan Council’s Investment Framework.

**2025 CAPITAL IMPROVEMENT PROJECTS**

As stated previously, these are projects that have been reasonably defined for implementation in the upcoming calendar year, in this case 2025. The following narratives describe the 2025 Capital Improvement Projects, along with a table of their funding sources.

The majority of capital projects in the CIP program are recurring or routine projects of a major airport for the maintenance and preservation of facilities and comfort of passengers. These projects do not generally affect the annual operating budget. Recurring CIP projects ensure end-of-life equipment, including IT equipment maintenance, enhancements and replacements are replaced in a timely manner. Recurring CIP projects also include maintaining the airfield for years to come.

The following table lists non-recurring and recurring projects that the commission expects will affect the current or future operating budgets, based on the information available at time of publishing. The remaining projects not noted in this table have minimal to no impact on the operating budget.

**CIP Operating Cost Projections ►►►**

Category	Construction Project	Projected Operating Costs	Amount	Explanation
MSP End-of-Life/Replacement Projects	GO Building VAV Replacement and Upgrade	Utilities	13%	Estimated reduction
MSP Long Term Comprehensive Plan Projects	Ground Service Equipment Maintenance Facility	Maintenance	\$ 150,000	Estimated increase
MSP Maintenance/Facility Upgrade Projects	ADO Office Expansion	Utilities and Janitorial	\$ 93,600	Estimated increase upon completion
	Concourse A Heating System Upgrade	Utilities	10%	Estimated reduction
	Folded Plate Surface Reconstruction	Utilities	7.5%	Estimated reduction
	Lighting Infrastructure Technology and Equipment	Utilities	\$ 1,500	Estimated reduction
	Energy Savings Program	Utilities	11%	Estimated reduction
	Victaulic Piping Replacement	Utilities	15%	Estimated reduction
	Apron Lighting LED Upgrade	Utilities	20%	Estimated reduction
	Tunnel Lighting LED Upgrade	Utilities	20%	Estimated reduction
	Electric Vehicle Charging Network Expansion	Utilities	\$ 70,000	Estimated increase
	Parking Guidance System	Utilities	\$ 25,000	Estimated increase
	Ramp Information Display System	Utilities	\$ 85,000	Estimated increase
	Terminal 2 Ground Transportation Waiting Area Expansion	Utilities and Janitorial	\$ 20,000	Estimated increase upon completion
	Airfield Thermoplastic Markings	Maintenance	\$ 1,500	Estimated reduction

## CIP Operating Cost Projections Continued ►►►

Category	Construction Project	Projected Operating Costs	Amount	Explanation
MSP Ongoing Maintenance	Air Handling Unit Replacement	Utilities	\$ 10,000	Estimated reduction
MSP Tenant Projects	T1 Concessions Upgrades/Revenue Development and Strategic Partnerships	Revenue	10%	Estimated increase in revenue upon completion
	T2 Concessions Redevelopment	Revenue	10%	Estimated increase in revenue upon completion
	Air Freight Facility Parking Expansion	Revenue	\$ 20,000	Estimated increase in revenue
Reliever Airports Maintenance/Facility Upgrade Projects	St. Paul Airport Perimeter Roads	Maintenance	\$ 75,000	Estimated reduction
	St. Paul Customs and Border Protection General Aviation Facility	Utilities and Janitorial	\$ 113,271	Estimated increase upon completion
	Lake Elmo Equipment Storage Building	Utilities	\$ 64,200	Estimated increase upon completion
	Airlake Automated Weather Observing System Replacement	Utilities	\$ 40,000	Estimated increase
	Flying Cloud Infrastructure Replacement	Maintenance	\$ 55,000	Estimated reduction
	Flying Cloud Northside Access Road from Bravo to November Lane	Maintenance	\$ 60,000	Estimated reduction
	Crystal Tower Parking Lot Reconstruction	Maintenance	\$ 70,000	Estimated reduction

### 2025 CAPITAL IMPROVEMENT PROGRAM NARRATIVES

#### MSP END-OF-LIFE/REPLACEMENT PROJECTS

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

#### TERMINAL 1

##### Passenger Boarding Bridge Replacements

This program replaces jet bridges at Terminal 1. Bridges to be replaced will be determined based on a condition assessment and input from the airlines. Aircraft parking positions will be optimized at the impacted gates and fuel pits adjusted as necessary. Podiums and door openings may also be adjusted to optimize gate hold areas. It is assumed fixed walkways may need to be replaced or added to meet Americans with Disabilities Act (ADA) slope requirements and all gate hold areas will be upgraded with security doors, card readers and cameras. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner.

##### Concourse and Hub Tram Replacement

This project funds a study to evaluate equipment and procurement options for the replacement of the Hub Core and Concourse C Trams which are nearing the end of their useful life.

##### Recarpeting Program

This project will replace carpet on Concourse E in keeping with the Concourse Modernization program underway elsewhere in Terminal 1. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner.

#### ENERGY MANAGEMENT CENTER

##### Concourses E and F Bridge Heating and Cooling System Replacement

This is the second of two phases of work to replace and improve the heating and cooling systems on the bridges to Concourses E and F. In this phase, steam and condensate piping above grade through E Bridge Connector, steam pressure reducing station in ground level, heat exchangers and water pumps in penthouse of E will be replaced. In the penthouse of the F Bridge, heat exchangers and water pumps will be replaced. This is a multi-phase project that ensures end-of-life equipment is replaced in a timely manner.

##### Ground Transportation Center Dual-Temperature Pump Improvements

This project will replace end-of-life pumps and supporting infrastructure. This is the second phase of a two-phase project that ensures end-of-life equipment is replaced in a timely manner.

**Terminal 1 Boiler and Chiller Replacement and Energy Management Center (EMC) Expansion**

This study phase of the program will focus on project phasing for the replacement of equipment in the EMC with a more efficient design, as well as building impacts to remove the old equipment and bring the new equipment into the building.

**FIELD AND RUNWAYS**

**30L Deicing Pad Reconstruction**

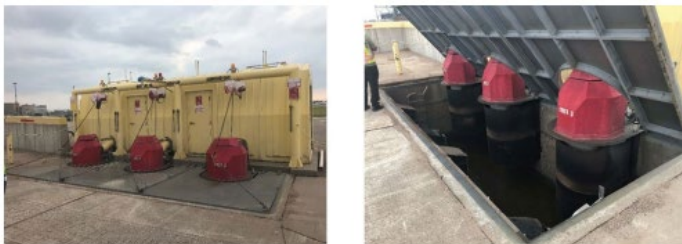
This is the second of three phases to reconstruct the deicing pad at Runway 30L. This is a multi-phase project that replaces end-of-life infrastructure.

**30L Engineered Material Arresting System (EMAS) Replacement**

This project will replace the EMAS at the end of Runway 30L, which is reaching the end of its useful life. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner.

**Airfield Snow Melter Replacement/Upgrades**

This project will replace, modify or upgrade snow melters on the airfield that are beyond their useful life. This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years.



*Snow Melters on the Airfield*

**Bituminous Shoulder Reconstruction**

This project will reconstruct full depth bituminous shoulders along Runway 12L-30R from Taxiway P10 to Taxiway M and from Taxiway P3 to Taxiway P1. This work will restore transverse grades to shoulders to improve drainage and meet Federal Aviation Administration (FAA) standards. Work will include removals, crushed aggregate base, bituminous pavement, pavement marking and electrical construction. This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years.

**Concourse G Apron Pavement Reconstruction**

This project will reconstruct a portion of the apron area adjacent to Concourse G. Work will include removals, excavation, granular material, crushed aggregate base, concrete pavement, fuel pits and pavement marking. This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years.

**Taxiway A/B Pavement Reconstruction**

This project will reconstruct concrete pavement within the object free areas of Taxiway A and Taxiway B between Taxiway D and Taxiway A7. The work will include removals, subgrade correction, concrete pavement and pavement marking. This is a non-recurring project that ensures maintenance of the airfield in a timely manner.

**Taxiway B Pavement Reconstruction**

This project will reconstruct a portion of Taxiway B. Work will include removals, excavation, granular material, crushed aggregate base, concrete pavement, bituminous shoulders, pavement marking and taxiway centerline lights. This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years.

**PARKING**

**Parking Ramp Snow Melter Replacement/Upgrades**

This project will replace, modify and upgrade snow melters in the parking ramps that are beyond their useful life. This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years.

**GENERAL OFFICE/ADMINISTRATION**

**General Office (GO) Building Variable Air Volume (VAV) Replacement and Upgrade**

This project consists of replacing over 100 VAV boxes that are 25 years-old, upgrading controls on perimeter radiation and home-running all intellectual property controls in the GO building. VAVs regulate air flow from air handling units and temper air temperature. The new VAVs will be smart technology, allowing nighttime setback temperatures to be used to reduce energy costs and greenhouse gas emissions. The existing VAVs not only prevent the use of nighttime setback temperatures, but compound energy and emissions impacts by pulling heat from boilers to put extra heat into the building.



**MSP IT PROJECTS**

MSP IT Projects are those that include a significant amount, or are entirely composed of, technology-related enhancements, maintenance or restructuring.

**TERMINAL 1**

**Concourses C Digital Directory Replacement**

The digital displays on Concourse C will be replaced to provide a consistent customer experience similar to the displays in the Terminal 1 mall.

**MAC Technology Upgrades**

Information Technology (IT) projects that are beyond MAC staff's resources to accomplish are prioritized and completed as a series of contracts or as purchase orders. Work may include fiber optic cable upgrades, MAC Network (MACNet) maintenance and upgrades, digital signs, wireless system enhancements and MAC public address system maintenance or upgrades. Projects will be compiled and prioritized in early 2025. This series of recurring projects ensure that miscellaneous IT equipment maintenance, enhancement and replacements happen in a timely manner.

**Telecom Room Equipment Continuity**

MACNet carries, along with other information, credit card data collected from the landside parking revenue control system. Merchants like the MAC are required to meet credit card security standards created to protect card holder data. Among these requirements are security standards for the physical locations where MACNet equipment is located. Additionally, the network equipment itself must have added security features to prevent unauthorized network access. This multi-year program addresses these standards by providing security equipment and relevant network hardware for the 150 telecommunications rooms on the MAC campus. This series of recurring projects ensure that miscellaneous IT equipment maintenance, enhancement and replacements happen in a timely manner.

**FEDERAL INSPECTION STATION**

**Customs and Border Protection (CBP) Infrastructure**

MAC is responsible for supplying and maintaining CBP infrastructure. In addition to the camera system, CBP has other infrastructure standards that need to be addressed. MAC and its project consultants will partner with CBP to create, schedule and implement the new system equipment and operating requirements consistent with MAC and CBP Policies and Standards.

This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.

**ENERGY MANAGEMENT CENTER**

**Building Management Intelligent Monitoring and Control System (IMACS) Modernization**

This project will assess, roadmap and modernize MAC's energy, water, heating, ventilation and air conditioning (HVAC) and people mover management systems.

**TERMINAL 2**

**Common Use Passenger Boarding Bridges Cab Cameras**

This project will add Integrated Video and Information System Network (IVISN) connected cameras to the cab of the common use passenger boarding bridges that currently do not have them and are not under construction.

**Passenger Flow Tracking**

This project will provide a program to track and analyze passenger movements and predict facility performance.

**Upgrade and Modernize Terminal 2 Kiosks**

This project will upgrade and modernize Terminal 2 common-use kiosks.

**POLICE**

**Card Access Modifications**

This is a multi-year program to refresh the inventory of card access security readers as they get to end-of-life, add outdoor biometric readers, add mobile card readers, add other readers as needed throughout the campus and align card access control with other surveillance technology, including IVISN. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.



*Students Visit the MSP Airport Badging Office*

**Public Safety Video Modernization**

This project will assess, roadmap and modernize our camera system with artificial intelligence components.

**MSP LONG-TERM COMPREHENSIVE PLAN PROJECTS**

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

**TERMINAL 1**

**Concourses E and F Assessment**

This study will document the condition and potential remaining useful life of Concourses E and F.

**FIELD AND RUNWAYS**

**Navigation Aid (NAVAID) Relocation**

This project will study the relocation of the Remote Transmitter/Receiver as well as the siting/analysis of relocating the ASR-9. Coordination with the FAA will be included, supporting a reimbursable agreement as needed.

**PARKING**

**Parking Capacity Assessment**

This study will document parking capacity and identify catalysts for additional parking construction.

**HANGARS AND OTHER BUILDINGS**

**Ground Service Equipment (GSE) Maintenance Facility**

This project will construct a stand-alone facility for lease to third-party ground handling operators to maintain and repair ground handling equipment necessary to support ground operations for the airlines. This facility will replace one that no longer meets all tenant needs and obstructs future construction of the south expansion of Terminal 2.

**MSP MAINTENANCE/FACILITY UPGRADE PROJECTS**

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

**TERMINAL 1**

**Airport Director's Office (ADO) Office Expansion**

Additional office and meeting space is needed for the ADO to function properly. This expansion and remodel will support increasing MAC staffing numbers and changes in workspace needs.

**Art Display Areas**

This program is a continuation of the existing program, in partnership with the Airport Foundation MSP, to provide opportunities and space build out for the display of permanent and temporary/rotating art exhibits. This program enhances the customer service experience for travelers and airport employees. Art program costs are funded by the foundation.

**Arts Master Plan**

This program supports procurement of commissioned art and rotating exhibits as part of the Percent for Arts program. The Arts Master Plan is funded by the capital program based on a percentage of the MAC's capital projects.

**Commission Chambers Lighting Upgrades**

This project will update the lighting control system in the Commission Chambers.



*The Commission Chambers at Terminal 1*

**Concourse A Heating System Upgrade**

This project is the second of two phases of work to replace the entire heating water system on Concourse A. The new system will include air handling unit fans, heat exchangers, pumps, piping, VAV boxes and fin tube radiation. All new equipment will have updated controls that connect into IMACS.

### Delivery Node Redevelopment

MAC's existing node delivery and storage system requires long-term improvements at Terminal 2 and Terminal 1 (Concourses A, C, E, F and G) to provide for safe and efficient delivery, by the logistics company, to MAC and airport tenants. This program will improve or replace existing nodes with more centralized locations that should include loading docks, elevators where needed, adjacent storage, trash and recycling. The 2025 project is planned to improve the delivery node at Concourse D.

### Folded Plate Surface Reconstruction

This is the second of three phases to repair and replace the roof assembly on the folded plate roof at Terminal 1. This is a non-recurring project that ensures end-of-life materials are replaced in a timely manner.

### Gold/Green Skyway Safety Improvements

This project will study options to modify the slanted glass of the Green and Gold skyways to address snow/ice buildup and safety concerns.

### Lavatory Buildings Rehabilitation

This project will address ongoing maintenance issues and aging components of the lavatory buildings at Terminal 1. This project will include a verification and assessment of the structure and roof, along with repairs as needed. The project will provide new vapor proof light-emitting diode (LED) lighting, IVISN cameras, personnel doors, concrete floor waterproofing and new triturators. The project will also provide an exterior connection or removal of the Delta glycol tank located inside the G lavatory building. This project will replace the Terminal 1 lavatory building coiling garage doors at G1 and D1 with new high traffic breakaway rubber doors.

### Lighting Infrastructure Technology and Equipment

This is a multi-year program that will analyze, assemble and organize lighting system upgrade recommendations for the MSP campus. Annual investment in lighting infrastructure is necessary to ensure its safe operation, reduce energy use, reduce maintenance costs and to implement technology upgrades to improve lighting quality. Light fixtures age and degrade due to time, heat or exterior elements.

### Light Rail Transit (LRT) Stations Updates

Metro Transit has indicated that they will replace the LRT tracks in 2025 and close the Terminal 1 and Terminal 2 stations during construction. This project will complete deferred maintenance/end-of-life updates during these station closures. Work will include, but not be limited to, flooring, lighting, wayfinding, heating,

conveyance, equipment removal or repairs, painting and other work identified by the stakeholders.



*View of the Light Rail Transit Station*

### MSP Courtesy Phone Updates and Removal

This project will replace courtesy phones with ADA-compliant phones and signage including new lights as needed. The project will also remove phones as recommended by a subject matter expert consultant.

### Restroom Upgrade Program

A study of all restrooms in Terminal 1 was completed in 2010 and a program was developed to upgrade and modernize the restrooms at Terminal 1. From this study, each restroom was prioritized based on its condition. This program will provide for the phased modernization of the Terminal 1 restrooms to include upgraded finishes, lighting, air quality, energy saving upgrades and ADA compliance. The 2025 phase of the program is planned to address restroom upgrades in the Ground Transportation Center. This is a recurring project with rotating work that ensures end-of-life facilities are replaced in a timely manner.

### Sky Club Repairs and Improvements

This project will study, identify and address the numerous leaks that have occurred at the Sky Club windows, the south side exterior curtain wall and identify a system to prevent snow from falling onto the transfer bag belt located on the exterior of the building.

### Steam System Upgrade Program

This program will replace steam pressure reducing stations that are near or past the end of their useful life. The program will also replace heat exchangers in two mechanical rooms and replace valves in the boiler fuel system piping. This is a multi-year program that ensures end-of-life equipment is replaced in a timely manner.

**Terminal 1 Information Booth Replacements**

This program will replace seven existing information booths with six new booths at Terminal 1 and one at Terminal 2, including assisted listening systems and other IT improvements. This is a non-recurring project that ensures end-of-life equipment is repaired or replaced in a timely manner.

**Terminal 1 Sand Dump Station**

The project adds facilities for the MAC and tenants to properly dispose of sand collected from tug drives and airside roadways.

**Terminal 1 Tram Maintenance**

The project will provide replacement parts and maintenance for the concourse and hub tram systems to extend their useful lives. This multi-year project ensures end-of-life equipment is replaced in a timely manner.

**Terminal 1 Tug Drive Heater Replacement**

This project will replace all existing Terminal 1 tug drive steam unit heaters with hot water unit heaters. This multi-year program ensures end-of-life equipment is replaced in a timely manner.

**Terminal 1 Tug Drive Waterproofing**

The Terminal 1 tug drive was last sealed and waterproofed in 2007-2010. Concrete waterproofing typically has a 10-year lifespan and needs to be redone in order to minimize water infiltration into the structure and lower-level spaces. This project would waterproof the concrete for the entire tug drive area located above basement level spaces. This multi-year program ensures end-of-life equipment is replaced in a timely manner.

**Wayfinding Sign Backlighting Replacement**

Wayfinding is a critical customer service piece of the passenger experience at MSP. Existing wayfinding signs are outdated, provide information no longer relevant or are no longer illuminated. This program replaces the failed cold-cathode illumination with LED backlit signs, updates sign information, locations and provides new illuminated signs and/or digital signs where needed at Terminal 1 and Terminal 2. It also supports repairs that exceed routine maintenance budgets. The 2025 phase will also support improvements to the Tram wayfinding and address terminal naming consistency.

**FEDERAL INSPECTIONS STATION (FIS)****FIS Facility Upgrades**

The FIS Facility Upgrades project is a multi-year project to bring the FIS facilities in Terminal 1 and Terminal 2 up to the airport technical design standards and other required improvements as prescribed by CBP.

**ENERGY MANAGEMENT CENTER****Energy Savings Program**

The 2025 phase of the Energy Savings Program includes the introduction of heat-pump technology to transfer waste heat being generated by electrical rooms into usable heat for domestic hot water on Concourse C and heating water systems in the Silver Ramp. Additional energy savings will be found in upgrades to existing lighting systems on Concourse G and air handling units on Concourse C.

**MAC Automation Infrastructure Program**

This is a continuation of a multi-year program to upgrade all MAC building automation systems to an open architecture protocol so that MAC can bid maintenance and construction contracts more competitively. This project will replace sole-source controllers from Siemens and Legacy Honeywell with controllers from Honeywell, Circon, Distech and TAC systems that are LonMark-certified products. This recurring project supports more efficient operation and maintenance of mechanical systems throughout the campus.

**Victaulic Piping Replacement**

This phase of a multi-year program will replace the Victaulic piping and valves in Terminal 2. While Victaulic pipe fittings allow for the pipes to be quickly and easily disassembled when needed, it has been discovered that the joints leak because the seals shrink when they cool due to shutdowns and service disruptions, which occur frequently at MSP. As a result, the seals do not hold tightly when the system is restored to normal operation. In addition, this year's effort will support efficiency upgrades to the systems at Terminal 2 as part of the North Expansion project.

**FIELD AND RUNWAYS****Airfield Thermoplastic Markings**

Following a successful pilot installation of thermoplastic markings, this program will install thermoplastic markings at complex taxiway/runway intersections. 2025 is the first of five planned phases for this work.

### Apron Lighting LED Upgrade

This project will replace the older apron lighting units with more efficient LED fixtures. The 2025 phase will focus on Concourses A and B.

### Ground Based Augmentation System (GBAS) – SLS-4000 Installation

Delta Air Lines has requested increased precision approach capabilities to Runway 04 and has agreed that installation of a GBAS would help address the need. Due to a long-standing contract between MAC and Honeywell that grew out of a research and development partnership, MAC will receive the ground station and remote satellite measurement units at a discount.

### Tunnel Lighting LED Upgrade

This program will replace existing high intensity discharge type lighting with LED to save energy and reduce maintenance.

## TERMINAL ROADS/LANDSIDE

### Terminal 2 Cell Phone Lot Study

Traffic delays due to curbside queuing at Terminal 2 have dramatically increased during the past year. This trend can be expected to continue as Terminal 2 continues to expand gate space, airlines and capacity. Many customers report being unaware of the existing cell phone lot on Post Road, or they perceive it as too far from Terminal 2. This study will evaluate options to address these needs.

## PARKING

### Electric Vehicle Charging Network Expansion

This is the first of a six-year program to install electric vehicle chargers to meet passenger and employee demand and support MAC's sustainability goals.

### Parking Guidance System

This project will install parking stall availability indicators in MAC's parking ramps.

### Terminal 2 Landside Office Remodel

This project will remodel the Landside Office in the Terminal 2 Parking Management Office to support increased demand for transportation network company (TNC) driver permits as well as taxi and commercial vehicle permits.

## TERMINAL 2

### Ramp Information Display System (RIDS)

This project will provide RIDS including aircraft parking assistance at Terminal 2 gates that are not included in the Terminal 2 North Expansion scope. The system will

be integrated with MAC's Resource Management System.

### Terminal 2 Baggage Handling System

This project will provide touch screen activation to provide functionality consistent with Terminal 1 and carousel refurbishment as needed.

### Terminal 2 Gate Area Improvements

This project will conclude the multi-year recarpeting program, replacing end-of-life carpeting at Gates H1-5 and on the passenger boarding bridges. The project will also provide gate area improvements, including replacement of gate desks and podiums and seating with charging ports.

### Terminal 2 Ground Transportation Waiting Area Expansion

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

### Terminal 2 Multi-User Flight Information Display Systems (MUFIDS)/Electronic Visual Information Displays (EVIDS) Millwork Upgrades

This project will replace old MUFIDS display stands to the current MAC standard design.

## HANGARS AND OTHER BUILDINGS

### Campus Out Building Study

This project will assess non-terminal buildings on the MSP campus and will include verifying existing mechanical, electrical, plumbing, HVAC and building envelope systems and any deferred maintenance needed. This study will aid in developing future CIP projects, programs and develop information for building asset management. This study will also inform sustainability and resiliency goals to identify energy savings and emissions reductions.

## TRADE/MAINTENANCE BUILDINGS

### Fall Hazard Mitigation

This project study will survey the MAC campus and reliever airports to identify areas that are out of compliance with Occupational Safety and Health Administration's (OSHA) requirements for fall protection in general industry (29 CFR 1910 Subpart D - Walking and Working Surfaces). Areas to be surveyed include unprotected roof edges, openings in walls and mezzanines, manholes, fixed ladders greater than 24 feet and fixed ladders with cages. This will inform planning of future phases of mitigation if necessary.

**POLICE****Critical Infrastructure Fencing**

This project will install permanent security fencing north of Now Boarding and west of the FAA Building and the MAC General Office Building to run parallel with 28th Avenue until it connects with the airport operations area perimeter security fencing near Gate 405.

**Perimeter Gate Security Improvements**

The 2025 project will provide additional vehicle lanes at Gate 269 to improve throughput without compromising security.

**Public Safety Modifications**

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

**FIRE****Fire Protection Systems Upgrades**

This is the first of a multi-year program to upgrade fire alarm and water-based fire protection systems and associated components on the MSP campus.

**GENERAL OFFICE/ADMINISTRATION****GO Workspace Improvements**

This project expands on the 2024 pilot project to reflect modern workspace needs and plans for future workspace improvements at the GO building.

**ENVIRONMENT****Firefighting Foam System Conversion**

This project will support converting firefighting foam from the Aqueous Film Forming Foam (AFFF) mil-spec foam to Fluorine-Free Foam (F3) without intentionally added Per- and Polyfluoroalkyl Substances (PFAS). This conversion includes multiple buildings, vehicle systems, project management and firefighting equipment.

**Glycol Sewer & Storm Sewer Inspection/Rehabilitation**

This project provides for cleaning and video inspection of gravity sewers, including deicing pads, plug and pump deicing areas and conveyance sewer. This project also includes pressure testing of glycol force mains. This project primarily provides maintenance of environmental safety on the airfield.

**Infield Fueling Facility Secondary Containment**

This project will include modifications to the Infield Fueling Facility to provide secondary containment around the 12,000-gallon aboveground storage tank. This project primarily provides maintenance of environmental safety on the airfield.

**Lift Station at Ponds 1 and 2**

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

**MSP Pond 3 / 494 Pond Sediment Removal and Repairs**

This project involves the removal of accumulated sediment in MSP Pond 3 and 494 Pond, the repair of the underflow baffle on the 494 Pond outlet structure and the repair or replacement of gate valves on the outlet pipes to the Minnesota River. This project primarily provides maintenance of environmental safety on the airfield.

**MSP NOISE MITIGATION PROJECTS**

Noise Mitigation Projects are completed in compliance with the MAC's Airport Noise Mitigation Program. These efforts began in 1992, most recently under the terms of an amended legal agreement between the MAC and the cities of Richfield, Minneapolis and Eagan. The agreement has been approved by the Hennepin County District Court and is effective until December 31, 2032. Under this program, eligibility of single-family and multi-family homes will be determined annually, based upon actual noise contours that are developed for the preceding calendar year.

**ENVIRONMENT****Noise Mitigation Consent Decree Amendment**

This project will provide noise mitigation for those single family and multi-family homes meeting the eligibility requirements of the program. This is funded through capital sources, and there are no operating budget impacts from this project.

## MSP ONGOING MAINTENANCE PROJECTS

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

### TERMINAL 1

#### Air Handling Unit Replacement

There are existing air handling units serving Terminal 1 that were installed with the original terminal construction in 1958-1960. A study of these units evaluated each unit's age, condition and ability to adequately heat or cool the spaces it serves. A multi-year program has been implemented to provide for the replacement of units that have been identified as needing replacement. The project costs include modifications to building walls to facilitate the removal of existing equipment and installation of the new units, upgraded electrical and temperature controls and asbestos abatement. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.

#### Baggage System Upgrades

This multi-year program will provide necessary upgrades to the inbound and outbound baggage system not covered by general system maintenance. The 2025, 2026 and 2027 projects will provide system stabilization to maintain functionality until the system reaches the end of its useful life and is replaced. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.

#### Conveyance System Upgrades

A study of the MSP campus conveyance systems including elevators, escalators, moving walks, dumbwaiters and material lifts was completed by the Facilities Department's conveyance consultant. The study evaluated the useful life of each system including the availability of replacement parts and technical support of the equipment. Many of the systems are being operated by outdated technology that is generally less efficient than modern control equipment. Some of the systems do not include safety devices or features that are commonly installed on modern equipment. This multi-year program modernizes and replaces elements of the conveyance systems and installs new conveyance systems as needed. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.

#### Electrical and Ground Power Substation Replacement

This is a multi-year program to replace electrical substations, which are at or very near end-of-life. This program will improve redundancy. This program also focuses on updating and improving substations that serve airside operations such as jet bridges and provides heating, cooling and power for parked aircraft. These substations also provide power for charging electric ground service vehicles. This program will position MSP to be able to meet new demands for ground equipment, including an increase in electric vehicle charging. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.

#### Plumbing Infrastructure Upgrade Program

In 2010, MAC staff prepared a preliminary study of the reliability and maintainability of the existing plumbing infrastructure. Portions of the existing plumbing infrastructure serving Terminal 1 are over 40 years old, have systems that are undersized for today's demands, contain isolation valves that are either inaccessible or no longer functional and utilize aging water meter systems. There are also deteriorated sections of the existing sanitary and storm water systems. This ongoing program was implemented to upgrade the plumbing infrastructure system to meet current code requirements and MAC standards. This is a recurring project with rotating work that ensures equipment is maintained to appropriate standards.

#### Terminal Building Remediation Program

Continual maintenance of the terminal buildings is imperative to passenger comfort and safety as well as sustainability of the MAC asset. Age and weather contribute to building deterioration, mold and other health issues. Building and concourse envelope issues include repair or replacement of curtain wall systems, glazing, sealants, louvers, metal panels, soffits and insulation systems. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years.

#### Terminal Miscellaneous Modifications

Each year, there is a list of maintenance projects that are beyond the resources of MAC's maintenance and trades staff to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. Typical work includes door replacements, emergency upgrades to mechanical, electrical, plumbing or HVAC systems, loading dock work and the like. The list of potential projects will be compiled and prioritized in early 2025. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years.

## ENERGY MANAGEMENT CENTER

### Life Safety Infrastructure Program

This program will replace life safety equipment and devices associated with the HVAC system throughout the MSP campus. Equipment includes gas detection sensors and life safety dampers. Additionally, all new equipment and devices will connect to IMACS for monitoring and control. This recurring project primarily provides a safety improvement.

### Plant Upgrades

This multi-year program provides upgrades to the EMC boiler and chiller plants at both Terminal 1 and Terminal 2, as well as other facilities on the MSP campus. The work includes upgrades to the aging chilled water and heating water systems. The pumping and piping systems on both the heating and cooling systems are aging and require repair work beyond regular maintenance. This is a recurring project ensures that end-of-life equipment is replaced in a timely manner.

## FIELD AND RUNWAYS

### Airside Electrical Construction

This program provides for the removal and replacement of airfield lighting and signage with LED technology and lighting control upgrades. This is a recurring project to maintain compliance with FAA guidelines and requirements.

### Airside Roadway Pavement Restoration

This is an ongoing program to rehabilitate roadways on the airfield through bituminous overlays, seal coats or reconstruction to restore the surfaces to a smooth, even condition and improve overall operating conditions. The annual pavement condition index report and inspection of the pavement determines the area's most in need of repair. This is a recurring project with rotating work that ensures roadways are appropriately maintained over a period of years.

### Miscellaneous Airfield Construction

This program supports Part 139 Airport Certification through grading and drainage improvements within runway safety areas, airfield pavement marking modifications and other miscellaneous airside projects that are too small to accomplish independently or arise unexpectedly. This is a recurring project to maintain compliance with FAA guidelines and requirements.

### Pavement Joint Sealing/Repair

This is an ongoing program to provide for the resealing of joints, sealing of cracks and limited surface repairs on existing concrete pavements. The areas scheduled for sealing will be defined in the overall joint sealing

program or identified by staff inspection in the early spring of each year. This is a recurring project to maintain compliance with the FAA guidelines and requirements.

## TERMINAL ROADS/LANDSIDE

### Tunnel/Bridge Inspections

The MSP Campus has MAC-owned bridges and tunnels. Bridge and tunnel inspections are conducted each year to identify maintenance and repairs, which are then implemented in a timely fashion. This is a recurring project to maintain compliance with the Minnesota Department of Transportation (MnDOT) guidelines and requirements.

### Tunnel/Bridge Miscellaneous Modifications

This program will complete maintenance of the MAC-owned bridges and tunnels identified in the annual inspections. Maintenance work includes repairs, painting, bearing assembly and other miscellaneous items. This is a recurring project to maintain compliance with MnDOT guidelines

## PARKING

### Parking Structure Rehabilitation

This is an annual program to maintain the integrity of the airport's multi-level parking structures. This is a recurring maintenance project that includes concrete repair, joint sealant replacement, expansion joint repairs, concrete sealing, railing finishing and lighting improvements.

## PUBLIC AREAS/ROADS

### Concrete Joint Repair

This project will complete landside pavement joint repair on MSP campus roadways as a preventative maintenance activity to prolong the existing pavement from reconstruction. This is a recurring project with rotating work that ensures roadways are appropriately maintained and are replaced when reaching end-of-life.

### Landside Pavement Rehabilitation

This is an ongoing program of preventative maintenance activities such as crack sealing, surface treatments and resurfacing on roadways located outside of the airport operations area. This program effectively slows deterioration rates, extends service life and delays need for total reconstruction of bituminous and concrete pavements. Inspection of pavements and appurtenances determines what areas are to be prioritized for rehabilitation under each year's project. This is a recurring project with rotating work that ensures roadways are appropriately maintained and are replaced when reaching end-of-life.



### Landside Utility Rehabilitation

Each year, there are numerous landside utility projects that are beyond the resources of MAC's staff and operating budget to accomplish. These projects are prioritized annually and completed with either a series of contracts or purchase orders. Electric power, sanitary sewer, storm sewer and watermain improvements will be addressed with this program. Also, a study will be conducted as part of the first year's project to identify future potential projects. The study will be updated annually to reflect current priorities. This is a recurring project with rotating work that ensures utilities are appropriately maintained and are replaced when reaching end-of-life.

### Roadway Fixture Refurbishment

This project provides for fixture refurbishment for light poles, clearance restriction boards, sign units, fence sections and canopies on the airport roadways that require repainting and maintenance. This is a recurring project with rotating work that ensures fixtures are appropriately maintained and are replaced when reaching end-of-life.

## HANGARS AND OTHER BUILDINGS

### Campus Building Rehabilitation Program

Continual maintenance of MAC non-terminal buildings is imperative in providing a stable infrastructure and meeting the MAC's sustainability goals. Age and weather contribute to building deterioration, mold and other health issues. Building envelope issues include repair or replacement of curtain wall systems, glazing, sealants, louvers, metal panels, paint, tuck-pointing, structures and insulation systems. This program will also include repair or replacement related to interior issues. This is part of an ongoing program to maintain MAC buildings as assets. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years.

### Campus Building Roof Replacement

A report has been developed within the MAC that evaluates one-half of the roofs every other year. This ongoing program allows these roofs that have been evaluated to be prioritized and programmed for repair. 2025 will focus on the MAC General Office Building. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years.

## TRADE/MAINTENANCE BUILDINGS

### Sump Pump Controls

This project will rehabilitate sump pumps older than five years across the campus and provide a new automation system at each location. Additionally, each sump pump

will connect to IMACS for remote monitoring and control. This will help MAC Plumbing understand when there is a problem by receiving an alarm within their plumbing shop. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.

### MSP TENANT PROJECTS

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

## TERMINAL 1

### Concessions Upgrades/Revenue Development and Strategic Partnerships

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, signage and modified connections to utilities for the concession programs or other revenue generating programs at the airport. The budget will also provide leasehold improvements to the strategic partnerships activation sites in order to prepare space for the partners' construction. This project supports potential increase in revenue through concessions leases.

### Concourse and Gate Hold Modernization

This is the third phase of the Concourse and Gate Hold Modernization program and includes work in Concourses A, B and G. Through a reimbursable agreement, Delta Air Lines will complete MAC-funded work including ceiling and lighting improvements, window tint, wainscoting, column wraps (excluding branding), paint (excluding branding), wayfinding information displays and flooring in the public area concourse corridors (including terrazzo, tile and carpet, where applicable). The program budget will also support MAC consultant fees for design collaboration and project oversight.

## TERMINAL 2

### Terminal 2 Concessions Redevelopment

This project will support concessions spaces at the central portion of Terminal 2 and be coordinated with lease rebidding. This project supports potential increase in revenue through concessions leases.

### Terminal 2 Supplemental Concessions

This project will allocate capital to invest into additional utilities, flooring, electrical, water and for additional concessions at Terminal 2. This project supports a potential increase in revenue through concessions leases.

## PUBLIC AREAS/ROADS

### Tenant Parking Lot Reconstruction

This project reconstructs the pavement surrounding tenant space at 2120 East 77th Street (former DHL tenant space) due to deteriorating pavement. The project will include, but is not limited to, pavement removal, excavation, grading, bituminous paving, pavement marking and utility improvements. This program ensures end-of-life infrastructure is replaced in a timely manner.

## HANGARS AND OTHER BUILDINGS

### Air Freight Facility Parking Expansion

This project will expand employee and ground service equipment parking areas at the Air Freight Facility. This project supports a potential increase in revenue through concessions leases.

### Cargo Facility Study

This project will fund a study of the scope and potential costs and revenues associated with a new or replacement cargo facility on the airfield's west side.

## RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS

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

## RELIEVER AIRPORTS

### Reliever Airports Planning Fees

This project funds consultant support of FAA-required planning activities to be completed prior to project approvals. This is a project to maintain compliance with FAA guidelines and requirements.

## ST. PAUL

### Airport Layout Plan (ALP)

The new ALP will show current conditions and any development proposed in the Long-Term Comprehensive Plan (LTCP). A portion of the budget will be used to acquire new Airports Geographic Information System (AGIS) base mapping to create a new ALP set that complies with current FAA guidelines and criteria. This is a project to maintain compliance with FAA guidelines and requirements.

## ANOKA COUNTY-BLAINE

### Airport Layout Plan

The new ALP will show current conditions and any development proposed in the LTCP. A portion of the

budget will be used to acquire new AGIS base mapping to create a new ALP set that complies with current FAA guidelines and criteria. This is a project to maintain compliance with FAA guidelines and requirements.

### Long-Term Comprehensive Plan Update

This project will review current airport facilities, identify service gaps and better facilitate the safe movement of aircraft at Anoka County-Blaine Airport, which is part of the MAC's system of reliever airports designated by the FAA to reduce congestion at the Minneapolis-St. Paul International Airport and to provide improved general aviation facilities in the overall community. This is a project to maintain compliance with FAA guidelines and requirements.

## RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS

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

## RELIEVER AIRPORTS

### Reliever Airports Security Fencing, Gates and Lighting

This program will address ongoing needs for repairs and modifications to the reliever airports' perimeter chain link fencing, gate vehicle access points and lighting to enhance safety and security in landside areas. This is a recurring project with rotating work that ensures the landside areas are maintained in a timely manner.

### Relievers Building Miscellaneous Modifications

This program will address ongoing needs for repairs and modifications of MAC-owned buildings at five of the reliever airports, excluding St. Paul. These items may include crew rest areas, heating, air conditioning, structural repairs and aesthetic updates. The list of potential projects will be compiled and prioritized in early 2025. This is a recurring project with rotating work that ensures facilities are maintained in a timely manner.

### Relievers Obstruction Removal

This program will address ongoing needs for obstruction removals at the six reliever airports. The list of potential projects will be compiled and prioritized in early 2025. This is a recurring project with rotating work that ensures runway protection zones are maintained over a period of years.

### Relievers Pavement Rehabilitation Miscellaneous Modifications

This program will address ongoing needs for crack sealing, joint repairs, pavement rejuvenation and pavement repairs at the six reliever airports. The list of potential projects will be compiled and prioritized in early 2025. This program ensures end-of-life infrastructure is replaced in a timely manner.

### Relievers Used Oil Sheds and Tanks

This program will assess and subsequently decommission and/or add used oil sheds at the reliever airports.

## ST. PAUL DOWNTOWN AIRPORT

### Airport Perimeter Roads

This is part of an ongoing effort to rehabilitate airport pavements through bituminous overlays, seal coats or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project includes the rehabilitation of the airport perimeter road near the intersection of Bayfield Street and Airport Road. This program ensures end-of-life infrastructure is replaced in a timely manner.

### Customs and Border Protection General Aviation Facility

This project will construct a new CBP facility. CBP currently operates at St. Paul Downtown Airport (STP) out of a small space in the terminal building. The existing facility does not meet the requirements for space or security. Due to the restrictions of the existing space, passengers generally remain on the aircraft for the customs screening process. A secure facility separate from other functions has been requested. This is a non-recurring project that will meet current CBP guidelines, including plans for sizing of the facility. The new facility will include adequate secure space for pre- and post-processing of passengers. The facility is expected to handle between 100-150 flights annually, with staff traveling to STP from MSP to provide screening for flights.

### Infrastructure Replacement

This project will upgrade mechanical systems to make them easier and safer to maintain and increase the comfort of all areas, including leasable spaces in the Holman Field Terminal.

### MAC Building Improvements

This is an ongoing program to provide for facility modifications to ensure continued efficient operation of MAC buildings or modifications necessary to meet the requirements of the tenants. The list of potential projects will be compiled and prioritized in early 2025. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years.

### Taxiway B Reconstruction and LED Edge Lighting

This project will reconstruct Taxiway B and install LED Edge Lighting to replace end-of-life lighting. This project maintains the infrastructure to ensure functionality and compliance with FAA guidelines and requirements.

## LAKE ELMO AIRPORT

### Equipment Storage Building

This project includes the construction of a MAC storage building for the containment of airfield maintenance equipment.

### North Building Area Pavement Reconstruction

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons, taxilanes) through bituminous overlays, seal coats or in some instances, reconstruction. The project will restore the surface to a smooth, even condition and improve overall operating conditions. The pavement condition index report, an inspection of the pavement and a geotechnical exploration will be completed to determine the extent of the repairs. This project includes the taxilanes and airport entrance road in the northwest building area.

### Runway 04-22 Pavement Reconstruction

This project includes reconstruction of the full length of existing Runway 04-22. The updated long-term comprehensive plan for this airport proposes an extension to the crosswind runway at the end of Runway 22. Construction of the extension and the installation of runway edge lighting is included in this project. This project maintains airfield pavement in compliance with FAA guidelines and requirements.

### Taxiway H Reconstruction

This project will reconstruct the Taxiway H on the north side of the airport.

**AIRLAKE AIRPORT**

**225th Street Paving**

This project will include paving of gravel road from Cedar Avenue to Maynard Lane for the south building area.

**Automated Weather Observing System (AWOS) Replacement**

This project provides the civil engineering work associated with a MnDOT Aeronautics project to replace the existing AWOS with a new system.

**FLYING CLOUD AIRPORT**

**Gate Replacements**

This project will replace airfield gates and gate operators to maintain and increase security conditions.

**Infrastructure Replacement**

This project will replace aged HVAC equipment and systems to provide proper ventilation, heating, cooling and monitoring of the systems. The scope includes roof top unit replacement, condensing units, exhaust fans, water heaters and air compressors. This program ensures end-of-life equipment is replaced in a timely manner.

**Northside Access Road from Bravo to November Lane**

This project will provide pavement rehabilitation and drainage improvements to vehicle access roads that provide a large user and tenant population with access to storage hangars.

**CRYSTAL AIRPORT**

**Stormwater Monitoring Location Drainage Repair**

This project involves the repair and regrading of the stormwater benchmark monitoring location near the self-serve fueling system oil-water separator at Crystal Airport.

**Taxilanes Pavement Reconstruction**

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats, or in some instances, reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. This project maintains airfield pavement in compliance with FAA guidelines and requirements.

**Tower Parking Lot Reconstruction**

This project will provide a new oil water separator drainage discharge point for the parking lot and reconstruct the parking lot. This program ensures end-of-life infrastructure is replaced in a timely manner.



*Rendering of a New Customs and Border Protection General Aviation Facility at St. Paul Downtown Airport*

The following table provides funding sources for each project.

<b>2025 CIP Funding by Source</b> ▶▶▶							
(\$=000)							
	PFCs	Federal/State Grants	Line of Credit/ GARs	MAC/Airline Funds	Unfunded	Total	
<b>MSP End of Life/Replacement Projects</b>							
<b>Terminal 1</b>							
Passenger Boarding Bridge Replacements	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000	
Concourse and Hub Tram Replacement	-	-	-	1,500	-	1,500	
Recarpeting Program	-	-	-	2,000	-	2,000	
<b>Energy Management Center (EMC)</b>							
Concourses E and F Bridge Heating and Cooling System Replacement	-	-	6,800	-	-	6,800	
Ground Transportation Center (GTC) Dual-Temperature Pump Improvements	-	-	-	2,600	-	2,600	
Terminal 1 Boiler and Chiller Replacement and EMC Expansion	-	-	-	250	-	250	
<b>Field and Runways</b>							
30L Deicing Pad Reconstruction	5,160	6,840	-	-	-	12,000	
30L Engineered Material Arresting System (EMAS) Replacement	5,200	13,800	-	-	-	19,000	
Airfield Snow Melter Replacement/Upgrades	-	-	-	1,800	-	1,800	
Bituminous Shoulder Reconstruction	1,000	-	-	-	-	1,000	
Concourse G Apron Pavement Reconstruction	7,425	6,075	-	-	-	13,500	
Taxiway A/B Pavement Reconstruction	2,365	3,135	-	-	-	5,500	
Taxiway B Pavement Reconstruction	3,225	4,275	-	-	-	7,500	
<b>Parking</b>							
Parking Ramp Snow Melter Replacement/Upgrades	-	-	-	1,350	-	1,350	
<b>General Office (GO)/Administration</b>							
GO Building Variable Air Volume (VAV) Replacement and Upgrade	-	-	-	3,800	-	3,800	
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 34,375</b>	<b>\$ 34,125</b>	<b>\$ 6,800</b>	<b>\$ 13,300</b>	<b>\$ -</b>	<b>\$ 88,600</b>	
<b>MSP IT Projects</b>							
<b>Terminal 1</b>							
Concourse C Directory Replacement	-	-	-	800	-	800	
MAC Technology Upgrades	-	-	-	12,800	-	12,800	
Telecom Room Equipment Continuity	-	-	-	1,750	-	1,750	
<b>Federal Inspection Station</b>							
Customs and Border Protection Infrastructure	-	-	-	1,500	-	1,500	
<b>Energy Management Center</b>							
Building Management Intelligent Monitoring and Control System (IMACS) Modernization	-	-	-	800	-	800	
<b>Terminal 2</b>							
Common Use Passenger Boarding Bridges Cab Cameras	-	-	-	250	-	250	
Passenger Flow Tracking	-	-	-	2,000	-	2,000	
Upgrade and Modernize Terminal 2 Kiosks	-	-	-	1,000	-	1,000	
<b>Police</b>							
Card Access Modifications	-	-	-	2,500	-	2,500	
Public Safety Video Modernization	-	-	-	1,100	-	1,100	
<b>MSP IT Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,500</b>	<b>\$ -</b>	<b>\$ 24,500</b>	
<b>MSP Long-Term Comprehensive Plan Projects</b>							
<b>Terminal 1</b>							
Concourses E and F Assessment	-	-	-	200	-	200	

Numbers may not sum to totals due to rounding.

## 2025 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Long-Term Comprehensive Plan Projects Continued</b>						
<b>Field and Runways</b>						
Navigation Aid (NAVAID) Relocation	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
<b>Parking</b>						
Parking Capacity Assessment	-	-	-	200	-	\$ 200
<b>Hangars and Other Buildings</b>						
Ground Service Equipment (GSE) Maintenance Facility	-	-	36,400	-	-	36,400
<b>MSP Long-Term Comprehensive Plan Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 41,400</b>	<b>\$ 400</b>	<b>\$ -</b>	<b>\$ 41,800</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>						
<b>Terminal 1</b>						
Airport Director's Office (ADO) Office Expansion	-	-	14,000	-	-	14,000
Art Display Areas	-	-	-	250	-	250
Arts Master Plan	-	-	-	1,575	-	1,575
Commission Chambers Lighting Upgrades	-	-	-	240	-	240
Concourse A Heating System Upgrade	1,125	3,375	-	2,500	-	7,000
Delivery Node Redevelopment	-	-	-	2,700	-	2,700
Folded Plate Surface Reconstruction	20,000	-	25,000	-	-	45,000
Gold/Green Skyway Safety Improvements	-	-	-	100	-	100
Lavatory Buildings Rehabilitation	-	-	4,400	-	-	4,400
Lighting Infrastructure Technology and Equipment	-	-	-	2,550	-	2,550
Light-Rail Transit (LRT) Stations Updates	-	-	15,000	-	-	15,000
MSP Courtesy Phone Updates and Removal	-	-	-	800	-	800
Restroom Upgrade Program	2,400	-	-	-	-	2,400
Sky Club Repairs and Improvements	-	-	-	1,100	-	1,100
Steam System Upgrade Program	-	-	-	2,100	-	2,100
Terminal 1 Information Booth Replacements	-	-	-	850	-	850
Terminal 1 Sand Dump Station	-	-	-	300	-	300
Terminal 1 Tram Maintenance	-	-	-	2,250	-	2,250
Terminal 1 Tug Drive Heater Replacement	-	-	4,500	-	-	4,500
Terminal 1 Tug Drive Waterproofing	-	-	2,900	-	-	2,900
Wayfinding Sign Backlighting Replacement	-	-	6,500	-	-	6,500
<b>Federal Inspection Station (FIS)</b>						
FIS Facility Upgrades	-	-	2,175	-	-	2,175
<b>Energy Management Center</b>						
Energy Savings Program	-	-	-	2,000	-	2,000
MAC Automation Infrastructure Program	-	-	7,600	-	-	7,600
Victaulic Piping Replacement	-	-	19,000	-	-	19,000
<b>Field and Runways</b>						
Airfield Thermoplastic Markings	-	-	-	1,600	-	1,600
Apron Lighting Light-Emitting Diode (LED) Upgrade	400	600	-	-	-	1,000
Ground Based Augmentation System (GBAS) SLS-4000 Installation	-	-	7,000	-	-	7,000
Tunnel Lighting LED Upgrade	-	570	-	430	-	1,000
<b>Terminal Roads/Landside</b>						
Terminal 2 Cell Phone Lot Study	-	-	-	100	-	100
<b>Parking</b>						
Electric Vehicle Charging Network Expansion	-	-	-	1,500	-	1,500
Parking Guidance System	-	-	8,600	-	-	8,600
Terminal 2 Landside Office Remodel	-	-	-	400	-	400

Numbers may not sum to totals due to rounding.

## 2025 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Maintenance/Facility Upgrades Projects Continued</b>						
<b>Terminal 2</b>						
Ramp Information Display System	\$ -	\$ -	\$ 3,600	\$ -	\$ -	\$ 3,600
Terminal 2 Baggage Handling System	-	-	-	410	-	410
Terminal 2 Gate Area Improvements	-	-	-	3,000	-	3,000
Terminal 2 Ground Transportation Waiting Area Expansion	-	-	-	400	-	400
Terminal 2 Multi-User Flight Information Display Systems/Electronic Visual Information Displays (MUFIDS/EVIDS) Millwork Upgrades	-	-	-	350	-	350
<b>Hangars and Other Buildings</b>						
Campus Out Building Study	-	-	-	300	-	300
<b>Trades/Maintenance Buildings</b>						
Fall Hazard Mitigation	-	-	-	100	-	100
<b>Police</b>						
Critical Infrastructure Fencing	850	-	-	-	-	850
Perimeter Gate Security Improvements	-	-	3,000	-	-	3,000
Public Safety Modifications	1,000	-	-	-	-	1,000
<b>Fire</b>						
Fire Protection Systems Upgrades	-	-	10,000	-	-	10,000
<b>General Office/Administration</b>						
GO Workspace Improvements	-	-	-	1,000	-	1,000
<b>Environment</b>						
Firefighting Foam System Conversion	-	-	3,000	-	-	3,000
Glycol Sewer and Storm Sewer Inspection/Rehabilitation	-	-	-	600	-	600
Infield Fueling Facility Secondary Containment	-	-	-	400	-	400
Lift Station at Ponds 1 and 2	-	-	2,300	-	-	2,300
MSP Pond 3 / 494 Pond Sediment Removal and Repairs	-	-	5,900	-	-	5,900
<b>MSP Maintenance/Facility Upgrades Projects Subtotal</b>	<b>\$ 25,775</b>	<b>\$ 4,545</b>	<b>\$ 144,475</b>	<b>\$ 29,905</b>	<b>\$ -</b>	<b>\$ 204,700</b>
<b>MSP Noise Mitigation Projects</b>						
<b>Environment</b>						
MSP Noise Mitigation Consent Decree Amendment	-	-	-	500	-	500
<b>MSP Noise Mitigation Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ 500</b>
<b>MSP Ongoing Maintenance Programs</b>						
<b>Terminal 1</b>						
Air Handling Unit Replacement	2,000	4,245	6,755	-	-	13,000
Baggage System Upgrades	-	-	7,500	-	-	7,500
Conveyance System Upgrades	-	-	-	3,000	-	3,000
Electrical and Ground Power Substation Replacement	-	-	20,000	-	-	20,000
Plumbing Infrastructure Upgrade Program	-	-	-	1,400	-	1,400
Terminal Building Remediation Program	-	-	-	3,000	-	3,000
Terminal Miscellaneous Modifications	-	-	-	2,600	-	2,600
<b>Energy Management Center</b>						
Life Safety Infrastructure Program	-	-	-	1,900	-	1,900
Plant Upgrades	-	-	-	2,150	-	2,150

Numbers may not sum to totals due to rounding.

## 2025 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Ongoing Maintenance Programs Continued</b>						
<b>Field and Runways</b>						
Airside Electrical Construction	\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ 2,500
Airside Roadway Pavement Restoration	-	720	-	480	-	1,200
Miscellaneous Airfield Construction	-	-	-	2,500	-	2,500
Pavement Joint Sealing/Repair	-	-	-	800	-	800
<b>Terminal Roads/Landside</b>						
Tunnel/Bridge Inspections	-	-	-	120	-	120
Tunnel/Bridge Miscellaneous Modifications	-	-	-	1,000	-	1,000
<b>Parking</b>						
Parking Structure Rehabilitation	-	-	4,750	-	-	4,750
<b>Public Areas/Roads</b>						
Concrete Joint Repair	-	-	-	550	-	550
Landside Pavement Rehabilitation	-	-	-	500	-	500
Landside Utility Rehabilitation	-	-	-	750	-	750
Roadway Fixture Refurbishment	-	-	-	150	-	150
<b>Hangars and Other Buildings</b>						
Campus Building Rehabilitation Program	-	-	-	1,500	-	1,500
MSP Campus Building Roof Replacements	-	-	17,100	-	-	17,100
<b>Trades/Maintenance Buildings</b>						
Sump Pump Controls	-	-	4,000	-	-	4,000
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 2,000</b>	<b>\$ 4,965</b>	<b>\$ 62,605</b>	<b>\$ 22,400</b>	<b>\$ -</b>	<b>\$ 91,970</b>
<b>MSP Tenant Projects</b>						
<b>Terminal 1</b>						
Concessions Upgrades/Revenue Development and Strategic Partnerships	-	-	-	375	-	375
Concourse and Gate Hold Modernization	-	-	73,100	-	-	73,100
<b>Terminal 2</b>						
Terminal 2 Concessions Redevelopment	-	-	-	2,000	-	2,000
Terminal 2 Supplemental Concessions	-	-	-	150	-	150
<b>Public Areas/Roads</b>						
Tenant Parking Lot Reconstruction	-	-	-	3,400	-	3,400
<b>Hangars and Other Buildings</b>						
Air Freight Facility Parking Expansion	-	-	2,600	-	-	2,600
Cargo Facility Study	-	-	-	250	-	250
<b>MSP Tenant Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,700</b>	<b>\$ 6,175</b>	<b>\$ -</b>	<b>\$ 81,875</b>
<b>Reliever Airports Long-Term Comprehensive Plan Projects</b>						
<b>Reliever Airports</b>						
Reliever Airports Planning Fees	-	-	-	600	-	600
<b>Lake Elmo Airport</b>						
Airport Layout Plan	-	-	-	100	-	100
<b>Anoka County-Blaine Airport</b>						
Airport Layout Plan	-	-	-	500	-	500
Long-Term Comprehensive Plan Update	-	-	-	800	-	800
<b>Reliever Airports Long-Term Comprehensive Plan Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ -</b>	<b>\$ 2,000</b>

Numbers may not sum to totals due to rounding.



## 2025 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBS	MAC/Airline Funds	Unfunded	Total
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>						
<b>Reliever Airports</b>						
Reliever Airports Security Fencing, Gates and Lighting	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ 200
Relievers Building Miscellaneous Modifications	-	-	-	400	-	400
Relievers Obstruction Removal	-	-	-	300	-	300
Relievers Pavement Rehabilitation Miscellaneous Modifications	-	-	-	300	-	300
Relievers Used Oil Sheds and Tanks	-	-	-	550	-	550
<b>St. Paul Downtown Airport</b>						
Airport Perimeter Roads	-	380	-	120	-	500
Customs and Border Protection General Aviation Facility	-	5,685	7,815	-	-	13,500
Infrastructure Replacement	-	-	-	1,200	-	1,200
MAC Building Improvements	-	-	-	200	-	200
Taxiway B Reconstruction and LED Edge Lighting	-	836	-	264	-	1,100
<b>Lake Elmo Airport</b>						
Equipment Storage Building	-	-	5,000	-	-	5,000
North Building Area Pavement Reconstruction	-	-	-	900	-	900
Runway 04-22 Pavement Reconstruction	-	1,000	-	3,000	-	4,000
Taxiway H Reconstruction	-	456	-	144	-	600
<b>Airlake Airport</b>						
225th Street Paving	-	-	-	450	-	450
Automated Weather Observing System Replacement	-	-	-	200	-	200
<b>Flying Cloud Airport</b>						
Gate Replacements	-	380	-	120	-	500
Infrastructure Replacement	-	-	-	1,750	-	1,750
Northside Access Road from Bravo to November Lane	-	684	-	216	-	900
<b>Crystal Airport</b>						
Stormwater Monitoring Location Drainage Repair	-	-	-	100	-	100
Taxilanes Pavement Reconstruction	-	-	-	600	-	600
Tower Parking Lot Reconstruction	-	1,140	-	360	-	1,500
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>						
	\$ -	\$ 10,561	\$ 12,815	\$ 11,374	\$ -	\$ 34,750
<b>MSP SUBTOTAL</b>	\$ 62,150	\$ 43,635	\$ 330,980	\$ 97,180	\$ -	\$ 533,945
<b>RELIEVER SUBTOTAL</b>	\$ -	\$ 10,561	\$ 12,815	\$ 13,374	\$ -	\$ 36,750
<b>GRAND TOTAL</b>	\$ 62,150	\$ 54,196	\$ 343,795	\$ 110,554	\$ -	\$ 570,695

Numbers may not sum to totals due to rounding.

The following table provides funding sources for each project in the 2026-2031 CIP.

## 2026-2031 CIP Funding by Source ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP End of Life/Replacement Projects</b>						
<b>Terminal 1</b>						
Concourse and Hub Tram Replacement	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ 600,000
Concourse C Moving Walkway Upgrade/Replacement	3,000	-	-	-	-	3,000
Passenger Boarding Bridge Replacements	60,000	-	-	-	-	60,000
Terminal 1 Media Mesh Replacement	-	-	-	1,400	-	1,400
Terminal 1 Outbound Baggage Handling System Replacement	-	-	265,000	-	-	265,000
<b>Energy Management Center</b>						
Terminal 1 Boiler and Chiller Replacement and EMC Expansion	-	-	480,000	-	-	480,000
VAV Box Replacement	-	-	-	10,000	-	10,000
<b>Field and Runways</b>						
30L Deicing Pad Expansion	8,600	11,400	-	-	-	20,000
30L Deicing Pad Reconstruction	6,000	9,000	-	-	-	15,000
Airfield Snow Melter Replacement/Upgrades	-	-	-	5,800	-	5,800
Bituminous Shoulder Reconstruction	400	1,200	-	400	-	2,000
Concourse G Apron Pavement Reconstruction	12,950	18,050	14,000	-	-	45,000
Runway 12L-30R Reconstruction	15,000	25,000	-	-	-	40,000
Taxiway B Pavement Reconstruction	4,730	10,270	4,000	-	-	19,000
Taxiway C Pavement Reconstruction	4,300	5,700	-	-	-	10,000
Taxiway H Pavement Reconstruction	2,795	3,705	-	-	-	6,500
Taxiway J Pavement Reconstruction	3,225	4,275	-	-	-	7,500
Taxiway R Pavement Reconstruction	3,800	5,700	-	-	-	9,500
Terminal 2 Apron Reconstruction	3,575	10,125	8,800	-	-	22,500
<b>Parking</b>						
Parking Ramp Snow Melter Replacement/Upgrades	-	-	-	4,200	-	4,200
Parking Revenue Control System Modernization	-	-	4,200	-	-	4,200
<b>Public Areas/Roads</b>						
28th Avenue South Reconstruction	-	-	-	3,000	-	3,000
East 62nd Street Reconstruction	-	-	-	4,100	-	4,100
Post Road Reconstruction Project	-	-	5,000	-	-	5,000
West Cell Phone Lot Reconstruction	-	-	-	500	-	500
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 128,375</b>	<b>\$ 104,425</b>	<b>\$ 1,381,000</b>	<b>\$ 29,400</b>	<b>\$ -</b>	<b>\$ 1,643,200</b>
<b>MSP IT Projects</b>						
<b>Terminal 1</b>						
MAC Technology Upgrades	-	-	-	83,500	-	83,500
<b>Federal Inspection Station</b>						
Customs and Border Protection Infrastructure	-	-	-	6,000	-	6,000
<b>Energy Management Center</b>						
Building Management IMACS Modernization	-	-	3,400	-	-	3,400
<b>Hangars and Other Buildings</b>						
Multiple Points of Entry Facility	-	-	15,000	-	-	15,000

Numbers may not sum to totals due to rounding.

## 2026-2031 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP IT Projects Continued</b>						
<b>Police</b>						
Badging and Door Access (Secured Area Access Control System/ProWatch) Modernization	\$ -	\$ -	\$ -	\$ 2,100	\$ -	\$ 2,100
Card Access Modifications	5,300	-	-	-	-	5,300
Public Safety Video Modernization	-	-	-	2,000	-	2,000
<b>MSP IT Projects Subtotal</b>	<b>\$ 5,300</b>	<b>\$ -</b>	<b>\$ 18,400</b>	<b>\$ 93,600</b>	<b>\$ -</b>	<b>\$ 117,300</b>
<b>MSP Long-Term Comprehensive Plan Projects</b>						
<b>Terminal 1</b>						
Checkpoint Expansion	11,000	-	-	-	-	11,000
Airport Layout Plan	-	-	-	200	-	200
Environmental Review	-	-	-	2,000	-	2,000
Long-Term Plan	-	-	-	3,000	-	3,000
<b>Field and Runway</b>						
MSP Obstructions Removals	1,000	-	-	1,000	-	2,000
NAVAID Relocation	-	-	30,000	2,000	-	32,000
Runway 30R Parallel Taxiway	14,400	21,600	-	-	-	36,000
<b>Terminal 2</b>						
Terminal 2 South Expansion Enabling Work	-	-	123,600	-	-	123,600
<b>MSP Long-Term Comprehensive Plan Subtotal</b>	<b>\$ 26,400</b>	<b>\$ 21,600</b>	<b>\$ 153,600</b>	<b>\$ 8,200</b>	<b>\$ -</b>	<b>\$ 209,800</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>						
<b>Terminal 1</b>						
Art Display Areas	-	-	-	1,500	-	1,500
Arts Master Plan	-	-	-	3,460	-	3,460
Delivery Node Redevelopment	-	-	12,800	4,320	-	17,120
F/G Connector Repairs and Improvements	-	-	-	4,000	-	4,000
Folded Plate Surface Reconstruction	-	-	45,000	-	-	45,000
Lighting Infrastructure Technology and Equipment	-	-	-	10,750	-	10,750
Main Mall Modernization	-	-	-	7,000	-	7,000
MSP Courtesy Phone Updates and Removal	-	-	-	1,600	-	1,600
Restroom Upgrade Program	8,775	-	-	-	-	8,775
Steam System Upgrade Program	-	-	-	6,900	-	6,900
Terminal 1 Tug Drive Waterproofing	-	-	-	8,700	-	8,700
Wayfinding Sign Backlighting Replacement	-	-	-	6,000	-	6,000
West Mezzanine Improvements	-	-	16,700	-	-	16,700
<b>Federal Inspection Station</b>						
FIS Facility Upgrades	2,000	-	-	845	-	2,845
<b>Energy Management Center</b>						
Chiller Plant Optimization	-	-	4,000	-	-	4,000
Energy Savings Program	-	-	-	2,000	-	2,000
Indoor Air Quality Monitoring System	-	-	-	5,000	-	5,000
MAC Automation Infrastructure Program	-	-	9,600	-	-	9,600
Steam Trap Monitoring System	-	-	-	3,000	-	3,000
Victaulic Piping Replacement	-	-	4,000	6,850	-	10,850

Numbers may not sum to totals due to rounding.

## 2026-2031 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>						
<b>Field and Runways</b>						
Airfield Thermoplastic Markings	\$ -	\$ -	\$ -	\$ 6,400	\$ -	\$ 6,400
Apron Lighting LED Upgrade	-	3,000	-	2,000	-	5,000
Field Maintenance Building Efficiency Program	-	-	217,000	-	-	217,000
Runway LED Lighting Upgrade	1,200	1,800	-	-	-	3,000
Terminal 2 Glycol Lift Station/Forcemain	-	-	-	1,500	-	1,500
Tunnel Lighting LED Upgrade	-	1,425	-	1,075	-	2,500
<b>Parking</b>						
Electric Vehicle Charging Network Expansion	-	-	-	6,200	-	6,200
Parking Guidance System	-	-	4,700	-	-	4,700
Red/Blue Parking Levels 2 and 3	-	-	10,000	-	-	10,000
<b>Terminal 2</b>						
Terminal 2 Skyway to LRT Flooring Installation	-	-	-	1,000	-	1,000
Terminal 2 Ticket Counter Insert Replacement	-	-	-	750	-	750
Terminal 2 Digital Wait Time Display	-	-	-	200	-	200
<b>Public Areas/Roads</b>						
34th Avenue Reconstruction	-	-	8,200	8,200	-	16,400
34th Avenue Sanitary Sewer Replacement	-	-	-	2,200	-	2,200
Diverging Diamond Intersection Rehabilitation	-	-	-	380	-	380
Terminal 1 Inbound Roadway Median Improvements	-	-	14,200	-	-	14,200
Tunnel Fan Replacement	-	-	6,800	-	-	6,800
<b>Trades/Maintenance Buildings</b>						
Trades Building Rehabilitation and Addition	-	-	25,000	-	-	25,000
<b>Police</b>						
APD Response Training Room	-	-	-	500	-	500
Emergency Communications Center Updates	-	-	-	200	-	200
Perimeter Fence Intrusion Detection System	-	-	-	1,000	-	1,000
Perimeter Gate Security Improvements	7,000	-	6,500	-	-	13,500
Police Department Remote Threat Isolation and Training Building	-	-	15,500	-	-	15,500
Public Safety Modifications	1,700	-	-	-	-	1,700
Squad Parking Modifications	-	-	-	140	-	140
<b>Fire</b>						
ARFF 1 Garage Door Replacement	-	-	-	1,500	-	1,500
Fire Protection Systems Upgrades	-	-	20,000	-	-	20,000
<b>General Office/Administration</b>						
Digital Signage in/at the GO	-	-	-	300	-	300
<b>Environment</b>						
Glycol Sewer and Storm Sewer Inspection/Rehabilitation	-	-	-	3,000	-	3,000
Glycol Tank Roof Repairs	-	-	-	700	-	700
MSP Pond 3 / 494 Pond Sediment Removal and Repairs	-	-	14,000	-	-	14,000
<b>MSP Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ 20,675</b>	<b>\$ 6,225</b>	<b>\$ 434,000</b>	<b>\$ 109,170</b>	<b>\$ -</b>	<b>\$ 570,070</b>

Numbers may not sum to totals due to rounding.

## 2026-2031 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Noise Mitigation Projects</b>						
<b>Environment</b>						
Noise Mitigation Consent Decree Amendment	\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ 3,500
<b>MSP Noise Mitigation Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,500</b>	<b>\$ -</b>	<b>\$ 3,500</b>
<b>MSP Ongoing Maintenance Programs</b>						
<b>Terminal 1</b>						
Air Handling Unit Replacement	-	-	52,000	-	-	52,000
Baggage System Upgrades	-	-	11,500	2,000	-	13,500
Electrical Infrastructure and Emergency Power Upgrades	-	-	11,000	21,000	-	32,000
Electrical and Ground Power Substation Replacement	4,880	-	75,120	-	-	80,000
Plumbing Infrastructure Upgrade Program	-	-	-	4,400	-	4,400
Terminal Building Remediation Program	-	-	-	19,000	-	19,000
Terminal Miscellaneous Modifications	-	-	-	18,100	-	18,100
<b>Energy Management Center</b>						
Life Safety Infrastructure Program	-	-	-	11,400	-	11,400
Plant Upgrades	-	-	-	9,400	-	9,400
<b>Field and Runways</b>						
Airside Electrical Construction	-	6,600	2,100	2,400	-	11,100
Airside Roadway Pavement Restoration	-	2,880	-	5,520	-	8,400
Miscellaneous Airfield Construction	-	5,100	-	5,900	-	11,000
Pavement Joint Sealing/Repair	-	-	-	6,800	-	6,800
<b>Terminal Roads/Landside</b>						
Tunnel/Bridge Inspections	-	-	-	840	-	840
Tunnel/Bridge Miscellaneous Modifications	-	-	-	3,000	-	3,000
<b>Parking</b>						
Parking Structure Rehabilitation	-	-	17,175	11,000	-	28,175
<b>Public Areas/Roads</b>						
Concrete Joint Repair	-	-	-	9,350	-	9,350
Landside Pavement Rehabilitation	-	-	-	7,750	-	7,750
Landside Utility Rehabilitation	-	-	-	3,000	-	3,000
Roadway Fixture Refurbishment	-	-	-	800	-	800
<b>Hangars and Other Buildings</b>						
Campus Building Rehabilitation Program	-	-	-	3,000	-	3,000
Campus Parking Lot Reconstructions	-	-	8,500	6,150	-	14,650
End of Life Campus Building Demolition	-	-	-	4,100	-	4,100
MSP Campus Building Roof Replacements	-	-	58,200	-	-	58,200
<b>Trades/Maintenance Buildings</b>						
North Field Maintenance Mechanical Infrastructure Project	-	-	5,000	-	-	5,000
Sump Pump Controls	-	-	3,500	-	-	3,500
<b>General Office/Administration</b>						
GO Building Improvements	-	-	-	1,500	-	1,500
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 4,880</b>	<b>\$ 14,580</b>	<b>\$ 244,095</b>	<b>\$ 156,410</b>	<b>\$ -</b>	<b>\$ 419,965</b>

Numbers may not sum to totals due to rounding.

## 2026-2031 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Tenant Projects</b>						
<b>Terminal 1</b>						
Concessions Rebids	\$ -	\$ -	\$ -	\$ 550	\$ -	\$ 550
Concessions Upgrades/Revenue Development and Strategic Partnerships	-	-	-	2,040	-	2,040
Elevator and Concourse Improvements Related to Relocated United Club	-	-	-	1,000	-	1,000
Terminal 1 Food Court Digital Signage	-	-	-	400	-	400
<b>Terminal 2</b>						
Terminal 2 Concessions Marketing Digital Display	-	-	-	250	-	250
Terminal 2 Just Walk Out Kiosk Relocation	-	-	-	150	-	150
<b>MSP Tenant Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,390</b>	<b>\$ -</b>	<b>\$ 4,390</b>
<b>Reliever Airports Long-Term Comprehensive Plan Projects</b>						
<b>St. Paul Downtown Airport</b>						
Environmental Review	-	-	-	800	-	800
<b>Lake Elmo Airport</b>						
Airport Layout Plan	-	-	-	500	-	500
Environmental Review	-	-	-	800	-	800
Long-Term Comprehensive Plan	-	-	-	800	-	800
<b>Airlake Airport</b>						
Airport Layout Plan	-	-	-	600	-	600
Environmental Review	-	-	-	800	-	800
Long-Term Comprehensive Plan	-	-	-	800	-	800
Runway 12-30 Improvements	-	-	4,400	-	-	4,400
<b>Flying Cloud Airport</b>						
Environmental Review	-	-	-	1,800	-	1,800
South Building Area Utilities	-	-	-	800	-	800
<b>Crystal Airport</b>						
Airport Layout Plan	-	-	-	500	-	500
Environmental Review	-	-	-	800	-	800
Long-Term Comprehensive Plan	-	-	-	800	-	800
<b>Anoka County-Blaine Airport</b>						
Building Area Development-Xylite St. Relocation	-	-	-	1,000	-	1,000
Environmental Review	-	-	-	800	-	800
<b>Reliever Airports Long-Term Comprehensive Plan Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,400</b>	<b>\$ 11,600</b>	<b>\$ -</b>	<b>\$ 16,000</b>
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>						
<b>Reliever Airports</b>						
Reliever Airports Security Fencing, Gates and Lighting	-	-	-	1,500	-	1,500
Reliever Indoor Air Quality Project	-	-	-	1,400	-	1,400
Relievers Building Miscellaneous Modifications	-	-	-	2,850	-	2,850
Relievers Obstruction Removal	-	-	-	600	-	600
Relievers Pavement Rehabilitation Miscellaneous Modifications	-	-	-	2,100	-	2,100

Numbers may not sum to totals due to rounding.

## 2026-2031 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Unfunded	Total
<b>Reliever Airports Maintenance/Facility Upgrade Projects Continued</b>						
<b>St. Paul Downtown Airport</b>						
Airport Road and Eaton Street Retaining Wall	\$ -	\$ -	\$ -	\$ 900	\$ -	\$ 900
Cold Equipment Storage Building	-	-	-	750	-	750
Equipment Storage Building and Employee Crew Rooms	-	-	-	4,000	-	4,000
Floodwall Inspection and Repairs	-	-	-	300	-	300
Generator Replacement	-	-	-	800	-	800
Intelligent Monitoring and Control System Expansion	-	-	-	2,250	-	2,250
Joint and Crack Repairs	-	-	-	100	-	100
MAC Building Improvements	-	-	-	600	-	600
Administration Building Apron Pavement Rehabilitation	-	-	-	500	-	500
Pavement Rehabilitation-Taxilanes/Tower Road	-	285	-	465	-	750
Runway 13-31 Pavement Reconstruction	-	-	5,000	-	-	5,000
Runway 14-32 EMAS Replacement	-	17,100	-	2,900	-	20,000
Storm Sewer Improvements	-	-	-	2,000	-	2,000
Taxiway Lima Reconstruction	-	144	-	56	-	200
<b>Lake Elmo Airport</b>						
Intelligent Monitoring and Control System	-	-	-	3,800	-	3,800
Taxiway Echo Edge Lighting	-	432	-	168	-	600
<b>Airlake Airport</b>						
Existing Runway 12-30 Reconstruction	-	2,660	-	840	-	3,500
Intelligent Monitoring and Control System	-	-	-	1,300	-	1,300
North Service Road Pavement Reconstruction	-	360	-	140	-	500
North Taxilanes Pavement Reconstruction	-	900	-	350	-	1,250
Perimeter Fencing and Gates	-	2,880	-	1,120	-	4,000
South Building Area Utilities and Taxilanes	-	494	-	806	-	1,300
Taxiway Bravo Pavement Reconstruction	-	456	-	144	-	600
<b>Flying Cloud Airport</b>						
Airport Access Roads Pavement Rehabilitation	-	1,080	-	420	-	1,500
Electrical Vault Modifications	-	360	-	140	-	500
Intelligent Monitoring and Control System	-	-	-	2,500	-	2,500
MAC Building Improvements	-	-	-	600	-	600
Runway 10R-28L Pavement Rehabilitation	-	1,944	-	756	-	2,700
Runway 18-36 Pavement Rehabilitation	-	504	-	196	-	700
Spring Lane Extension and Taxilane Connector	-	504	-	196	-	700
Tower Equipment for Airfield Lighting and Utilities	-	1,520	-	480	-	2,000
<b>Crystal Airport</b>						
Eastside Service Road Pavement Reconstruction	-	1,140	-	360	-	1,500
Existing Hangar Revitalization	-	-	-	800	-	800
Gate Replacement	-	608	-	192	-	800
Intelligent Monitoring and Control System	-	-	-	1,300	-	1,300
Northside Service Road Pavement Reconstruction	-	864	-	336	-	1,200
Runway 6L-24R Pavement Reconstruction	-	-	-	2,500	-	2,500
Service Road Pavement and Fencing	-	432	-	168	-	600
Taxilanes Pavement Reconstruction	-	-	-	600	-	600
Taxiway Alpha Pavement Reconstruction	-	864	-	336	-	1,200

Numbers may not sum to totals due to rounding.

## 2026-2031 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>Reliever Airports Maintenance/Facility Upgrade Projects Continued</b>						
<b>Anoka County-Blaine Airport</b>						
Electrical Vault Improvements	\$ -	\$ 570	\$ -	\$ 180	\$ -	\$ 750
Gate Controller Upgrades	-	304	-	96	-	400
Intelligent Monitoring and Control System	-	-	-	1,300	-	1,300
Runway 18-36 Pavement Reconstruction	-	2,888	-	912	-	3,800
Runway 9-27 Edge Lighting and PAPI Replacement	-	684	-	216	-	900
Runway 9-27 Pavement Reconstruction	-	2,700	-	1,050	-	3,750
Taxilane Pavement Reconstruction-Fox Hollow	-	-	-	1,000	-	1,000
Taxiway B Pavement Rehabilitation	-	1,008	-	392	-	1,400
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 43,685</b>	<b>\$ 5,000</b>	<b>\$ 49,765</b>	<b>\$ -</b>	<b>\$ 98,450</b>
<b>MSP SUBTOTAL</b>	<b>\$ 185,630</b>	<b>\$ 146,830</b>	<b>\$ 2,231,095</b>	<b>\$ 404,670</b>	<b>\$ -</b>	<b>\$ 2,968,225</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 43,685</b>	<b>\$ 9,400</b>	<b>\$ 61,365</b>	<b>\$ -</b>	<b>\$ 114,450</b>
<b>GRAND TOTAL</b>	<b>\$ 185,630</b>	<b>\$ 190,515</b>	<b>\$ 2,240,495</b>	<b>\$ 466,035</b>	<b>\$ -</b>	<b>\$ 3,082,675</b>

Numbers may not sum to totals due to rounding.



Field Maintenance Workers Installing New Deicer Tanks



**SOURCES AND USES OF FUNDS**

From December 31, 2022, through December 31, 2027, the MAC has identified multiple funding sources totaling \$2.9 billion, including a beginning balance of \$401.5 million in funds. During this period, the MAC will expend \$2.6 billion, leaving a net balance of \$318.6 million at the end of 2027. This balance represents a portion of the 2025, 2026 and 2027 CIP projects that were started but not completed by December 31, 2027, and PFCs to pay future debt service.

The Construction Fund Budget below represents anticipated sources and uses of funds during the years 2023-2027. The information for the 2024 estimate includes expected transactions during the fourth quarter.

<b>Construction Fund Budget ►►►</b>							
(\$=000)							
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	2026 Projected	2027 Projected	Total Projected
<b>Balance December 31, 2022</b>	\$ 401,524						\$ 401,524
<b>Beginning Balance January 1</b>		\$ 405,062	\$ 405,062	\$ 936,935	\$ 484,044	\$ 627,729	
<b>SOURCES OF FUNDS</b>							
Transfer From Operating Fund	91,734	87,000	173,899	86,128	67,000	71,201	489,962
PFC Funding	66,834	75,332	79,243	77,264	79,196	81,127	383,664
Federal/State Grants	27,895	204,588	54,507	54,196	23,214	53,897	213,709
Interest Income <sup>1</sup>	20,295	25,000	34,601	25,000	22,200	12,600	114,696
Short-Term Line of Credit	46,400	23,500	45	13,800	16,600	2,400	79,245
Principal Amount of Bonds/Notes	-	705,045	593,050	-	633,500	-	1,226,550
Other Receipts	3,867	-	-	-	-	-	3,867
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 257,025</b>	<b>\$ 1,120,465</b>	<b>\$ 935,345</b>	<b>\$ 256,388</b>	<b>\$ 841,710</b>	<b>\$ 221,225</b>	<b>\$ 2,511,693</b>
<b>USES OF FUNDS</b>							
CIP Project Costs	(226,673)	(461,149)	(378,290)	(684,349)	(672,295)	(504,956)	(2,466,563)
Debt Service PFC Transfer	(26,814)	(25,183)	(25,183)	(24,929)	(25,730)	(25,379)	(128,035)
<b>TOTAL USES OF FUNDS</b>	<b>\$ (253,487)</b>	<b>\$ (486,332)</b>	<b>\$ (403,472)</b>	<b>\$ (709,278)</b>	<b>\$ (698,025)</b>	<b>\$ (530,335)</b>	<b>\$ (2,594,598)</b>
<b>Ending Balance December 31</b>	<b>\$ 405,062</b>	<b>\$ 1,039,195</b>	<b>\$ 936,935</b>	<b>\$ 484,044</b>	<b>\$ 627,729</b>	<b>\$ 318,619</b>	<b>\$ 318,619</b>

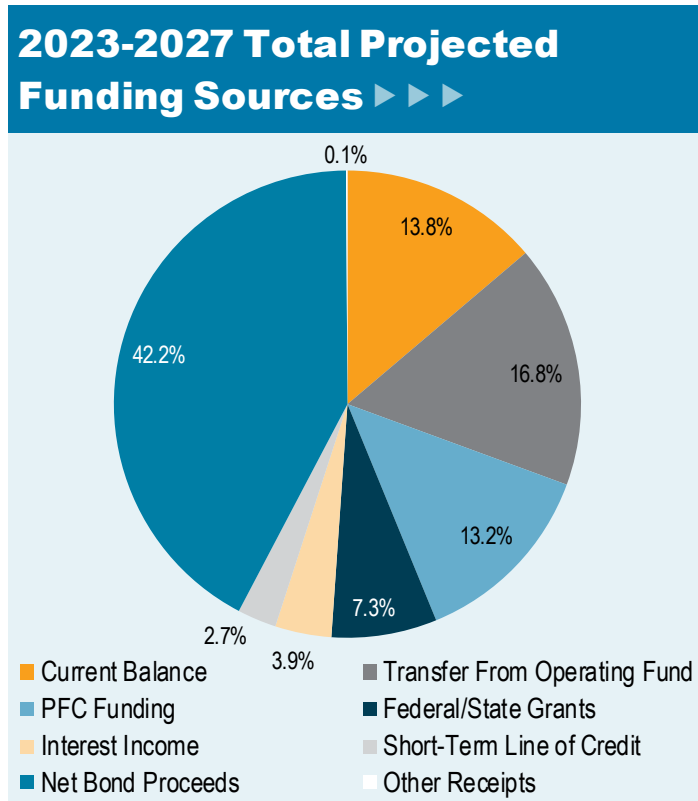
<sup>1</sup> Interest rate assumed is 4% for the period 2025 through 2027.  
Numbers may not sum to totals due to rounding.

**SOURCES OF FUNDS**

At the end of each year, the Operating Fund transfer is made after debt service and working capital obligations are funded. The 2025 budget includes a \$86.1 million transfer, based on estimated 2024 net revenues.

Operating fund transfers are generated from net revenues available at year-end and are based on projects scheduled in the Capital Improvement Program. The balance to be transferred for the 2023-2027 period is estimated at \$490.0 million or 16.8% of all funding sources.

Excluding the current balance, the pie chart illustrates that Net Bond Proceeds, Transfer from Operating Fund, PFC Funding and Federal/State Grants are the four main funding sources for 2023-2027 construction projects.



**Federal and State Grants**

Federal grants are funds which are used for FAA-approved projects. These include field, runways and certain terminal building projects at the MAC’s airports. Grant money may be issued by the FAA if criteria are met. State grants follow a similar application to Federal grants, while on a much smaller funding scale. Total grants are \$213.7 million or 7.3% of total funding.

**Interest Income**

Interest Income is based on the balance in the fund. A 4% interest rate is assumed for 2025 through 2027. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income is projected to be \$114.7 million or 3.9% of total sources.

**Passenger Facility Charges**

PFCs provide a significant funding source of \$383.7 million or 13.2% of total funding. Congress authorized PFCs to allow the MAC and other commercial service airport proprietors to impose a charge on each passenger enplaned at their airport. Essential Air

Service Flights and Frequent Flyers are exempt from this charge. PFCs were authorized 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. PFCs were originally authorized at \$1, \$2 or \$3 per passenger. In 2001, the maximum charge was increased to \$4.50. The MAC’s first application began collecting PFCs on June 1, 1992.

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

Application Number	Amended Approval Amount	Collection as of 12/31/2024	Status
1	\$ 92,714	\$ 92,714	Closed
2	140,717	140,717	Closed
3	36,377	36,377	Closed
4	47,801	47,801	Closed
5	112,533	112,533	Closed
6	759,735	620,127	Open
7	14,479	14,479	Open
8	147,986	105,657	Open
9	8,659	8,659	Closed
10	80,577	80,577	Closed
11	52,722	52,722	Closed
12	55,423	55,423	Closed
13	65,212	36,518	Open
14	126,557	125,962	Open
15	468,062	278,083	Open
<b>\$ 2,209,554</b>		<b>\$ 1,808,349</b>	

Before any approval or consideration could be given to these applications and amendments, the FAA needed to approve a Competition Plan filed by the MAC. This plan was also required by Congress in 2000, when it authorized proprietors of commercial service airports with approved plans to increase their PFCs to a maximum of \$4.50. Approval from the FAA regarding the original Competition Plan was received on November 21, 2000, with approval to increase the PFC level to \$4.50 received in January 2001. An updated Competition Plan was submitted in September 2016 and approved in 2017.

**Short-Term Line of Credit**

Short-term funding allows the MAC to interim fund certain projects until the receipt of grants or PFCs. The MAC also uses short-term funding to interim fund a project until the time it can be replaced with a future long-term debt issue. The MAC has a short-term line of credit of \$200 million. The MAC expects to issue \$79.2 million from its line of credit from 2023-2027.

**Long-Term Debt**

The net bond/note proceeds are projected to be \$1.2 billion or 42.2% of total funding. In 2026, the Commission expects to issue General Airport Revenue Bonds with an anticipated net of \$633.5 million in construction proceeds. The proceeds would be used to fund various projects around MSP. Major projects will be carried out in Terminal 1 and the Energy Management Center in the next few years.

**USES OF FUNDS**

There are two general categories for the Uses of Funds. The first is CIP Project Costs, which is estimated at \$2.5 billion, accounting for 95.1% of the total uses. The second category is the Debt Service PFC Transfer, which is projected at \$128.0 million, representing the remaining 4.9% of total uses. The Debt Service PFC Transfer refers to the transfer of funds to pay a portion of PFC projects that have been funded by long-term debt.

The CIP Project Costs not only include construction costs, but also architectural, engineering and similar service fees. Projects in process are also included in this figure. Significant project costs include those associated with parking facilities, reliever airports and airfield and terminal projects. The balance carried forward is a result of projects scheduled to begin the next year. The following table lists capital projects currently in process with project costs exceeding \$2 million.

**Projects in Process ►►►**

(\$ = 000)

As of November 30, 2024

	Estimated Project Cost	Payments to Date	% Completion
2022 Campus Fire Protection	\$2,800	\$2,244	80.1%
2022 Terminal 1 Folded Plate Repairs	15,400	11,552	75.0%
2022 TSA Recapitalization	22,500	17,978	79.9%
2023 Bituminous Shoulder Reconstruction	2,050	1,951	95.2%
2023 Concourse B and C Upgauging	6,500	6,255	96.2%
2023 GSE Electrical Charging Stations	3,000	2,305	76.8%
2023 MAC Storage Facility	34,000	11,825	34.8%
2023 Taxiway P Pavement Reconstruction	11,000	10,459	95.1%
2023 Terminal 1 Mechanical Room C-1043	9,800	7,016	71.6%
2024 Anoka-Blaine Reliever Airport-Airport Rd and GA Blvd Pavement Reconstruction	2,100	1,581	75.3%
2024 Concourse A Heating System Upgrade	11,000	4,500	40.9%
2024 MSP Liquid Deicer Storage Facility	17,700	4,705	26.6%
2024 Runway 12L-30R and 4-22 Intersection Reconstruction	11,000	9,769	88.8%
2024 Terminal 2 Gate H1-H2 Programs	33,603	18,381	54.7%
2024 Terminal 2 North Gate Expansion	245,800	26,275	10.7%
2024 Upper Level Roadway Rehabilitation	4,750	3,515	74.0%
2025 30L EMAS Replacement	19,000	1,608	8.5%
2025 Terminal 2 South Expansion Enabling Work	160,000	4,751	3.0%
Air Handling Unit Replacements	28,000	9,660	34.5%

## Projects in Process Continued ►►►

(\$ = 000)

As of November 30, 2024

	Estimated Project Cost	Payments to Date	% Completion
Airside Electrical Construction	\$6,500	\$3,175	48.8%
Baggage Claim-Ticket Lobby Improvements	72,675	52,438	72.2%
Baggage Handling Systems	41,300	31,291	75.8%
Concourse and Gate Hold Modernizations	208,600	35,361	17.0%
Concourse G Apron Pavement Reconstructions	29,750	10,899	36.6%
Concourse G Infill - Pod 2-3	249,100	12,168	4.9%
Conveyance System Upgrades	6,400	3,162	49.4%
Electrical Substation Replacements	32,200	4,874	15.1%
EMC Plants Upgrades T1 and T2	5,400	3,105	57.5%
Emergency Power Upgrades	8,300	5,128	61.8%
Energy Savings Program	2,500	1,908	76.3%
GTC Dual-Temp. Pump Improvement	4,100	2,161	52.7%
Indoor Air Quality Monitoring System	3,750	1,853	49.4%
IT Cybersecurity	2,700	1,910	70.7%
IT Technology Functionality Enhancements	5,553	5,353	96.4%
IT Technology Refresh	22,027	15,080	68.5%
MAC Technology Upgrades	32,500	10,766	33.1%
MAC Technology Upgrades-Fiber Infrastructures	2,500	2,297	91.9%
Miscellaneous Airfield Construction	8,800	4,419	50.2%
MSP Campus Building Roof Replacements	21,000	3,015	14.4%
MSP Long-Term Comprehensive Plan	3,900	3,648	93.5%
Noise Mitigation Consent Decree Amendment	32,795	12,663	38.6%
Parking Structure Rehabilitations	13,650	7,111	52.1%
Passenger Boarding Bridges	24,450	11,597	47.4%
Safety and Security Center Phase 1 and 2	209,010	58,072	27.8%
Taxiway B Pavement Reconstructions	14,650	7,887	53.8%
Terminal 1 Pre-Conditioned Air	5,000	2,129	42.6%
Wayfinding Sign Backlighting Replacement	3,000	1,991	66.4%
All Other Projects in Process	339,100	60,888	18.0%
<b>Total</b>	<b>\$2,051,213</b>	<b>\$ 532,679</b>	

# DEBT SERVICE FUND

The acquisition and construction of facilities at the airports operated by the Metropolitan Airports Commission have been substantially financed by the issuance of General Obligation Revenue Bonds (GORBs), Airport Improvement Bonds, General Airport Revenue Bonds (GARBs), Notes Payable and a revolving line of credit. Periodically, the Commission approves the issuance of bonds to refund outstanding bonds for interest savings.

## LONG-TERM DEBT

### GENERAL OBLIGATION REVENUE BONDS

The Commission has existing legislative authorization to issue up to approximately \$55 million of GORBs. The MAC began issuing GORBs in 1976. However, all GORBs and Airport Improvement Bonds issued in the past have been defeased.

Upon issuance, GORBs become general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission. To pay outstanding debt service on GORBs, the Commission has the power to levy ad valorem property taxes upon all taxable property in the seven-county metropolitan area. An ad valorem tax is a tax in which the amount is based on the assessed valuation of property. If levied, the Commission must repay the taxes. 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 requirements of GORBs, as well as Airport Improvement Bonds.

### GENERAL AIRPORT REVENUE BONDS

The Minnesota State Legislature authorized the Commission to issue GARBs in 1996. In 1998, the Commission began issuing GARBs. These bonds may be secured by the pledge of all operating revenues of the Commission and are not backed by the Commission's ad valorem taxing power. 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 net 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 net 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.

The projected coverage ratio for 2025 on Senior Debt Obligations is 4.17 times. With the optional coverage transfer, this figure is 4.42 times. The overall projected coverage ratio is expected to be 1.76 times and 1.86 times with the optional coverage transfer.

### NOTES PAYABLE

From time to time, the Commission has financed certain pieces of equipment and certain capital improvement projects through the issuance of notes payable. The Commission utilizes this type of financing in order to recover a portion of the debt service through airline rates and charges. As of December 31, 2024, the Commission has \$38.8 million notes payable outstanding.

### REVOLVING LINE OF CREDIT

In 2025, the Commission entered into a \$200.0 million Revolving Line of Credit to interim fund certain capital improvement projects. As of December 31, 2024, the Commission has utilized \$87.7 million of the line of credit and will have utilized \$70.0 million on December 31, 2025.

### DERIVATIVE/SWAP DEBT

The Commission has no derivative/swap debt nor has there ever been any instrument of this type in the debt portfolio.

# Current Long-Term Debt ►►►

(\$=000)

Outstanding as of Year End

	Issue Date	Original Amount	Final Payment	2024	2025
<b>General Airport Revenue Bonds</b>					
2016 Series A - 3.00-5.00%	10/04/16	\$330,690	2032	\$330,690	\$289,430
2016 Series C - 2.00-5.00%	12/20/16	207,250	2046	182,920	178,170
2016 Series D - 2.00-5.00%	12/20/16	23,410	2041	19,150	18,410
2016 Series E - 2.00-5.00%	12/20/16	171,690	2034	117,295	107,360
2019 Series A - 4.00-5.00%	10/04/19	96,615	2049	90,280	89,345
2019 Series B - 5.00%	10/04/19	164,320	2049	127,420	124,320
2019 Series C - 5.00%	10/04/19	31,035	2028	15,355	10,835
2022 Series A - 4.125-5.00%	09/07/22	145,900	2052	134,550	129,340
2022 Series B - 4.25-5.00%	09/07/22	226,785	2047	219,955	214,485
2023 Series A - 5.00%	10/04/23	154,490	2035	154,490	145,650
2023 Series B - 5.00%	10/04/23	8,290	2026	8,290	3,265
2024 Series A - 5.00%	08/07/24	206,020	2054	206,020	206,020
2024 Series B - 5.00-5.25%	08/07/24	465,125	2049	465,125	465,125
<b>Total General Airports Revenue Bonds</b>				<b>\$2,071,540</b>	<b>\$1,981,755</b>
<b>Total Bonds Outstanding</b>				2,071,540	1,981,755
<b>Notes Payable and Revolving Line of Credit</b>				131,389	126,637
<b>Total Long-Term Debt</b>				<b>\$2,202,929</b>	<b>\$2,108,392</b>

The table above provides summary information for all current long-term debt. Generally, long-term, general airport revenue bonds are used for construction projects and refunding older, higher interest bonds.

In 2016, GARB series A and B were used to refund GARB 2007 series A and B. The 2016 series D bonds refunded a portion of the revolving line of credit used in connection with the four-gate expansion at Terminal 2. The 2016 series C and E bonds were used to build a new parking garage. In addition, a new parking management building and revenue control system were needed to complete the project.

The 2019 GARB series bonds refunded GARB series 2009 series A and B, 2010 series A, B, C and D and repaid a portion of the revolving line of credit used to fund various Terminal 1 projects and fund projects contained in the 2019-2021 Capital Improvement Program. Some projects funded were the South

Security Exit and Facade Expansion, Baggage Claim/Ticket Lobby Operational Improvements, Safety & Security Center and Concourse G Delta Sky Club.

In 2022, the commission sold 2022 GARB series bonds to refund the revolving line of credit, which was previously used to refund GARB 2011 series A and 2012 series B. Various CIP projects were funded with the bond proceeds such as Baggage Handling System Operational Improvements, Air Handling Unit Replacement, Concourse G Infill Pods 2 and 3 and Concourse and Gate Hold Modernization.

The 2023 subordinate airport revenue refunding bonds were used to refund subordinate airport revenue bonds 2014 series A and 2014 series B.

The 2024 GARB series bonds were used for various construction projects across the MSP campus as well.

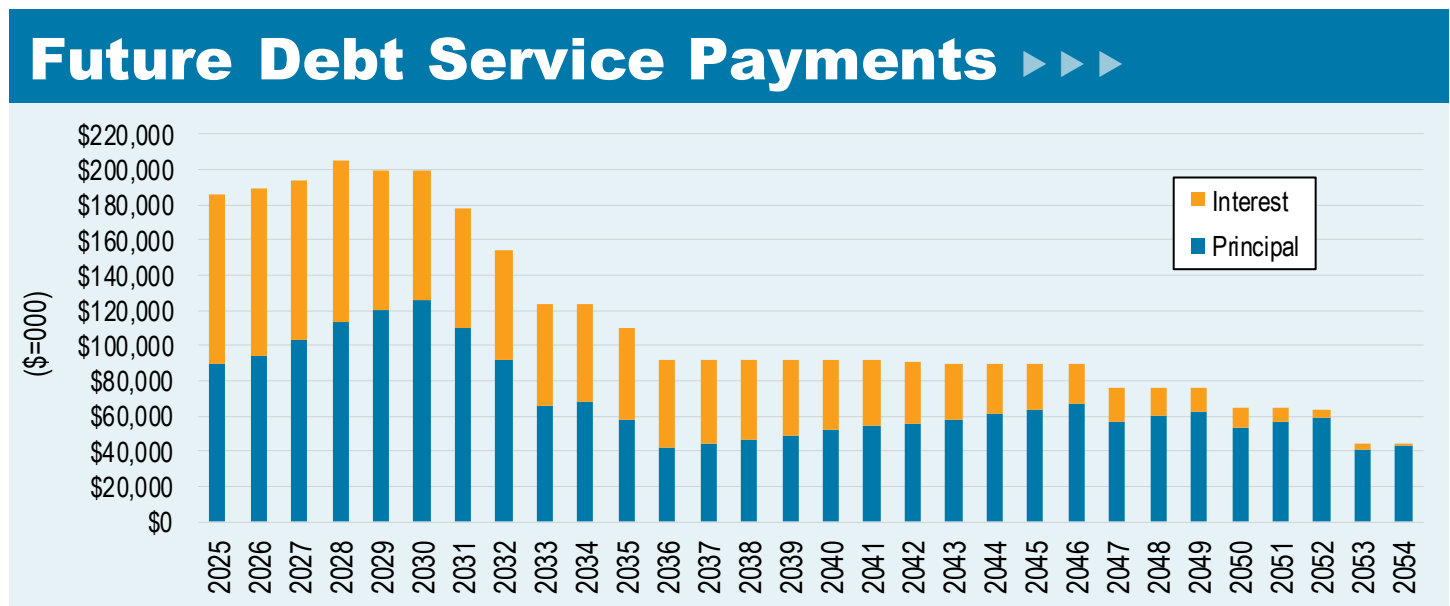
### DEBT SERVICE REQUIREMENTS

The Commission has agreed to collect rates, tolls, fees, rentals and charges so that net revenues and any permitted transfer will equal at least 125% aggregate annual debt service on the outstanding Senior Lien GARBs and 110% on outstanding Subordinate Lien GARBs. This agreement is pursuant to the terms of the Master Trust Indenture entered into by the Commission in connection with its issuance of GARBs.

The table to the right presents the annual debt service funding requirements for the next five years for the issued GARBs. This excludes any future bond issues.

GARB Debt Service Requirement ▶▶▶	
Date	Funding Requirement
January 1, 2025	\$191,470,190
January 1, 2026	\$195,791,841
January 1, 2027	\$201,058,860
January 1, 2028	\$202,290,425
January 1, 2029	\$202,287,681

The following chart shows expected future GARB debt principal and interest payments.



Rendering of a New Ground Service Equipment (GSE) Maintenance Facility, Which Will Be Funded With GARBs

The following table shows future debt requirements for current short-term and long-term debt on an annual calendar year basis after December 31, 2024, for the remaining terms. The table does not take into consideration any future bond issues or notes payable issued after 2024.

## Debt Service Requirements ►►►

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	Notes / Line of Credit Principal	GARBs Principal	Total Outstanding Principal	Total All Interest	Total Principal & Interest
2025	\$91,727	\$89,785	\$181,512	\$96,971	\$278,483
2026	5,652	94,560	100,212	95,765	195,977
2027	5,348	103,345	108,693	90,882	199,575
2028	5,122	113,625	118,747	92,622	211,369
2029	5,042	120,400	125,442	79,627	205,069
2030	4,904	126,280	131,184	73,473	204,657
2031	5,141	110,450	115,591	67,559	183,150
2032	5,083	91,650	96,733	62,500	159,233
2033	4,889	65,420	70,309	58,556	128,865
2034	3,681	68,570	72,251	55,205	127,456
2035	2,866	57,440	60,306	52,064	112,370
2036	997	42,685	43,682	49,539	93,221
2037	-	44,825	44,825	47,344	92,169
2038	-	47,065	47,065	45,098	92,163
2039	-	49,325	49,325	42,740	92,065
2040	-	51,790	51,790	40,212	92,002
2041	-	54,375	54,375	37,602	91,977
2042	-	55,310	55,310	34,921	90,231
2043	-	58,030	58,030	32,096	90,126
2044	-	60,960	60,960	29,072	90,032
2045	-	64,085	64,085	25,862	89,947
2046	-	67,375	67,375	22,487	89,862
2047	-	56,935	56,935	19,308	76,243
2048	-	59,835	59,835	16,351	76,186
2049	-	62,860	62,860	13,267	76,127
2050	-	53,915	53,915	10,374	64,289
2051	-	56,550	56,550	7,674	64,224
2052	-	59,315	59,315	4,841	64,156
2053	-	41,560	41,560	2,560	44,120
2054	-	43,220	43,220	846	44,066
<b>Total</b>	<b>\$140,452</b>	<b>\$2,071,540</b>	<b>\$2,211,992</b>	<b>\$1,307,418</b>	<b>\$3,519,410</b>



## NEW BOND ISSUES AND REFUNDINGS

The Commission, along with its financial advisors, regularly reviews the Commission debt structure to look for refunding candidates provided that they meet a minimum of 3% net present value savings. The most recent refunding was in 2023, when the Commission issued Subordinate Airport Revenue Refunding Bonds to refund outstanding Subordinate Airport Revenue bonds, series 2014A and 2014B. As a result of the refunding, the Commission reduced its total debt service requirement, which resulted in an estimated economic gain (present value savings) of approximately \$15.4 million or 7.82%.

The most recent bond sale was in 2024 when staff issued approximately \$671.1 million of new debt, which is being used for various Terminal 1, Terminal 2, parking, field, runway and other building projects. Some of the major projects funded with these bond proceeds include:

- **Concourse and Gate Hold Modernization**  
Concourse upgrades that include floor to ceiling improvements.
- **Concourse G Infill Pods 2 and 3**  
An expansion/redevelopment of Concourse G.
- **Terminal 2 North Gate Expansion**  
Expansion of Terminal 2, adding passenger boarding bridges, gate hold seating, concessions and support spaces.
- **Safety and Security Center**  
A building to house a new Integrated Operations Center, which includes Airside Operations, Emergency Operations Center and consolidated Airport Police Department facilities.

In 2025, the remainder of the funds from the 2024 bond issue will be used for lavatory buildings rehabilitation, perimeter gate security improvements and MSP campus building roof replacements.

Staff anticipates issuing new debt in 2026, which will be used for various terminal, parking, field, runway and other building projects. The MAC will interim fund the 2025 projects with a line of credit and will pay it off with the 2026 bond issue. Some of the larger projects include:

- **Ground Service Equipment (GSE) Maintenance Facility**  
A stand-alone facility to lease to third-party ground handling operators to maintain and repair ground handling equipment necessary to support ground operations for the airlines.
- **Folded Plate Roof Repairs**  
Second phase of three phases to repair and replace the roof assembly on the folded plate roof at Terminal 1.
- **Electrical and Ground Power Substation Replacement**  
A multi-year program to replace electrical substations that serve airside operations and to meet new demands for ground equipment, including an increase in electrical vehicle charging.
- **Concourse and Gate Hold Modernization**  
Third phase of concourse upgrades that include floor to ceiling improvements.



*Bond Proceeds Will Provide Funding for the Maintenance of the Folded Plate Roof at Terminal 1 and Restroom Remodels*

### SOURCES AND USES OF FUNDS

The table below shows sources and uses of funds in the Debt Service Fund and includes bonds issued and refunded along with related interest.

<b>Debt Service Budget</b> ►►►						
(\$=000)						
	2023 Actual	2024 Budget	2024 Estimate	2025 Budget	2026 Projected	2027 Projected
<b>Beginning Balance January 1</b>	\$161,462	\$127,435	\$127,435	\$126,105	\$127,020	\$127,977
<b>SOURCES OF FUNDS</b>						
Transfer from Operating Fund	\$120,793	\$129,519	\$129,519	\$133,611	\$134,075	\$132,612
Transfer from PFCs <sup>1</sup>	26,814	25,183	25,183	24,929	25,730	25,379
Interest Earnings <sup>2</sup>	638	1,208	1,759	1,295	1,336	1,341
Bond Proceeds <sup>3</sup>	176,897	-	-	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$325,142</b>	<b>\$155,910</b>	<b>\$156,461</b>	<b>\$159,835</b>	<b>\$161,141</b>	<b>\$159,332</b>
<b>USES OF FUNDS</b>						
Bond Refundings	(\$198,781)	-	-	-	-	-
Principal & Interest Paid	(160,388)	(157,791)	(157,791)	(158,920)	(160,184)	(158,371)
<b>TOTAL USES OF FUNDS</b>	<b>(\$359,169)</b>	<b>(\$157,791)</b>	<b>(\$157,791)</b>	<b>(\$158,920)</b>	<b>(\$160,184)</b>	<b>(\$158,371)</b>
<b>Ending Balance December 31</b>	<b>\$127,435</b>	<b>\$125,554</b>	<b>\$126,105</b>	<b>\$127,020</b>	<b>\$127,977</b>	<b>\$128,938</b>

<sup>1</sup> Used to pay existing debt, which was formerly paid for with operating funds.  
<sup>2</sup> Interest rate assumed 4% for the period 2025 through 2027.  
<sup>3</sup> Includes only the debt reserve and capitalized interest.

#### SOURCES OF FUNDS

For General Airport Revenue Bonds, transfers occur in late June and December each year. These transfers will fluctuate due to interest earnings, bond refundings and new issues. If the Commission had outstanding GORBs, a transfer from the operating fund would occur each October 10th to cover the debt service. Since the Commission currently has no GORBs outstanding, no transfer is required during 2023-2027.

The MAC received total grant reimbursements of approximately \$40.6 million in 2023 through the federal American Rescue Plan Act (ARPA) program. A portion of these grants reimbursed the required debt service payments in 2023.

The Passenger Facility Charge (PFC) transfer represents the use of PFCs to pay a portion of existing debt beginning in 2003 for various GARBS instead of operating funds. This transfer will fluctuate due to interest earnings, scheduled increases in annual debt service amounts, bond refundings and new issues.

Interest earnings are assumed at 4% for the period 2025 through 2027. In projecting interest income, the MAC typically takes a conservative approach.

Bond proceeds are made up of reserves, issuance costs and capitalized interest. The bond proceeds in 2023 represent required debt service reserve and capitalized interest from new bond issues.

#### USES OF FUNDS

Disbursements represent bond refundings and principal and interest payments made during the year by bond series. Series 2014A and 2014B Bonds were refunded in 2023.

The principal and interest paid on debt is reflected in the current year due. Interest is a cost of carrying debt and reduces available funds for operations.

## BOND RATINGS

The Commission has maintained excellent ratings for many years. The MAC is one of the few airport authorities with an AA- rating from Fitch Ratings. Most airports are in the A+ rating category. The Commission’s bond ratings as of December 31, 2024, are as follows:

### SENIOR DEBT

- ▶ **Standard & Poors** AA-
- ▶ **Fitch Ratings** AA-

### SUBORDINATE DEBT

- ▶ **Standard & Poors** A+
- ▶ **Fitch Ratings** A+

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

- ▶ **AAA** Extremely strong capacity to meet financial commitments *Highest Rating*
- ▶ **AA** Very strong capacity to meet financial commitments
- ▶ **A** Strong capacity for a company to meet its financial commitments

Fitch Ratings also uses a rating system similar to that of Standard & Poors. Ratings from AAA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The bond rating process is a comprehensive analysis of the MAC’s financial practices and performance.

Forecasts of future performance and projected long-term planning practices are also reviewed. The following data are typically requested and analyzed by the rating agencies:

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

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



Concessions in the Main Mall of Terminal 1

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# .....: DIVISION SUMMARIES :.....

The Division Summaries show each division responsibility, the related budget and the service centers that are under each division umbrella. Listed are also the division goals, objectives and key performance indicators. The MAC has a total of six divisions:

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

The MAC has a robust Enterprise Strategic Plan to reach its Purpose Statement: To provide exceptional airport experiences so Minnesota thrives. The Enterprise Strategic Plan is discussed in the Executive Summary. Each division is responsible for goals and objectives that will help the organization achieve the Enterprise Strategic Plan. Key performance indicators will track progress towards those objectives.

The MAC uses Focus Areas as its Strategic Goals and Key Performance Indicators as Performance Measures.

**THE MAC'S FOCUS AREAS ARE:**

- Invest in our workforce and partnerships
- Optimize financial performance while investing to sustain growth
- Actively manage sustainability and stakeholder & community relations
- Operate the airports in a friendly, efficient, safe and secure manner
- Position the MAC for changes in the aviation industry




# EXECUTIVE DIVISION

The Executive Division is responsible for the overall administration of the Metropolitan Airports Commission and its seven airports. The Office of the Executive Director/CEO is responsible for the operation, management and promotion of all activities with which the Metropolitan Airports Commission is charged, in accordance with the policy of the organization, and is directly accountable to the Board of Commissioners. This division coordinates, directs and implements the programs and services of the Commission, and engages with regulatory agencies and governmental bodies concerned with the operation and administration of the Commission and its airports.

<b>Budget Summary</b> ►►►					
	2025 Budget vs 2024 Budget				
	2023 Actual	2024 Budget	2025 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 10,781,812	\$ 11,882,622	\$ 12,661,623	\$ 779,001	6.6%
<b>Administrative Expenses</b>	469,022	666,746	684,872	18,126	2.7%
<b>Professional Services</b>	2,497,751	4,372,550	4,859,401	486,851	11.1%
<b>Utilities</b>	506,370	543,635	703,730	160,095	29.4%
<b>Operating Services/Expenses</b>	12,478,585	15,159,882	17,411,931	2,252,049	14.9%
<b>Maintenance</b>	-	-	-	-	-
<b>Other</b>	288,679	14,600	22,840	8,240	56.4%
<b>Total Budget</b>	<b>\$ 27,022,219</b>	<b>\$ 32,640,035</b>	<b>\$ 36,344,397</b>	<b>\$ 3,704,362</b>	<b>11.3%</b>
<b>Full-Time Equivalent (FTE)</b>	<b>74</b>	<b>79</b>	<b>80</b>		

## BUDGET EXPLANATIONS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases. One new FTE will be hired for Information Technology as an Information Technology Systems Analyst for critical systems.

### PROFESSIONAL SERVICES

The increase in Professional Services arises from Enterprise Process Improvement Committee (EPIC) consultant services to support process improvements as part of the strategic plan, updating the economic impact study and general legal services.

### UTILITES

Utilities increased for telephone charges and higher internet costs. The 2025 budget also includes funding for a direct connection to Microsoft Azure that allows users access to cloud services.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is attributable to inflation and rising service agreement costs as information technology projects progress from implementation to production and become operational.

## SERVICE CENTER SUMMARIES

The following service centers are within the Executive Division and work collectively towards the division goals, objectives and key performance indicators.

### EXECUTIVE – COMMISSIONER

The Board of Commissioners stewards and fulfills the statutory responsibilities of the Metropolitan Airports Commission. This service center promotes the public welfare and national, international, state and local air transportation. This service center also promotes the safe, efficient and economical handling of air commerce, develops the potential of the metropolitan area as an aviation center, and provides for the most economical and effective use of aeronautical facilities and services. The Board of Commissioners assures metropolitan area residents of the minimum environmental impact from air transportation and promotes the overall goals of the state's environmental policies, minimizing the public's exposure to noise and safety hazards around the Commission airports.

### FINANCE & ADMINISTRATION

Finance & Administration oversees and provides strategic guidance to the Finance & Revenue Development and Human Resources & Labor Relations divisions. This service center also oversees the management and strategic implementation of the organization's Live Well, Stay Well service center and maintains financial policies.

### LIVE WELL, STAY WELL

Live Well, Stay Well (LWSW) encourages, educates and supports employees in making healthier lifestyle choices and strives to create a positive impact on employee morale and productivity. By achieving these goals, this service center is also instrumental in reducing health care costs.

### EXECUTIVE - OPERATIONS

The Executive – Operations service center provides strategic alignment across major areas of the MAC: Management & Operations, Public Safety, Planning & Development, Safety Management Systems and Customer Data & Analytics. The Chief Operating Officer is responsible for the strategic coordination and implementation of Commission policies related to planning and development, public safety, daily

operations and maintenance of the MAC's airports. This service center also chairs and supports the Customer Service Action Council, which focuses on developing, recognizing and motivating airport community personnel.

### INTERNAL AUDIT

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

### INFORMATION TECHNOLOGY

Information Technology (IT) provides leadership and direction to the MAC in the areas of information systems, technology and cybersecurity. This service center designs, implements and maintains systems, technology plans, budgets and purchases. IT works with all MAC service centers, airport partners and airport customers to analyze technology capability needs and implement solutions. The work includes analysis, architecture and design, selection, acquisition, installation, documentation, support and life-cycling of hardware, applications, infrastructure systems and technologies.

### GOVERNMENTAL AFFAIRS

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

### LEGAL AFFAIRS

Legal Affairs provides legal advice and representation to the Commission, prepares legal documents and monitors and coordinates outside legal counsel.

## Goal and Objective ►►►

**Focus Area /** Invest in our workforce and partnerships

**Division Goal**

Increase employee engagement

**Division Objective**

Measure employee engagement through biennial employee engagement survey

### Key Performance Indicator ►►►

	2023 Target	2023 Results	2024 Target	2024 Results	2025 Target
MAC employee NPS	N/A	N/A	27	30	N/A
Conduct annual communications campaign to increase employee engagement	N/A	N/A	N/A	N/A	100%

Note: NPS is the net promoter score - a measurement of employee engagement.



# STRATEGY & STAKEHOLDER ENGAGEMENT DIVISION

The Strategy & Stakeholder Engagement Division operates as an in-house team serving as stewards of strategy, developing strategic communications and creating stakeholder champions to ensure the MAC delivers on its purpose, values and strategic goals. This service center includes strategic planning, sustainability and division-wide activities. Strategy & Stakeholder Engagement also supervises Strategic Communications, Strategic Marketing, Air Service Development, Community Relations and Stakeholder Engagement service centers.

<b>Budget Summary</b> ▶▶▶					
	2025 Budget vs 2024 Budget				
	2023 Actual	2024 Budget	2025 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 2,762,141	\$ 3,531,379	\$ 3,924,889	\$ 393,510	11.1%
<b>Administrative Expenses</b>	340,601	575,425	591,822	16,397	2.8%
<b>Professional Services</b>	2,078,691	3,331,065	3,861,000	529,935	15.9%
<b>Utilities</b>	27,816	34,500	38,100	3,600	10.4%
<b>Operating Services/Expenses</b>	618,055	1,126,490	1,304,086	177,596	15.8%
<b>Maintenance</b>	2,257	12,500	27,500	15,000	120.0%
<b>Other</b>	586	15,500	36,000	20,500	132.3%
<b>Total Budget</b>	<b>\$ 5,830,147</b>	<b>\$ 8,626,859</b>	<b>\$ 9,783,397</b>	<b>\$ 1,156,538</b>	<b>13.4%</b>
<b>Full-Time Equivalent (FTE)</b>	<b>21</b>	<b>28</b>	<b>30</b>		

## BUDGET EXPLANATIONS

### PERSONNEL

A portion of the increase in Personnel is attributable to wage structure adjustments and step increases. One FTE moved from Strategic Marketing in the Strategy & Stakeholder Engagement Division to Customer Experience in the Management & Operations Division. In addition, two new FTEs are scheduled to be hired in Strategic Marketing as a Social/Digital Media Specialist and a Customer Relationship Management (CRM) Digital Strategist focusing on communications through digital channels and management of customer relations.

### PROFESSIONAL SERVICES

Professional Service increased for a variety of reasons. Strategic Marketing increased the 2025 professional services budget to support strategic initiatives, video and photo production during peak times, digital public information and assist with strategic campaigns.

In addition, Strategy & Stakeholder Engagement’s budget increased to support the ongoing strategic plan goals, plan and facilitate sustainability engagements and provide mechanical and plumbing engineering. The budget also increased to support emission, water and waste working groups projects.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is to support the Customer Relationship Management initiative to ensure seamless integration and management of CRM functionalities. Additional funds are also budgeted to support a number of public and internal events.

### OTHER

Other expenses increased to support sustainability pilot projects.

## SERVICE CENTER SUMMARIES

The following service centers are within the Strategy & Stakeholder Engagement Division and work collectively towards the division goals, objectives and key performance indicators.

### STRATEGIC COMMUNICATIONS

Strategic Communications stewards a consistent brand voice and activates the brand to engage key constituents. This service center focuses on proactive and responsive communications, including media relations, executive communications and customer communications.

### AIR SERVICE DEVELOPMENT

Air Service Development markets MSP for new international passenger and cargo flights and for new low-fare domestic passenger flights. This service center promotes the facilities and services of MSP and the MAC's system of airports both domestically and internationally to develop air service. Air Service Development builds community relations by establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region and to solicit their support.

### STRATEGIC MARKETING

Strategic Marketing stewards a consistent brand voice and supports non-aeronautical revenue growth and passenger engagement through strategic campaigns grounded in research and analytics.

## STAKEHOLDER ENGAGEMENT

Stakeholder Engagement connects the MAC to the community by designing and implementing best-in-class engagements and serving as the personal connection of the organization across communities.

### COMMUNITY RELATIONS

Community Relations manages aircraft noise issues and navigation programs through an industry-leading noise program built on extensive technology and collaborative efforts with community and aviation stakeholders. This service center ensures compliance related to assessing noise impacts and corrective measures. The work includes managing one of the largest community outreach programs at the MAC and developing and operating sophisticated technical systems in support of the service center's mission. Community Relations continues to build a portfolio of community engagement activities to position the MAC as a trusted resource for interested stakeholders.

### Goal and Objective ►►►

**Focus Area /** Actively manage sustainability and stakeholder & community relations

**Division Goal**  
Implement a stakeholder management survey

**Division Objective**  
Implement a biennial stakeholder management survey

Key Performance Indicator ►►►	2023	2023	2024	2024	2025
	Target	Results	Target	Results	Target
Percentage of survey implemented	10%	10%	100%	100%	10%

Note: This key performance indicator reflects an ongoing biennial survey. Surveys are conducted in even years; planning begins in odd years.

### Goal and Objective ►►►

**Focus Area /** Actively manage sustainability and stakeholder & community relations

**Division Goal**  
Achieve ACI Airport Carbon Accreditation (ACA) level 3

**Division Objective**  
Engage actively with MSP tenants on sustainability and document successes annually

Key Performance Indicator ►►►	2023	2023	2024	2024	2025
	Target	Results	Target	Results	Target
Tenant engagement plan developed	N/A	N/A	100%	100%	100%
Number of tenants actively engaged in sustainability*	N/A	N/A	N/A	N/A	5

Note: \*This key performance indicator began in 2025 with development of the plan in 2024.

### Goal and Objective ►►►

**Focus Area /** Operate the airports in a friendly, efficient, safe and secure manner

**Division Goal**  
Establish relationships with 1 million customers by 2027

**Division Objective**  
Increase number of active customer relationship management records

Key Performance Indicator ►►►	2023	2023	2024	2024	2025
	Target	Results	Target	Results	Target
Number of customer relationship management records	350,000	265,000	400,000	411,417	600,000

Note: Several planned integrations were postponed or canceled in 2023 due to competing priorities, which reduced customer record intake.

### Goal and Objective ►►►

**Focus Area /** Optimize financial performance while investing to sustain growth

**Division Goal**  
Increase number of nonstop destinations

**Division Objective**  
Achieve a total of 170 nonstop destinations by end of 2027

Key Performance Indicator ►►►	2023	2023	2024	2024	2025
	Target	Results	Target	Results	Target
Total nonstop destinations	150	156	161	163	165

# FINANCE & REVENUE DEVELOPMENT DIVISION

The Finance & Revenue Development Division oversees the implementation of the Commission’s financial policies, as well as financial planning and analysis, budgeting, revenue development, commercial management, airline affairs and insurance and risk management. This service center establishes strong fiscal and budgetary practices that provide funding as required for operating and capital expenditures for the MAC’s system of airports, as well as good business practices to optimize the generation of both aeronautical and non-aeronautical revenue. The Vice President, Commercial Revenue Officer is the staff liaison to the Commission’s Operations, Finance & Administration Committee.

<b>Budget Summary</b> ►►►					
	2025 Budget vs 2024 Budget				
	2023 Actual	2024 Budget	2025 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 34,680,857	\$ 33,272,657	\$ 34,920,383	\$ 1,647,726	5.0%
<b>Administrative Expenses</b>	82,326	127,438	168,838	41,400	32.5%
<b>Professional Services</b>	1,256,634	1,323,200	1,261,600	(61,600)	-4.7%
<b>Utilities</b>	23,887,391	24,001,014	26,234,333	2,233,319	9.3%
<b>Operating Services/Expenses</b>	1,571,392	1,873,285	2,140,755	267,470	14.3%
<b>Maintenance</b>	2,512,403	3,255,520	3,144,054	(111,466)	-3.4%
<b>Other</b>	4,661,320	10,398,986	10,068,394	(330,592)	-3.2%
<b>Total Budget</b>	<b>\$ 68,652,323</b>	<b>\$ 74,252,100</b>	<b>\$ 77,938,357</b>	<b>\$ 3,686,257</b>	<b>5.0%</b>
<b>Full-Time Equivalent (FTE)</b>	<b>41</b>	<b>44</b>	<b>43</b>		

## BUDGET EXPLANATIONS

### PERSONNEL

A portion of the increase in Personnel is attributable to wage structure adjustments and step increases. An Accounting Specialist and a Senior Accountant are scheduled to be hired in the Finance Department to address the increasing workload. However, three FTEs who administer employee benefits were moved from this division to the Human Resources and Labor Relations Division. The staff vacancy factor was increased 0.5% of base salaries. Lastly, the 2025 budget was adjusted for the increasing costs for employee benefits such as dental, life, disability and medical.

### ADMINISTRATIVE EXPENSES

Administrative Expenses increased for higher travel costs to attend business-related conferences. Also, the Conference Center needs additional supplies and equipment for large scale catering events.

### PROFESSIONAL SERVICES

Professional Services decreased overall as insurance consultant costs were moved from Insurance/Risk Management to Human Resources & Labor Relations.

On the other hand, the 2025 budget increased for anticipated consulting fees to assist in determining provisions for a long-term airline agreement as part of the strategic plan.

### UTILITES

Utilities are expected to be higher than 2024 based on the consultant’s estimate of usage and cost.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses arises mainly from higher MSP Airport Foundation contractual funding. Also, the Conference Center needs additional food and beverages for off-sale clients.

### MAINTENANCE

Maintenance expenses are decreasing as fuel prices and usage are projected to be slightly lower than 2024.

### OTHER

Other expenses decreased as property insurance is projected to be lower than 2024.

## SERVICE CENTER SUMMARIES

The following service centers are within the Finance & Revenue Development Division and work collectively towards the division goals, objectives and key performance indicators.

### INSURANCE/RISK MANAGEMENT

Insurance/Risk Management plans, organizes and administers risk, safety and insurance programs to safeguard the MAC's assets from the risk of accidental loss. The work includes risk identification, evaluation and measurement; preventive strategies; safety policies and training; claims administration; purchase of insurance coverage and evaluation of risk financing alternatives. This service center works to maintain a safe working environment, as well as administers workers' compensation, liability and property insurance coverage and employee and fleet safety.

### FINANCE

Finance maintains the Commission's accounting and cash management functions, as well as prepares the annual operating budget and the Annual Financial Report. This service center oversees financial planning, which includes issuance of all debt, development of tenant rates and charges, cost-benefit analysis, financial analysis and request for proposal assistance.

### MAC GENERAL

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

### PURCHASING

Purchasing oversees the acquisition of materials, equipment and supplies; coordination of minor construction; and repair and maintenance of equipment to efficiently meet the needs of end users. This service center administers the commercial card program for MAC staff and maintains blanket orders, including insurance certificates, for contracts generated by Purchasing. The work includes disposal of surplus property by distributing items between the MAC service centers, selling items on the open market and donating items to various charities. Purchasing also assists in staffing the General Office's reception desk and coordinating the operation of the service center.

### REVENUE & BUSINESS DEVELOPMENT

Revenue & Business Development oversees revenue generation from airline and airport concession agreements, MSP leases and system-wide non-aeronautical leases. Revenue & Business Development also manages MAC property and real estate.

### CONCESSIONS & BUSINESS DEVELOPMENT

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

### MSP AIRPORT CONFERENCE CENTER

The MSP Airport Conference Center provides first-class customer service to external and internal clients. This service center promotes and manages the conference center, provides catering services, maintains audio-visual equipment and invoices internal and external customers.

Goal and Objective ►►►						
<b>Focus Area /</b> Optimize financial performance while investing to sustain growth						
<b>Division Goal</b>			<b>Division Objective</b>			
Increase non-aeronautical revenue per enplaned passenger			Increase year-over-year non-aeronautical revenue per enplaned passenger			
Key Performance Indicator ►►►		2023 Target	2023 Results	2024 Target	2024 Results	2025 Target
Non-aeronautical revenue per enplaned passenger		\$ 14.60	\$ 16.43	\$ 14.50	\$ 16.24	\$ 15.25

Goal and Objective ►►►						
<b>Focus Area /</b> Optimize financial performance while investing to sustain growth						
<b>Division Goal</b>			<b>Division Objective</b>			
Maintain cost per enplaned passenger below the median of U.S. large hub airports			Maintain cost per enplaned passenger below the large hub airport median for 2025			
Key Performance Indicator ►►►		2023 Target	2023 Results	2024 Target	2024 Results	2025 Target
Cost per enplaned passenger		\$ 8.89	\$ 9.51	\$ 9.57	\$ 10.13	\$ 10.39
Note: The most recent median for large hub airports is \$14.17.						

Goal and Objective ►►►						
<b>Focus Area /</b> Optimize financial performance while investing to sustain growth						
<b>Division Goal</b>			<b>Division Objective</b>			
Achieve net designated revenue margin of at least 20% by 2027			Achieve margin of 12.7% by end of 2025			
Key Performance Indicator ►►►		2023 Target	2023 Results	2024 Target	2024 Results	2025 Target
Net designated revenue margin		19.0%	37.2%	9.3%	11.2%	12.7%
Note: The high 2023 results were achieved with federal grants for airports recovering from the pandemic.						

# HUMAN RESOURCES & LABOR RELATIONS DIVISION

The Human Resources & Labor Relations Division manages employee services, human resources development, labor negotiations and diversity efforts. The division administers employee benefits as well as the MAC’s health engagement program. The work includes organizational policies, strategic planning, staff development, compliance with the federal Disadvantaged Business Enterprise (DBE) Program and affirmative action. One service center resides in this division.

<b>Budget Summary</b> ►►►					
	2025 Budget vs 2024 Budget				
	2023 Actual	2024 Budget	2025 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 1,735,281	\$ 2,316,831	\$ 2,955,137	\$ 638,306	27.6%
<b>Administrative Expenses</b>	48,860	64,915	100,905	35,990	55.4%
<b>Professional Services</b>	385,578	451,500	728,400	276,900	61.3%
<b>Utilities</b>	7,832	9,240	15,200	5,960	64.5%
<b>Operating Services/Expenses</b>	104,045	56,100	59,100	3,000	5.3%
<b>Maintenance</b>	-	-	-	-	-
<b>Other</b>	11,593	25,000	10,000	(15,000)	-60.0%
<b>Total Budget</b>	<b>\$ 2,293,189</b>	<b>\$ 2,923,586</b>	<b>\$ 3,868,742</b>	<b>\$ 945,156</b>	<b>32.3%</b>
<b>Full-Time Equivalent (FTE)</b>	<b>13</b>	<b>16</b>	<b>20</b>		

## BUDGET EXPLANATIONS

### PERSONNEL

A portion of the increase in Personnel is attributable to wage structure adjustments and step increases. For appropriate management, three FTEs who administer employee benefits were moved into this service center from Insurance/Risk Management. Also, one new FTE is scheduled to be hired in 2025 as a Contract and Certification Specialist-Compliance to assist with the Disadvantaged Business Enterprise (DBE) Program and new business certifications. Budget dollars are also included for growth of the internship program as part of the strategic plan.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses arises from marketing materials needed for the trainee program and travel costs to attend business-related conferences.

### PROFESSIONAL SERVICES

The increase in Professional Services is related to insurance consultant costs that were moved into Human Resources & Labor Relations along with the employee benefits staff. In addition, budget dollars were added for salary market assessments for staff.

### UTILITIES

The increase in Utilities is a result of moving the phone stipends for the benefits staff to this service center as well as phones and data cards for staff.

### OTHER

Other expenses decreased due to one-time costs that were in the 2024 budget.

## Goal and Objective ►►►

**Focus Area /** Invest in our workforce and partnerships

**Division Goal**

Increase employee engagement

**Division Objective**

Measure employee engagement through biennial employee engagement survey

### Key Performance Indicator ►►►

	2023 Target	2023 Results	2024 Target	2024 Results	2025 Target
<b>MAC employee NPS</b>	N/A	N/A	27	30	N/A
<b>Conduct annual communications campaign to increase employee engagement</b>	N/A	N/A	N/A	N/A	100%

**Note:** NPS is the net promoter score - a measurement of employee engagement.



# PLANNING & DEVELOPMENT DIVISION

The Planning & Development Division oversees the Commission’s Capital Improvement Program (CIP), along with property acquisition, planning, design, engineering, architecture and construction of all Commission facilities, as well as grants management. Planning & Development also supervises the Building Official and Environmental Affairs service centers. The division maintains relationships with local, state and federal government partners and airport stakeholders.

## Budget Summary ►►►

	2025 Budget vs 2024 Budget				
	2023 Actual	2024 Budget	2025 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 1,333,433	\$ 2,356,663	\$ 2,579,818	\$ 223,155	9.5%
<b>Administrative Expenses</b>	58,130	61,815	91,789	29,974	48.5%
<b>Professional Services</b>	937,717	1,397,000	1,496,000	99,000	7.1%
<b>Utilities</b>	11,934	13,592	18,008	4,416	32.5%
<b>Operating Services/Expenses</b>	3,021,551	2,699,840	2,851,950	152,110	5.6%
<b>Maintenance</b>	26,495	32,000	28,000	(4,000)	-12.5%
<b>Other</b>	9,237	25,700	50,600	24,900	96.9%
<b>Total Budget</b>	<b>\$ 5,398,497</b>	<b>\$ 6,586,610</b>	<b>\$ 7,116,165</b>	<b>\$ 529,555</b>	<b>8.0%</b>
<b>Full-Time Equivalent (FTE)</b>	<b>23</b>	<b>34</b>	<b>36</b>		

### BUDGET EXPLANATIONS

#### PERSONNEL

A portion of the increase in Personnel is attributable to wage structure adjustments and step increases. Two new FTEs are scheduled to be hired in 2025. One is a Grant Coordinator to assist in managing the grant portfolio. The other is an Airport Planner to support implementation of streamlined processes.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased for additional travel and organizational memberships for staff to attend industry-related conferences and seminars.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due a number of consultants needed for general planning, environmental engineering for future development and CIP initiatives.

#### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is due to additional costs to comply with the National Pollutant Discharge Elimination System permit requirements.

#### OTHER

Other expenses increased to purchase workspace and equipment to house the new FTEs.

## SERVICE CENTER SUMMARIES

The following service centers are within the Planning & Development Division and work collectively towards the division goals, objectives and key performance indicators.

### AIRPORT DEVELOPMENT

Airport Development develops and implements the Commission's CIP. Within the CIP, this service center supervises the planning, design, engineering, architecture and construction of all Commission facilities at MSP and the Commission's six reliever airports.

### BUILDING OFFICIAL

The Building Official is responsible for the overall administration of the Metropolitan Airports Commission building code ordinance. This service center applies, administers, implements and enforces the State of Minnesota building code and the MAC's construction standards, procedures and guidelines. The Building Official reviews plans, issues permits, conducts

inspections and retains inspection history and building construction plans. This service center coordinates retail, food and beverage construction buildouts and remodeling of existing tenant spaces at Terminal 1 and Terminal 2.

### ENVIRONMENTAL AFFAIRS

Environmental Affairs facilitates compliance with local, state and federal environmental regulations at MAC-owned facilities. This service center maintains programs that document environmental impacts related to construction projects; complies with stormwater and soil management requirements; and administers underground and aboveground storage tank rules. Environmental Affairs monitors and reports on air quality, hazardous waste management and solid waste/recycling; implements waste reduction efforts and other pollution prevention programs; performs environmental investigations and audits; and supports the MAC's sustainability efforts.

Goal and Objective ►►►						
<b>Focus Area /</b> Optimize financial performance while investing to sustain growth						
<b>Division Goal</b> Ensure facilities meet passenger and cargo demand through 2027 and beyond			<b>Division Objective</b> Finalize an enabling project phasing/timing plan on an annual basis to address future Terminal 1 passenger and cargo			
Key Performance Indicator ►►►		2023 Target	2023 Results	2024 Target	2024 Results	2025 Target
Percentage of comprehensive phasing and timing plan completed		N/A	N/A	100%	100%	100%
Note: This key performance indicator began in 2024.						

Goal and Objective ►►►						
<b>Focus Area /</b> Actively manage sustainability and stakeholder & community relations						
<b>Division Goal</b> Achieve ACI Airport Carbon Accreditation (ACA) level 3			<b>Division Objective</b> Collect and analyze electric billing data from MSP tenants on an annual basis to identify gaps and areas for improved electricity			
Key Performance Indicator ►►►		2023 Target	2023 Results	2024 Target	2024 Results	2025 Target
Percentage of tenants from whom MAC obtains scope 3 emissions data		100%	100%	100%	100%	100%

# MANAGEMENT & OPERATIONS DIVISION

The Management & Operations Division oversees and administers the service centers that manage the day-to-day operations of the MAC's system of airports. The division oversees and is responsible for all operations-related issues and for participating at the senior staff level in policy development, strategic planning and interdepartmental coordination.

## Budget Summary ►►►

	2025 Budget vs 2024 Budget				
	2023 Actual	2024 Budget	2025 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 61,128,962	\$ 70,210,806	\$ 72,759,646	\$ 2,548,840	3.6%
<b>Administrative Expenses</b>	455,375	846,502	918,317	71,815	8.5%
<b>Professional Services</b>	1,835,478	3,762,622	3,281,223	(481,399)	-12.8%
<b>Utilities</b>	271,294	337,683	342,071	4,388	1.3%
<b>Operating Services/Expenses</b>	16,198,484	19,360,050	20,183,081	823,031	4.3%
<b>Maintenance</b>	55,606,330	63,734,985	67,416,423	3,681,438	5.8%
<b>Other</b>	836,677	1,901,012	2,051,020	150,008	7.9%
<b>Total Budget</b>	<b>\$136,332,600</b>	<b>\$160,153,660</b>	<b>\$166,951,781</b>	<b>\$ 6,798,121</b>	<b>4.2%</b>
<b>Full-Time Equivalent (FTE)</b>	<b>543.5</b>	<b>589.5</b>	<b>599.5</b>		

### BUDGET EXPLANATIONS

#### PERSONNEL

A portion of the increase in Personnel is attributable to wage structure adjustments and step increases. One FTE moved from Strategic Marketing in the Strategy & Stakeholder Engagement Division to Customer Experience in the Management & Operations Division. Two assistant managers in Airside Operations are scheduled to be hired in 2025 to support the growing service levels at MSP and to ensure compliance. Four new Airport Maintenance Workers are also scheduled to be hired to meet increasing demands. Two Community Service Officers and two Police Officers are scheduled to be hired for additional safety at the terminals. In addition, employee overtime, training and temporary employee salaries were added to the budget.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased for strategic planning initiatives. Supplies and equipment are needed to present the MAC's customer service video to new employees and vendors. Also, higher travel costs were added to attend business-related conferences.

#### PROFESSIONAL SERVICES

The decrease in Professional Services results from completed strategic plan projects that were in the 2024 budget, a decrease in the amount needed for advancing the asset management program and lower fees for the safety management system consultant. However, the budget increased in 2025 for wildlife management services, a mental health co-responder program and a wellness program ergonomic study. In addition, budget dollars are added for new strategic plan initiatives.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is mainly due to smart trash and recycling cans budgeted as part of a strategic plan goal to implement intelligent cleaning. Also included in the 2025 budget is contractual increases for parking management and passenger shuttle services.

## MAINTENANCE

The maintenance budget is higher than 2024 largely due to contractual increases in the terminal cleaning contract along with higher costs for cleaning supplies. The jet bridge baggage/handling maintenance contract also increased. The 2025 budget addresses higher contractual snow removal equipment and snow and ice melt materials. Smaller additions to the 2025 maintenance budget are for general maintenance materials for the Trades Department, higher fire protection testing and inspection costs and landscaping supplies, such as roadway planters, mulch, plants and grass seed for MSP.

## OTHER

The increase in Other expenses is mainly the result of replacing worn firefighting tools and equipment.

## SERVICE CENTER SUMMARIES

The following service centers are within the Management & Operations Division and work collectively towards the division goals, objectives and key performance indicators.

### CUSTOMER EXPERIENCE

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

### INTEGRATED OPERATIONS

Integrated Operations manages MSP Airside Operations and supports the Management & Operations Division with planning, analysis, optimization services and technical training. This service center is charged with designing and operating the Integrated Operations Center (IOC), which will be located within the future safety and security center building and will operate 24/7 with staff from key MAC departments and external stakeholders to increase the safe and effective operation of MSP and reliever airports. Integrated Operations manages the Safety Management System, which systematically mitigates operational risk elements for the MAC airports.

## AIRSIDE OPERATIONS

Airside Operations oversees regulatory compliance, safety and operational efficiency. This service center ensures that MSP is in compliance with federal and state regulations, particularly Federal Aviation Regulations Part 139-Airport Certification. Airside Operations conducts airfield safety inspections to determine the operating status of MSP and coordinates airfield activities with Federal Aviation Administration Air Traffic Control facilities and air carrier tenants. Airside Operations also manages the snow and ice control plan, the wildlife control program, construction safety and the airfield driver's training and testing program. Airside Operations is the 24/7 non-emergency point-of-contact for MSP tenants.

## LANDSIDE – ADMINISTRATION

Landside – Administration manages and operates public and employee parking, revenue control systems, and associated parking and transportation infrastructure at MSP. This service center oversees the permitting and regulatory requirements of charter buses, shuttles, limousines, taxicabs and transportation network companies.

## OPERATIONS OPTIMIZATION

Operations Optimization onboards new technologies, provides system administration, delivers data and analytics, provides planning support and fosters the business-centric application and configuration of a geographic information system for the Management & Operations Division.

## TERMINAL OPERATIONS & FACILITIES

Terminal Operations & Facilities oversees the operation, maintenance and cleaning of MSP terminal facilities and all MAC campus buildings. This service center schedules, allocates and manages the MAC's common use infrastructure; provides management oversight for various service, operation and maintenance contracts; and responds to both immediate and long-term tenant and public needs. Terminal Operations & Facilities coordinates with several MAC departments to ensure that capital improvement projects, ongoing maintenance projects and facility repairs are completed with the least amount of disruption to the traveling public and terminal building operations to maintain MSP at a high level of service consistent with the expectations of its internal and external customers and partners.

## FACILITIES - ENERGY MANAGEMENT CENTER

The Energy Management Center (EMC) oversees the heating, ventilation and air conditioning (HVAC) of all MAC facilities. The Energy Management Center provides 24/7 service while operating and maintaining boilers with jet fuel backup, chillers, cooling towers and numerous miscellaneous components to provide a comfortable and sustainable environment for all MSP customers, tenants and staff. This service center utilizes an Intelligent Monitoring and Control System (IMACS) to operate and maintain the complex and growing airport HVAC systems. The EMC monitors 867 indoor air quality sensors throughout the MSP campus, responds to all incoming HVAC-related calls, tracks all repair work and preventative maintenance and keeps detailed records of gas, oil, water and steam usage.

## MAINTENANCE SERVICES & ASSET MANAGEMENT

Maintenance Services & Asset Management administers and coordinates the organization's maintenance, trades, fleet and asset management programs. This service center leads the development and implementation of an organization-wide formal asset management program focusing on cross-functional operations that prioritize safety and regulatory compliance while helping elevate the customer experience.

## TRADES – ADMINISTRATION

Trades – Administration oversees the Commission's carpenters, electricians, painters and plumbers. This service center works with construction projects, enforces construction standards and codes, conducts construction inspections and oversees the computerized maintenance management system. Trades – Administration represents the Trades in the capital improvement plan process and interfaces with consultants and vendors on behalf of the Trades group. Trades – Administration also oversees the MSP emergency generator systems, fire alarm systems, fire protection systems, electrical gear maintenance and uninterruptible power supply contracts.

## TRADES – ELECTRICIANS

Trades – Electricians maintain and repair electrical equipment and lighting fixtures throughout the MSP campus and reliever airports. Electricians are responsible for the maintenance and repair of all directional signage and runway and taxiway lighting throughout the MAC's airports to comply with specific Federal Aviation Administration regulations. This service center maintains and tests airfield lighting regulators, emergency generator systems and

associated lighting and electrical work within the MAC terminals and parking facilities. Additional responsibilities include security gates and electronic card access systems throughout the MAC's airports system, fire alarms and oversight and repair responsibility for the Light Rail Transit Platform.

## TRADES - PAINTERS

Trades – Painters ensure a full-service life for a multitude of surfaces by protecting them from corrosion and deterioration. MAC Painters maintain a clean, comfortable, visually pleasing and safe environment for the traveling public and meet all FAA-mandated airport operations area markings at MSP and the reliever airports. This service center is responsible for all paint maintenance on buildings, correct markings used on public roadways and parking ramps and maintenance of runways and taxiways in accordance with FAA regulations. The Painters ensure that the safest and most appropriate materials are utilized and subsequently disposed of in an environmentally responsible manner.

## TRADES – CARPENTERS

Trades – Carpenters ensure that all of the MAC's terminals and facilities are safe, secure and aesthetically pleasing for the MAC, its tenants and the traveling public. This service center provides high-quality service to all MAC service centers and airport tenants in a timely and cost-efficient manner. The work includes repair and maintenance of a wide variety of facility finishes; securing and separating "non-secured" areas from "secured" areas; and specialty projects such as upholstery, cabinet making, office remodeling and naming and numbering doors and concession spaces with identification tags.

## TRADES – PLUMBERS

Trades – Plumbers are responsible for the water supply available to MSP users, tenants and MAC personnel. The work includes maintenance, repair and ongoing preventive measures of the potable water systems, sanitary and storm sewer systems, building plumbing systems, irrigation systems and fire sprinkler systems. This service center completes plumbing inspections, locates appropriate utility lines and reviews plumbing schematics for new projects.

## FIELD MAINTENANCE

Field Maintenance oversees Part 139 compliance, snow and ice removal operations, airside and landside pavement maintenance, parking ramp maintenance, landscaping, signage and fencing, environmental tasks, fleet services, emergency programs, daily customer experience housekeeping and additional miscellaneous duties. In the winter, this service center removes snow from runways, taxiways, ramps, aircraft parking areas, airside roadways, public roadways, terminal sidewalks and around the MAC buildings. Maintenance personnel supervise contracted snow removal operators who remove snow from parking ramps and landside parking areas. Field Maintenance maintains and repairs a fleet of more than 500 vehicles and partners with other MAC service centers to procure vehicles and related equipment.

## RELIEVERS – ADMINISTRATION

Relievers – Administration operates, manages and maintains the MAC's six reliever airports. This service center administers more than 800 tenant leases and contracts on the airport properties.

## RELIEVERS – ST. PAUL

Relievers – St. Paul operates, manages and maintains the St. Paul Downtown Airport. This service center manages the properties, including the administration of leases, and responds to tenant, airport user and community issues and concerns.

## RELIEVERS – LAKE ELMO

Relievers – Lake Elmo operates, manages and maintains the Lake Elmo Airport. This service center manages the properties, including the administration of leases, and responds to tenant, airport user and community issues and concerns.

## RELIEVERS – AIRLAKE

Relievers – Airlake operates, manages and maintains the Airlake Airport. This service center manages the properties, including the administration of leases, and responds to tenant, airport user and community issues and concerns.

## RELIEVERS – FLYING CLOUD

Relievers – Flying Cloud operates, manages and maintains the Flying Cloud Airport. This service center manages the properties, including the administration of leases, and responds to tenant, airport user and community issues and concerns.

## RELIEVERS – CRYSTAL

Relievers-Crystal operates, manages and maintains the Crystal Airport. This service center manages the properties, including the administration of leases, and responds to tenant, airport user and community issues and concerns.

## RELIEVERS – ANOKA COUNTY – BLAINE

Relievers – Anoka County-Blaine operates, manages and maintains the Anoka County-Blaine Airport. This service center manages the properties, including the administration of leases, and responds to tenant, airport user and community issues and concerns.

## POLICE

The MSP Airport Police Department preserves peace, order and safety. Police personnel protect life and property, prevent crime and deter terrorism. This service center includes the Emergency Communications Center (ECC), the 911 center for the MSP Airport community. ECC staff make critical decisions to ensure the safety of the traveling public, MSP employees and public safety personnel.

## FIRE

The MSP Airport Fire Department provides aircraft rescue and firefighting (ARFF), structural firefighting and first response emergency medical services to the MSP campus and some adjacent areas under agreement. The department enforces fire code, investigates all fires that occur within the service area and maintains Federal Aviation Administration ARFF training, response requirements and proper documentation for state and federal reporting requirements.

## Goal and Objective ►►►

**Focus Area** / Operate the airports in a friendly, efficient, safe and secure manner

**Division Goal**

Be in the top five among peer hub airports in operations performance

**Division Objective**

Be in the top five annually among peer hub airports in operations performance

### Key Performance Indicator ►►►

Operations performance ranking

2023 Target	2023 Results	2024 Target	2024 Results	2025 Target
N/A	N/A	Top Five	N/A	Top Five

**Note:** This key performance indicator began in late 2023. For the 4th quarter of 2023, the KPI result was Top Five. The KPI result for 2024 will be finalized in the first quarter of 2025.



# STATISTICS & INFORMATIVE FACTS

## HISTORICAL OPERATING REVENUE AND OPERATING EXPENSE

The table below compares operating revenue and operating expense for the year 2015 and the 2024 estimate, emphasizing the changes that occurred when comparing the percentage in each category to the total. Revenue and expense both increased over this period from growth in the airline industry. The 2024 estimate indicates revenue growth of \$201.2 million or 5.8% and an increase in expense of \$116.4 million or 6.1% over 2015.

<b>Historical Operating Revenue and Expense</b> ►►►						
(\$=000)						
	2015		2024		2024 vs 2015	
	Actual	% of Total	Estimate	% of Total	Dollar Change	Average % Change
<b>Operating Revenue</b>						
Airline Rates & Charges	\$ 107,805	35.1%	\$ 188,077	37.0%	\$ 80,272	6.4%
Concessions	146,893	47.8%	227,484	44.7%	80,591	5.0%
Rentals/Fees	36,086	11.7%	66,825	13.1%	30,739	7.1%
Utilities & Other Revenue	16,637	5.4%	26,211	5.2%	9,574	5.2%
<b>Total Operating Revenue</b>	<b>\$ 307,421</b>		<b>\$ 508,596</b>		<b>\$ 201,176</b>	<b>5.8%</b>
<b>Operating Expense<sup>1</sup></b>						
Personnel	\$ 81,728	49.9%	\$ 120,770	43.1%	\$ 39,042	4.4%
Administrative Expenses	1,521	0.9%	2,050	0.7%	529	3.4%
Professional Services	5,574	3.4%	14,200	5.1%	8,626	10.9%
Utilities	18,304	11.2%	23,221	8.3%	4,917	2.7%
Operating Services/Expenses	21,230	13.0%	39,217	14.0%	17,987	7.1%
Maintenance	32,089	19.6%	67,481	24.1%	35,392	8.6%
Other	3,454	2.1%	13,369	4.8%	9,915	16.2%
<b>Total Operating Expense</b>	<b>\$ 163,900</b>		<b>\$ 280,309</b>		<b>\$ 116,408</b>	<b>6.1%</b>
<b>Operating Net Income (Loss)<sup>2</sup></b>	<b>\$ 143,521</b>		<b>\$ 228,287</b>		<b>\$ 84,768</b>	<b>5.3%</b>

*Numbers may not sum to totals due to rounding*

<sup>1</sup> Excludes Depreciation and Noise Amortization

<sup>2</sup> Excludes Non-Operating Revenue and Expense

## OPERATING REVENUE

The following are high-level explanations of changes in revenue in the categories presented:

- ▶ The average annual percentage increase for Airline Rates & Charges was 6.4% between the years of 2015 and 2024. This was mainly due to the growth in landing fees and international flights. It also included higher rent from terminal facility expansion to accommodate the growth in passenger activity and changes to the 2019 Amendment to the Airline Use Agreement.
- ▶ The increase in the Concessions category of 5.0% resulted from the growth in passengers from 2015 to 2024. New and improved concessions, a parking ramp and additional terminal gates were constructed, which brought in more revenue. Parking rate increases and revenue from new services such as transportation network companies were also factors in this increase.
- ▶ The average annual percentage increase for Rentals/Fees was 7.1% between the years of 2015 and 2024. This growth was attributable to additional building square footage and rentable ground available for leasing as well as increased rates for building rentals.
- ▶ In Utilities & Other Revenue, the annual average percentage increase was 5.2%. Concession Utility revenue and Maintenance Cleaning Distribution Fees grew with the expansion of facilities and concession stores. General Aviation brought in additional revenue, especially during the pandemic.



*Step-Free Aviramps, a More Accessible Alternative to Traditional Airstairs, are Used for Emergencies*

## OPERATING EXPENSE

High-level expense changes are as follows:

- ▶ Personnel expenses increased from 2015 to 2024 by 4.4%. Actual headcount in 2015 was 610 while staff positions in 2024 rose to 808.5. Information Technology staff doubled in size due to new and emerging technology. Additional firefighters and police were hired to support emergencies and safety throughout the MSP campus. Also, a new division was established to champion the MAC's robust strategic plan. Finally, additional field maintenance staff were hired to clear the runways and roads efficiently.
- ▶ Administrative Expenses have increased 3.4% annually, resulting from the higher costs related to business-related travel expenses and information sources for communications. Additionally, computer software costs rose with MSP's growing technology needs.
- ▶ Professional Services increased 10.9% when comparing 2015 actual expenses to the estimated expenses for 2024. The major increases related to consulting services for technology requirements and new strategic initiatives.
- ▶ The average annual increase in Utilities was 2.7% between 2015 and 2024, reflecting expansion and improvements in the terminals.
- ▶ Operating Services/Expenses increased 7.1% between the years 2015 and 2024 due to additional service agreements. This also included rising parking management costs and increases in security and other services requested by airlines.
- ▶ Maintenance increased 8.6% between 2015 and 2024 due to maintaining additional facilities and clearing runway surfaces. Contracted maintenance costs rose for building mechanical areas including automated people movers, elevators, escalators and moving walks.
- ▶ Other Expenses increased 16.2% from rising costs for general insurance. The airline incentive program, which encourages flights to locations in need of air service, was also a large factor in this increase.

The table below shows historical concessions revenue from 2015 through 2024 estimate, which grew 54.9%. The drop in revenue in 2020 is from the effects of the pandemic on the airline industry. All revenue sources rebounded in later years. Parking is the highest revenue source followed by Rental Car & Ground Transportation.

## Historical Concessions Revenue ►►►

(\$=000)

Year	Parking	Rental Car & Ground Transport	Food & Beverage	News & Retail	Other	Total
2015	\$90,906	\$24,694	\$16,836	\$8,191	\$6,266	\$146,893
2016	94,888	27,783	21,044	8,702	8,274	160,691
2017	99,332	30,907	23,137	10,171	8,929	172,476
2018	98,239	34,338	24,241	11,057	9,501	177,376
2019	107,763	35,588	24,635	10,742	9,100	187,828
2020	42,351	14,641	9,974	3,623	6,046	76,636
2021	67,381	24,277	15,953	6,807	7,265	121,683
2022	105,183	34,292	17,046	7,182	9,695	173,398
2023	124,647	38,382	29,590	10,343	11,624	214,586
2024 Estimate	130,636	41,544	31,653	10,726	12,924	227,483

Numbers may not sum to totals due to rounding

### FACILITY EXPANSION

The following chart compares the expansion of the major facilities at MSP between 2015 and 2024. Both terminals expanded as needed for growth. The main mall food court and south security exit were both expanded at Terminal 1. Gates were reconfigured in Terminal 1 to accommodate larger aircraft, reducing the total number of gates. Four gates were constructed at Terminal 2 in 2016 to make room for additional airline service.

The Silver Ramp opened for public parking at Terminal 1 in 2022 to accommodate the increase in passengers and auto rental facilities. Parking spaces were reduced at Terminal 2 to make room for an auto rental facility. The significance of this growth affects both revenue and expenses. New facilities occupied by tenants will continue to generate additional income. Additional expenses include utilities, security, administrative costs and maintenance, both labor and materials.

## Facility Expansion ►►►

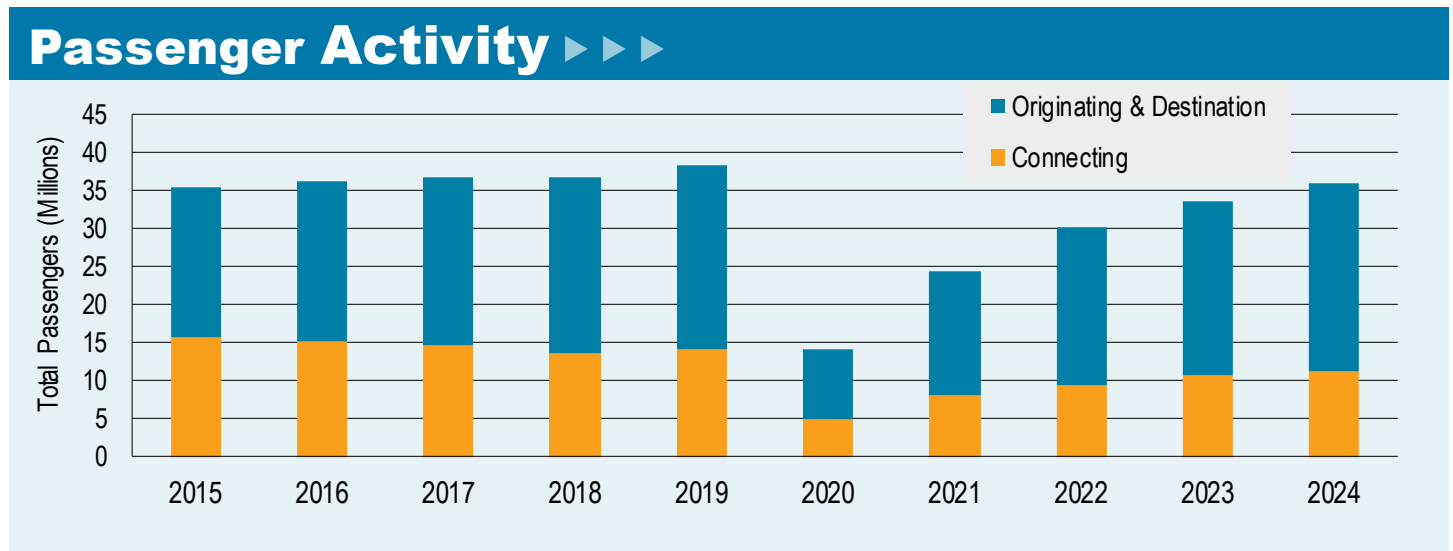
	2015	2024	Increase (Decrease)	% Change
<b>Terminal 1</b>				
Terminal Square Footage	2,841,143	3,012,562	171,419	6.0%
Number of Gates	114	99	(15)	-13.2%
Ramp Linear Footage	11,302	11,001	(301)	-2.7%
Parking Spaces	13,447	18,325	4,878	36.3%
<b>Terminal 2</b>				
Terminal Square Footage	595,699	626,165	30,466	5.1%
Number of Gates	10	14	4	40.0%
Parking Spaces	8,911	8,670	(241)	-2.7%

The following table identifies major new facilities completed since 2015.

<b>Major New Facilities Completed ►►►</b>			
<b>New Facilities</b>	<b>Closing Date</b>	<b>New Facilities</b>	<b>Closing Date</b>
Solar Panels on Blue/Red Parking Ramp	2015	2018 South Security Exit and Façade Expansion	2020
Terminal 1 FIS Expansion Gate 8 Holding Room	2015	2017 Vertical Circulation Improvement – Phase 2	2020
2014 Airline Accommodations	2015	2020 Taxiway D Reconstruction	2020
2014 iViSN-CCTV Improvements	2015	2019 Passenger Boarding Bridge	2020
2015 Terminal 1 Modular Cooling Tower Installment	2015	2019 Taxiway B-Q Centerline Lights	2020
Terminal 2 Checked Baggage Inspection System	2016	2019 Baggage Claim/Ticket Lobby Improvement	2021
Terminal 2 Gate Expansion	2016	2019 T1 Parking Ramp Modifications	2021
Terminal 1 Checkpoint Consolidation	2016	Crystal Reliever Airport-Runway 14R-32L & Taxiway E	2021
Terminal 1 2014/2015 Restrooms Upgrade	2016	2021 Taxiway A Pavement Reconstruction	2021
Solar Panels on Terminal 2 Parking Ramp	2016	2018 Baggage Handling System	2021
2015 Pavement Rehabilitation-Aprons	2016	2020 Baggage Claim/Ticket Lobby Improvement	2022
2016 Passenger Boarding Bridge-Phase 2	2017	2020 Concourse G Gate Infill and Delta Sky Club	2022
2016 Terminal 1 Restrooms Upgrade	2017	2021 Baggage Claim Ticket Lobby Phase 2	2022
2016 iViSN (CCTV) Improvements	2017	2021 Concourse G Apron Pavement Reconstruction	2022
2016 Concourse A/B Pre-Conditioned Air Upgrades	2017	2022 Concourse G Apron Pavement Reconstruction	2022
2016 Food Court Service Elevator Replacement	2017	2020 Baggage Claim-Ticket Lobby Improvement	2022
2017 Automated Security Lanes	2017	2022 Baggage Claim Ticket Lobby Improvement	2023
2017 Parking Structure Rehabilitation	2017	2023 Concourse G Apron Pavement Reconstruction	2023
2016 Vertical Circulation Improvements	2018	2023 Concourse G Infill - Pod 2-3 Phase 1	2023
2016 Concourse A-G Connector Bridge – Phase 1	2018	2023 30L Deicing Pad Reconstruction	2023
2016 Mezzanine HVAC/AHU Replacements &	2018	2022 EMC Roof Replacement & Break Room Remodel	2023
2018 Taxiway S Reconstruction	2018	2022 Perimeter Gate Security Improvements	2023
2017 Concourse G Rehabilitation	2018	2022 Air Handling Unit Replacement	2023
2018 Terminal 1 Main Mall Food Court Expansion	2019	2023 Baggage Claim/Ticket Lobby Improvement	2023
2018 Mezzanine HVAC/AHU Replacements &	2019	2021 Safety and Security Center Phase 1	2024
2018 Consolidated Loading Dock Facility	2019	2023 Concourse and Gatehold Modernization	2024
Delta Baggage Handling Acquisition/BHS Recontrols	2019	2024 Concourse G Apron Pavement Reconstruction	2024
2017 Baggage Handling System	2019	2023 Taxiway P Pavement Reconstruction	2024
Terminal 1 Silver Parking Ramp	2020	2023 Passenger Boarding Bridge Replacements	2024

### ACTIVITY/OPERATIONS STATISTICS

The chart below illustrates the trend in passenger activity at MSP from 2015 through 2024.



The following highlights recent activity affecting passenger revenue:

- Through 2019, the increase in passengers was due to the continued strengthening of the economy.
- In 2020, activity declined sharply as passengers shied away from flying because of the COVID-19 pandemic.

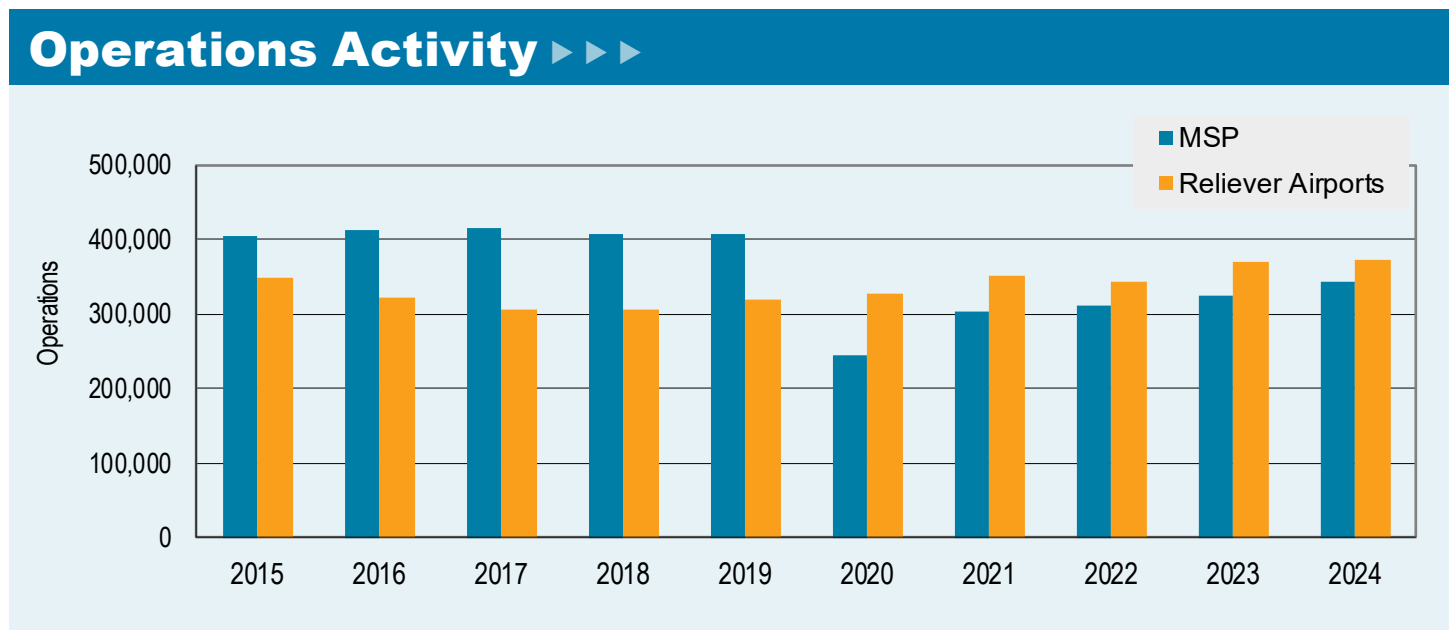
- Passenger activity from 2021 through 2024 improved with the return of passengers using air transportation for business and leisure.

Passenger activity is an important element in forecasting revenue sources such as concession revenue and auto rental revenue. Passenger counts are also used for common use, carousel and conveyor, porter services and queue line management percentages for airline billing.

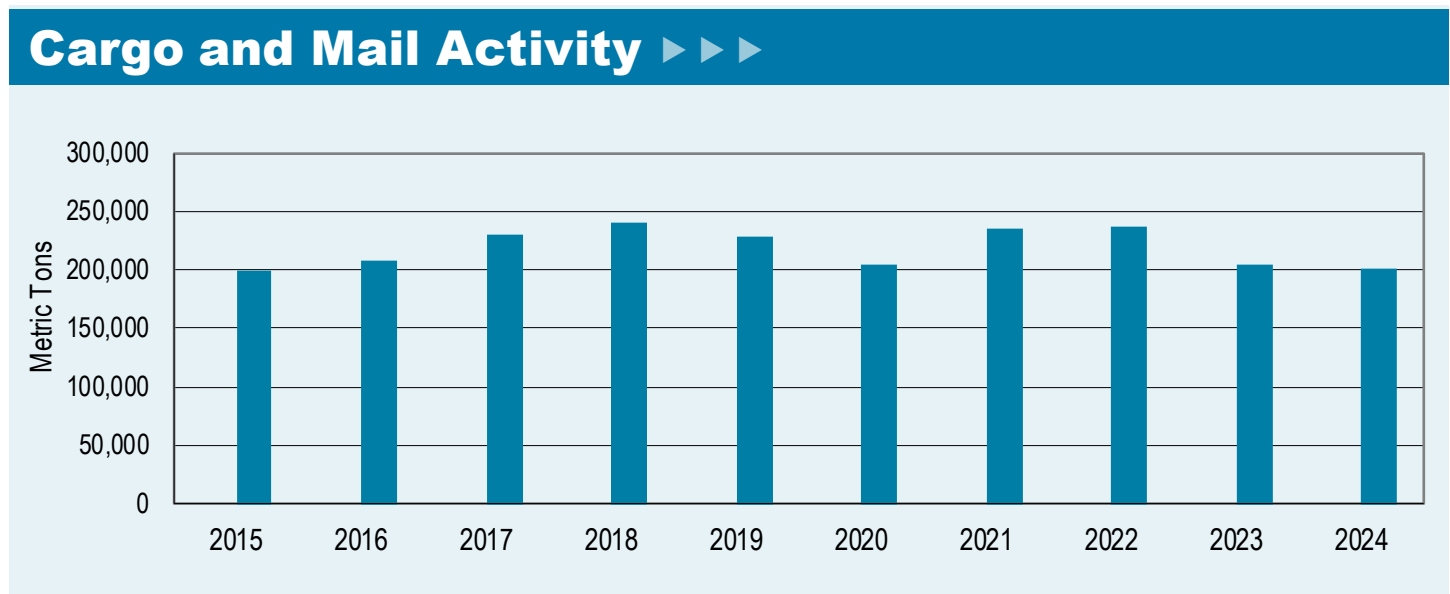


Passengers Enjoying a New Restaurant at Terminal 1

The chart below depicts the total operations activity for both MSP and the reliever airports. MSP operations declined from the pandemic in 2020 but rose each year from 2021-2024, which shows its ongoing pandemic recovery. However, commercial airlines at MSP are now using larger aircraft, reducing the number of operations. General aviation operations at the six reliever airports were not impacted by the pandemic and operations at these airports have continued to grow in recent years.



The following chart shows cargo and mail activity reacting to the economy as it rose and peaked in 2018 when the economy flourished but dipped in 2020 from the impact of the pandemic when businesses temporarily closed and furloughed staff. By 2022, air cargo peaked from online purchases. The decrease in recent years comes from the U.S. Postal Service altering the type of mail transported by air.



**INFORMATIVE FACTS ABOUT MINNESOTA**

Minnesota is a dynamic and flourishing state for a variety of reasons. The state’s culture promotes financial prosperity, as evidenced by the number of Fortune 500 companies located within Minnesota. Education rates in the state generally exceed the national average. This, in turn, reduces the state unemployment rate, increases per capita income and provides the opportunity to choose from many large employers for employment.

The Minneapolis-St. Paul International Airport is the only large hub airport serving scheduled air commerce in the eleven counties of the Minneapolis-St. Paul-Bloomington/MN-WI Metropolitan Statistical Area (MSA). The following pages share key information about the state of Minnesota.

**POPULATION**

The Population Comparison table presents the population for the United States, Minnesota and the MSA. According to the U.S. Census Bureau, Minnesota is the 22nd most populous state in the nation and has increased 5.5% in population since 2015. As indicated in the population table, approximately two-thirds of Minnesota residents are concentrated in the MSA.

The pie chart illustrates Minnesota’s population by race.

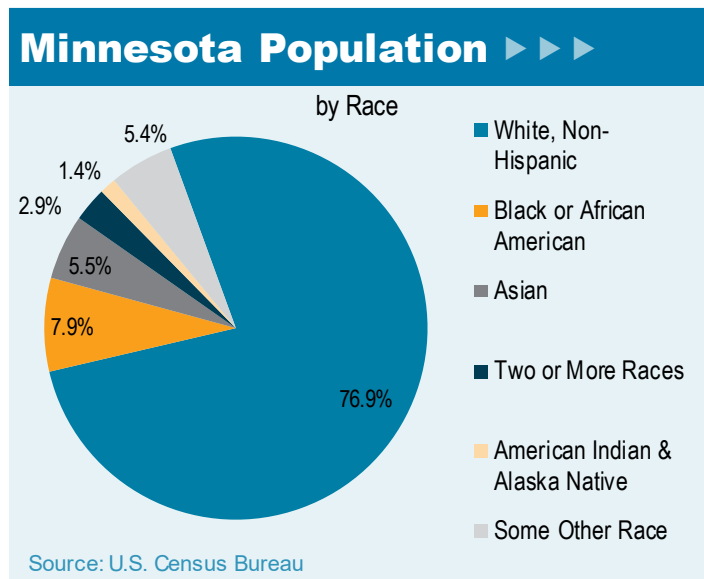
<b>Population Comparison</b> ▶▶▶				
(000)				
Year	United States	Minnesota	MSA	MSA as % of MN
2015	322,871	5,490	3,495	63.7%
2016	324,304	5,520	3,551	64.3%
2017	326,971	5,577	3,601	64.6%
2018	328,227	5,611	3,629	64.7%
2019	329,213	5,640	3,640	64.5%
2020	328,240	5,706	3,657	64.1%
2021	331,894	5,707	3,691	64.7%
2022	333,288	5,714	3,694	64.6%
2023	334,915	5,738	3,712	64.7%
2024	340,111	5,793	*	*

Sources: U.S. Census Bureau, St. Louis Fed  
 \*Data not available at time of printing  
 MN = State of Minnesota  
 MSA = Minneapolis/St. Paul Metropolitan Statistical Area

**Minnesota** ▶▶▶

By the Numbers

- 5.8M** ▶ **Population**  
Source: U.S. Census Bureau
- 17** ▶ **# of Fortune 500 companies**  
Source: Fortune.com
- \$787.7B** ▶ **Revenue generated by Fortune 500 companies**  
Source: Fortune.com
- 547K** ▶ **# of small businesses**  
Source: U.S. Small Business Administration
- 65,531** ▶ **# of farms**  
Source: U.S. Department of Agriculture
- \$72,557** ▶ **Per capita income**  
Source: Bureau of Economic Analysis
- 38.80%** ▶ **% of adults who hold a bachelors degree or higher**  
Source: U.S. Census Bureau
- 93.90%** ▶ **% of adults with a high school degree or higher**  
Source: U.S. Census Bureau



EMPLOYERS

Minnesota’s talent and innovation are highlighted by the large, prominent companies based within the state. The table below lists the 20 largest employers in the state for 2024. The world-renowned Mayo Clinic tops the list with 51,000 in-state employees. Seven additional health services employers are on the top 20 list. The remainder of the top 20 employers are from a variety of industries, including governmental services, education, financial services, retail and more. Walmart Inc. is not based in Minnesota; however, it does employ 24,400 in-state employees, ranking at number 8 on the list of top 20.

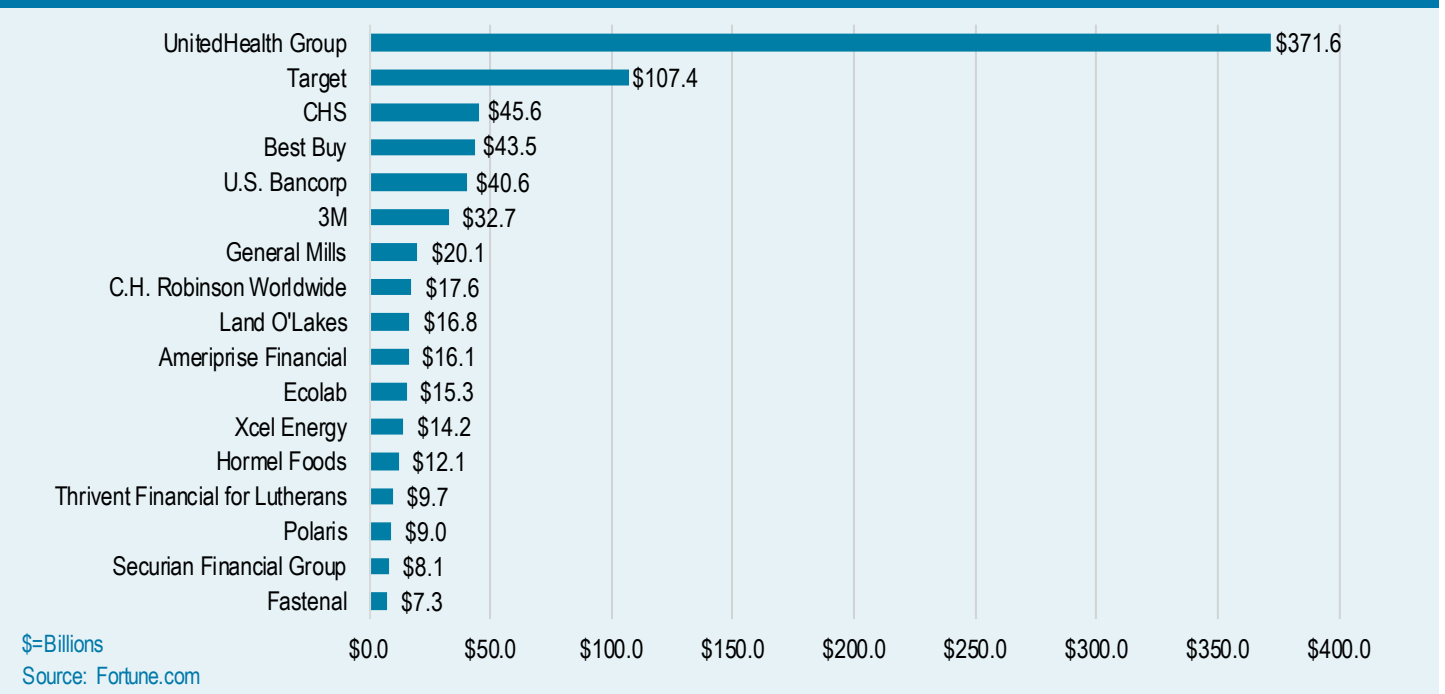
**Top 20 Largest Employers for 2024** ►►►

Rank	Minnesota Employer	# In-state Employees	Industry	Rank	Minnesota Employer	# In-state Employees	Industry
1	Mayo Clinic	51,000	Health Services	11	Minnesota State	14,600	Education
2	State of Minnesota	37,100	Governmental Services	12	U.S. Bancorp	13,000	Financial Services
3	Fairview Health Services	36,865	Health Services	13	Essentia Health	12,065	Health Services
4	Target Corporation	35,000	Retail	14	CentraCare	11,363	Health Services
5	Allina Health System	29,163	Health Services	15	U.S. Postal Service	11,217	Postal Service
6	University of Minnesota	27,875	Education	16	Wells Fargo Minnesota	11,000	Financial Services
7	HealthPartners Inc.	26,400	Health Services	17	3M Company	9,295	Manufacturing
8	Walmart Inc.	24,400	Retail	18	Hennepin County	8,848	Governmental Services
9	U.S. Federal Government	20,800	Governmental Services	19	Hormel Foods Corp.	8,190	Manufacturing
10	UnitedHealth Group Inc.	19,000	Health Services	20	Hennepin Healthcare System	7,482	Health Services

Source: Minneapolis/St. Paul Business Journal

Minnesota is home to 17 Fortune 500 companies, representing a wide variety of industries. These companies brought in \$787.7 billion in revenue during 2024 and employed 1.3 million people worldwide. The following chart recognizes the 2024 Minnesota Fortune 500 Companies ranked by revenue. UnitedHealth Group Inc. tops the chart with \$371.6 billion in revenue, followed by Target Corporation with \$107.4 billion. In addition, Minnesota is home to more than 547,000 small businesses and 65,500 farms.

**2024 Minnesota Fortune 500 Companies** ►►►





**EMPLOYMENT**

The civilian unemployment rates for both Minnesota and the MSA typically fall below the U.S. rate. The table below indicates that for the past 10 years, both the Minnesota and the MSA’s rate have remained below the U.S. rate.

According to statistics from the Minnesota Department of Employment and Economic Development (DEED), the state’s unemployment rate was 3.2% in 2024, marking a notable decline from the pandemic peak of 6.3% in 2020. As illustrated in the table below, the country, Minnesota, and the MSA experienced similar fluctuations in unemployment over the years, with the lowest rates in 2022.

<b>Civilian Unemployment Rate ►►►</b>			
	United States	Minnesota	Minneapolis-St. Paul MSA
2015	5.0%	3.8%	3.5%
2016	4.7%	3.9%	3.5%
2017	4.1%	3.5%	3.2%
2018	3.9%	3.0%	2.7%
2019	3.4%	3.3%	3.0%
2020	6.7%	6.3%	6.5%
2021	3.9%	3.7%	3.7%
2022	3.7%	2.7%	2.5%
2023	3.6%	2.8%	2.7%
2024	4.0%	3.2%	3.1%

Sources: Minnesota Department of Employment and Economic Development, U.S. Bureau of Labor Statistics

The DEED employment outlook for 2022-2032 projects the addition of around 145,000 new jobs, with Minnesota expected to reach nearly 3.3 million jobs by 2032. With the Fortune 500 companies, a wide array of employers and consistent annual job growth, Minnesota remains economically strong and vibrant.

**INCOME**

In 2023, Minnesota ranked 12th in the U.S. for per capita personal income. Minnesota’s \$72,557 per capita personal income was 103.9% of the national average of \$69,810.

<b>Per Capita Personal Income ►►►</b>			
	United States	Minnesota	Minneapolis-St. Paul MSA
2015	48,060	51,362	56,085
2016	48,971	51,990	57,172
2017	51,004	53,832	59,132
2018	53,309	56,205	61,785
2019	55,566	57,905	63,815
2020	59,123	61,328	66,526
2021	64,460	67,460	73,203
2022	66,244	69,903	76,155
2023	69,810	72,557	79,654
2024	73,426 *	75,325 *	*

\*Data unavailable at the time of publication or reported as of the third quarter.  
Sources: U.S. Bureau of Economic Analysis

For every year listed in the Per Capita Personal Income table, the MSA’s per capita personal income has been higher than the per capita personal income amount for both the nation and the state. This leads to an average higher discretionary disposable income than others throughout Minnesota and the nation. It also relates positively to the demand for air travel.

**EDUCATION**

Education is important to Minnesotans. As depicted in the bar graph, the state has a well-educated workforce. For adults 25 years of age and over, the percentage of Minnesotans with a bachelor’s and advanced degrees was 39.9%, which is 3.8% greater than the United States at 36.1%. Minnesota also exceeds the nation by 4.5% when it comes to high school graduates, those with some college education, bachelor’s and advanced degrees.

Post-secondary education opportunities in the MSA include a variety of institutions: public universities, private colleges and universities, community colleges, technical colleges and post-graduate schools. In addition, several proprietary schools offer trade and technical training in the MSA. These educational opportunities help situate Minnesota in a competitive economic position.

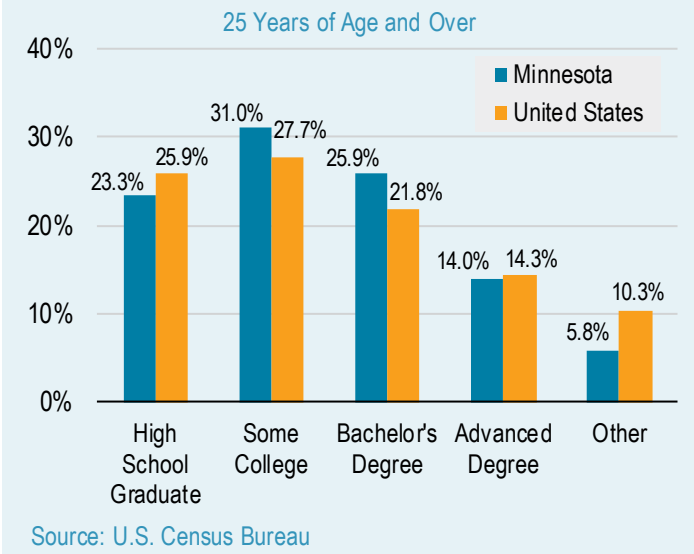
**MSP AIRPORT ACTIVITY**

The region’s economic profile affects passenger traffic at MSP. For example, the amount and type of commerce in the region may affect the level of business travel to and from MSP or the average regional personal income may affect the level of discretionary travel from MSP.

MSP is a high-activity large hub airport. Approximately 31% of its passengers were connecting in 2024, while the other 69% were origin-destination. MSP ranked 19th in the 2023 ACI-NA traffic report with 34.8 million passengers.

At the end of 2024, MSP served 37.2 million passengers, which was an increase of 2.4 million or 7.0% from 2023 total of 34.8 million passengers. The upward trend is expected to continue into 2025 as more carriers announce new and expanded routes from MSP.

**Highest Education Level** ►►►



**North American Airport**

**Rankings: Total**

**Passengers\*** ►►►

Year Ended December 31, 2023 In thousands

Rank	Airport	Passengers
1	Atlanta (ATL)	104,653
2	Dallas/Fort Worth (DFW)	81,756
3	Denver (DEN)	77,838
4	Los Angeles (LAX)	75,051
5	Chicago (ORD)	73,894
...		
17	Boston (BOS)	40,862
18	Fort Lauderdale (FLL)	35,115
19	<b>Minneapolis (MSP)</b>	<b>34,771</b>
20	New York (LGA)	32,385
21	Detroit (DTW)	31,453

\*Arriving, departing and direct transit passengers counted once  
Source: Airports Council International-North America

The table below provides the 2023 rankings for North American airports by total cargo in metric tons. Cargo traffic in 2023 at MSP decreased by 32 metric tons to 204 tons compared to 2022 at 236 metric tons. MSP remained in the 29th position, consistent with its ranking in 2022.

North American Airport Rankings: Total Cargo* ►►►		
Year Ended December 31, 2023		In thousands
Rank	Airport	Cargo
1	Memphis (MEM)	3,881
2	Anchorage (ANC)	3,380
3	Louisville (SDF)	2,728
4	Miami (MIA)	2,526
5	Los Angeles (LAX)	2,131
...		
28	Baltimore (BWI)	244
29	Washington (IAD)	213
29	<b>Minneapolis (MSP)</b>	<b>204</b>
30	Orlando (MCO)	193
31	Calgary (YYC)	178

\*Loaded and unloaded freight and mail in metric tons  
Source: Airports Council International-North America (ACI-NA)

The table to the right indicates which air carriers provide service at MSP. As of January 1, 2025, MSP is served by 43 air carriers, including 18 U.S. flag carriers providing scheduled service, 16 all-cargo service carriers and nine foreign-flag carriers.

As of December 31, 2024, MSP had service to 163 destinations. Of these, 94 were competitive, with at least two airlines offering scheduled service to the destination. In 2023, there were 85 competitive destinations out of 156 total served, which is an increase from 2022 with 75 competitive out of 145 total served. The 2024 statistics show that air travel is progressing and expected to continue during 2025.

Air Carriers Serving MSP <sup>1</sup> ►►►	
As of January 1, 2025	
U.S. Flag Carriers	Foreign Flag Carriers
Air Wisconsin Airlines*	Aer Lingus*
Alaska Airlines*	Air Canada*
Allegiant Air*	Air France*
American Airlines*	Icelandair*
Delta Air Lines*	Jazz Aviation*
Denver Air Connection*	KLM Airlines*
Endeavor Air*	Lufthansa Airlines*
Envoy Air*	WestJet Airlines*
Frontier Airlines*	WestJet Encore*
Horizon Air*	All Cargo Service
Mesa Airlines*	
PSA Airlines*	ABX Air Services*
Republic Airlines*	Air Transport International*
Sky West Airlines*	Atlas Air*
Southwest Airlines*	Amerijet International
Spirit Airlines*	Bemidji Aviation Services*
Sun Country Airlines*	CSA Air
United Airlines*	Encore Air Cargo*
	Federal Express*
	IFL Group
	Kalitta Air*
	Mesa Air Group*
	Mountain Air Cargo
	Sun Country* - Prime Air
	Southern Air
	Swift Cargo
	United Parcel Service*

<sup>1</sup>Excludes carriers reporting fewer than 1,000 enplaned passengers per annum  
\*Air carriers that are signatory airlines to the Airline Lease Agreement

Additionally, three branches of the U.S. Armed Forces are represented at MSP: the Air Force Reserve 934th Tactical Airlift Group, the Marine Air Reserve Training Detachment and the Naval Air Reserve-Twin Cities Center. The Minnesota Air National Guard 133rd Tactical Airlift Group is also located at MSP.



Photo by Lane Pelovsky Courtesy of Meet Minneapolis

## TOURISM AND ATTRACTIONS

The Minneapolis-St. Paul area has numerous tourist attractions and local activities:

- ▶ The Mall of America is the nation's largest shopping center and entertainment complex. It receives 40 million visitors per year, 40% of whom are tourists. The 4.2 million square foot facility generates \$2 billion of annual economic activity.
  - ▶ Nationally renowned cultural organizations include the Guthrie Theater, Children's Theater Company, Minnesota Orchestra, St. Paul Chamber Orchestra, Minnesota Opera, Walker Art Center and Minneapolis Institute of Art.
  - ▶ Broadway shows and other cultural events are hosted by the State Theater, Orpheum Theatre and Ordway Theatre.
  - ▶ Eight major teams play professional sports in the Twin Cities: the Minnesota Twins (baseball), Minnesota Vikings (football), Minnesota Timberwolves (men's basketball), Minnesota Lynx (women's basketball), Minnesota United (men's soccer), Minnesota Aurora (women's soccer), Minnesota Wild (men's hockey) and Minnesota Frost (women's hockey). Home to the Minnesota Vikings, U.S. Bank Stadium opened in downtown Minneapolis in 2016. The stadium hosted the NFL's Super Bowl LII game in 2018 and the NCAA Men's Final Four basketball tournament in 2019. Allianz Field in St. Paul, which is home to the Minnesota United, opened in 2019.
- ▶ University of Minnesota Gophers participate in the Big Ten Conference in a number of sports including basketball, hockey, football and soccer.
  - ▶ Minnesota boasts more than 10,000 lakes and 136,000 acres of parks, trails and wildlife management areas. The state is renowned for its wide variety of outdoor activities, including sailing, fishing, skiing and hunting.
  - ▶ Popular local activities in Minnesota include the following annual events: Minnesota State Fair, Minneapolis Aquatennial and St. Paul Winter Carnival.

## CURRENT MSP INFORMATION

- ▶ The MSP Airport Surveillance radar sweeps the sky once every 4.8 seconds.
- ▶ Runway 17-35 and its taxiways contain enough concrete to build a sidewalk from Minneapolis to New Orleans.
- ▶ Runway 12R-30L is 10,000 feet long by 200 feet wide, which equates to two million square feet of concrete. The MAC runway snow removal team can clear the runway of snow in fewer than 10 minutes.
- ▶ The MAC operates one of the nation's most extensive airport noise mitigation programs around MSP. Since 1992, the Commission has spent approximately \$500 million providing mitigation to 19 schools, more than 15,000 single-family homes and more than 3,300 multi-family units.
- ▶ There are approximately 18.3 acres of parking lots at MSP and 28,419 parking stalls.
- ▶ MSP has 20 miles of airport security fencing, 50.5 acres of trees, shrubs and perennials, 119 acres of landside grass and 1,000 acres of airside turf.
- ▶ The four runways at MSP could fit just under 127 football fields.

# MAC FACTS



1917

A landing strip for airmail service is built on the site of the bankrupt Twin Cities Motor Speedway. It is later renamed Wold-Chamberlain Field.

*Photo: Aerial view of the speedway*

Northwest Airways wins the contract for airmail service to Chicago and bases operations at Wold-Chamberlain Field.

St. Paul develops Holman Field in an effort to give its businesses a competitive edge.

1926

1927

Northwest Airways' first passenger flight occurs. The \$50 flight to Chicago includes stops in La Crosse, Madison and Milwaukee.

The Minneapolis Park Board buys Wold-Chamberlain Field.

*Photo: The first U.S. Air Mail building at Wold-Chamberlain Field*

1928



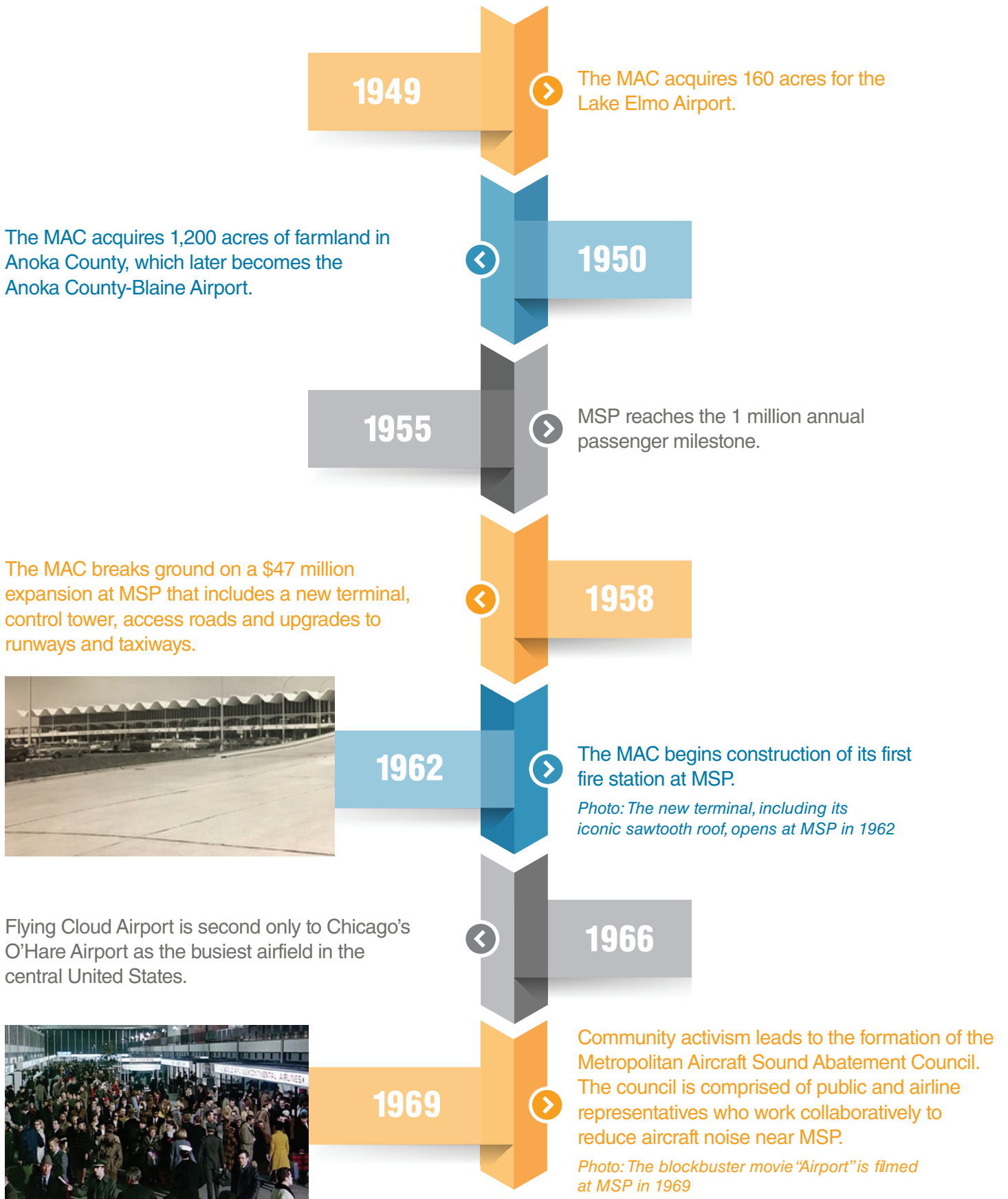
1943

Minnesota passes legislation to form the Minneapolis-St. Paul Metropolitan Airports Commission

Wold-Chamberlain gets a new name, becoming the Minneapolis-St. Paul International Airport. The MAC acquires Crystal Airport and Flying Cloud Airport.

1948

FACTS Continued on next page



**FACTS** Continued on next page



1976

The Hubert H. Humphrey Charter Terminal opens at MSP and serves around 60 international charter flights per month.

*Photo: The original Hubert H. Humphrey charter terminal in the late 1970s*

The MAC acquires Airlake Airport in Lakeville, adding a second airport with an instrument landing system.

1979

1981

The MAC completes the first of 19 school noise mitigation projects.

A new seven-level, \$20 million parking ramp opens at Terminal 1 with 2,000 spaces.

1984

1989

The Minnesota Legislature directs the MAC to take on a “dual track” review of growth strategies, studying both expanding MSP’s existing capacity and building a new airport beyond existing suburban development.

Minnesota approves a \$761 million financial assistance package for Northwest Airlines.

*Photo: MAC’s Executive Director Jeff Hamiel (right) meets with U.S. Secretary of Transportation Sam Skinner in the early 1990s*

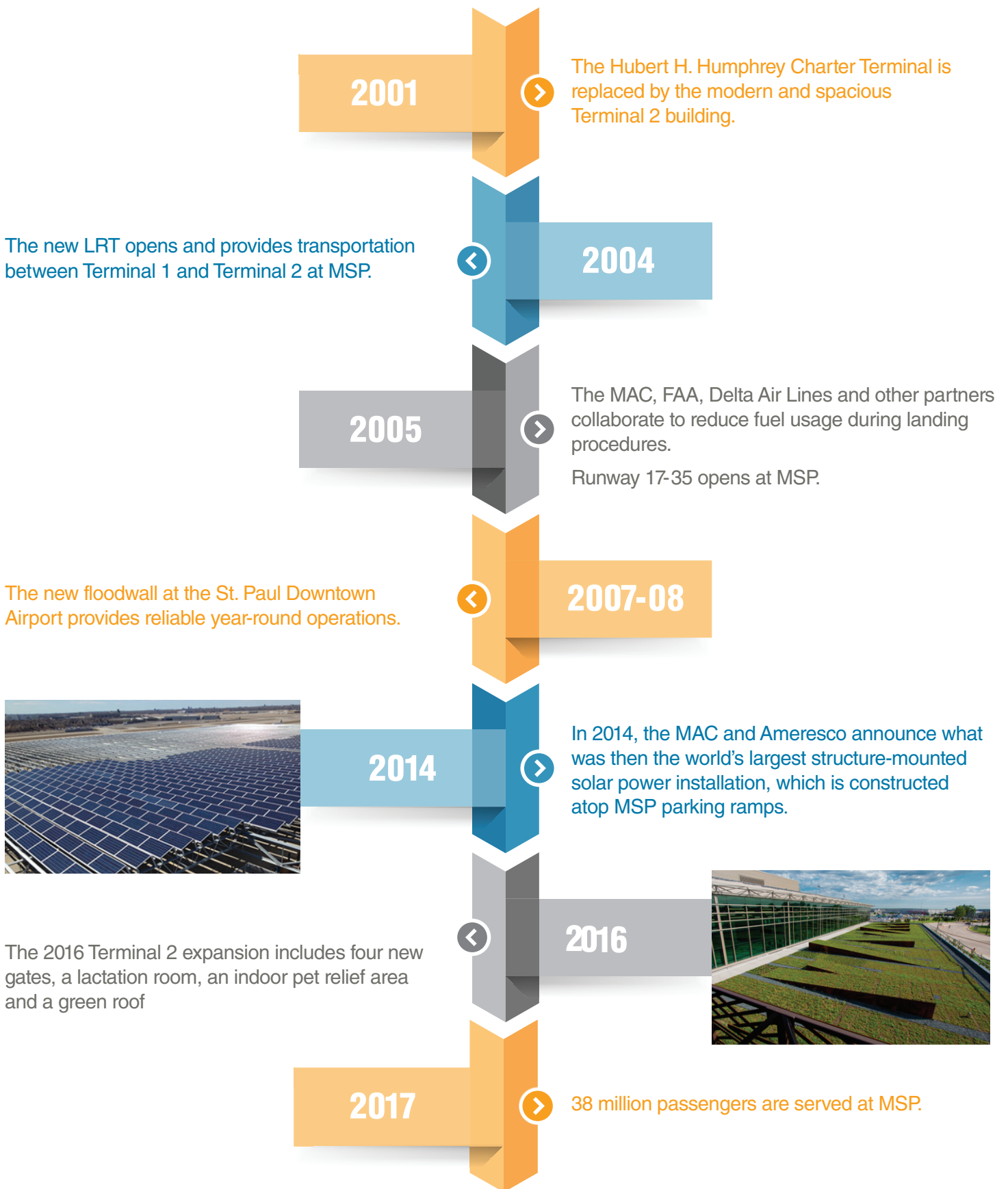
1991



1996

MAC Board of Commissioners votes 11-3 on the Dual Track study to recommend expansion of the existing MSP airport.

FACTS Continued on next page





Minneapolis hosts Super Bowl LII. On “Getaway Day,” there are 60,455 screenings at MSP checkpoints, making it the busiest day ever at MSP. More than 1,100 private planes utilize the MAC’s seven airports during the week of events.



2018



2020

MSP is named the best airport in North America by Airports Council International for the 4th consecutive year.

Operations at the MAC’s six general aviation airports grew by 8% in 2021, over 2020, and experienced double-digit growth between 2019 and 2021.

2021



2022

Lake Elmo Airport debuts new runway. The latest investment in Twin Cities Reliever Airport System improves operations and safety.

2023

MSP’s third Delta Air Lines Sky Club opened as part of the Concourse G expansion between gates G17-G22. The project added modern terminal features, including a wider corridor, a light-filled rotunda, terrazzo flooring, more gate seating and restrooms, as well as several new concession options.



2024

Ranked #1 in Customer Satisfaction for Mega Airports

For J.D. Power 2024 Award Information, visit [JDPower.com/awards](https://www.jdpower.com/awards)

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# GLOSSARY

## 4WD

4-Wheel Drive

## ACA

Airport Carbon Accreditation

## ACCRUAL BASIS

The accrual basis of accounting attempts to record financial transactions during the period in which they occur rather than recording them during the period in which they are paid.

## ACI

Airports Council International

ACI represents the collective interests of airports around the world to promote excellence in the aviation industry.

## ACI-NA

Airports Council International-North America

ACI-NA represents local, regional and state governing bodies that own and operate commercial airports in the United States and Canada.

## AD VALOREM

An ad valorem tax is a tax in which the amount is based on the value of property. The MAC has the power to levy an ad valorem tax on the seven-county metropolitan area for payment of General Obligation Revenue Bonds.

## ADA

Americans with Disabilities Act

The ADA prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications and governmental activities. The ADA also establishes requirements for telecommunications relay services.

## ADO

Airport Director's Office

## AFFF

Aqueous Film Forming Foam

## AGIS

Airports Geographic Information System

## AHU

Air Handling Units or Air Handler

## AIR OPERATIONS AREA/AOA

Any area of the airport used or intended to be used for landing, taking off, or surface maneuvering of aircraft. It is intended for use by persons for the operation of aircraft, ground support vehicles and other authorized vehicles related to airport operations and includes all exclusive leasehold areas.

## AIRLINE R & R

Airline Repair and Replacement Surcharges

Repair and Replacement Surcharges are a component of airline rates and charges.

## AIRLINE USE AGREEMENT

Rates and charges revenue collected from the airlines are governed by the Airline Use Agreement and corresponding amendments.

## AIRPORT FOUNDATION MSP

The Airport Foundation MSP is a 501 (c) (3) public charity, a non-profit organization serving the Minneapolis-St. Paul International Airport community and traveling public. Its mission is to elevate the travel experience and support the aviation community.

## AIRSIDE

Airports are divided into landside and airside areas. Airside is the area at the airport where aircraft movement and related activity is conducted. This area is not open to the public and is tightly controlled.

## ALP

Airport Layout Plan

An Airport Layout Plan is a graphical representation of the existing and proposed airport land, terminal and other facilities and structures owned by the airport. The ALP includes drawings and a narrative that includes basic aeronautical forecasts, basis for proposed items of development, environmental factors and other specifications.

## AMORTIZATION

Amortization is the systematic allocation of a balance sheet item to an expense or revenue on the income statement.

## AOA

Air Operations Area (see Air Operations Area for definition)

- APD**  
Airport Police Department
- ARFF**  
Aircraft Rescue and Fire Fighting
- ARPA**  
American Rescue Plan Act  
American Rescue Plan Act of 2021 provides economic relief to airports to prevent, prepare for and respond to the COVID-19 pandemic, including relief from rent and minimum annual guarantees for eligible airport concessions at primary airports.
- ASQ**  
Airport Service Quality
- AUDIT**  
A formal examination of an organization's accounts or financial situation.
- AWOS**  
Automated Weather Observing System
- BALANCED BUDGET**  
Minnesota Statute 473.661, Subd. 1 refers to the general law regarding expenditure of public funds for public purposes. The appropriate Minnesota Legislative Committee and the public provide input prior to the budget approval. By December of each year, the Commission will adopt an annual balanced budget, defined as all revenues and non-operating revenues exceeding expenses and non-operating expenditures in all funds. Year-end operating surpluses will be used in maintaining reserves and may be available to the Construction Fund for capital projects or as designated by Commission approval.
- BHS**  
Baggage Handling System
- BOND**  
A bond is a formal promise to pay a specified principal at a future date along with specified periodic interest on that principal.
- BREAKEVEN**  
Breakeven is a revenue calculation where the revenue will equal the expenses coded to that service center with a true up calculation at year-end.
- BUDGET**  
A budget is an itemized summary of projected income and expenditure over a specified period.
- CAPITAL EQUIPMENT**  
Equipment with a cost of at least \$25,000 will be capitalized and depreciated.
- CAPITAL EXPENDITURE**  
A capital expenditure is money spent by the MAC to acquire or maintain fixed assets, such as land, buildings and equipment.
- CAPITAL PROJECTS FINANCIAL POLICY**  
The Capital Projects financial policy explains the capital projects process where the Commission reviews, revises, and adopts a CIP plan. This policy addresses MAC requirements for capital project needs and priorities and guidelines for equipment purchases.
- CBP**  
Customs and Border Protection
- CCTV**  
Closed Circuit Television
- CEO**  
Chief Executive Officer
- CFC**  
Customer Facility Charge  
A CFC is an on-airport rental car assessment. The assessment allows the MAC to recover the rental car portion of capital costs associated with the construction of the auto rental facilities, as well as certain maintenance costs related to those facilities.
- CIO**  
Chief Information Officer
- CIP**  
Capital Improvement Program  
The CIP is a seven-year plan relating to construction projects in the MAC's system of airports. The CIP's current budget year includes projects that are reasonably defined for implementation during that year. The next budget year includes projects identified as a need or potential need in that year of the program but require further study in order to properly determine the scope, feasibility and cost of the project. The final five years consist of projects that appear to be needed during that period. This portion assists in financial planning and meets the requirements of the Metropolitan Council's Investment Framework.
- COMMISSION**  
Metropolitan Airports Commission or the Board of Commissioners

**CONCOURSE**

A concourse is the long hallway-like structure where loading and unloading of passengers takes place.

**CONNECTING PASSENGERS**

Connecting passengers fly to MSP and transfer to another flight enroute to their final destination.

**CONSTRUCTION FUND**

The Construction Fund is used to pay capital costs associated with the Capital Improvement Program.

**COVID-19****Coronavirus Disease 2019**

COVID-19 is caused by a novel coronavirus first identified in China in December 2019. Coronaviruses, named for the crown-like spikes on their surfaces, are a large family of viruses that are common in people and many different species of animals, including camels, cattle, cats and bats. There are many types of human coronaviruses, including some that commonly cause mild upper-respiratory tract illnesses.

**CPE****Cost Per Enplanement****CRM****Customer Relationship Management**

CRM is a key tool for delivering great customer service and improving efficiency. It helps the MAC manage interactions with current and potential customers by bringing together customer data, improving communication, automating tasks and boosting sales and engagement.

**CSO****Community Service Officers****DBE****Disadvantaged Business Enterprise****DEBT SERVICE**

Debt service is an issuer's obligation to repay the principal and interest.

**DEBT SERVICE AND RESERVE FINANCIAL POLICY**

The Debt Service and Reserve financial policy exists to ensure that the MAC is able to issue GORBS and GARBS at fixed and variable rates and that funds are managed to avoid any property tax levy. This policy includes guidelines such as maintaining the highest possible rating available from the rating agencies. The policy also addresses reserve requirements, debt limits and revolving line of credit.

**DEBT SERVICE FUND**

The Debt Service Fund is used to pay required debt principal and interest payments.

**DEED****Department of Employment and Economic Development with the State of Minnesota****DEFEASE**

Defeased bonds are refunded or paid off prior to the maturity date.

**DEPARTMENT**

Departments are usually combinations of service centers. The term is sometimes used interchangeably with the term "service center."

**DEPRECIATION**

This accounting process allocates the cost expiration of tangible plant, property and equipment. The cost is allocated against periodic revenue over the useful life of the asset.

**DERIVATIVE DEBT**

A derivative is a financial contract whose value is derived from the performance of some underlying market factors.

**DESTINATION PASSENGERS**

Destination passengers arrive at MSP and do not transfer to another flight.

**ECC****Emergency Communications Center****ECONOMIC GAIN**

In terms of bond refunding's, economic gain is the difference between the present values of the debt service payments on the old and new debt.

**EMAS****Engineered Material Arresting System**

EMAS is a soft ground arrester system that is an alternative solution for runways that have less than the required safety area. It is designed not to deform under normal ground vehicle loads.

**EMC****Energy Management Center****ENPLANED PASSENGERS**

Enplaned passengers are the number of passengers boarding an aircraft, including originating and connecting passengers.

**ENTERPRISE FUND**

“Enterprise fund” is a governmental accounting term referring to a fund that provides goods or services to the public for a fee, similar to a commercial enterprise. The MAC uses enterprise fund accounting. The MAC’s cost of providing goods or services to the general public on a continuing basis includes expenses and depreciation. These costs are to be financed or recovered primarily through user charges so operating and capital expenses are paid from revenues generated by users.

**EPIC****Enterprise Process Improvement Committee**

This committee was established in 2023 to support the MAC’s strategic plan goals to improve processes and implement organizational efficiencies.

**ERT****Emergency Response Team****ESSENTIAL AIR SERVICE FLIGHTS**

The Essential Air Service program was put into place to guarantee that small communities that were served by certificated air carriers before airline deregulation maintained a minimal level of scheduled air service after deregulation was enacted. The U.S Department of Transportation is mandated to provide eligible communities with access to the National Air Transportation System. This is generally accomplished by subsidizing two round trips a day with 30 to 50 seat aircraft, or additional frequencies with smaller aircraft, usually to a large- or medium-hub airport. The Department currently subsidizes commuter and certificated air carriers to serve approximately 65 communities in Alaska and 112 communities in the lower 48 contiguous states that otherwise would not receive any scheduled air service.

**EVIDS****Electronic Visual Information Displays**

EVIDs include various kinds of electronic displays operated by the Commission. Displays include MUFIDS displays, digital directories, LED signs over the ticket counters and the variable message displays which are programmed to show a message.

**F3****Fluorine-Free Foam****FAA****Federal Aviation Administration**

The FAA’s mission is to provide the safest, most efficient aerospace system in the world. This translates into a variety of roles, including regulating civil aviation; developing and operating a system of air traffic control and navigation; and developing and carrying out programs to control environmental effects of civil aviation.

**FICA****Federal Insurance Contributions Act****FINANCIAL POLICIES**

The financial policies provide structure and ensure the development of the MAC budget meets its purpose, values, focus areas and goals. The financial policies are the Operating Budget, Investment/Cash Management, Capital Projects, Purchasing and Debt Service and Reserve.

**FIS****Federal Inspection Station or Federal Inspection Services****FREQUENT FLYERS**

Frequent Flyers are passengers who travel by air regularly and can be part of an airline program in which they earn points for free flights.

**FTE****Full-Time Equivalent Employee**

The MAC allocates employee headcount in terms of the equivalent number of full-time employees.

**FUND BALANCE**

In a fund at a given point in time, the fund's assets less its liabilities is equal to the fund balance. The fund balance is positive when its assets exceed liabilities. The balance is negative when its liabilities exceed assets. Additionally, a fund balance may be designated as unreserved or reserved. Unreserved fund balances are free to be authorized for future expenditures, while reserved balances may not be designated for future expenditures. Fund balances are residual amounts and may not be a cash amount.

**FUNDS**

The Commission segregates its accounting into three funds: Operating, Debt and Construction.

**GAAP****Generally Accepted Accounting Principles**

Generally Accepted Accounting Principles are a set of rules that encompass the details, complexities and legalities of accounting. The Financial Accounting Standards Board uses GAAP as the foundation for its comprehensive set of approved accounting methods and practices.

**GARBS****General Airport Revenue Bonds**

GARBs are bonds secured by the pledge of all operating revenues of the Commission.

**GASB****Governmental Accounting Standards Board****GASB 34**

GASB 34 established comprehensive, new financial reporting requirements for governmental units. Under GASB Statement No. 34, the Commission is a special purpose government unit engaged primarily in business type activities. As a result, the Commission prepares its financial statements using the accrual basis of accounting.

**GASB 68**

GASB 68 revised and established new financial reporting requirements for most state and local governments that provide their employees with pension benefits. In compliance with GASB 68, the MAC recognizes its long-term obligation for pension benefits as a liability and takes a more comprehensive measurement of the MAC's annual costs of pension benefits.

**GBAS****Ground Based Augmentation System**

A GBAS improves Global Positioning System signal accuracy and reliability for aircraft navigation. It uses ground stations to send real-time corrections to planes, enabling more precise landings and approaches, especially in bad weather or challenging conditions, enhancing safety and efficiency.

**GENERAL AVIATION AIRPORTS**

General aviation airports are public-use airports that do not have scheduled service or have scheduled service with less than 2,500 passenger boardings each year.

**GFOA****Government Finance Officers Association****GO****MAC General Office****GO (Debt)****General Obligation Bond****GOAL**

A goal is a long-term and general in nature target that the commission is trying to achieve to fulfill the strategic plan.

**GORBS****General Obligation Revenue Bonds**

GORBs are general obligations of the Commission. Payments of these bonds are secured by the pledge of all operating revenues of the Commission. The Commission has the power to levy property taxes upon all taxable property in the seven-county Metropolitan Area in order to pay debt service on outstanding GORBs. The Commission does not currently have any outstanding GORBs.

**GSE****Ground Service Equipment****GTC****Ground Transportation Center****HIDTA****High Intensity Drug Trafficking Areas****HR****Human Resources Department****HVAC****Heating, Ventilation and Air Conditioning**

<b>IAF</b> International Arrivals Facility or International Arrival Fees	<b>LWSW</b> Live Well, Stay Well This is a service center within the Executive Division that encourages, educates and supports employees in making healthier life choices and strives to create a positive impact on employee morale and productivity.
<b>IMACS</b> Intelligent Monitoring and Control Systems	<b>MAC</b> Metropolitan Airports Commission Created in 1943 by Minnesota state law, the MAC is a public corporation providing coordinated aviation services throughout the Twin Cities metropolitan area. The MAC operates one of the largest airport systems in the nation, which includes MSP and six general aviation airports. A 15-member Board of Commissioners appointed by Minnesota's Governor and the Mayors of Minneapolis and Saint Paul establishes the Commission's policies. These policies are implemented by the Commission's senior leadership and staff.
<b>INTEREST</b> Interest is the cost of borrowing money and is paid to the lending institution.	<b>MACNET</b> MAC Network The MAC's computer network, which is the system of transmitting information across the MAC community.
<b>INVESTMENT/CASH MANAGEMENT FINANCIAL POLICY</b> The Investment/Cash Management financial policy addresses cash management, investment purchasing and collateral requirements.	<b>MCD</b> Maintenance, Cleaning and Distribution The MAC provides maintenance and holds the contracts for cleaning and distribution services utilized by food, beverage, news and retail concessions and airline clubs. These concessionaires pay MCD fees to the MAC in lieu of individually contracting these services.
<b>IOC</b> Integrated Operations Center	<b>METROPOLITAN COUNCIL</b> Also known as the Met Council, it is the metropolitan regional planning agency.
<b>IT</b> Information Technology or Information Technology Department	<b>MFE</b> Multi-Function Equipment MFE refers to specialized machinery that integrates multiple snow removal functions, such as plowing, sweeping, and de-icing, to efficiently maintain airport operations during winter weather conditions.
<b>IVISN</b> Integrated Video and Information System Network	<b>MINNEAPOLIS-ST. PAUL METROPOLITAN AREA</b> The counties surrounding MSP: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. The area includes the cities of Minneapolis and St. Paul.
<b>KPI</b> Key Performance Indicator KPIs track progress toward MAC goals and objectives set by each division, which will help the organization achieve the Enterprise Strategic Plan.	
<b>LANDSIDE</b> Airports are divided into landside and airside areas. Landside is that portion of the airport designated to serve passengers and includes terminal buildings and parking ramps.	
<b>LED</b> Light-Emitting Diode	
<b>LF</b> Lineal Foot	
<b>LRT</b> Light-Rail Transit	
<b>LTCP</b> Long-Term Comprehensive Plan LTCP include projects that enhance or expand the airport facilities in order to meet existing or forecasted operational needs.	



**MNDOT**

Minnesota Department of Transportation

**MSA**

Metropolitan Statistical Area

A Metropolitan Statistical Area is a core area delineated by the United States Office of Management and Budget and contains substantial population centers. In conjunction with adjacent communities, they have high degrees of economic and social integration with those population centers.

**MSP**

Minneapolis-St. Paul International Airport

MSP refers to the total airport facility.

**MSP FOUNDATION**

The Airport Foundation MSP was incorporated in 1982 as the Metropolitan Public Airport Foundation as a non-profit organization by leaders of Minnesota aviation, business, hospitality, airline and travel communities. In 2006, the name was officially changed to Airport Foundation MSP who dedicates itself to enhancing the experience and exceeding the expectations of travelers at MSP as well as supporting the airport and broader aviation community.

**MUFIDS**

Multi-User Flight Information Display Systems

**N/A**

Not Applicable

**NAVAID**

Navigation Aid

**NOISE AMORTIZATION**

Amortization allocates the cost of an intangible asset over a period of years. The MAC amortizes the cost of Part 150 noise mitigation projects.

**NON-ORGANIZED EMPLOYEES**

All employees not represented by a labor union.

**NON-SIGNATORY**

Carriers and airlines who have not signed the Airline Agreement.

**NORTH STAR CENTER/NSC**

North Safe and Tactical Alignment of Resources (STAR) Center

**NOTES PAYABLE**

A notes payable is a written promissory note through which a borrower obtains a specified amount of money from a lender and promises to pay it back with interest over the time period designated in the note.

**NPS**

Net Promoter Score

A Net Promoter Score (NPS) is a research metric that is based on a survey question asking employees to rate the likelihood that they would recommend MAC as a place to work. The scale of responses ranges from 0 to 10 and are categorized as: 0 to 6 are detractors, 7 to 8 are passive promoters and 9 to 10 are promoters. The NPS is determined by the percent of promoters minus the percent of detractors.

**OBJECT FREE AREA/OFA**

The runway object free area is centered on the runway centerline. The runway OFA clearing standard requires clearing the OFA of above ground objects protruding above the runway safety area edge elevation.

**OBJECTIVE**

An objective is a short-term and specific target in which effort is directed to reach a larger, broader goal.

**OF&A COMMITTEE**

Operations, Finance & Administration Committee

The OF&A Committee is composed of Commissioners meeting on a monthly basis. This Committee is one of the two standing Committees of the Metropolitan Airports Commission. All financial information is reported and acted upon at this committee meeting.

**OPEB**

Other Post-Employment Benefit

**OPERATING BUDGET FINANCIAL POLICY**

The Operating Budget financial policy is used to plan for the future, ensure customer service and satisfaction and maintain effective cost management and overall performance. This policy addresses operating budget policies and procedures, budget targets, the budget amendment process, establishing operating reserves, monitoring revenue, basis of budgeting and accounting, adopting a balanced budget, use of estimates and budget monitoring.

**OPERATING FUND**

The Operating Fund is used for day-to-day operations.

**OPERATION**

An operation is an aircraft takeoff or landing.

**ORGANIZED EMPLOYEES**

Work areas or employees which are represented by a labor union contract.

**ORIGINATING PASSENGER**

An originating passenger is a passenger initiating travel from MSP.

**OSHA****Occupational Safety and Health Administration**

OSHA was created by Congress in 1970 to assure safe and healthful working conditions for workers. OSHA sets and enforces standards and provides training, outreach, education and assistance.

**PAPI****Precision Approach Path Indicator****PART 139****FAA Regulation Part 139**

Federal Aviation Administration Regulation Part 139 requires the FAA to issue airport operating certificates to airports that serve scheduled and unscheduled air carrier aircraft with more than 30 seats, serve scheduled air carrier operations in aircraft with more than 9 seats but fewer than 31 seats and those that the FAA requires to have a certificate. Airport operating certificates serve to ensure safety in air transportation. To obtain a certificate, an airport must agree to certain operational and safety standards and provide such items as firefighting and rescue equipment.

**PD&E COMMITTEE****Planning, Development & Environment Committee**

The PD&E Committee is composed of Commissioners meeting on a monthly basis. This Committee is one of the two standing Committees of the Metropolitan Airports Commission.

**PERCENT FOR THE ARTS PROGRAM**

MSP Arts and Culture Program is developed and operated in partnership by MAC and the Airport Foundation MSP. The mission of the MSP Arts and Culture Program is to enhance MSP's image, enrich the public experience, and promote a sense of place through arts and culture.

**PFAS****Per- and Polyfluoroalkyl Substances****PFC****Passenger Facility Charge**

A PFC is an authorization by Congress which allows proprietors of commercial service airports, such as the MAC, to impose a passenger facility charge upon revenue passengers enplaning at those airports. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers, to mitigate noise impacts and to expand airport system capacity.

**PURCHASING FINANCIAL POLICY**

The Purchasing financial policy ensures all acquisition of materials, services and equipment to meet the needs of end users with the most efficient use of MAC resources. This policy addresses the use of commercial card program for MAC staff, disposition of MAC property and purchasing guidelines to ensure all purchases comply with state and federal laws.

**R & R****Repair and Replacement Surcharges**

Repair and Replacement Surcharges are a component of airline rates and charges.

**RAMP FEES**

Ramp fees are charged to a particular airline for exclusive use of a specific area of ramp, calculated by dividing the total estimated costs by the number of lineal feet of ramp space.

**REIMBURSED EXPENSE**

Reimbursed expenses are costs paid by the Commission which are billed back to tenants or paid to the MAC by outside sources. Reimbursement receipts are recorded in "Other Revenue."

**RELIEVER AIRPORTS**

These airports provide facilities for general aviation activity and reduce traffic and congestion at large airports. The MAC owns six reliever airports: St. Paul Downtown, Flying Cloud, Crystal, Anoka County-Blaine, Lake Elmo, and Airlake Airports.

**RESIDUAL**

Residual is a breakeven revenue calculation where the revenue will equal the expenses coded to that service center with a true up calculation at year-end. Landing fees and ramp fees are examples of residual revenue.

**REVOLVING LINE OF CREDIT**

Through a revolving line of credit, a borrower is granted a maximum credit limit that allows them to borrow repeatedly up to the limit. It is often used by business for capital projects and to ensure cash flow.

**RIDS**

Ramp Information Display Systems

**RSS**

Requisition Self Service

**SELF-LIQUIDATING**

Self-liquidating fees are received for rental facilities constructed for a specific airline or tenant. Leases or lease amendments are negotiated for each facility to assure that the payment of all associated costs of constructing, financing and maintaining it are reimbursed to the MAC.

**SENIOR LIEN**

A senior lien bond holds priority over other bonds for payments.

**SERVICE CENTER**

A service center is the MAC's terminology for a cost center used to track revenue or expenses.

**SIGNATORY AIRLINES**

Signatory airlines are carriers and airlines who have signed the Airline Agreement. They include major, commuter, charter and cargo or freight carrier categories.

**STP**

St. Paul Downtown Airport

**SUBLEDGER**

A subledger is a term used by the MAC to group expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

**SUBORDINATE LIEN**

A subordinate lien bond ranks below senior lien bonds in terms of claims on payments.

**SUV**

Sports Utility Vehicle

**T1**

Terminal 1

**T2**

Terminal 2

**TAXIWAY**

Taxiways are paved airfield areas primarily used for ground movements of aircraft to, from and between runways, ramps and storage areas.

**TNC**

Transportation Network Company

**TSA**

Transportation Security Administration

**VAV**

Variable Air Volume

**WORKING CAPITAL**

Working capital is the change in current assets minus the change in current liabilities.

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