



# 2023 OPERATING BUDGET

METROPOLITAN AIRPORTS COMMISSION ▶ MINNEAPOLIS-SAIN T PAUL, MN



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# TABLE OF CONTENTS



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- ▶ **EXECUTIVE SUMMARY..... page 5**
  - ▶ Budget Targets ..... 5
  - ▶ Fund Overview..... 5
  - ▶ Consolidated Enterprise Fund..... 6
  - ▶ Budget Development ..... 7
    - ▶ Operating Budget..... 8
    - ▶ Capital Improvement Program..... 8
    - ▶ Debt ..... 9
    - ▶ Air Service..... 10
  - ▶ Organizational Strategic Plan ..... 11
  - ▶ Performance Measures ..... 12
  - ▶ Acknowledgment ..... 16
  - ▶ 2022 GFOA Budget Award..... 16
  - ▶ 2022 GFOA Budget Award Certificate ..... 17
  - ▶ Awards Received During 2022..... 18
  
- ▶ **THE ORGANIZATION..... page 19**
  - ▶ The Commission ..... 19
  - ▶ Board Members ..... 20
  - ▶ Organizational Chart..... 22
  - ▶ Full-time Equivalent Positions ..... 24
  
- ▶ **BUDGET PROCESS & FINANCIAL POLICIES..... page 29**
  - ▶ Full-time Equivalent Requests..... 29
  - ▶ Other Costs..... 29
  - ▶ Controllable Expenses..... 29
  - ▶ Budget Schedule ..... 30
  - ▶ Capital Improvement Program Schedule ..... 30
  - ▶ Approved Summary of Operating and Non-Operating Revenue and Expense ..... 30
  - ▶ Calendar ..... 31
  - ▶ Operating & Non-Operating Summary Report..... 32
  - ▶ Summary of Operating Revenue and Expense (GAAP) ..... 34
  - ▶ Financial Policies and Procedures ..... 35
    - ▶ Operating Budget..... 35
    - ▶ Investment/Cash Management ..... 37
    - ▶ Capital Projects..... 38
    - ▶ Purchasing..... 39
    - ▶ Debt Service and Reserve..... 39
  - ▶ Compliance Statement ..... 40

- ▶ **FUND STRUCTURE.....page 41**
  - ▶ Flow of Funds .....41
  - ▶ Fund Balance Summary .....42
  - ▶ Taxing Authority.....43
  - ▶ Sources and Uses of Funds .....43
  - ▶ Operating Fund Sources and Uses .....44
- ▶ **OPERATING BUDGET REVENUE.....page 47**
  - ▶ Revenue Summary .....47
  - ▶ 2023 Operating Revenue .....48
  - ▶ Revenue Assumptions and Guidelines .....49
    - ▶ Airline Rates & Charges .....49
    - ▶ Concessions .....52
    - ▶ Rentals/Fees.....53
    - ▶ Utilities & Other Revenue .....55
- ▶ **OPERATING BUDGET EXPENSE.....page 57**
  - ▶ Expense Summary .....57
  - ▶ 2023 Operating Expense.....58
  - ▶ Expense Assumptions and Guidelines.....59
    - ▶ Personnel.....59
    - ▶ Administrative Expenses .....61
    - ▶ Professional Services .....62
    - ▶ Utilities .....63
    - ▶ Operating Services/Expenses .....64
    - ▶ Maintenance .....65
    - ▶ Other.....66
  - ▶ 2023 Budget Expenses by Subledger .....67
- ▶ **CONSTRUCTION FUND .....page 79**
  - ▶ Capital Equipment & Technology Projects.....79
  - ▶ 2023 Capital Equipment & Technology Projects Table .....80
  - ▶ Capital Equipment Narratives.....82
  - ▶ Technology Project Narratives .....85
  - ▶ Capital Improvement Program (CIP) Expenditures.....86
  - ▶ 2023-2029 CIP Funding by Year.....86
- ▶ 2023 CIP Narratives ..... 95
- ▶ 2023 CIP Funding by Source Table ..... 108
- ▶ 2024 CIP Narratives ..... 113
- ▶ 2024 CIP Funding by Source Table ..... 128
- ▶ 2025-2029 CIP Funding by Source Table ..... 134
- ▶ Sources and Uses of Funds ..... 141
- ▶ Construction Fund Budget..... 141
- ▶ Projects in Process ..... 143
- ▶ **DEBT SERVICE FUND ..... page 145**
  - ▶ Long-Term Debt..... 145
  - ▶ Current Long-Term Debt ..... 146
  - ▶ Debt Service Requirements..... 146
  - ▶ Future Debt Service Payments..... 148
  - ▶ Sources and Uses of Funds ..... 149
  - ▶ Bond Ratings ..... 150
- ▶ **SERVICE CENTER SUMMARIES ..... page 151**
  - ▶ Service Center Summaries A-Z..... 155
- ▶ **STATISTICS & INFORMATIVE FACTS ..... page 229**
  - ▶ Historical Operating Revenue and Operating Expense ..... 229
  - ▶ Facility Expansion..... 231
  - ▶ Activity/Operations Statistics ..... 233
  - ▶ Informative Facts About Minnesota..... 235
  - ▶ Tourism and Attractions..... 240
  - ▶ Current MSP Information..... 240
- ▶ **GLOSSARY ..... page 247**

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

# EXECUTIVE SUMMARY

## DECEMBER 19, 2022

To the Public:

We are pleased to present the 2023 Metropolitan Airports Commission (MAC) Budget which was adopted by the Board of Commissioners (Commission) on December 19, 2022. Total Operating Revenue for 2023 is projected to be \$447,285,567 and Operating Expense is \$241,639,013 excluding depreciation and noise amortization. Non-operating expense, including non-operating revenue, is budgeted to be \$137,830,272. The approved 2023 budget results in \$67,816,282 of Net Revenues Available for Designation.

The 2023 budget process commenced in May 2022. Some of the key short-term issues and associated risk factors faced by the MAC in developing the overall targets for the 2023 Operating Budget included:

- ▶ The impact on travel demand during the COVID-19 recovery
- ▶ Changes in the state of the economy and the airline industry in 2023
- ▶ The impact of the 2023-2025 Capital Improvement Program (CIP), which totaled \$1.8 billion
- ▶ Rising interest environment

How these critical issues were addressed in our development of the budget are explained in the Fund Structure section of this Budget Document.

Our Mission Statement and Vision Statement guide the MAC's decisions and actions.

**Mission Statement** Connecting you to your world

**Vision Statement** Providing your best airport experience

## BUDGET TARGETS

The Commission identified four targets that were used in developing the 2023 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 8.17x on Senior GARBs and 1.76x 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 Airline Cost Per Enplaned Passenger will be in the lower one-third of large hub airports.

**Result** We anticipate MSP will remain in the lowest one-third of large hub airports.

**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 \$67.8 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 in June and December of each year to make debt service payments and to ensure that the respective debt service reserve accounts are fully funded. At the end of the year, after all operating expenses and debt service have been funded, any balance not designated is 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 recovering from the effects of the pandemic. By 2024, revenue is projected to grow beyond the 2019 level. A large bond issue is projected in 2024 to fund deferred CIP projects. Expenses are increasing slightly with the enplanement projections. The 2024-2025 projections were prepared using passenger growth expectations and inflation estimates.

## Consolidated Enterprise Fund ►►►

(\$ = 000)	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	2024 Projection	2025 Projection
<b>Sources All Funds</b>						
Balance Carried Forward January 1 <sup>1</sup>	\$ 741,002	\$ 619,650	\$ 569,237	\$ 774,188	\$ 599,615	\$ 1,024,696
<b>Operating Fund Revenues</b>						
Airline Rates & Charges	117,728	132,060	125,657	158,255	164,585	169,523
Concessions	121,683	155,507	171,975	207,092	209,235	220,532
Other Operating Revenues	67,632	73,102	76,438	81,939	86,174	87,292
Interest Earnings	2,236	5,107	3,490	5,544	5,107	5,107
Other & Self-Liquidating Revenue	80,823	51,573	32,567	7,584	742	737
Transfers in Equipment Financing	-	2,850	2,850	4,400	5,500	6,000
Working Capital/Other	-	-	-	-	-	-
<b>Construction Fund Revenues</b>						
PFC Funding	51,096	61,072	67,679	67,606	75,332	77,264
Federal & State Grants	12,965	44,845	22,656	80,590	154,467	46,539
Interest Income	72	3,420	4,249	13,150	15,000	11,250
Bond/Notes Proceeds	-	153,410	255,310	-	704,723	-
Short-Term Funding Program	-	38,000	-	25,276	20,300	9,430
Other Receipts	-	-	-	-	-	-
Transfers In - Operating Fund	23,492	70,050	79,574	85,108	87,000	86,128
<b>Debt Fund Revenues</b>						
Interest Earnings	2	1,009	248	1,009	1,212	1,316
Bond Proceeds	-	65,349	56,228	-	165,130	-
Transfers In (PFC and GARB Requirements)	128,686	128,446	120,550	148,037	157,164	158,920
<b>Total All Receipts</b>	<b>\$ 1,347,417</b>	<b>\$ 1,605,450</b>	<b>\$ 1,588,708</b>	<b>\$ 1,659,778</b>	<b>\$ 2,451,286</b>	<b>\$ 1,904,734</b>
<b>Uses All Funds</b>						
<b>Operating Fund Expenses</b>						
Personnel	92,676	100,680	97,094	111,438	115,896	119,373
Administration	1,054	1,465	1,190	1,880	1,955	2,014
Professional Services	5,679	7,392	7,460	9,575	9,958	10,257
Utilities	19,092	21,519	22,735	23,119	24,044	24,765
Operating Services	25,895	32,004	29,248	36,435	37,892	39,029
Maintenance	39,905	45,767	40,648	51,506	53,566	55,173
Other	3,665	6,146	4,506	7,685	7,992	8,232
Equipment & Other Capital Expenditures	10,109	14,153	13,650	14,494	16,627	16,676
Transfers Out - Debt	106,168	108,779	103,123	123,803	163,523	162,800
Transfers Out - Equipment Financing	4,450	4,415	4,683	4,223	4,276	3,855
Transfers Out - Construction	23,492	70,050	79,574	85,108	87,000	86,128
Working Capital/Other	-	-	-	-	-	-
<b>Construction Fund Expenses</b>						
CIP Project Costs	222,839	162,402	184,529	405,602	536,130	776,236
Debt Service PFC Transfer	27,743	19,667	26,867	26,874	25,563	25,309
<b>Debt Fund Expenses</b>						
Bond Refundings	-	55,598	55,958	-	181,915	-
Bond Principal & Interest Payments	195,413	129,513	143,255	158,421	160,253	158,920
<b>Total All Costs</b>	<b>\$ 778,180</b>	<b>\$ 779,550</b>	<b>\$ 814,520</b>	<b>\$ 1,060,163</b>	<b>\$ 1,426,590</b>	<b>\$ 1,488,767</b>
<b>Total Ending All Net Fund Balances</b>	<b>\$ 569,237</b>	<b>\$ 825,900</b>	<b>\$ 774,188</b>	<b>\$ 599,615</b>	<b>\$ 1,024,696</b>	<b>\$ 415,967</b>

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

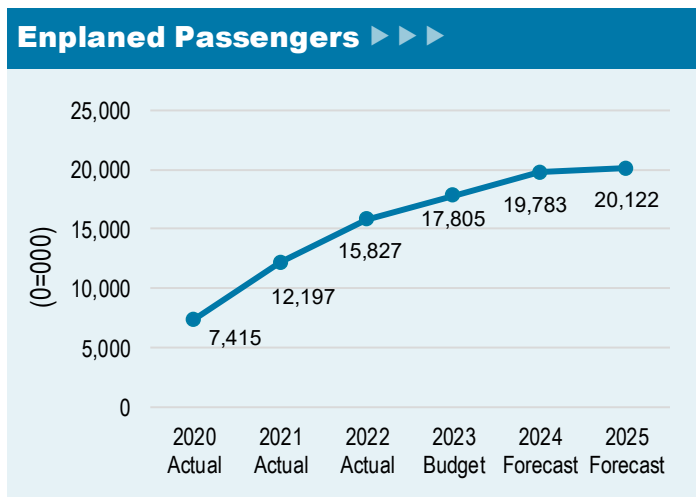
**BUDGET DEVELOPMENT**

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 vision statement: Providing your best airport experience. Of importance is ensuring the organization's long-term financial strength and reaching the Organizational Strategic Plan Goals and Priorities.

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 Organizational Strategic Goals 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 reach the Organizational Strategic Goals.

As previously indicated, the Commission's process for developing targets and guidelines for the 2023 budget included a discussion of a number of critical issues around the COVID-19 pandemic recovery. 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 line graph shows historical as well as forecasted enplaned passenger counts. In 2020, enplanements at Minneapolis-St. Paul International Airport (MSP) reached a low of 7.4 million as a result of the onset of the COVID-19 pandemic. As the world recovers, passenger enplanements have grown. Based on forecasts obtained from airlines and various other industry sources, the MAC projects continued growth and enplanements up to 17.8 million in 2023. Enplanement forecasts show recovery to reach the 2019 enplanement level will not be achieved until 2024. Forecasts are updated throughout the year.

The 2023 budget was developed on 17.8 million enplanements projected at the time of budgeting based on the pandemic recovery. The increased number of enplanements results in the need to hire additional staff to maintain service to passengers. 28 new headcount are budgeted in 2023. A number of service centers within the organization are understaffed and additional staffing is needed to reach the strategic plan goals. Data and integration are creating a need for increased staffing support.

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



*Flying Cloud Reliever Airport*

OPERATING BUDGET

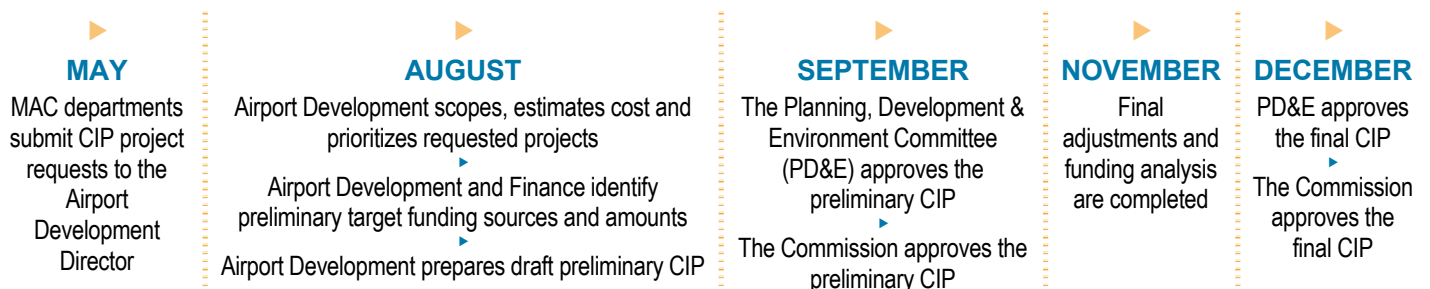
The following table is a summary of Revenue, Expense and Non-Operating Revenue and Expense from 2021 actual through 2023 Budget. Details regarding changes in revenues and expenses year over year are within the Operating Budget Revenue and Operating Budget Expense sections of this document.

<b>Operating Budget Summary</b> ►►►						
(\$ = 000) <span style="float: right; font-weight: normal;">2023 Budget vs 2022 Estimate</span>						
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>Operating Revenue</b>						
Airline Rates and Charges	\$ 117,728	\$ 132,060	\$ 125,657	\$ 158,255	\$ 32,598	25.9%
Concessions	121,684	155,508	171,975	207,092	35,117	20.4%
Rentals/Fees	49,273	53,464	55,732	59,476	3,744	6.7%
Utilities & Other Revenues	18,359	19,638	20,706	22,463	1,757	8.5%
<b>Total Operating Revenue</b>	<b>\$ 307,044</b>	<b>\$ 360,670</b>	<b>\$ 374,070</b>	<b>\$ 447,286</b>	<b>\$ 73,216</b>	<b>19.6%</b>
<b>Operating Expense</b>						
Personnel	\$ (92,676)	\$ (100,680)	\$ (97,094)	\$ (111,438)	\$ (14,344)	14.8%
Administrative Expenses	(1,054)	(1,465)	(1,190)	(1,880)	(690)	58.0%
Professional Services	(5,679)	(7,392)	(7,459)	(9,575)	(2,116)	28.4%
Utilities	(19,093)	(21,519)	(22,735)	(23,120)	(385)	1.7%
Operating Services	(25,895)	(32,263)	(29,248)	(36,435)	(7,187)	24.6%
Maintenance	(39,905)	(45,767)	(40,648)	(51,506)	(10,858)	26.7%
Other	(3,665)	(6,146)	(4,506)	(7,685)	(3,179)	70.6%
<b>Total Operating Expense <sup>1</sup></b>	<b>\$ (187,967)</b>	<b>\$ (215,232)</b>	<b>\$ (202,880)</b>	<b>\$ (241,639)</b>	<b>\$ (38,759)</b>	<b>19.1%</b>
<b>Net Operating Revenue</b>	<b>\$ 119,077</b>	<b>\$ 145,438</b>	<b>\$ 171,190</b>	<b>\$ 205,647</b>	<b>\$ 34,457</b>	<b>20.1%</b>
<b>Non-Operating Revenue (Expense)</b>						
Add: Other Non-operating Revenue	\$ 83,058	\$ 21,230	\$ 38,907	\$ 17,528	\$ (21,379)	-54.9%
Less: Debt Service/Equipment/Other	(122,561)	(128,582)	(122,690)	(155,358)	(32,668)	26.6%
<b>Total Non-Operating Revenue (Expense)</b>	<b>\$ (39,502)</b>	<b>\$ (107,351)</b>	<b>\$ (83,782)</b>	<b>\$ (137,830)</b>	<b>\$ (54,048)</b>	<b>64.5%</b>
<b>Net Revenue</b>	<b>\$ 79,574</b>	<b>\$ 38,087</b>	<b>\$ 87,408</b>	<b>\$ 67,816</b>	<b>\$ (19,592)</b>	<b>-22.4%</b>

<sup>1</sup> Excludes depreciation

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 the identification of potential projects in years three through seven. At the same time the final Capital Improvement Program is presented for approval, a plan for funding the first three years is provided. Milestones for the 2023-2029 Capital Improvement Program development schedule are:





The following table summarizes the funding for the past Capital Improvement Program year and the current three-year program. The annual CIP varies each year as it is built on necessity and funding. To reduce costs during the COVID-19 pandemic, CIP projects were deferred to future years with a gradual increase projected as passengers increase as well as revenue.

## Capital Improvement Program Summary ►►►

(\$=000)

	Budget 2022	Budget 2023	Budget 2024	Budget 2025
<b>Projects - All Airports</b>				
<b>Minneapolis-St. Paul International Airport</b>				
End of Life/Replacement Projects	\$ 63,160	\$ 90,495	\$ 44,475	\$ 72,030
Information Technology	18,360	10,850	14,210	10,000
Long-Term Comprehensive Plan Projects	86,750	72,025	562,500	3,000
Maintenance Facility Upgrade Projects	47,920	46,015	263,310	180,220
Ongoing Maintenance Programs	40,600	59,500	63,570	69,570
Noise Mitigation Projects	500	500	1,000	500
Tenant Projects	3,100	31,100	88,300	81,200
<b>Total Minneapolis-St. Paul International Airport</b>	<b>\$ 260,390</b>	<b>\$ 310,485</b>	<b>\$ 1,037,365</b>	<b>\$ 416,520</b>
<b>Reliever Airports</b>	<b>6,900</b>	<b>10,680</b>	<b>37,475</b>	<b>22,150</b>
<b>Total Projects - All Airports</b>	<b>\$ 267,290</b>	<b>\$ 321,165</b>	<b>\$ 1,074,840</b>	<b>\$ 438,670</b>
<b>Funding</b>				
Passenger Facility Charges (PFCs)	\$ 67,105	\$ 52,877	\$ 35,413	\$ 61,640
Federal and State Grants	44,845	80,590	154,467	46,539
General Airport Revenue Bonds-Line of Credit	88,110	111,626	779,598	229,565
Internal/Airline Funds	67,230	76,072	105,363	100,926
<b>Total Funding</b>	<b>\$ 267,290</b>	<b>\$ 321,165</b>	<b>\$ 1,074,840</b>	<b>\$ 438,670</b>

### DEBT

#### Long-Term Debt

The Commission anticipates a new long-term debt issue in 2024 to finance a number of capital improvement program projects in the amount of \$704.7 million. The last debt issued was in 2022.

#### 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.

During 2023, the Commission has a line of credit of \$150 million based on the estimated capital projects and line of credit utilization. In 2022, the MAC used the line of credit to refund General Airport Revenue Bonds 2011 Series A and 2012 series B. As of December 31, 2022, the Commission has utilized \$43.2 million on its line of credit.

Refundings

The Commission has aggressively pursued the refunding options of its outstanding debt. Bond proceeds were 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 \$35.2 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	13,032	18.40%
		<b>\$ 339,589</b>	<b>\$ 35,178</b>	
<b>Average Present Value Savings</b>				<b>10.82%</b>
<b>Total Average Interest Rate Prior to Refundings</b>			<b>5.02%</b>	
<b>Total Average Interest Rate After Refundings</b>			<b>3.32%</b>	

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

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

**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 international passenger, cargo and low-fare domestic passenger flights; 2) promoting the facilities and services of MSP and the MAC's system of airports both domestically and internationally; and 3) building community relations by establishing partnerships with public and private sectors to increase their awareness of the importance of air service in the region, and to solicit their support for such services. As of January 2023, the following air service is provided by MSP:

- Service to 119 domestic and 26 international non-stop destinations for a total of 145.
- Competitive service to 63 domestic and 12 international destinations for a total of 75.

Air service was affected by the COVID-19 pandemic. Service to domestic and international destinations is rebounding as airlines are gradually adding more flights to their schedules.

# ORGANIZATIONAL STRATEGIC PLAN

In 2016, the MAC Board of Commissioners approved the 2017-2022 strategic plan for the MAC. This new streamlined plan includes goals, objectives and a focus on cross-departmental collaboration.



MAC Staff and the Board of Commissioners have advanced a robust engagement and curation process in developing and advancing the 2017-2022 strategic plan.

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

## STRATEGIC PLAN GOALS, PRIORITIES AND FOCUS AREAS

In 2017, the MAC implemented the Strategic Plan, which contains seven goals. These goals are listed in the accompanying graphic. During 2018 and 2019, the MAC’s leadership identified nine Priorities and three Focus Areas. These are shown to the right of each corresponding goal. The entire organization works towards all goals, priorities and focus areas. They are the foundation of the MAC’s long-term plans. In the Service

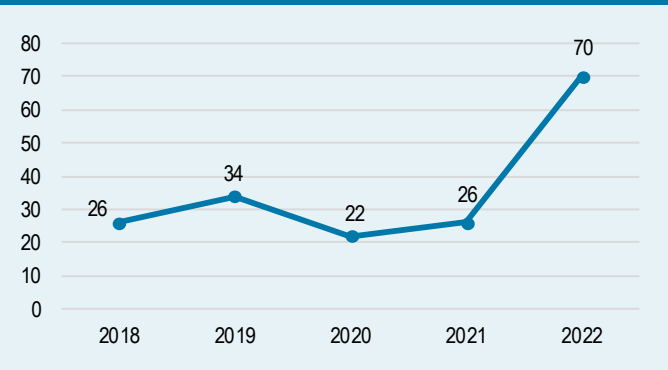
Center Summaries, matrices will illustrate the connections between each service center’s performance measures and the MAC’s seven goals.

GOALS	PRIORITIES AND FOCUS AREAS
Safety, Security and Preparedness	<ul style="list-style-type: none"> <li>► Airport Operations Center and Concept of Operations Development</li> </ul>
Customer Experience	<ul style="list-style-type: none"> <li>► “One Journey” Experience</li> </ul>
Talent	<ul style="list-style-type: none"> <li>► Employee Development and Performance Management</li> <li>► Enterprise One Training and Leverage</li> </ul>
Engagement	<ul style="list-style-type: none"> <li>► Stakeholder and Community Engagement</li> </ul>
Air Service	<ul style="list-style-type: none"> <li>► Air Service Development</li> </ul>
Economic	<ul style="list-style-type: none"> <li>► New Strategies to Enhance Financial Strength</li> <li>► Real Estate Assessment and Implementation</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>► Parking Yield Management</li> <li>► Data Governance</li> </ul>

**PERFORMANCE MEASURES**

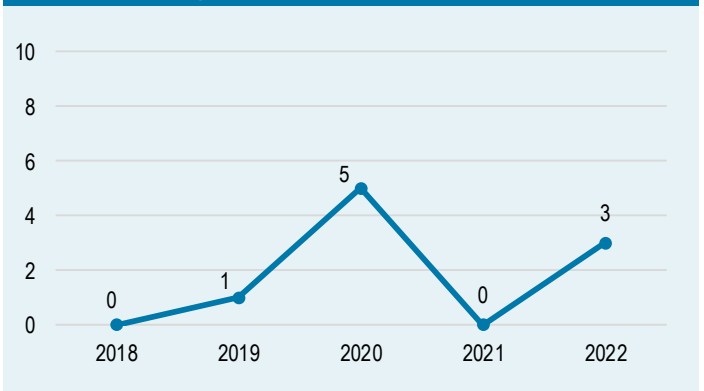
**SAFETY AND SECURITY**

**OSHA-Recordable Injuries/Illnesses ►►►**



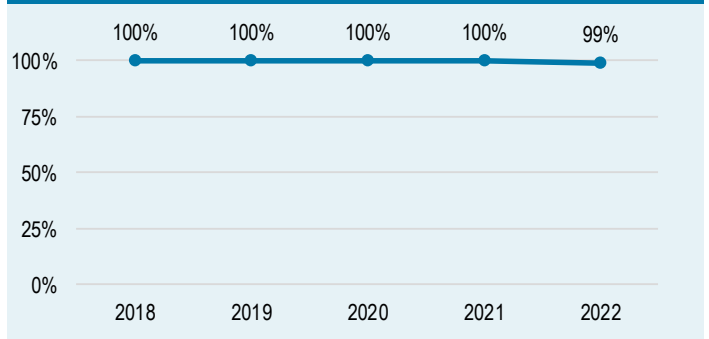
In 2022, the increase in reportable injuries resulted from employees infected at work and testing positive for COVID-19.

**MSP Runway Incursions ►►►**

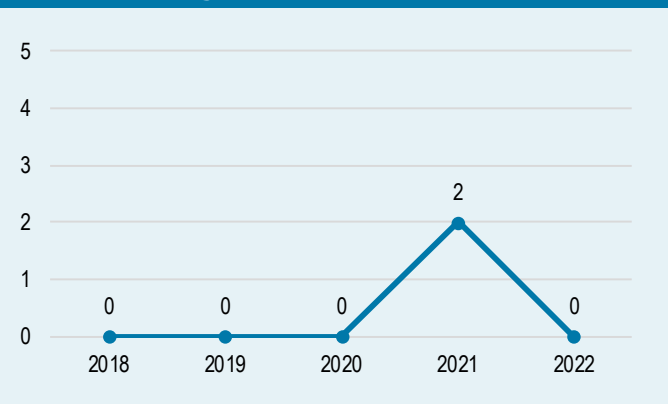


**DEVELOPMENT**

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

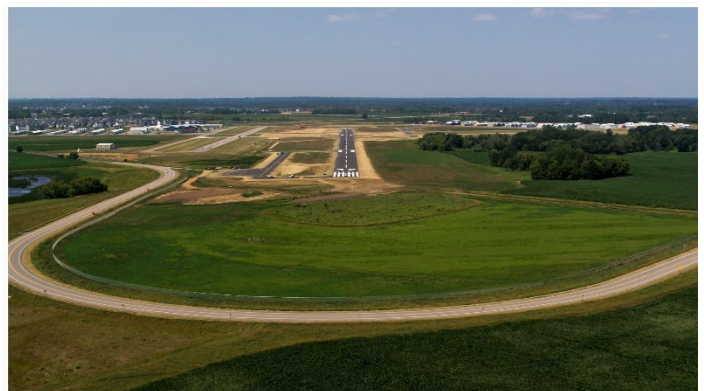
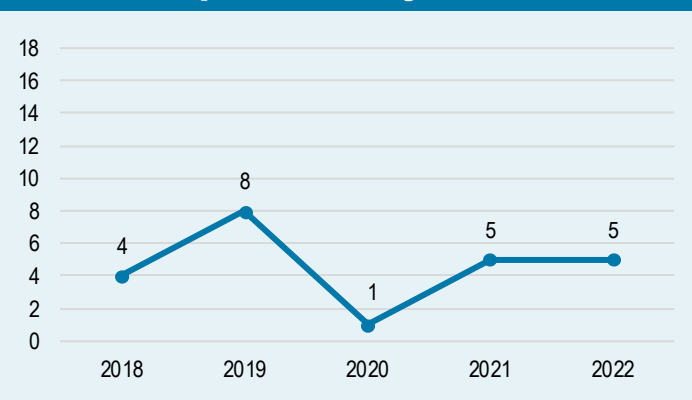


**MSP Security Breaches ►►►**



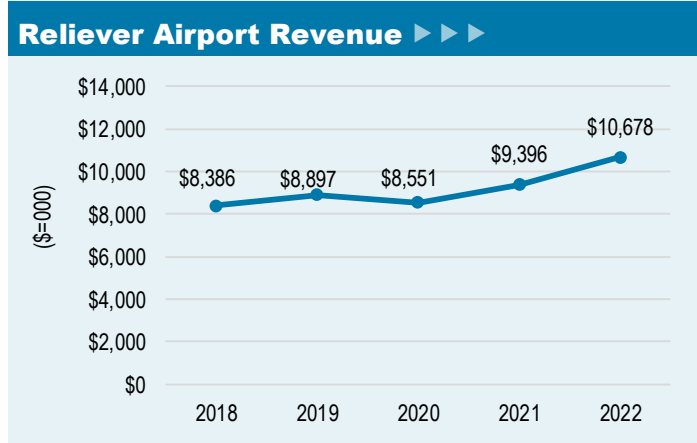
The security breaches in 2021 resulted in no operational impact.

**Reliever Airports Runway Incursions ►►►**

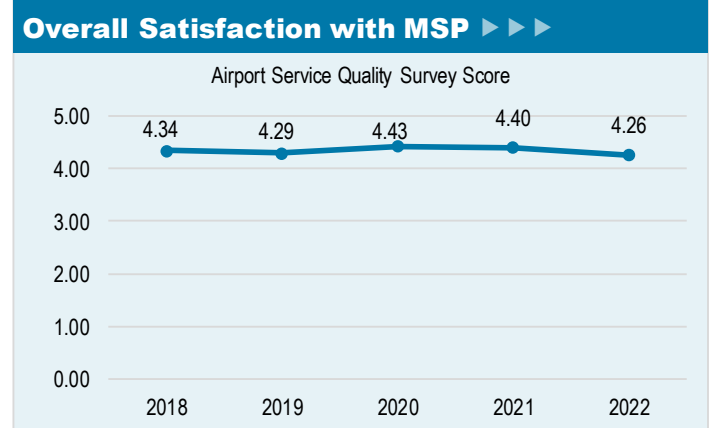
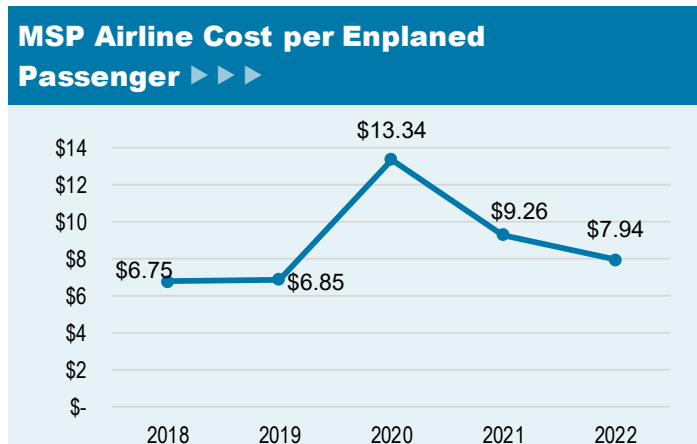
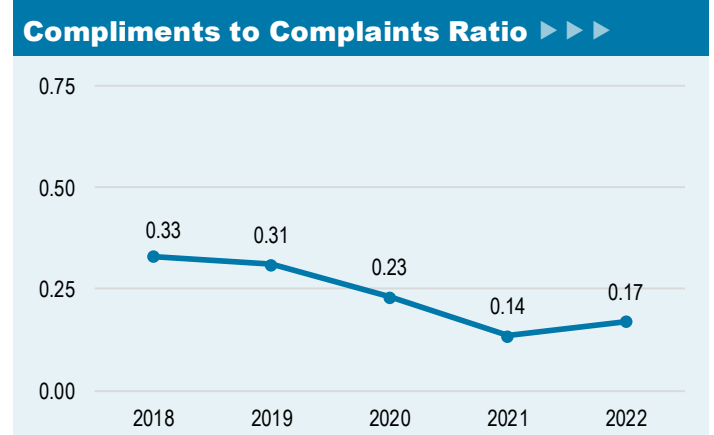


*New Runway at Lake Elmo Airport*

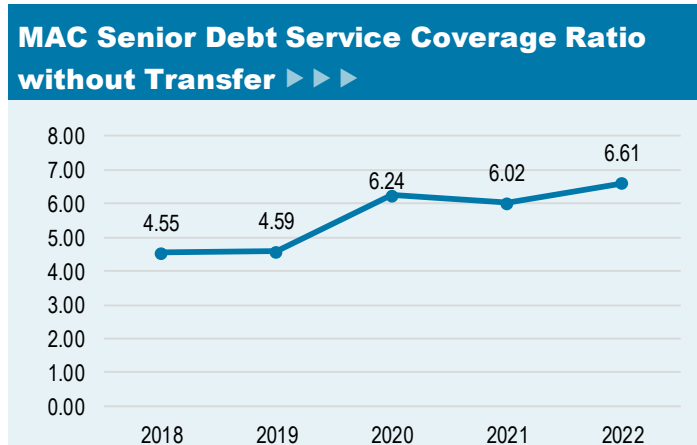
FINANCIAL



CUSTOMER EXPERIENCE

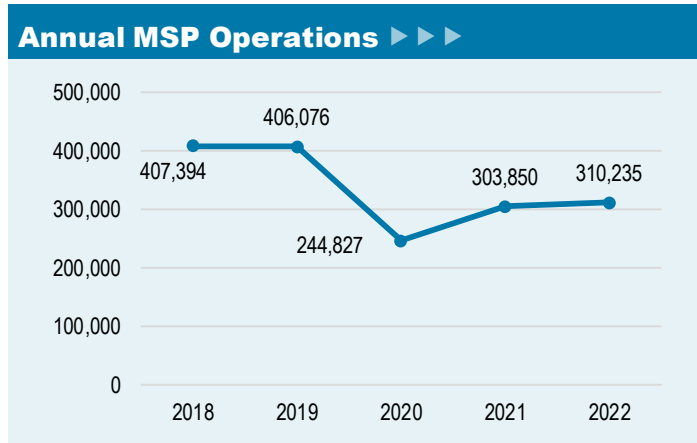


The elevated cost per enplaned passenger in 2020 is a result of the low passenger count due to the pandemic. 2022 data is an estimate at the time of publication.

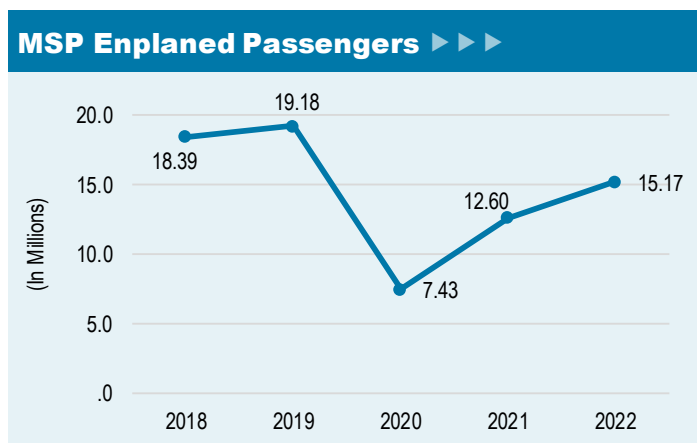


TSA Cutest Canine-Eebers. Passengers Enjoy Petting this Friendly Guy

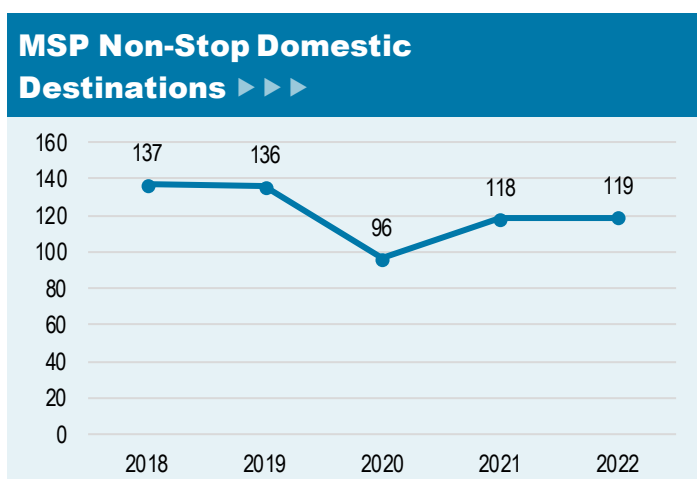
OPERATIONS



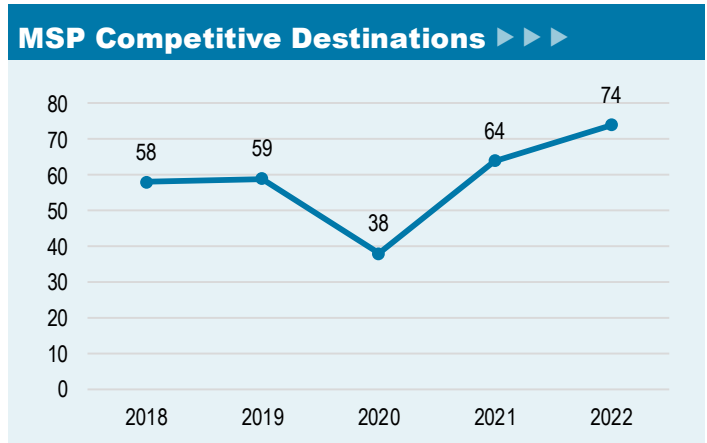
Air operations were significantly affected at the onset of the pandemic in 2020.



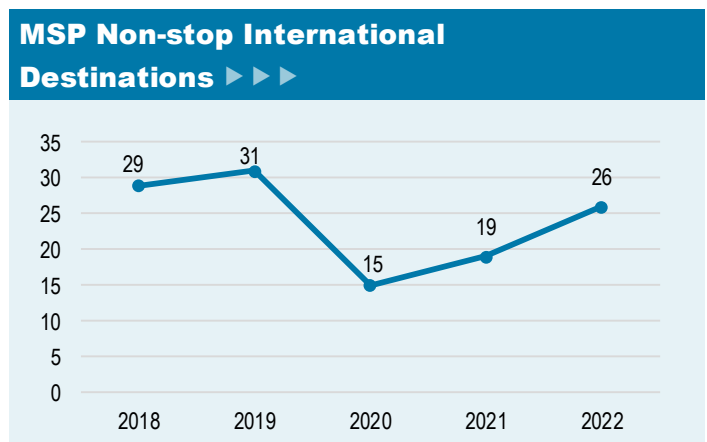
Enplanements were significantly affected at the onset of the pandemic in 2020.



In 2020, airlines paused many routes in response to the pandemic. Now in the recovery phase, routes are returning and being added.



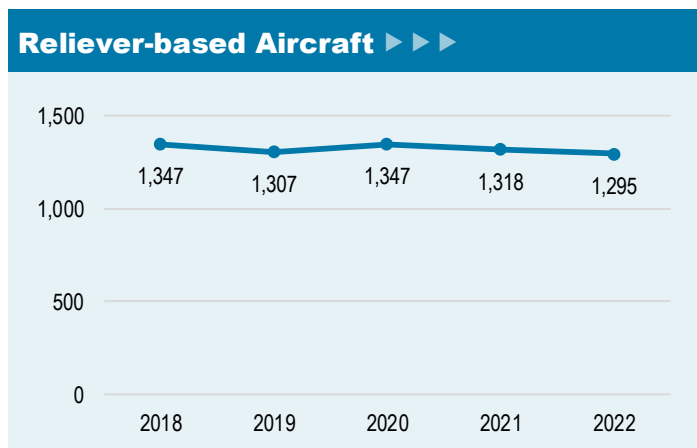
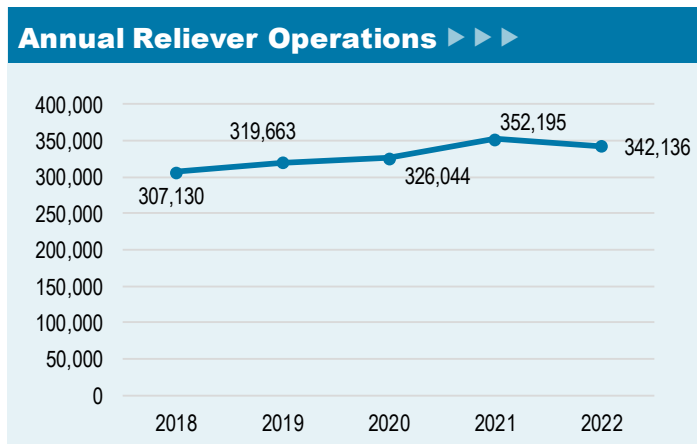
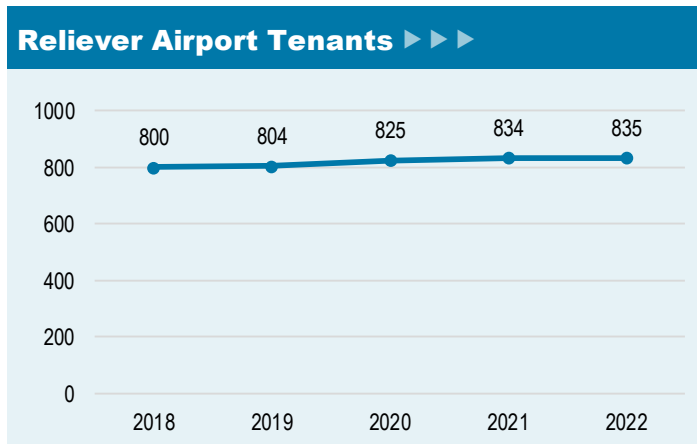
In 2020, airlines paused many routes in response to the pandemic. This reduced the number of competitive destinations. Now in the recovery phase, routes are returning and being added.



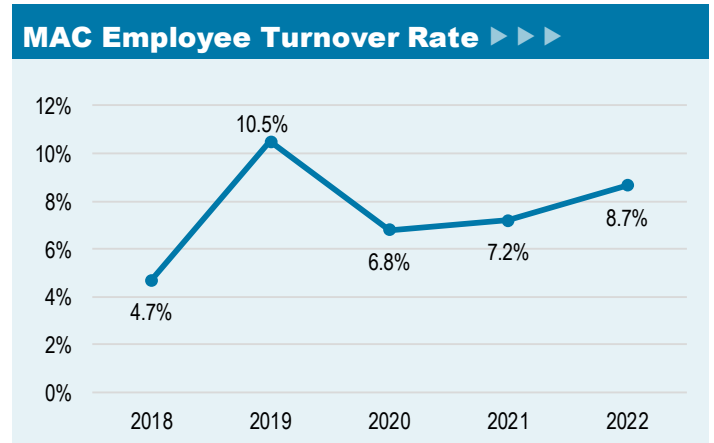
International flight was significantly curtailed at the onset of the pandemic in 2020. Now in the recovery phase, routes are returning.



*Allegiant Air is an Air Carrier that Serves MSP*



## EMPLOYEE ENGAGEMENT



The upward trend in the employee turnover rate results from a more competitive job market, turbulence in the law enforcement industry and the personal impact of COVID-19.



*Airport Police Display Pink Uniform Patches to Show their Support for Breast Cancer*

## 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 2023 Budget. Through this hard work and effort, we are confident the MAC will continue to be one of the safest, most efficient and cost-effective airport operators in the nation. It is significant to note that the Distinguished Budget Presentation Award has been presented to the Commission annually by the GFOA since 1985.

Respectfully submitted,



Brian Ryks  
Executive Director/CEO



Tim Simon  
Chief Financial Officer

## 2022 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, 2022. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for the 2023 award.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

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

For the Fiscal Year Beginning

**January 01, 2022**

*Christopher P. Morill*

Executive Director

## Awards Received During 2022 ►►►

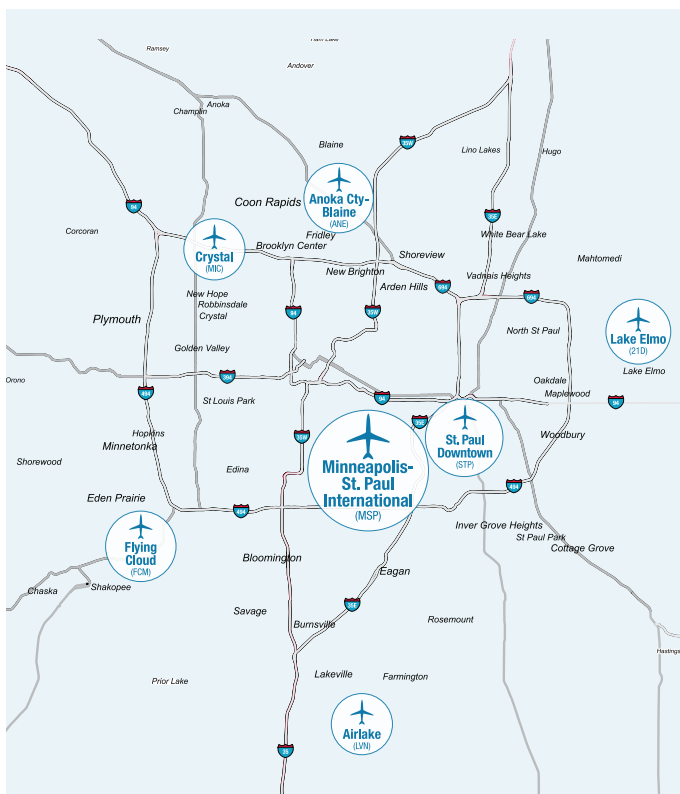
Award	Project	Given by
Airport Concessions Award	Employee Recognition Program	Airports Council International
Airport Experience Award	-	Airport Experience News
Airport Health Accreditation	-	Airports Council International
America's Best Airports	-	J.D. Powers
Best Airport in North America	-	Airports Council International
Best Airport Service Quality Award	-	Airports Council International
Best Airports for Remote Workers	-	T ravel Insider Firm Upgraded Points
Best and Worst Airports Award, Third Place in Best	-	Wall Street Journal
Best Global Airport, 6th Place	Performance	Cirium
Best US Airport	On-time Departures	Air Help
Branded Content Bronze Award, Craft-Directing	Creating the Aurora	The Telly Awards
Branded Content Silver Award, General Documentary: Individual	Creating the Aurora	The Telly Awards
Certificate of Achievement for Excellence in Financial Reporting, 36 consecutive years	Annual Comprehensive Financial Report	Government Finance Officers Association
Customer Service Award	-	J.D. Powers
Distinguished Budget Presentation Award, 38 consecutive years	Annual Budget Document	Government Finance Officers Association
Engineering Excellence Award	MSP Runway 4-22 Conversion to Dual Use Taxiway	American Council of Engineering Consultants
Engineering Excellence National Recognition Award	Runway 4-22 Conversion to Dual Use Taxiway	American Council of Engineering Companies
Excellence in Executive Leadership Award	-	Minnesota Alliance for Volunteer Advancement
Honor Award	Runway 14R/32L and Taxiway Echo Modifications-Crystal Airport	American Council of Engineering Companies of Minnesota
Merit Award	MSP Inbound/Outbound Roadway Reconstruction	MnDOT and Concrete Pavement Association
Non-Broadcast Silver Award, General Information	Meet the Fleet - B737	The Telly Awards
New Construction Merit Award	Inbound Roadway& Glumack Drive Reconstruction	American Concrete Pavement Association
Non-Broadcasting Bronze Award, Travel & Tourism	Meet the Fleet - B737	The Telly Awards
Outstanding Parking Garage of the Year	Terminal 1 Silver Ramp	Parking Industry Expo
Non-Broadcasting Bronze Award General-Travel & Tourism	Meet the Fleet - B737	The Telly Awards
STAR™ Facility Accreditation	-	Global Biorisk advisory Council
World's Best Airport Award	-	T ravel + Leisure Magazine

# 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



**Timothy Baylor**  
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



**Donald 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.

<b>Operations, Finance &amp; Administration Committee ▶</b>	
2022 Financial Topics	
<b>Audits</b>	
Annual Financial Audit Plan	
Approval of Audit and Financial Statements	
Continuous Audit Quarterly Report	
<b>Operating Budget</b>	
2023 Budget Targets	
2023 Preliminary and Final Budgets	
Accounts Receivable Monthly Summary	
Allocation of 2021 Net Revenues	
Commission Travel Quarterly Report	
Employee Benefits and Compensation	
Financial Impacts of COVID-19	
Financial Relief Related to COVID-19	
Monthly Budget Variance Report	
2023 Parking Rate Adjustments	
<b>Bonds, Debt and Capital Funding</b>	
Bond Counsel Continuing Consultant Services	
Issuance and Occurance of Bonds	
Short-Term Borrowing Program	
<b>Investments</b>	
Investment Portfolio Quarterly Report	
<b>Leases and Agreements</b>	
Concessions Leases, Agreements and Amendments	
Equipment Financing and Leases	
Professional Service Authorizations Quarterly Report	
Professional Services Agreements	
Requests for Proposals, Qualifications and Bids	
Service Contracts	

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.

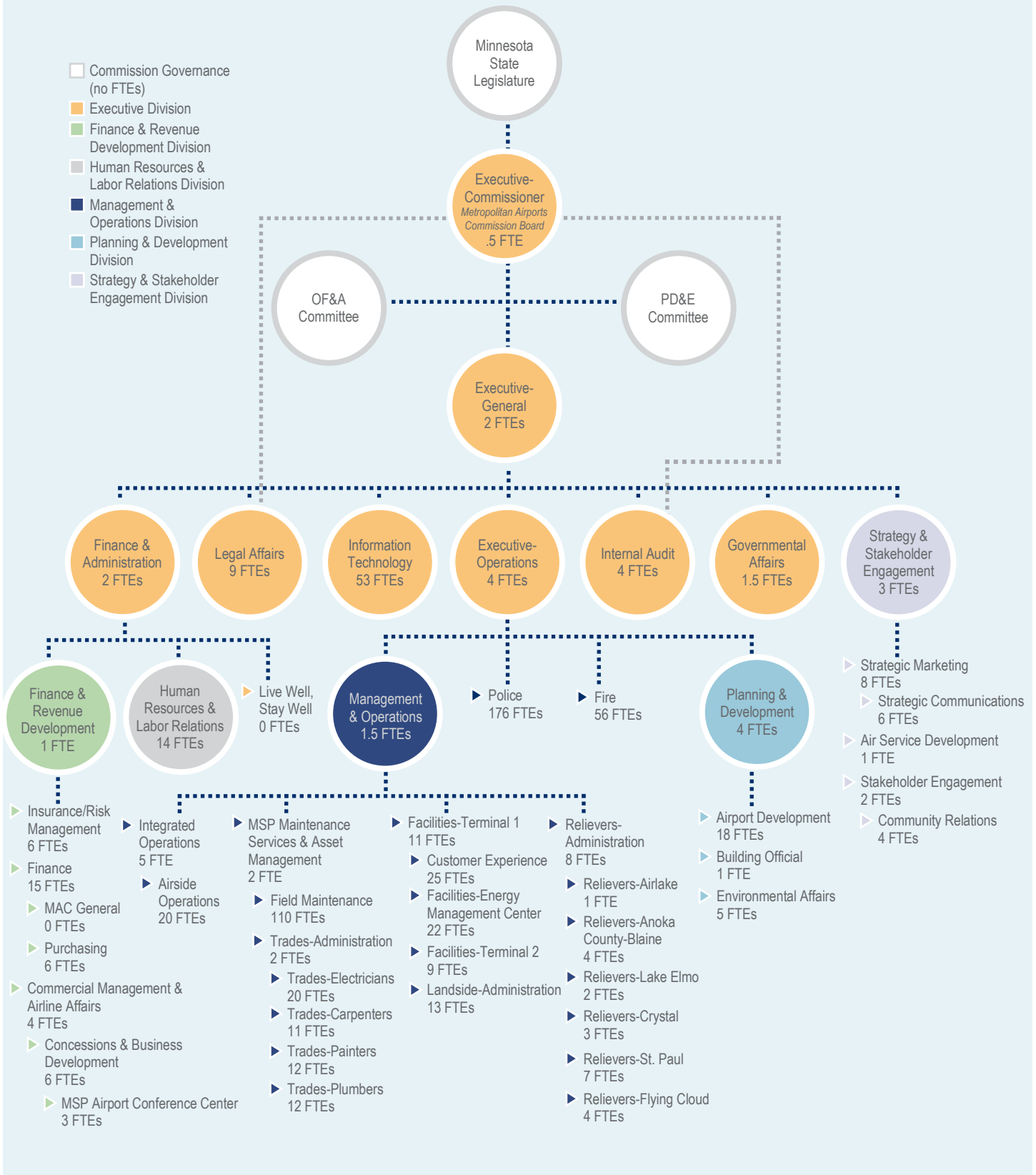
Financial information generally is reported to and acted upon at the OF&A Committee meeting and then reported to the full Commission. In some cases, financial information is reported to a different body before reaching the Commission. The Capital Improvement Program is reported to and acted on by the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

**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

# ORGANIZATIONAL CHART



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 ►►►

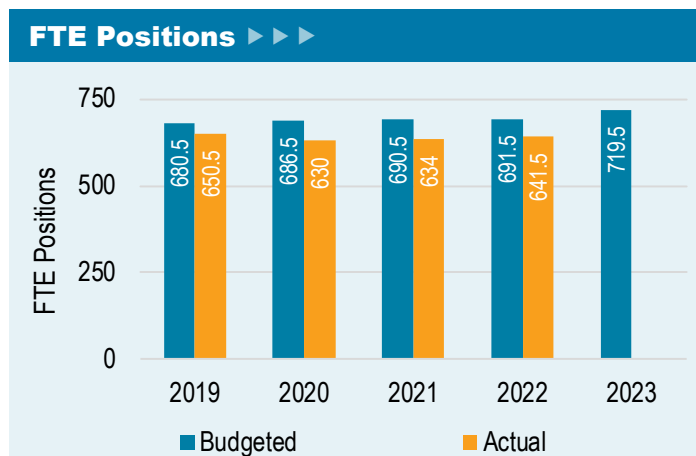
By Division and Service Center

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	Facilities-Terminal 2
76000	Strategic Communications	86100	Facilities-Terminal 1
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	Commercial Management & Airline Affairs	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, despite the decrease in passenger activity due to COVID-19.



In 2023, the FTE budget increased by 28 over the 2022 budget, bringing the total to 719.5 FTEs. Two primary drivers are behind the increase. First, the employee engagement survey identified service centers within the organization that were understaffed for their strategic plan responsibilities. Second, leveraging data and integration continues to add value to the MAC while creating a need for increased staffing support.

One FTE was added in 2022, bringing the total to 691.5 FTEs. This FTE is 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 had already taken place prior to the hiring freeze instituted during 2020.

In 2020, seven FTEs were added and one FTE eliminated, yielding a total of 686.5 approved FTEs. The eliminated FTE was due to the completion of a Fire Department trainee program. New FTEs were added to shore up the organization’s cyber security efforts, bolster stakeholder communication and engagement initiatives, increase focus on Part 139 compliance and allow staff to meet the increasing regular maintenance needs at the MAC’s airports.

The overall 2019 budgeted FTEs were 680.5, which was an increase of 35 FTEs over 2018. Twenty-seven of the added FTEs were provisional traffic control agents who became full-time employees. The remaining new FTEs were added to address increasing technology, security, operations and planning needs, as well as to reduce overtime costs.

### COVID ERA HIRING FREEZE ENDS

The COVID-19 pandemic led to reduced passenger activity. As a cost-saving measure, the MAC instituted a hiring freeze in early 2020. Unfilled FTEs remained authorized, but most Personnel costs for most unfilled FTEs were not included in the 2021 budget. Instead, most remained open. When traffic levels began to rebound, critical open positions were filled. The 2023 budget projects a return to pre-pandemic staffing norms and an increase in FTEs to meet passenger and aviation needs.



MAC Police Department at the Annual Night to Unite



# Regular Status FTE Position Count ►►►

By Division and Service Center

		2019 Actual	2020 Actual	2021 Actual	2022 Actual	2022 Budget	2023 Budget	
		As of 12/31/19	As of 12/31/20	As of 12/31/21	As of 12/31/22			
<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	2	3	3	2	3	2	1,2
76500	Executive-Operations	4	4	3	3	4	4	
76700	Live Well, Stay Well	0	0	0	0	0	0	1
78300	Internal Audit	4	4	4	4	4	4	
79000	Information Technology	41	46	46	50	49	53	3,4
79500	Governmental Affairs	1.5	1.5	1.5	1.5	1.5	1.5	
81000	Legal Affairs	9	8	8	8	9	9	
<b>Division Total</b>		<b>64</b>	<b>69</b>	<b>68</b>	<b>71</b>	<b>73</b>	<b>76</b>	
<b>Division Budget</b>		<b>69</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>76</b>	
<b>STRATEGY &amp; STAKEHOLDER ENGAGEMENT DIVISION</b>								
76000	Strategic Communications	7	3	4	2	4	6	5
76100	Air Service Development	0	1	1	1	1	1	
76200	Strategy & Stakeholder Engagement	2	3	3	3	3	3	
85200	Stakeholder Engagement	2	2	2	2	2	2	
85000	Strategic Marketing	2	6	7	8	9	8	5
85300	Community Relations	4	4	4	3	4	4	
<b>Division Total</b>		<b>17</b>	<b>19</b>	<b>21</b>	<b>19</b>	<b>23</b>	<b>24</b>	
<b>Division Budget</b>		<b>22</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>24</b>	
<b>FINANCE &amp; REVENUE DEVELOPMENT DIVISION</b>								
76300	Finance & Revenue Development	0	0	0	0	0	1	2
76800	Insurance/Risk Management	6	5	6	6	6	6	
78000	Finance	15	14	14	14	15	15	
78100	MAC General	0	0	0	0	0	0	
78200	Purchasing	6	6	6	6	6	6	
80000	Commercial Management & Airline Affairs	4	3	3	4	4	4	
80100	Concessions & Business Development	6	5	5	6	6	6	
82050	MSP Airport Conference Center	3	3	1	3	3	3	
<b>Division Total</b>		<b>40</b>	<b>36</b>	<b>35</b>	<b>39</b>	<b>40</b>	<b>41</b>	
<b>Division Budget</b>		<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>41</b>	
<b>HUMAN RESOURCES &amp; LABOR RELATIONS DIVISION</b>								
75700	Human Resources & Labor Relations	5	11.5	12.5	13	13	14	6
76600	Employee Development & Engagement	1	0	0	0	0	0	6
80600	Diversity	2	0	0	0	0	0	6
81500	Employee Relations	5	0	0	0	0	0	6
<b>Division Total</b>		<b>13</b>	<b>11.5</b>	<b>12.5</b>	<b>13</b>	<b>13</b>	<b>14</b>	
<b>Division Budget</b>		<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>14</b>	

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

By Division and Service Center

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2022 Budget	2023 Budget	
	As of 12/31/19	As of 12/31/20	As of 12/31/21	As of 12/31/22			
<b>PLANNING &amp; DEVELOPMENT DIVISION</b>							
75500 Planning & Development	3	2	3	4	3	4	<sup>8</sup>
77000 Airport Development	13	13	13	14	16	18	<sup>7</sup>
77100 Building Official	2	2	2	1	2	1	<sup>8</sup>
85100 Environmental Affairs	4	4	4	4	4	5	<sup>9</sup>
<b>Division Total</b>	<b>22</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>25</b>	<b>28</b>	
<i>Division Budget</i>	25	25	25	25	25	28	
<b>MANAGEMENT &amp; OPERATIONS DIVISION</b>							
75800 Management & Operations	1.5	2.5	2.5	3.5	3.5	1.5	<sup>10</sup>
82000 Customer Experience	2	2	2	2	2	25	<sup>11</sup>
82100 Integrated Operations	0	0	0	0	0	7	<sup>10</sup>
82600 Airside Operations	14	16	17	17	19	18	<sup>10</sup>
83400 Landside-Administration	38	37	34	35	36	13	<sup>11</sup>
83600 Fire	53	47	49	49	53	56	<sup>13</sup>
84200 Police	160	156	150	147	171	176	<sup>15</sup>
85500 Facilities-Terminal 2	9	9	10	10	9	9	
86100 Facilities-Terminal 1	9	9	9	8	9	11	<sup>12</sup>
86300 Facilities-Energy Management Center	22	21	21	20	22	22	
87000 Maintenance Services & Asset Management	0	0	0	0	0	1	<sup>14</sup>
88000 Trades-Electricians	19	17	18	20	20	20	
88100 Trades-Painters	10	9	10	9	11	12	<sup>12,16</sup>
88200 Trades-Carpenters	10	10	11	11	11	11	
88300 Trades-Plumbers	10	10	10	10	11	12	<sup>17</sup>
88400 Trades-Administration	2	2	2	2	2	2	
89000 Field Maintenance	107	97	102	104	109	111	<sup>3,14</sup>
90000 Relievers-Administration	8	8	8	8	8	8	
90200 Relievers-St. Paul	7	8	7	7	7	7	
90300 Relievers-Lake Elmo	1	1	1	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>	<b>494.5</b>	<b>473.5</b>	<b>475.5</b>	<b>476.5</b>	<b>517.5</b>	<b>536.5</b>	
<i>Division Budget</i>	508.5	512.5	516.5	517.5	517.5	536.5	
<b>TOTAL ACTUAL FTEs</b>	<b>650.5</b>	<b>630.0</b>	<b>634.0</b>	<b>641.5</b>	<b>N/A</b>	<b>N/A</b>	
<b>TOTAL BUDGET FTEs</b>	<b>680.5</b>	<b>686.5</b>	<b>690.5</b>	<b>691.5</b>	<b>691.5</b>	<b>719.5</b>	

**FTEs differ between the 2022 and 2023 budgets for the following reasons:**

- <sup>1</sup> On 1/1/2023, Finance & Administration and Live Well, Stay Well relocated from the Finance & Revenue Development Division to the Executive Division.
- <sup>2</sup> On 1/1/2023, Finance & Revenue Development was created. One FTE was transferred from Finance & Administration.
- <sup>3</sup> During 2022, one FTE was transferred from Field Maintenance to Information Technology to hire a Data Architect. Four new FTEs were added to the 2023 Field Maintenance budget for a variety of maintenance roles.
- <sup>4</sup> Three FTEs were added to the 2023 Information Technology budget to replace contract work.

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

**FTEs differ between the 2022 and 2023 budgets for the following reasons:**

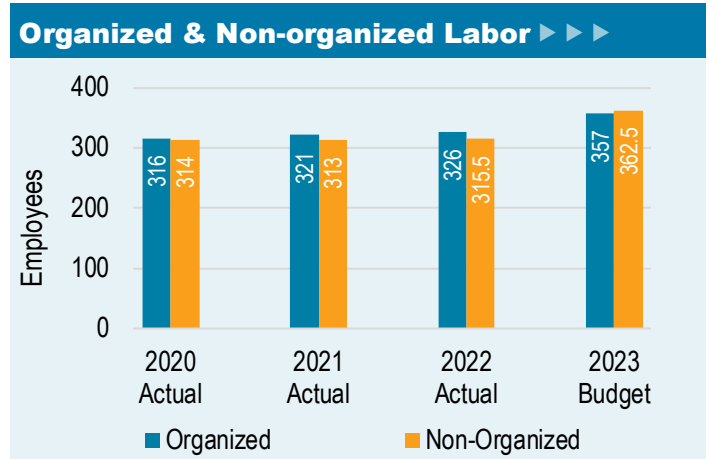
- <sup>5</sup> During 2022, one FTE was transferred from Strategic Marketing to Strategic Communications as part of a division realignment. In 2023, one new FTE was added in Strategic Communications for a Customer Communication Specialist.
- <sup>6</sup> The Human Resources & Labor Relations Division merged into one service center on 1/1/2020. One FTE was added in 2023 for a Senior Human Business Partner.
- <sup>7</sup> Two FTEs were added in the 2023 Airport Development budget for an Information System Manager and a Project Manager.
- <sup>8</sup> In 2023, one FTE was transferred from Building Official to Planning & Development for a Grant & PFC Manager.
- <sup>9</sup> One FTE was added to the 2023 Environmental Affairs budget to hire an Air Quality Compliance Administrator.
- <sup>10</sup> On 1/1/2023, the Integrated Operations service center was created. Two FTEs were transferred from Management & Operations and one FTE from Airside Operations. Four FTEs were also added to the 2023 Integrated Operations budget.
- <sup>11</sup> On 1/1/2023, 23 Passenger Services and Lost & Found FTEs transferred from Landside-Administration to Customer Experience.
- <sup>12</sup> In 2023, one FTE was transferred from Trades-Painters to Facilities-Terminal 1 for an Assistant Director position. One FTE was also added to Facilities-Terminal 1 to hire a Terminal Operations Coordinator.
- <sup>13</sup> Three FTEs were added to the 2023 Fire budget. The FTEs will be Battalion Chiefs.
- <sup>14</sup> As part of the Management & Operations division's ongoing Concept of Operations transition, the Maintenance Services & Assets Management center was created on 1/1/2023. One FTE was transferred from Field Maintenance for an Assistant Director position.
- <sup>15</sup> Five FTEs were added in 2023 for emergency communication, detective, intelligence, training & surveillance roles.
- <sup>16</sup> Two FTEs were added to the 2023 Trades-Painter budget for new painters.
- <sup>17</sup> One FTE was added to the 2023 Trades-Plumber budget for a new plumber.



*MAC Staff at the Wings of the North Air Expo*



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

	2020 Actual	2021 Actual	2022 Actual	2023 Budget
<b>ORGANIZED</b>				
70 - Operating Engineers	21.0	21.0	21.0	22.0
49 - Equipment Maintenance	18.0	19.0	18.0	21.0
320 - MSP International - Field	68.0	72.0	79.0	84.0
320 - MSP International - Facilities	0.0	0.0	0.0	0.0
320 - Reliever Airports	21.0	20.0	21.0	21.0
386 - Painters	9.0	10.0	10.0	13.0
CAR - Carpenters	10.0	11.0	11.0	11.0
034 - Plumbers	10.0	10.0	10.0	12.0
292 - Electricians	17.0	18.0	20.0	20.0
Emergency Communications Specialists	11.0	12.0	13.0	14.0
307 - Police Lieutenants, Sergeants	18.0	18.0	18.0	19.0
302 - Police Officers	70.0	66.0	61.0	73.0
S6 - Firefighters	34.0	35.0	34.0	37.0
S6 - Fire Captains	9.0	9.0	10.0	10.0
<b>TOTAL ORGANIZED</b>	<b>316.0</b>	<b>321.0</b>	<b>326.0</b>	<b>357.0</b>
<b>NON-ORGANIZED</b>				
Chairperson, Executive Director/CEO	1.5	2.0	1.5	1.5
Directors	36.0	37.0	41.0	43.0
Managers, Assistant Managers, Supervisors	93.0	134.0	94.0	100.0
Police Chief, Fire Chief	2.0	2.0	2.0	2.0
Community Service Officers	18.0	16.0	24.0	29.0
Passenger Service Assistants	21.0	18.0	19.0	19.0
Fire Marshall, Training Coordinator	2.0	2.0	2.0	2.0
Police Commander, Deputy Chief, Training Coordinator	1.0	3.0	1.0	2.0
Administrative, Professional, Technical Support	139.5	99.0	131.0	164.0
<b>TOTAL NON-ORGANIZED</b>	<b>314.0</b>	<b>313.0</b>	<b>315.5</b>	<b>362.5</b>
<b>TOTAL MAC</b>	<b>630.0</b>	<b>634.0</b>	<b>641.5</b>	<b>719.5</b>

# BUDGET PROCESS & FINANCIAL POLICIES

The Metropolitan Airports Commission’s (MAC’s) mission, vision, values and enterprise strategic plan serve as the foundation for advancing the organization. Staff leads the strategic planning process which includes engagement with staff members, commissioners and other stakeholders, assessment of industry trends and identification of organizational opportunities and challenges. The final enterprise plan is approved by the MAC Board of Commissioners. Organizational divisions then develop division strategic plans to ensure their goals and objectives are aligned with the approved enterprise strategic plan. Each year, the annual budget process establishes funding to advance the strategic goals and priorities to 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 2023 budget are presented in the Executive Summary section.

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

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 (FTE) REQUESTS

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

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

**Third priority** General business need

## OTHER COSTS

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

**Second priority** Embedded cost increases such as scheduled increases in contracts, salary adjustments for organized labor, utility rate increases, etc.

**Third priority** Costs to maintain facilities

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

## CONTROLLABLE EXPENSES

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

## BUDGET SCHEDULE

The MAC's fiscal year is January through December. Preparation for the next year begins in January with discussions on organizational priorities. 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 prepared for entries. In May, staff requests approval from the OF&A to allocate prior year available funds. The Commission approves the targets in May. The long-range financial plan analysis is prepared during the beginning of the year.

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 data. Staff uses their strategic planning goals to complete their budgets. Divisions present their budgets to Executive staff in early July. 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, presentations and supporting documents 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 Commission meeting in October, November and December. Revisions are made between October and December prior to requesting final approval.

The OF&A receives a budget update by staff in November. 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 2023 Operating Budget was given at the December 19, 2022 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.

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

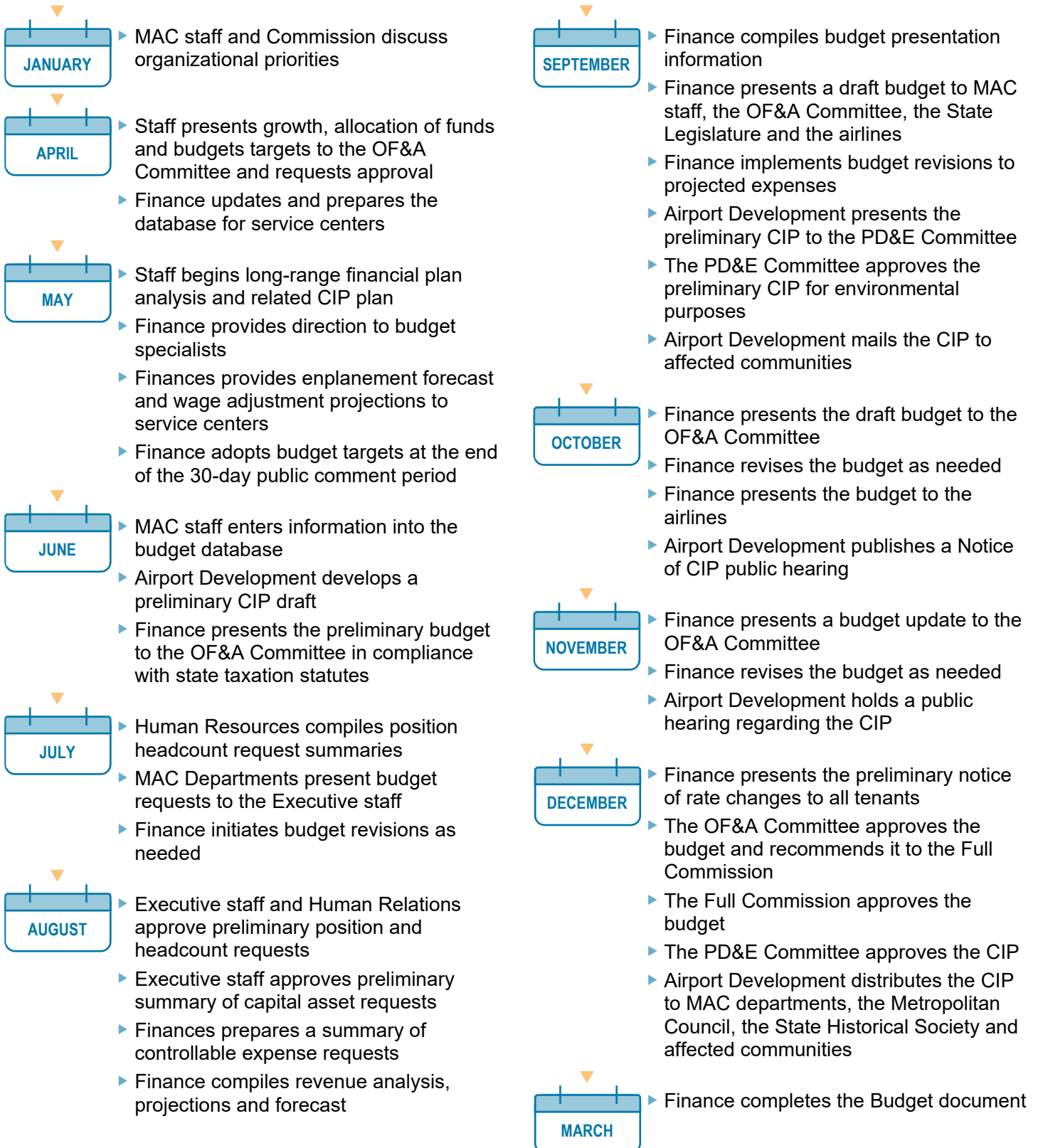
The Commission approved the 2023 budget in December 2022. The Operating & Non-Operating Summary Report in this section summarizes revenue and expense, including non-operating revenue and expense, and compares the 2023 budget to the 2022 year-end estimate.



*The Restroom Upgrade Program was Developed to Modernize the Restrooms in Terminal 1 and is Part of the CIP Plan*

**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.



# Operating & Non-Operating Summary Report ►►►

Metropolitan Airports Commission  
2023 Budget

2023 Budget vs 2022 Estimate

	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>OPERATING REVENUE</b>						
<b>Airline Rates &amp; Charges</b>						
<b>Airline Agreement</b>						
Landing Fees	68,946,342	72,841,520	72,841,520	87,169,369	14,327,849	19.7%
Ramp Fees	5,923,289	6,654,847	6,654,847	8,158,495	1,503,648	22.6%
Airline R&R	5,003,359	5,467,757	5,442,423	5,631,789	189,366	3.5%
T1 Rentals	33,677,585	40,386,342	36,388,318	51,142,958	14,754,640	40.5%
T1 Other	7,084,747	9,040,732	8,901,083	9,069,729	168,646	1.9%
Concessions Rebate	(14,756,138)	(16,255,417)	(19,222,021)	(21,400,021)	(2,178,000)	11.3%
<b>Total Airline Agreement</b>	<b>\$ 105,879,184</b>	<b>\$ 118,135,781</b>	<b>\$ 111,006,170</b>	<b>\$ 139,772,319</b>	<b>\$ 28,766,149</b>	<b>25.9%</b>
T2 Lobby	8,932,810	10,601,014	10,722,225	13,616,808	2,894,583	27.0%
T2 Other /Passenger	2,915,624	3,323,285	3,928,439	4,865,900	937,461	23.9%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 117,727,618</b>	<b>\$ 132,060,080</b>	<b>\$ 125,656,834</b>	<b>\$ 158,255,027</b>	<b>\$ 32,598,193</b>	<b>25.9%</b>
<b>Concessions</b>						
<b>Terminal</b>						
Food & Beverage	15,952,988	21,398,705	17,074,812	31,136,821	14,062,009	82.4%
News	4,068,983	4,039,040	3,721,288	5,942,691	2,221,403	59.7%
Retail Stores	2,738,115	4,528,962	3,741,866	4,823,857	1,081,991	28.9%
Passenger Services	4,806,447	6,659,970	6,722,610	7,963,998	1,241,388	18.5%
<b>Total Terminal</b>	<b>\$ 27,566,533</b>	<b>\$ 36,626,677</b>	<b>\$ 31,260,576</b>	<b>\$ 49,867,367</b>	<b>\$ 18,606,791</b>	<b>59.5%</b>
<b>Parking/Ground Transportation</b>						
Parking	67,381,042	86,797,790	103,415,605	117,108,713	13,693,108	13.2%
Ground Transportation	8,063,669	10,284,819	12,515,520	14,382,993	1,867,473	14.9%
Auto Rental - On Airport	16,213,073	19,292,134	22,001,819	22,945,180	943,361	4.3%
<b>Total Parking/Ground Transportation</b>	<b>\$ 91,657,784</b>	<b>\$ 116,374,743</b>	<b>\$ 137,932,944</b>	<b>\$ 154,436,886</b>	<b>\$ 16,503,942</b>	<b>12.0%</b>
Other Concessions	2,459,177	2,506,057	2,781,417	2,788,043	6,626	0.2%
<b>Total Concessions</b>	<b>\$ 121,683,494</b>	<b>\$ 155,507,477</b>	<b>\$ 171,974,937</b>	<b>\$ 207,092,296</b>	<b>\$ 35,117,359</b>	<b>20.4%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	14,829,745	15,181,278	16,048,925	17,356,162	1,307,237	8.1%
Auto Rental CFC	13,029,389	15,973,559	17,023,103	19,072,359	2,049,256	12.0%
Ground Rentals	11,456,029	13,291,963	13,260,311	12,847,500	(412,811)	-3.1%
Reliever Airports	9,958,014	9,017,580	9,400,000	10,199,595	799,595	8.5%
<b>Total Rentals &amp; Fees</b>	<b>\$ 49,273,177</b>	<b>\$ 53,464,380</b>	<b>\$ 55,732,339</b>	<b>\$ 59,475,616</b>	<b>\$ 3,743,277</b>	<b>6.7%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	5,615,203	5,196,430	4,793,187	5,714,048	920,861	19.2%
General Aviation/Airside Fees	5,603,668	6,039,405	6,385,164	6,731,425	346,261	5.4%
Maintenance, Cleaning & Distribution Fees	2,832,895	3,272,410	3,905,120	4,487,527	582,407	14.9%
Other Revenues	1,964,207	1,975,913	2,468,164	2,360,628	(107,536)	-4.4%
Reimbursed Expense	2,343,439	3,154,000	3,154,000	3,169,000	15,000	0.5%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 18,359,412</b>	<b>\$ 19,638,158</b>	<b>\$ 20,705,635</b>	<b>\$ 22,462,628</b>	<b>\$ 1,756,993</b>	<b>8.5%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 307,043,701</b>	<b>\$ 360,670,095</b>	<b>\$ 374,069,745</b>	<b>\$ 447,285,567</b>	<b>\$ 73,215,822</b>	<b>19.6%</b>



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

	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>Total Operating Revenue</b>	\$ 307,043,701	\$ 360,670,095	\$ 374,069,745	\$ 447,285,567	\$ 73,215,822	19.6%
<b>OPERATING EXPENSE</b>						
Personnel	92,676,285	100,679,525	97,093,986	111,438,418	14,344,432	14.8%
Administrative Expenses	1,054,209	1,464,985	1,189,843	1,880,235	690,392	58.0%
Professional Services	5,679,291	7,392,117	7,459,628	9,574,715	2,115,087	28.4%
Utilities	19,092,490	21,518,919	22,734,727	23,119,430	384,703	1.7%
Operating Services/Expenses	25,894,719	32,263,246	29,247,732	36,434,963	7,187,231	24.6%
Maintenance	39,905,218	45,767,349	40,648,076	51,506,164	10,858,088	26.7%
Other	3,665,159	6,145,952	4,505,743	7,685,088	3,179,345	70.6%
<b>TOTAL OPERATING EXPENSE</b>	\$ 187,967,371	\$ 215,232,093	\$ 202,879,735	\$ 241,639,013	\$ 38,759,278	19.1%
Excludes Depreciation and Noise Amortization						
<b>NET OPERATING REVENUE</b>	\$ 119,076,330	\$ 145,438,002	\$ 171,190,010	\$ 205,646,554	\$ 34,456,544	20.1%
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
<b>Other Non-Operating Revenue</b>						
Interest Income	2,235,738	5,107,000	3,490,000	5,544,000	2,054,000	58.9%
Self-Liquidating Income	3,355,046	2,079,000	2,078,816	587,681	(1,491,135)	-71.7%
	\$ 5,590,784	\$ 7,186,000	\$ 5,568,816	\$ 6,131,681	\$ 562,865	10.1%
<b>Debt Service</b>						
Short Term Financing	(5,223,674)	(7,896,000)	(2,239,500)	(2,639,500)	(400,000)	17.9%
Bond Principal/Int-Operating Fund Transfer	(100,943,698)	(100,882,500)	(100,882,516)	(121,163,358)	(20,280,842)	20.1%
Equip Financing Principal/ Interest Payments	(4,450,295)	(4,415,000)	(4,682,762)	(4,223,458)	459,304	-10.6%
	\$ (110,617,667)	\$ (113,193,500)	\$ (107,804,778)	\$ (128,026,316)	\$ (20,221,538)	18.8%
<b>Equipment</b>						
Capital Expenditures	(1,206,418)	(1,150,000)	(1,150,000)	(1,219,000)	(69,000)	6.0%
Equipment Purchases	(8,903,400)	(13,003,050)	(12,500,000)	(13,275,000)	(775,000)	6.2%
Equipment Financing	-	2,850,000	2,850,000	4,400,000	1,550,000	
	\$ (10,109,818)	\$ (11,303,050)	\$ (10,800,000)	\$ (10,094,000)	\$ 706,000	-6.5%
<b>Other</b>						
Six Month Reserve Transfer	-	(1,234,909)	(1,234,909)	(12,837,637)	(11,602,728)	-
Grant Reimbursements	77,467,688	11,014,428	29,848,463	6,900,000	(22,948,463)	-76.9%
Gain (Loss) on Equipment & Other	(1,832,850)	180,000	640,315	96,000	-	-
	\$ 75,634,838	\$ 9,959,519	\$ 29,253,869	\$ (5,841,637)	\$ (34,551,191)	-120.0%
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	\$ (39,501,863)	\$ (107,351,031)	\$ (83,782,093)	\$ (137,830,272)	\$ (54,048,179)	64.5%
<b>Net Revenue Available for Designation</b>	\$ 79,574,467	\$ 38,086,971	\$ 87,407,917	\$ 67,816,282	\$ (19,591,635)	-22.4%

**SUMMARY OF OPERATING REVENUE AND EXPENSE (GAAP)**

The following table is shown for Generally Accepted Accounting Principles (GAAP) purposes. The financial statements are issued in conformance with GAAP. The “Basis of Budgeting” in this section explains the differences in the approved budget and the GAAP statement. As shown in the GAAP Presentation Summary, the 2023 budget projects a substantial gain in net position as passenger enplanements are projected to increase with the continued pandemic recovery.

**GAAP Presentation Summary ►►►**

Operating & Non-Operating Summary  
 Metropolitan Airports Commission  
 2023 Budget

2023 Budget vs 2022 Estimate

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	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>OPERATING REVENUE</b>						
Airline Rates & Charges	\$ 117,728	\$ 132,060	\$ 125,657	\$ 158,255	\$ 32,598	25.9%
Concessions	121,683	155,507	171,975	207,092	35,117	20.4%
Rentals/Fees	49,273	53,464	55,732	59,476	3,743	6.7%
Utilities & Other Revenues	18,359	19,638	20,706	22,463	1,757	8.5%
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 307,044</b>	<b>\$ 360,670</b>	<b>\$ 374,070</b>	<b>\$ 447,286</b>	<b>\$ 73,216</b>	<b>19.6%</b>
<b>OPERATING EXPENSE</b>						
Personnel <sup>1</sup>	\$ 75,182	\$ 105,680	\$ 102,094	\$ 116,438	\$ 14,344	14.1%
Administrative Expenses	1,054	1,465	1,190	1,880	690	58.0%
Professional Services	5,679	7,392	7,460	9,575	2,115	28.4%
Utilities	19,092	21,519	22,735	23,119	385	1.7%
Operating Services/Expenses	25,895	32,004	29,248	36,435	7,187	24.6%
Maintenance	39,905	45,767	40,648	51,506	10,858	26.7%
Other	3,665	6,146	4,506	7,685	3,179	70.6%
Depreciation	178,514	182,125	183,800	190,572	6,772	3.7%
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 348,988</b>	<b>\$ 402,098</b>	<b>\$ 391,680</b>	<b>\$ 437,211</b>	<b>\$ 45,531</b>	<b>11.6%</b>
<b>OPERATING GAIN (LOSS)</b>	<b>\$ (41,944)</b>	<b>\$ (41,428)</b>	<b>\$ (17,610)</b>	<b>\$ 10,074</b>	<b>\$ 27,684</b>	<b>-157.2%</b>
<b>NON-OPERATING REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>						
Interest Income and Other	\$ 3,986	\$ 4,421	\$ 8,239	\$ 6,454	\$ (1,784)	-21.7%
Passenger Facility Charges	51,096	61,072	45,122	67,606	22,484	49.8%
Interest Expense	(47,687)	(63,132)	(65,146)	(60,070)	5,076	-7.8%
Capital Contributions & Grants	99,461	58,159	81,509	85,090	3,581	4.4%
<b>TOTAL NON-OPERATING REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>	<b>\$ 106,856</b>	<b>\$ 60,520</b>	<b>\$ 69,723</b>	<b>\$ 99,080</b>	<b>\$ 29,357</b>	<b>42.1%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 64,912</b>	<b>\$ 19,092</b>	<b>\$ 52,113</b>	<b>\$ 109,154</b>	<b>\$ 57,041</b>	<b>109.5%</b>

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

## 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 mission, vision and values and enterprise strategic plan.

### 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 three 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 \$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.

#### 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.”

### Operating Reserve

The Operating Reserve was established by the Operations, Finance & Administration Committee as at least six months of operating expenses less depreciation. The 2023 operating budget expenses are \$241.6 million and the reserve account is carrying a balance of \$120.8 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 Commercial Management 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 2022 estimates in the reporting of the 2023 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.

**BUDGET PROCESS & FINANCIAL POLICIES****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.

**Projects**

Commission policies for Capital Projects:

- ▶ 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 projects in excess of \$5 million if they are viewed as having a metropolitan significance.
- ▶ Projects follow priority categories, in 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

**BUDGET PROCESS & FINANCIAL POLICIES**

- 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. The estimated useful life of a capital improvement project typically ranges from 5 to 40 years

**Capital Equipment**

All equipment purchases for 2023 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 \$10,000.
- ▶ Estimated useful life for capital equipment ranges from 3 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 on the open market, donating items to various charities or distributing between the MAC service centers.

The Purchasing 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, equipment (or the rental thereof) or the minor construction, alteration, repair or maintenance of real or personal property.
- ▶ Commission approval is required for procurement that is over \$175,000.

**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, Moody’s and/or 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.



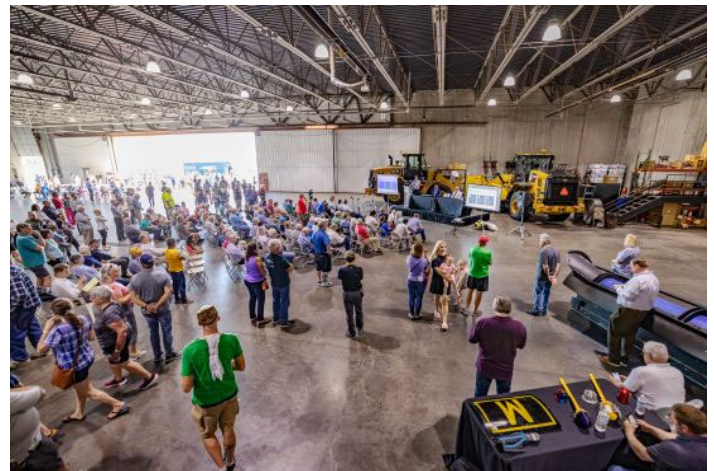
*Long Term Planning Meeting for Flying Cloud Airport*

With regard to Revolving Line of Credit, the total authorized limit is currently \$150 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**

The Metropolitan Airports Commission is in compliance with all policies and procedures. The MAC policies are available upon request.





# FUND STRUCTURE

The Metropolitan Airports Commission (MAC) 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

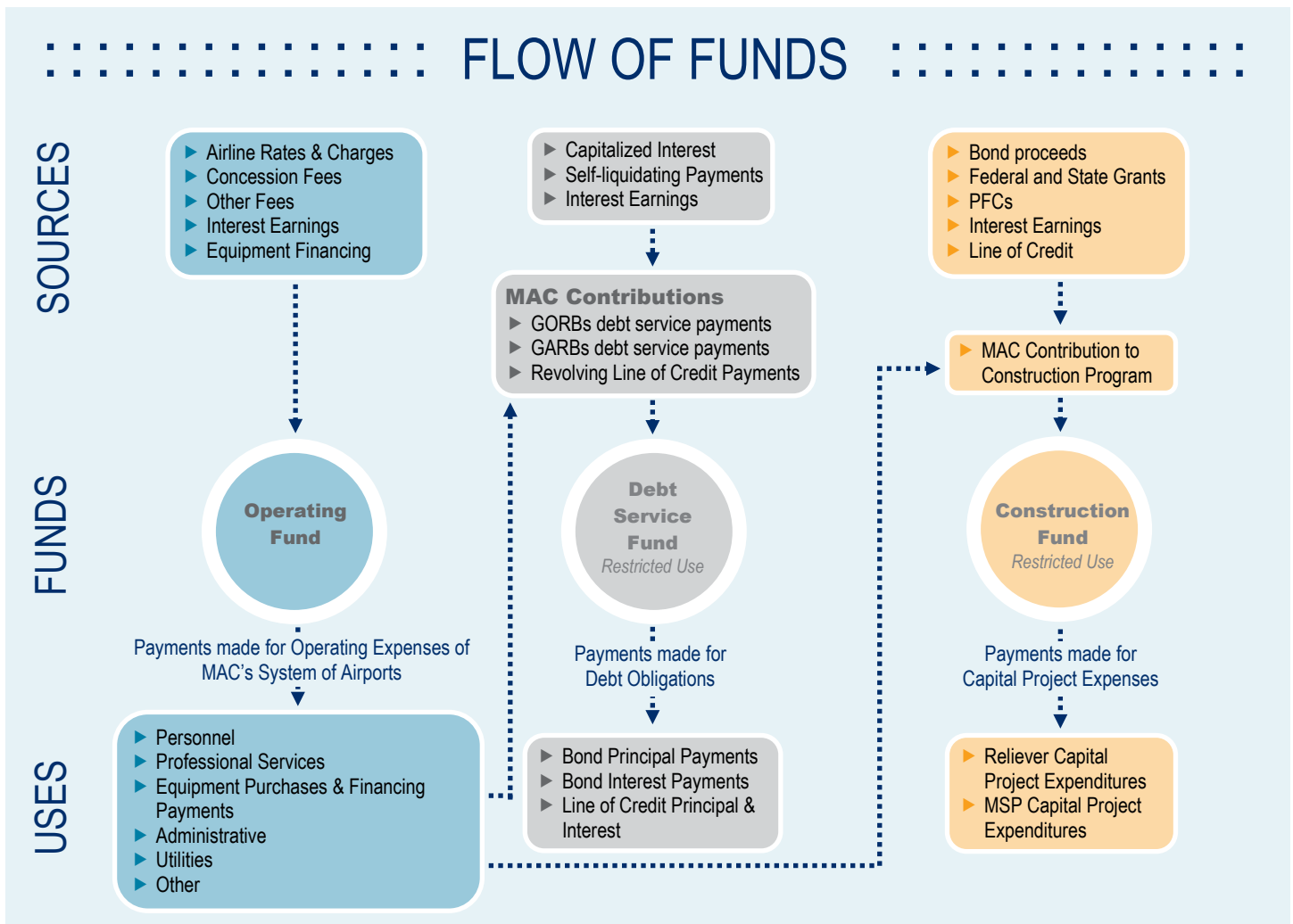
The MAC uses the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). All three Segregated Funds identified here are prepared using GAAP. These funds are not appropriated by the State of Minnesota. The Operating Fund is unrestricted, while the Construction and 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 Service Center section notes the primary Strategic Plan goals and objectives for which each service center 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.

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

## FLOW OF FUNDS



**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 2022 Estimate to the 2023 Budget. Funds are described in detail, including all sources and uses, in their respective sections within this document.

<b>Fund Balance Summary</b> ►►►						
(\$ = 000)						
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	2024 Projection	2025 Projection
<b>Operating Fund</b>						
Balance Carried Forward January 1	\$ 144,730	\$ 232,044	\$ 202,647	\$ 211,713	\$ 207,261	\$ 155,875
Total Sources of Funds	390,102	420,199	412,977	464,814	471,343	489,191
Total Uses of Funds	(308,693)	(342,320)	(324,337)	(384,158)	(435,729)	(442,174)
Transfers	(23,492)	(70,050)	(79,574)	(85,108)	(87,000)	(86,128)
<b>Operating Fund December 31 Balance</b>	<b>\$ 202,647</b>	<b>\$ 239,873</b>	<b>\$ 211,713</b>	<b>\$ 207,261</b>	<b>\$ 155,875</b>	<b>\$ 116,764</b>
<b>Construction Fund</b>						
Balance Carried Forward January 1	\$ 353,103	\$ 211,162	\$ 190,146	\$ 408,218	\$ 247,472	\$ 742,601
Total Sources of Funds	87,625	370,797	429,468	271,730	1,056,822	230,611
Total Uses of Funds	(250,582)	(182,069)	(211,396)	(432,476)	(561,693)	(801,545)
<b>Construction Fund December 31 Balance</b>	<b>\$ 190,146</b>	<b>\$ 399,890</b>	<b>\$ 408,218</b>	<b>\$ 247,472 <sup>1</sup></b>	<b>\$ 742,601</b>	<b>\$ 171,667</b>
<b>Debt Service Fund</b>						
Balance Carried Forward January 1	\$ 243,169	\$ 176,444	\$ 176,444	\$ 154,257	\$ 144,882	\$ 126,220
Total Sources of Funds	128,688	194,804	177,026	149,046	323,506	160,236
Total Uses of Funds	(195,413)	(185,111)	(199,213)	(158,421)	(342,168)	(158,920)
<b>Debt Service Fund December 31 Balance</b>	<b>\$ 176,444</b>	<b>\$ 186,137</b>	<b>\$ 154,257</b>	<b>\$ 144,882</b>	<b>\$ 126,220</b>	<b>\$ 127,536</b>
<b>Total All Funds</b>						
Balance Carried Forward January 1	\$ 741,002	\$ 619,650	\$ 569,237	\$ 774,188	\$ 599,615	\$ 1,024,696
Total Sources of Funds	606,415	985,800	1,019,471	885,590	1,851,671	880,038
Total Uses of Funds	(754,688)	(709,500)	(734,946)	(975,055)	(1,339,590)	(1,402,639)
Transfers	(23,492)	(70,050)	(79,574)	(85,108)	(87,000)	(86,128)
<b>Total All Funds December 31 Balance</b>	<b>\$ 569,237</b>	<b>\$ 825,900</b>	<b>\$ 774,188</b>	<b>\$ 599,615 <sup>2</sup></b>	<b>\$ 1,024,696</b>	<b>\$ 415,967</b>

<sup>1</sup> The year-end balance of \$247.5 million budgeted for the 2023 Construction Fund is a 39% decrease from the 2022 Estimate. Bonds were issued in 2022 to fund construction projects. No bonds will be issued in 2023, resulting in the reduction in the Construction Fund balance.

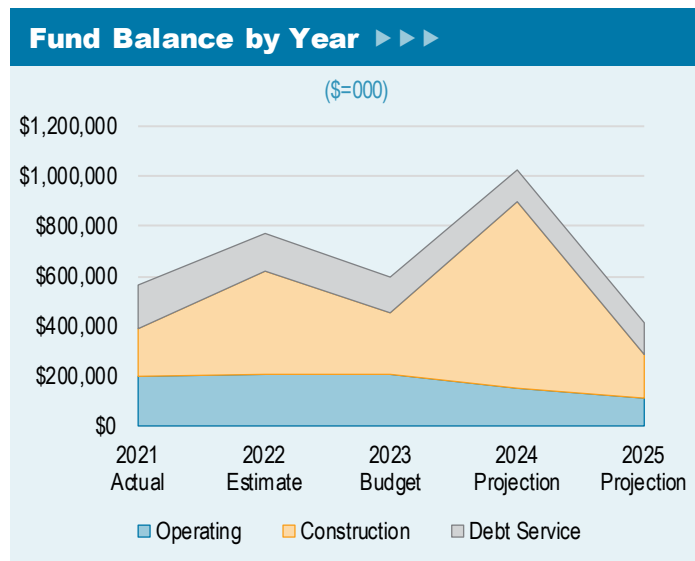
<sup>2</sup> At the end of 2023, the total balance of All Funds is budgeted to be \$599.6 million, which is a 23% decrease from the 2022 year-end estimate. The decrease in the All Funds balance is a result of the Construction Fund reductions noted in Footnote 1.

The Operating Fund is used for day-to-day operations. The overall change in this fund balance from the 2021 Actual ending balance of \$202.6 million to the 2025 Projected ending balance of \$116.8 million is a total decrease of \$85.8 million. The overall decrease is primarily the result of higher debt service and construction transfers.

The Construction Fund is used to pay capital costs associated with the CIP. It had an ending balance of \$190.1 million in 2021 and is projected to have a 2025 ending balance of \$171.7 million. Two primary factors drive the \$18.4 million decrease. First, many CIP projects that were deferred due to the COVID-19 pandemic are now planned for 2024. Second, various CIP projects are demand-driven by growth. Examples of the large dollar projects are the Terminal 2 North Gate Expansion, new Safety and Security Center and Concourse G Infill Pod 2-3.

The Debt Service Fund is used to pay required debt principal and interest payments. It had a 2021 ending balance of \$176.4 million and is projected to decrease \$48.9 million to a 2025 year-end balance of \$127.5 million. Estimated 2022 interest earnings was \$0.8 million less than budget, while principal and interest paid was \$13.7 million more than budget. This will be offset by bond proceeds in 2024.

For new money bond issues, the Commission typically borrows the capitalized interest portion of that bond issue to cover the interest payments due on the debt during the period of construction. The Commission will collect the debt service requirements from the users of MSP upon completion of the associated project.



**TAXING AUTHORITY**

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

Such taxing authority includes:

- ▶ The power to levy property taxes on land leased at the Airport for operation, police and fire protection, and maintenance of roadway systems.
- ▶ The power to levy property taxes not in excess of .00806% in each year upon the net tax capacity of all taxable property in the Metropolitan Area for Airport operation and maintenance costs of Airport facilities, provided revenues are not otherwise available.

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

**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 2021 through 2025.

<b>Operating Fund Sources and Uses</b> ►►►						
(\$ = 000)	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	2024 Projection	2025 Projection
<b>Sources</b>						
Balance Carried Forward January 1	\$ 144,730	\$ 232,044	\$ 202,647	\$ 211,713	\$ 207,261	\$ 155,875
<b>Operating Revenues</b>						
Airline Rates & Charges	117,728	132,060	125,657	158,255	164,585	169,523
Concessions	121,683	155,507	171,975	207,092	209,235	220,532
Other Operating Revenues	67,632	73,102	76,438	81,939	86,174	87,292
<b>Subtotal Operating Revenues</b>	<b>\$ 307,043</b>	<b>\$ 360,669</b>	<b>\$ 374,070</b>	<b>\$ 447,286</b>	<b>\$ 459,994</b>	<b>\$ 477,347</b>
<b>Other/Non Operating Revenues</b>						
Interest Earnings <sup>1</sup>	2,236	5,107	3,490	5,544	5,107	5,107
Other & Self-Liquidating Revenue	80,823	51,573	32,567	7,584	742	737
Transfers In Equipment Financing	-	2,850	2,850	4,400	5,500	6,000
Gain (Loss) on Assets and Other	-	-	-	-	-	-
<b>Subtotal Other/Non Operating Revenue</b>	<b>\$ 83,059</b>	<b>\$ 59,530</b>	<b>\$ 38,907</b>	<b>\$ 17,528</b>	<b>\$ 11,349</b>	<b>\$ 11,844</b>
<b>Total Sources</b>	<b>\$ 390,102</b>	<b>\$ 420,199</b>	<b>\$ 412,977</b>	<b>\$ 464,814</b>	<b>\$ 471,343</b>	<b>\$ 489,191</b>
<b>Uses</b>						
<b>Operating Expenses</b>						
Personnel	\$ 92,676	\$ 100,680	\$ 97,094	\$ 111,438	\$ 115,896	\$ 119,373
Administrative Expenses	1,054	1,465	1,190	1,880	1,955	2,014
Professional Services	5,679	7,392	7,460	9,575	9,958	10,257
Utilities	19,092	21,519	22,735	23,119	24,044	24,765
Operating Services	25,895	32,004	29,248	36,435	37,892	39,029
Maintenance	39,905	45,767	40,648	51,506	53,566	55,173
Other	3,665	6,146	4,506	7,685	7,992	8,232
<b>Subtotal Operating Expenses</b>	<b>\$ 187,966</b>	<b>\$ 214,973</b>	<b>\$ 202,881</b>	<b>\$ 241,638</b>	<b>\$ 251,303</b>	<b>\$ 258,843</b>
<b>Non Operating Expenses</b>						
<b>Equipment</b>						
Equipment & Other Capital Expenditures	10,109	14,153	13,650	14,494	16,627	16,676
Transfers Out - Equipment Financing	4,450	4,415	4,683	4,223	4,276	3,855
<b>Subtotal Equipment</b>	<b>\$ 14,559</b>	<b>\$ 18,568</b>	<b>\$ 18,333</b>	<b>\$ 18,717</b>	<b>\$ 20,903</b>	<b>\$ 20,531</b>
<b>Debt Service</b>						
Transfers Out - Debt Service	106,168	108,779	103,123	123,803	163,523	162,800
<b>Subtotal Debt Service</b>	<b>\$ 106,168</b>	<b>\$ 108,779</b>	<b>\$ 103,123</b>	<b>\$ 123,803</b>	<b>\$ 163,523</b>	<b>\$ 162,800</b>
Working Capital/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Uses</b>	<b>\$ 308,693</b>	<b>\$ 342,320</b>	<b>\$ 324,337</b>	<b>\$ 384,158</b>	<b>\$ 435,729</b>	<b>\$ 442,174</b>
Unrestricted Net Transfer Out-Construction	23,492	70,050	79,574	85,108	87,000	86,128
<b>Operating Fund Balance</b>	<b>\$ 202,647</b>	<b>\$ 239,873</b>	<b>\$ 211,713</b>	<b>\$ 207,261</b>	<b>\$ 155,875</b>	<b>\$ 116,764</b>

<sup>1</sup> Interest Rate Assumed is 3%-4% for the period 2023 through 2025.

## 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 2023 is \$120.8 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.

In general, Airline Rates & Charges will increase in 2023 due to growth from the travel industry's COVID-19 pandemic recovery. Concessions are also expected to rise in most areas. Two primary factors drive the expected increase. First, the increased passenger activity driven by the pandemic recovery will increase sales per concessions store. Second, all units are expected to be open and for longer hours in 2023 than in 2022.

Operating Revenue of \$447.3 million is budgeted for 2023. Closed units continue to open as passenger traffic drive demand and as employees are hired. As mentioned later in the Statistics & Informative Facts chapter, the 2022 unemployment rate in the Minneapolis-St. Paul Metropolitan Statistical Area was a very low 2.1%. Low unemployment continues to challenge employers to find sufficient staff to be open and maintain full contractual hours.

### 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 3-4% for the period 2023-2025. 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.

## 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 budgeted expense for 2023 is \$241.6 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 \$10,000 threshold for capital equipment. The anticipated amount for 2023 is \$14.5 million and includes other capital expenditures. Equipment Financing of \$4.2 million will offset equipment expense. Finally, miscellaneous other capital expenditures are included.
- 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 \$123.8 million in 2023.

### 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.

A transfer of \$85.1 million is budgeted for 2023, based on the 2022 Estimate. Based on the 2023 Budget, a \$87.0 million transfer is projected in 2024. These transfer amounts are typical, after a significantly lower 2021 transfer. The low transfer was due to decreased 2020 revenues resulting from pandemic impacts.

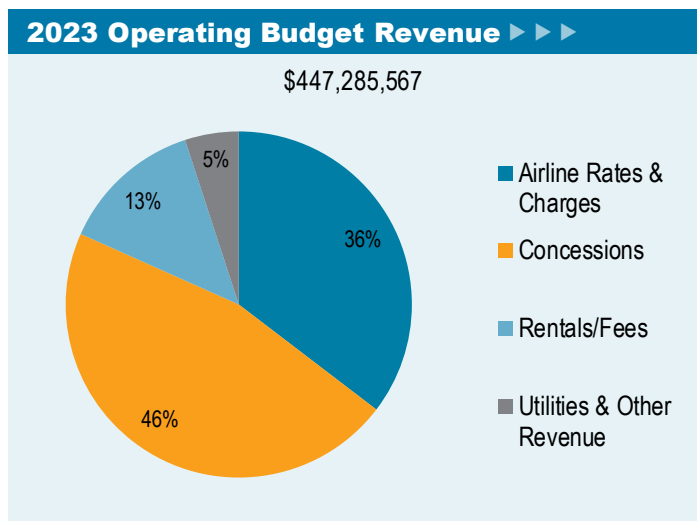
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# OPERATING BUDGET REVENUE

The airline industry will continue to recover from the COVID-19 pandemic in 2023 resulting in growth in revenue. Several factors contribute to this revenue growth. An increase in passengers is expected with leisure travelers largely leading the recovery. Much of the 2023 operating revenue budget is based on a passenger recovery level of 90% of enplaned passengers as compared to 2019 or a 12% increase, whereas 2022 is projected to close with 79% of the 2019 passenger level. This will be accomplished by airlines continuing to bring back suspended airline routes and growth in overall airline schedules. Also, concession revenue is expected to increase in 2023 from overall passenger projections, the reopening of the remaining stores that were closed during the pandemic and longer hours of operation from additionally hired staff.

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

Revenue Summary ►►►						
(\$=000)	2023 Budget vs 2022 Estimate					
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
Airline Rates & Charges	\$117,728	\$132,060	\$125,657	\$158,255	\$32,598	25.9%
Concessions	121,684	155,508	171,975	207,092	35,117	20.4%
Rentals/Fees	49,273	53,464	55,732	59,476	3,744	6.7%
Utilities & Other Revenue	18,359	19,638	20,706	22,463	1,757	8.5%
<b>Total Operating Revenue</b>	<b>\$307,044</b>	<b>\$360,670</b>	<b>\$374,070</b>	<b>\$447,286</b>	<b>\$73,216</b>	<b>19.6%</b>



Total Operating Budget Revenue for 2023 is \$447.3 million, which is an increase of \$73.2 million or 19.6% over the 2022 estimate.

The pie chart illustrates each revenue category as a percentage of total revenue. The largest revenue sources are Concessions and Airline Rates & Charges with 46% and 36% of the total, respectively.

OPERATING BUDGET REVENUE

## 2023 Operating Revenue ►►►

2023 Budget vs 2022 Estimate

	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>						
<b>Airline Agreement</b>						
Landing Fees	68,946,342	72,841,520	72,841,520	87,169,369	14,327,849	19.7%
Ramp Fees	5,923,289	6,654,847	6,654,847	8,158,495	1,503,648	22.6%
Airline R&R	5,003,359	5,467,757	5,442,423	5,631,789	189,366	3.5%
Terminal 1 Rentals	33,677,585	40,386,342	36,388,318	51,142,958	14,754,640	40.5%
Terminal 1 Other	7,084,747	9,040,732	8,901,083	9,069,729	168,646	1.9%
Concessions Rebate	(14,756,138)	(16,255,417)	(19,222,021)	(21,400,021)	(2,178,000)	11.3%
<b>Total Airline Agreement</b>	<b>\$ 105,879,184</b>	<b>\$ 118,135,781</b>	<b>\$ 111,006,170</b>	<b>\$ 139,772,319</b>	<b>\$ 28,766,149</b>	<b>25.9%</b>
Terminal 2 Lobby Fees	8,932,810	10,601,014	10,722,225	13,616,808	2,894,583	27.0%
Terminal 2 Other /Passenger Fees	2,915,624	3,323,285	3,928,439	4,865,900	937,461	23.9%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 117,727,618</b>	<b>\$ 132,060,080</b>	<b>\$ 125,656,834</b>	<b>\$ 158,255,027</b>	<b>\$ 32,598,193</b>	<b>25.9%</b>
<b>Concessions</b>						
<b>Terminal</b>						
Food & Beverage	15,952,988	21,398,705	17,074,812	31,136,821	14,062,009	82.4%
News	4,068,983	4,039,040	3,721,288	5,942,691	2,221,403	59.7%
Retail Stores	2,738,115	4,528,962	3,741,866	4,823,857	1,081,991	28.9%
Passenger Services	4,806,447	6,659,970	6,722,610	7,963,998	1,241,388	18.5%
<b>Total Terminal</b>	<b>\$ 27,566,533</b>	<b>\$ 36,626,677</b>	<b>\$ 31,260,576</b>	<b>\$ 49,867,367</b>	<b>\$ 18,606,791</b>	<b>59.5%</b>
<b>Parking/Ground Transportation</b>						
Parking	67,381,042	86,797,790	103,415,605	117,108,713	13,693,108	13.2%
Ground Transportation	8,063,669	10,284,819	12,515,520	14,382,993	1,867,473	14.9%
Auto Rental - On Airport	16,213,073	19,292,134	22,001,819	22,945,180	943,361	4.3%
<b>Total Parking/Ground Transport</b>	<b>\$ 91,657,784</b>	<b>\$ 116,374,743</b>	<b>\$ 137,932,944</b>	<b>\$ 154,436,886</b>	<b>\$ 16,503,942</b>	<b>12.0%</b>
Other Concessions	2,459,177	2,506,057	2,781,417	2,788,043	6,626	0.2%
<b>Total Concessions</b>	<b>\$ 121,683,494</b>	<b>\$ 155,507,477</b>	<b>\$ 171,974,937</b>	<b>\$ 207,092,296</b>	<b>\$ 35,117,359</b>	<b>20.4%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	14,829,745	15,181,278	16,048,925	17,356,162	1,307,237	8.1%
Auto Rental CFC	13,029,389	15,973,559	17,023,103	19,072,359	2,049,256	12.0%
Ground Rentals	11,456,029	13,291,963	13,260,311	12,847,500	(412,811)	-3.1%
Reliever Airports	9,958,014	9,017,580	9,400,000	10,199,595	799,595	8.5%
<b>Total Rentals &amp; Fees</b>	<b>\$ 49,273,177</b>	<b>\$ 53,464,380</b>	<b>\$ 55,732,339</b>	<b>\$ 59,475,616</b>	<b>\$ 3,743,277</b>	<b>6.7%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	5,615,203	5,196,430	4,793,187	5,714,048	920,861	19.2%
General Aviation/Airside Fees	5,603,668	6,039,405	6,385,164	6,731,425	346,261	5.4%
Maintenance, Cleaning & Distribution Fees	2,832,895	3,272,410	3,905,120	4,487,527	582,407	14.9%
Other Revenues	1,964,207	1,975,913	2,468,164	2,360,628	(107,536)	-4.4%
Reimbursed Expense	2,343,439	3,154,000	3,154,000	3,169,000	15,000	0.5%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 18,359,412</b>	<b>\$ 19,638,158</b>	<b>\$ 20,705,635</b>	<b>\$ 22,462,628</b>	<b>\$ 1,756,993</b>	<b>8.5%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 307,043,701</b>	<b>\$ 360,670,095</b>	<b>\$ 374,069,745</b>	<b>\$ 447,285,567</b>	<b>\$ 73,215,822</b>	<b>19.6%</b>



**REVENUE ASSUMPTIONS AND GUIDELINES**

The revenue projections for 2023 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 Commission 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 future projected airline industry recovery from the COVID-19 pandemic
  - ▶ Expense estimates that determine various components of Airline Rates & Charges
  - ▶ Lease agreements, contracts and MAC Ordinances
  - ▶ Federal Aviation Administration publications
  - ▶ Utility consultants
- ▶ The budget for most revenue categories increased in 2023 over 2022 primarily due to projected growth in passenger and flight activity.

**AIRLINE RATES & CHARGES**

The Airline Rates & Charges category, which is approximately \$158.3 million or 36% of the MAC’s \$447.3 million in revenues, is generated from rates charged to the airlines. This category is projected to increase \$32.6 million or 25.9% from the 2022 estimate. The formulas for the rates are established in the Airline Use Agreement and are composed of landing fees, ramp fees, airline Terminal 1 rental rates and the Terminal 1 International Arrivals Facility (IAF) use fees.

This agreement incorporates debt service in the calculation of rates and charges for the recovery of capital improvements. In accordance with this agreement, expenses from Police, Fire, Maintenance Labor, Maintenance Equipment and Administration service centers are allocated to the Field & Runway, Ramp, Terminal Building and 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 \$21.4 million represents the revenue sharing found in the Airline Use Agreement.

**Airline Rates & Charges ▶▶▶**

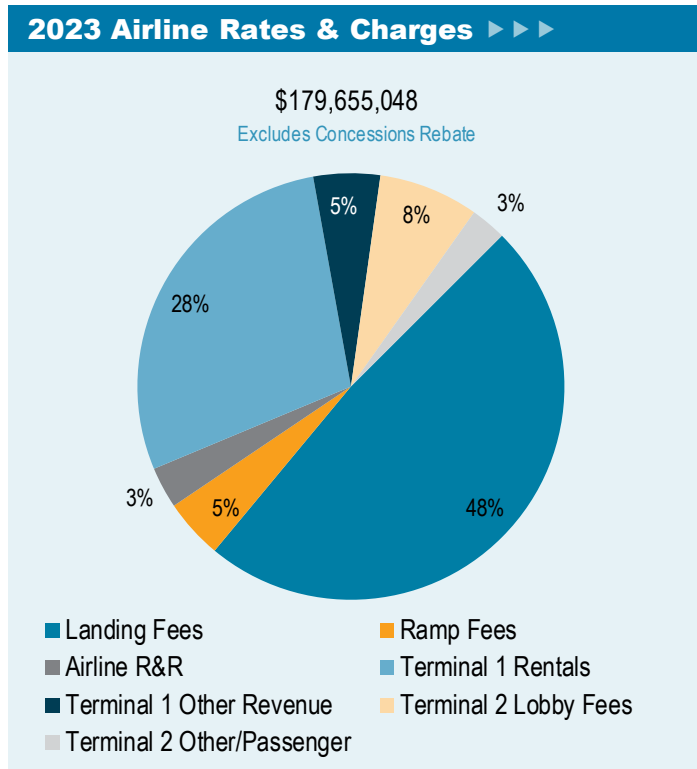
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2023 Budget vs 2022 Estimate

	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
Landing Fees	\$68,946	\$72,842	\$72,842	\$87,169	\$14,327	19.7%
Ramp Fees	5,923	6,655	6,655	8,158	1,503	22.6%
Airline R&R	5,003	5,468	5,442	5,632	190	3.5%
Terminal 1 Rentals	33,678	40,386	36,388	51,143	14,755	40.5%
Terminal 1 Other Revenue	7,085	9,041	8,901	9,070	169	1.9%
Concessions Rebate	(14,756)	(16,256)	(19,222)	(21,400)	(2,178)	11.3%
Terminal 2 Lobby Fees	8,933	10,601	10,722	13,617	2,895	27.0%
Terminal 2 Other/Passenger	2,916	3,323	3,929	4,866	937	23.9%
<b>Total Airline Rates &amp; Charges</b>	<b>\$117,728</b>	<b>\$132,060</b>	<b>\$125,657</b>	<b>\$158,255</b>	<b>\$32,598</b>	<b>25.9%</b>

**OPERATING BUDGET REVENUE**

The pie chart shows each revenue source as a percentage of the total Airline Rates & Charges revenue category. Landing Fees and Terminal 1 Rentals are the greatest revenue sources with 48% and 28% of the total, respectively.



**LANDING FEES**

Total landing fees are projected to increase \$14.3 million or 19.7% compared to the 2022 estimate. The landing fee rate is based upon total estimated expense in the Field & Runway service center divided by the total estimated annual landed weight. This landing fee rate is then used throughout the year.

**Landing Fee** ►►►

	2021 Actual	2022 Budget	2022 Estimate	2023 Budget
Landing Fee	\$4.07	\$3.68	\$3.68	\$4.19
Landed Weight*	16,940	19,794	19,794	20,804
Revenue <sup>\$</sup>	\$68,946	\$72,842	\$72,842	\$87,169

\*lbs in 000,000  
\$ = 000

The landing fee rate will increase \$0.51 or 13.9% in 2023 over the 2022 estimate, which includes a pandemic relief reduction to airfield costs. The estimated landed weight for 2023 is projected to increase 1.0 billion pounds or 5% over the 2022 estimate due to a greater number of flights expected.

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 parking 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.

**Ramp Fee** ►►►

	2021 Actual	2022 Budget	2022 Estimate	2023 Budget
Ramp Fee*	\$554.46	\$604.93	\$604.93	\$741.61
Ramp Footage <sup>\$</sup>	11,001	11,001	11,001	11,001
Revenue	\$5,923	\$6,655	\$6,655	\$8,158

\*Per Lineal Foot  
\$=000

The 2023 ramp fee per lineal foot is \$741.61, which is \$136.68 higher than the 2022 estimated rate. The ramp fee rate increase results in Total Ramp Fees exceeding the 2022 estimate by \$1.5 million or 22.6%. A major component of the ramp fee increase is due to a new de-icing agreement. General ramp maintenance costs are also expected to increase in 2023.

**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% as stated in the airline agreement. The rate for 2023 is \$8.90 per square foot and total R&R is projected to be \$189,366 or 3.5% higher than the 2022 estimate.

**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>				
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget
Exclusive*	\$60.24	\$66.61	\$63.28	\$74.55
Exclusive Janitorial*	\$71.38	\$79.08	\$75.13	\$87.19
<b>Total Revenue<sup>§</sup></b>	<b>\$33,678</b>	<b>\$40,386</b>	<b>\$36,388</b>	<b>\$51,143</b>
<i>*Per Square Foot §=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 2022 estimate of \$63.28 to \$74.55 per square foot in 2023. The janitorial rate is increasing from the 2022 estimate of \$75.13 to \$87.19 per square foot in 2023.

Total revenue from Terminal 1 Rentals is \$14.8 million or 40.5% higher than the 2022 estimate. This variance is the result of factors impacting 2022 and 2023. In 2022 costs are estimated to be 5% below expectations, and rent relief was provided to airlines as pandemic recovery assistance. In the 2023 budget, higher terminal building costs such as cleaning and maintenance are expected from economic inflation and the projected 12% increase in passengers.

**TERMINAL 1 OTHER**

Revenue from Terminal 1 Other is expected to increase by \$168,646 or 1.9% over the 2022 estimate. Revenues in this area are generated by International Arrival Fees, porter service fees, baggage claim maintenance fees, queue line management fees, employee screening fees, flight information display maintenance, public address system maintenance and common use gates.

The largest components of 2023 Terminal 1 Other are IAF revenue at \$4.8 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 2023 IAF fee will decrease from \$7.15 to \$6.96 or 2.7%. IAF costs are projected to increase by approximately \$400,000; however, the IAF rate will decrease since international enplanements are projected to increase by almost 75,000 or 12%.

<b>International Arrival Fees ►►►</b>				
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget
<b>Total Cost<sup>§</sup></b>	<b>\$3,487</b>	<b>\$4,422</b>	<b>\$4,422</b>	<b>\$4,824</b>
<b>Passengers</b>	<b>239,492</b>	<b>500,000</b>	<b>618,462</b>	<b>693,103</b>
<b>Fee per Passenger</b>	<b>\$14.56</b>	<b>\$9.08</b>	<b>\$7.15</b>	<b>\$6.96</b>
<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 2023.

For the 2023 budget, the concessions rebate is projected to be \$21.4 million. The \$2.2 million increase over the 2022 estimate is due to revenue growth from food and beverage, news, retail and auto rental sales as passengers are expected to increase.

**TERMINAL 2 LOBBY FEES**

Terminal 2 Lobby Fees are expected to increase \$2.9 million or 27.0% over the 2022 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 2023, the gate revenue cap is \$921,496 per airline using the gate. The MAC has a total of 14 gates at Terminal 2 and projects 13 of these gates will reach the revenue cap. Additional revenue will generate from non-priority gate use on capped gates and gate use on the gates that do not reach the revenue cap.

The Terminal 2 Lobby Fees revenue increase in 2023 is predominately due to an increase in the revenue cap per gate.

**TERMINAL 2 OTHER / PASSENGER FEES**

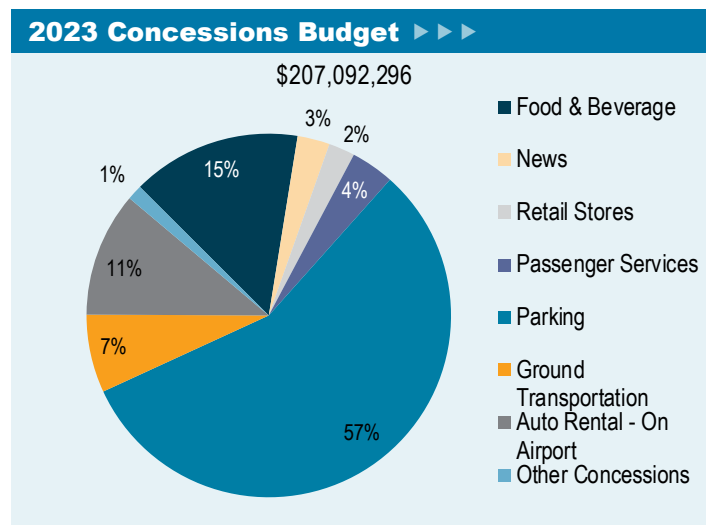
Terminal 2 Other/Passenger Fees include Federal Inspection Service (FIS) charges for international passengers, Terminal 2 building rentals, apron fees and non-signatory landing fees.

As with Lobby Fees mentioned previously, the FIS charges do not have a year-end true up of actual expenses. Revenue in this category is budgeted to increase \$937,461 or 23.9% from the 2022 estimate. International flight schedules continue to increase and are projected to climb further in 2023.

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The Concessions revenue category is \$207.1 million or 46% of total operating revenue for 2023 and is projected to increase \$35.1 million or 20.4% from the 2022 estimate.

The pie chart 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 57%, followed by Food & Beverage and Auto Rentals with 15% and 11%, respectively.



**Concessions ►►►**

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2023 Budget vs 2022 Estimate

	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
Food & Beverage	\$15,953	\$21,398	\$17,075	\$31,137	\$14,062	82.4%
News	4,069	4,039	3,721	5,942	2,221	59.7%
Retail Stores	2,738	4,529	3,742	4,824	1,082	28.9%
Passenger Services	4,806	6,660	6,723	7,964	1,241	18.5%
Parking	67,381	86,798	103,416	117,109	13,693	13.2%
Ground Transportation	8,064	10,285	12,515	14,383	1,868	14.9%
Auto Rental - On Airport	16,213	19,292	22,002	22,945	943	4.3%
Other Concessions	2,459	2,506	2,781	2,788	7	0.2%
<b>Total Concessions</b>	<b>\$121,683</b>	<b>\$155,507</b>	<b>\$171,975</b>	<b>\$207,092</b>	<b>\$35,117</b>	<b>20.4%</b>

## OPERATING BUDGET REVENUE

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.

In 2022, MAC issued rental credits to Food & Beverage, News, Retail and Passenger Services concessionaires to lower their costs during the COVID-19 pandemic recovery period, which reduced the year-end estimate. To offset these credits, MAC received American Rescue Plan Act (ARPA) concession rent relief federal grant funds, which are reported in Non-Operating Revenue and Expenses.

### FOOD & BEVERAGE

Food & Beverage concession revenue is expected to increase \$14.1 million or 82.4% over the 2022 estimate. Most of this projected increase is from the COVID-19 rent relief provided to the concessionaires in 2022. However, Food & Beverage revenue will increase in 2023 from continued price inflation and a 12% increase in passengers.

### NEWS

News concession revenue is expected to increase by \$2.2 million or 59.7% over the 2022 estimate. Most of this projected increase is from the COVID-19 rent relief provided to the concessionaires in 2022. However, News revenue will increase in 2023 from price inflation, grab and go product sales and the growth in passengers.

### RETAIL STORES

Revenue from Retail Stores is projected to increase \$1.1 million or 28.9% compared to the 2022 estimate. Most of this projected increase is from the COVID-19 rent relief provided to the concessionaires in 2022. However, revenue from Retail Stores will increase in 2023 from continued price inflation and an increase in passengers.

### PASSENGER SERVICES

Revenue from Passenger Services is budgeted to increase \$1.2 million or 18.5% over the 2022 estimate. Most of this projected increase is from the COVID-19 rent relief provided to the concessionaires in 2022. However, similar to other concessions, Passenger Services revenue will increase in 2023 from price inflation and passenger growth.

### PARKING

Parking revenue is expected to increase over the 2022 estimate by \$13.7 million or 13.2%. Parking revenue exceeded the budget in 2022 due to a greater number of passengers than expected and travelers parking for longer periods of time. The increase in revenue in 2023 is based on a recovery level of 90% of enplaned passenger traffic compared to 2019 plus a parking rate adjustment.

### GROUND TRANSPORTATION FEES

Ground Transportation fees are projected to increase \$1.9 million or 14.9% over the 2022 estimate. This increase in revenue is primarily based on the expected 12% passenger projection for 2023 and more public interest in app based, on-demand transportation services.

### ON-AIRPORT AUTO RENTAL

On-Airport Auto Rental revenue is projected to increase \$943,361 or 4.3% from the 2022 estimate. The 2023 budget is based on the projected 12% increase in passengers.

### 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 remain relatively flat in 2023 compared to the 2022 estimate.

### RENTALS/FEES

Rentals/Fees revenue is \$59.5 million or 13% of total operating revenue for 2023 and is projected to increase \$3.7 million or 6.7% from the 2022 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.

## Rentals/Fees ►►►

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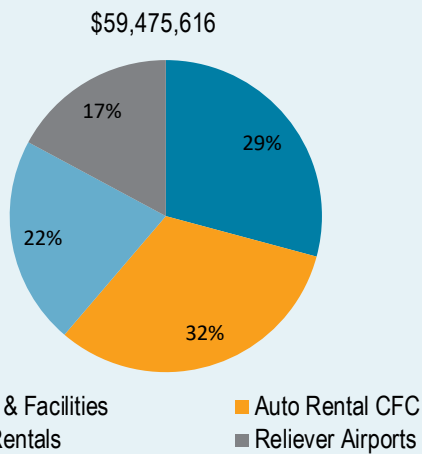
2023 Budget vs 2022 Estimate

	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>Buildings &amp; Facilities</b>	\$14,830	\$15,181	\$16,049	\$17,356	\$1,307	8.1%
<b>Auto Rental CFC</b>	13,029	15,973	17,023	19,072	2,049	12.0%
<b>Ground Rentals</b>	11,456	13,292	13,260	12,848	(412)	-3.1%
<b>Reliever Airports</b>	9,958	9,018	9,400	10,200	800	8.5%
<b>Total Rentals/Fees</b>	<b>\$49,273</b>	<b>\$53,464</b>	<b>\$55,732</b>	<b>\$59,476</b>	<b>\$3,744</b>	<b>6.7%</b>

The pie chart illustrates that Auto Rental CFC revenue is expected to bring in the highest percentage of Rentals/Fees, accounting for 32% of the total. Buildings & Facilities revenue is close behind at 29%.

obligation and maintenance for the auto rental facilities including the Terminal 1 Silver Ramp. The 2023 revenue projection stems from a greater number of projected passengers.

### 2023 Rentals/Fees Budget ►►►



### GROUND RENTALS

Compared to the 2022 estimate, Ground Rentals are budgeted to decrease \$412,811 or 3.1%. Ground rental rates are dictated in MAC Ordinance with no rental rate escalation in 2023. The projected decrease in 2023 is the result of a fuel farm lease expiration.

### RELIEVER AIRPORTS

Revenue from Reliever Airports is projected to increase \$799,595 or 8.5% from the 2022 estimate. This increase is based on ordinance escalators, historical trends and increasing activity at the reliever airports.

### BUILDINGS & FACILITIES

Buildings & Facilities revenue is projected to increase \$1.3 million or 8.1% over the 2022 estimate. The 2023 budget reflects lease terms and contract escalators generally ranging from 2.5%-3.0%.

### AUTO RENTAL-CUSTOMER FACILITY CHARGE

The revenue from Auto Rental CFCs is budgeted to increase \$2.0 million or 12.0% over the 2022 estimate. The CFC rate will remain at \$5.90 per auto rental transaction per day and is used to repay the debt



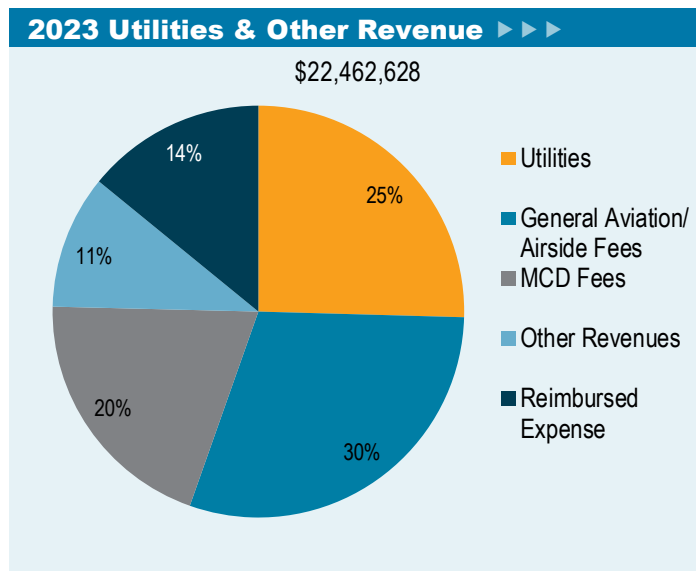
Essential Items for Travelers Generate Revenue

**UTILITIES & OTHER REVENUE**

Utilities & Other Revenue is \$22.5 million or 5.0% of total operating revenue for 2023 and is projected to increase \$1.8 million or 8.5% from the 2022 estimate.

<b>Utilities &amp; Other Revenue</b> ►►►				2023 Budget vs 2022 Estimate		
(\$=000)						
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
Utilities	\$5,615	\$5,197	\$4,794	\$5,714	\$920	19.2%
General Aviation/ Airside Fees	5,604	6,039	6,385	6,731	346	5.4%
MCD Fees	2,833	3,272	3,905	4,488	583	14.9%
Other Revenues	1,964	1,976	2,468	2,361	(107)	-4.4%
Reimbursed Expense	2,343	3,154	3,154	3,169	15	0.5%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$18,359</b>	<b>\$19,638</b>	<b>\$20,706</b>	<b>\$22,463</b>	<b>\$1,757</b>	<b>8.5%</b>

The pie chart illustrates General Aviation/Airside Fees and Utilities are projected to bring in over half of the revenue with 30% and 25% 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 2022 estimate, Utilities revenue is projected to increase \$920,861 or 19.2% from both utility rate increases and increased consumption by more tenant operations.

**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 \$346,261 or 5.4% from the 2022 estimate, primarily from airside service operators who offer aircraft cleaning, deicing and other services.

**MAINTENANCE, CLEANING & DISTRIBUTION FEES**

Maintenance, Cleaning & Distribution (MCD) fees are expected to increase \$582,407 or 14.9% over the 2022 estimate. These fees are based on a percent of concession sales. As concession sales are projected to increase in 2023, MCD fees will increase as well.

**OTHER REVENUES**

The Other Revenues category is expected to bring in \$2.4 million in 2023, which is relatively flat compared to the 2022 estimate. 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 \$15,000 or 0.5% over the 2022 estimate. Certain expenses are reimbursed by others such as terminal cleaning, police patrolling, Reliever Airport expenses and canine training. A slight increase is expected in the 2023 budget.

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# OPERATING BUDGET EXPENSE

Expenses that arise from daily operations are within the Operating Fund. In preparing the 2023 budget, the MAC analyzed data provided by partner airlines and consultants. This analysis resulted in a final expense budget based on a recovery rate of 90% of enplaned passenger traffic compared to 2019 traffic. Each department was charged with examining all expenses and determining which resources would be necessary in 2023 to maintain a healthy financial path that would support MAC’s continued recovery and promote its strategic priorities.

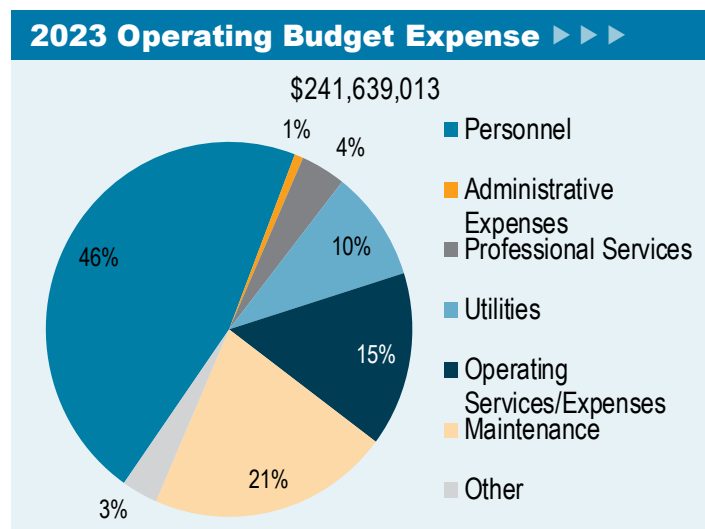
Expenses are also key factors in determining revenue. For example, Rates & Charges revenue collected from the airlines is based on expenses. It is governed by the Airline Use Agreement. In certain cases, lower expenses bring in less revenue.

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

<b>Expense Summary</b> ►►►						
	2023 Budget vs 2022 Estimate					
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>Personnel</b>	\$92,676	\$100,680	\$97,094	\$111,438	\$14,344	14.8%
<b>Administrative Expenses</b>	1,054	1,465	1,190	1,880	690	58.0%
<b>Professional Services</b>	5,679	7,392	7,459	9,575	2,116	28.4%
<b>Utilities</b>	19,093	21,519	22,735	23,120	385	1.7%
<b>Operating Services/Expenses</b>	25,895	32,263	29,248	36,435	7,187	24.6%
<b>Maintenance</b>	39,905	45,767	40,648	51,506	10,858	26.7%
<b>Other</b>	3,665	6,146	4,506	7,685	3,179	70.6%
<b>Total Operating Expense</b>	<b>\$187,967</b>	<b>\$215,232</b>	<b>\$202,880</b>	<b>\$241,639</b>	<b>\$38,759</b>	<b>19.1%</b>

Total Operating Budget Expense for 2023 is \$241.6 million, excluding depreciation and amortization, which is an increase of \$38.8 million or 19.1% from the 2022 estimate.

The pie chart illustrates the seven expense categories as percentages of the total. Personnel is the largest expense category with 46% of the total. Maintenance, Operating Services/Expenses and Utilities follow with 21%, 15% and 10%, respectively.



OPERATING BUDGET EXPENSE

<b>2023 Operating Expense</b> ►►►						
2023 Budget vs 2022 Estimate						
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	62,920,128	68,480,868	66,198,614	80,499,773	14,301,159	21.6%
Benefits	29,756,157	32,198,657	30,895,372	30,938,645	43,273	0.1%
<b>Total Personnel</b>	<b>\$ 92,676,285</b>	<b>\$ 100,679,525</b>	<b>\$ 97,093,986</b>	<b>\$ 111,438,418</b>	<b>\$ 14,344,432</b>	<b>14.8%</b>
<b>Administrative Expenses</b>	<b>\$ 1,054,209</b>	<b>\$ 1,464,985</b>	<b>\$ 1,189,843</b>	<b>\$ 1,880,235</b>	<b>\$ 690,392</b>	<b>58.0%</b>
<b>Professional Services</b>	<b>\$ 5,679,291</b>	<b>\$ 7,392,117</b>	<b>\$ 7,459,628</b>	<b>\$ 9,574,715</b>	<b>\$ 2,115,087</b>	<b>28.4%</b>
<b>Utilities</b>						
Electricity	13,751,138	14,477,085	14,955,170	14,890,983	(64,187)	-0.4%
Heating Fuel	2,694,059	3,560,402	4,544,640	4,896,105	351,465	7.7%
Water & Sewer	1,973,695	2,739,828	2,572,468	2,500,043	(72,425)	-2.8%
Telephones	673,598	741,604	662,449	832,299	169,850	25.6%
<b>Total Utilities</b>	<b>\$ 19,092,490</b>	<b>\$ 21,518,919</b>	<b>\$ 22,734,727</b>	<b>\$ 23,119,430</b>	<b>\$ 384,703</b>	<b>1.7%</b>
<b>Operating Services/Expenses</b>						
Storm Water Monitoring	1,636,535	1,885,000	1,818,644	1,835,000	16,356	0.9%
Shuttle Bus Services	927,493	986,000	1,061,949	2,306,484	1,244,535	117.2%
Parking Management	4,016,181	5,276,870	4,651,440	5,205,000	553,560	11.9%
Service Agreements	11,739,497	14,355,718	13,193,545	17,236,389	4,042,844	30.6%
Operating Services - Other	7,575,013	9,759,658	8,522,154	9,852,090	1,329,936	15.6%
<b>Total Operating Services/Expenses</b>	<b>\$ 25,894,719</b>	<b>\$ 32,263,246</b>	<b>\$ 29,247,732</b>	<b>\$ 36,434,963</b>	<b>\$ 7,187,231</b>	<b>24.6%</b>
<b>Maintenance</b>						
Trades	1,807,459	2,474,873	2,186,023	2,808,849	622,826	28.5%
Field	5,039,837	4,786,315	4,994,934	7,205,303	2,210,369	44.3%
Building	14,698,296	17,133,606	15,598,298	17,713,834	2,115,536	13.6%
Cleaning	16,330,039	18,624,740	15,331,876	19,920,467	4,588,591	29.9%
Equipment	2,029,587	2,747,815	2,536,945	3,857,711	1,320,766	52.1%
<b>Total Maintenance</b>	<b>\$ 39,905,218</b>	<b>\$ 45,767,349</b>	<b>\$ 40,648,076</b>	<b>\$ 51,506,164</b>	<b>\$ 10,858,088</b>	<b>26.7%</b>
<b>Other</b>						
General Insurance	2,657,223	3,543,001	4,149,149	4,010,999	(138,150)	-3.3%
Minor Equipment	95,545	163,158	114,694	367,040	252,346	220.0%
Other - Other	912,391	2,439,793	241,900	3,307,049	3,065,149	1267.1%
<b>Total Other</b>	<b>\$ 3,665,159</b>	<b>\$ 6,145,952</b>	<b>\$ 4,505,743</b>	<b>\$ 7,685,088</b>	<b>\$ 3,179,345</b>	<b>70.6%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 187,967,371</b>	<b>\$ 215,232,093</b>	<b>\$ 202,879,735</b>	<b>\$ 241,639,013</b>	<b>\$ 38,759,278</b>	<b>19.1%</b>

**OPERATING BUDGET EXPENSE**

**EXPENSE ASSUMPTIONS AND GUIDELINES**

The operating expense budget is compiled with information provided by the MAC’s service centers, utility companies, vendors and historical analyses. The expense budget projections for 2023 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.
- ▶ Many service centers have been short-staffed since a hiring-freeze was imposed at the

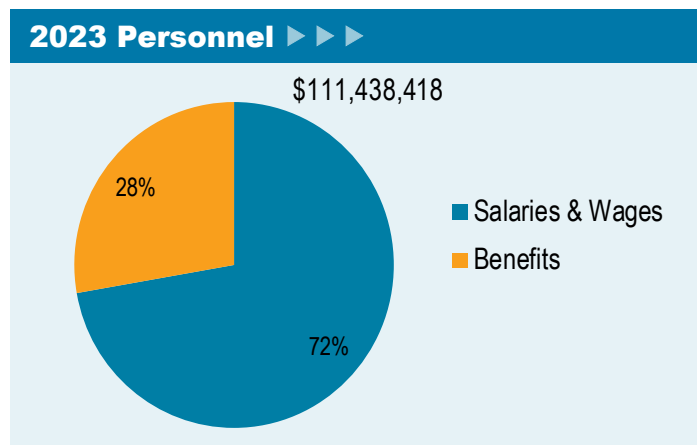
beginning of the COVID-19 pandemic in 2020. As a result, the MAC includes 28 new full-time equivalent employees (FTEs). The new employees will support new and increasing needs throughout the organization, providing the necessary staff resources to serve the traveling public.

- ▶ 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. A wage adjustment is included in the Personnel budget.
- ▶ As the industry continues to recover from the impacts of COVID-19, service centers continue to budget what is necessary to meet the MAC’s objectives for more enplaned passengers. The 2023 projection is 90% of the 2019 enplaned passengers. Variable expenses in the budget take this rate into account. As a result of the projected growth, the budget for all expense categories increased in 2023 over 2022.

**PERSONNEL**

The Personnel category, which is approximately \$111.4 million or 46% of the \$241.6 million Operating Expense budget, is projected to increase by \$14.3 million or 14.8% from the 2022 estimate.

<b>Personnel</b> ▶▶▶						
(\$=000)	2023 Budget vs 2022 Estimate					
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
Salaries & Wages	\$62,920	\$68,481	\$66,199	\$80,500	\$14,301	21.6%
Benefits	29,756	32,199	30,895	30,938	43	0.1%
<b>Total Personnel</b>	<b>\$92,676</b>	<b>\$100,680</b>	<b>\$97,094</b>	<b>\$111,438</b>	<b>\$14,344</b>	<b>14.8%</b>



As shown in the pie chart, 72% of the Personnel category is made up of Salaries & Wages. Benefits make up the remaining 28%.

Major differences between the 2023 budget and 2022 estimate are as follows:

**SALARIES & WAGES**

Salaries & Wages are projected to increase by \$14.3 million or 21.6% over 2022 estimate. There are several factors contributing to the increase.

**OPERATING BUDGET EXPENSE**

The budget includes 28 new FTEs, which accounts for \$2.1 million of the increase. One FTE each is scheduled for the Human Resources & Labor Relations and Strategy & Stakeholder Engagement divisions. Three new FTEs will be added to the Planning & Development division. 20 new FTEs will be hired in the Management & Operations division. These 20 FTEs will support public safety work and a new approach to operations, both of which are key parts of the MAC’s strategic plan. Three new FTEs will be added to the Information Technology division.

**Full-Time Equivalent Positions ►►►**

	Actual	Authorized
2019	650.5	680.5
2020	630	686.5 <sup>a</sup>
2021	634	690.5 <sup>b</sup>
2022	641.5	691.5 <sup>c</sup>
2023	n/a	719.5 <sup>d</sup>

<sup>a</sup> Authorized FTEs increased by 6 on 1/1/2020.  
<sup>b</sup> Four temporary Trades staff became permanent in 2020.  
<sup>c</sup> One new FTE was authorized on 1/1/2022.  
<sup>d</sup> The 2023 budget includes 28 new FTEs to meet increased service levels and responsibilities.

The MAC expects all or most of the 2022 vacancies to be filled in 2023. This accounts for approximately \$5.3 million of the increase. It is offset by a \$750,000 vacancy factor for any open positions during 2023. An increase of \$6.7 million results from wage adjustments for the full complement of 2022 authorized positions.

The remaining \$7.6 million increase is attributable to an increase in overtime and temporary employee wages, largely due to the anticipated growth in passenger activity in 2023 over 2022. The increased budget will support overtime pay and temporary staff who cover a number of needs, including airfield and other maintenance during snow events, holiday coverage and increased staff during periods with elevated customer traffic.

**BENEFITS**

Benefits include employee insurance, post-retirement healthcare, Social Security, Medicare, retirement plan contributions, severance, workers’ compensation and other miscellaneous items. An increase of \$43,273 or 0.1% from the 2022 estimate is projected over 2023 budget.

In 2023, the MAC expects to begin drawing funds from its Other Post-Employment Benefits (OPEB) trust. Withdrawals are budgeted to be \$3.6 million, an offset of 80% of the MAC’s budgeted retiree insurance costs. This results in a slight increase in the 2023 Benefits budget over the 2022 estimate.

Several benefit categories increased in 2023, largely a result of projecting that most or all 2022 vacancies will be filled and 28 new FTEs will be hired. These increases are \$2.0 million for payroll taxes and expenses, \$824,027 for employee insurance benefits and \$440,587 for education and development benefits.



MAC Staff Serve as Ambassadors at Events at MAC Airports

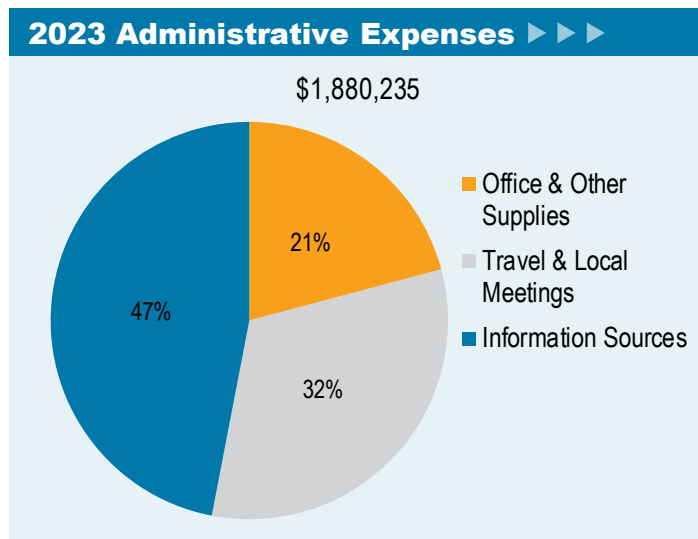
**OPERATING BUDGET EXPENSE**

**ADMINISTRATIVE EXPENSES**

Administrative Expenses, which is approximately \$1.9 million or 1% of the \$241.6 million expense budget, is projected to increase in 2023 by \$690,392 or 58.0% over the 2022 estimate, as identified in the table below.

<b>Administrative Expenses</b> ▶▶▶				2023 Budget vs 2022 Estimate		
(\$=000)						
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
Office & Other Supplies	\$246	\$297	\$311	\$392	\$81	26.0%
Travel & Local Meetings	88	362	290	605	315	108.6%
Information Sources	720	806	589	883	294	49.9%
<b>Total Administrative Expenses</b>	<b>\$1,054</b>	<b>\$1,465</b>	<b>\$1,190</b>	<b>\$1,880</b>	<b>\$690</b>	<b>58.0%</b>

As shown in the pie chart, Information Sources account for the largest portion of this budget category, at 47% of Administrative Expenses. Travel & Local Meetings account for 32% and Office & Other Supplies for the remaining 21%.



**OFFICE & OTHER SUPPLIES**

The 2023 budget projects an increase of \$80,990 or 26.0% in Office & Other Supplies expenses over the 2022 estimate. The office supplies increase of \$38,124 is a result of office needs for new employees and restocking supplies that were used, but not replaced, as a cost-cutting measure during the pandemic. A \$40,251 special supply increase is due to updated aerial photos and other photo and graphic design needs. The remaining \$2,615 increase is due to increased costs for computer supplies.

**TRAVEL & LOCAL MEETINGS**

The Travel & Local Meetings budget for 2023 increased \$315,468 or 108.6% over the 2022 estimate. The increase results from allowing additional travel in 2023, following tight pandemic-era limits.

**INFORMATION SOURCES**

Information Sources are projected to increase \$293,634 or 49.9% over the 2022 estimate. Memberships, mailing and other information sources account for \$219,488 of the increase. Expenses were limited in these areas during the pandemic. As business returns to normal, service centers project an increased need for these expenses.

Strategic planning expenses are budgeted to increase \$41,594 over the 2022 estimate. Significant work on the MAC's strategic plan is scheduled for 2023. The remaining \$32,552 is a result of increased printing and postage expenses.



MAC Fire Department at the Annual Night to Unite

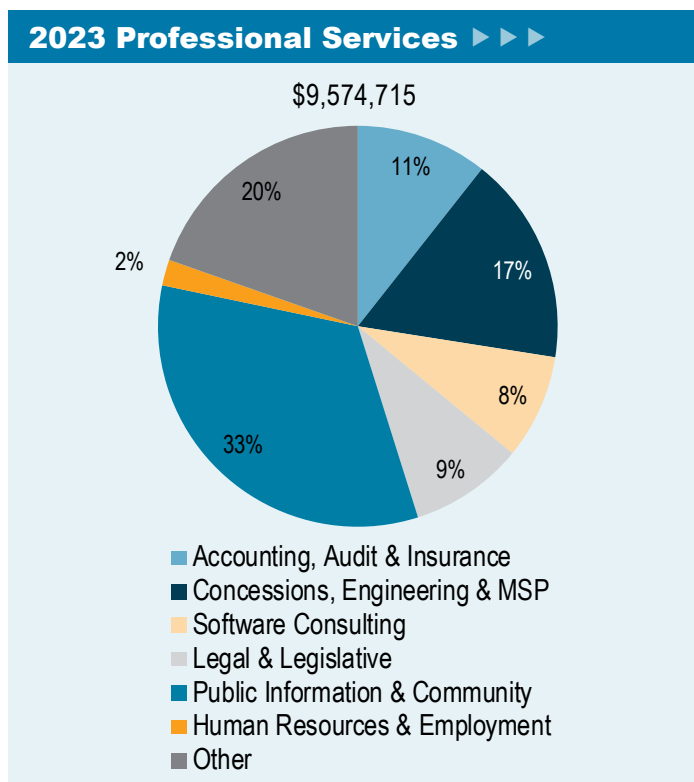
**OPERATING BUDGET EXPENSE**

**PROFESSIONAL SERVICES**

Professional Services, which is approximately \$9.6 million or 4% of the \$241.6 million expense budget, is estimated to increase \$2.1 million or 28.4% over the 2022 estimate.

<b>Professional Services</b> ▶▶▶						
(\$=000)	2023 Budget vs 2022 Estimate					
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
<b>Accounting, Audit &amp; Insurance</b>	\$687	\$760	\$839	\$1,020	\$181	21.6%
<b>Concessions, Engineering &amp; MSP</b>	1,418	1,373	1,644	1,611	(33)	-2.0%
<b>Software Consulting</b>	1,199	850	1,071	809	(262)	-24.5%
<b>Legal &amp; Legislative</b>	593	899	951	881	(70)	-7.4%
<b>Public Information &amp; Community</b>	494	2,145	1,653	3,174	1,521	92.0%
<b>Human Resources &amp; Employment</b>	10	136	153	200	47	30.7%
<b>Other</b>	1,278	1,229	1,149	1,880	731	63.6%
<b>Total Professional Services</b>	<b>\$5,679</b>	<b>\$7,392</b>	<b>\$7,460</b>	<b>\$9,575</b>	<b>\$2,115</b>	<b>28.4%</b>

The pie chart shows the distribution of expenses for Professional Services. The largest expense categories are Public Information & Community, Other expenses and Concessions, Engineering & MSP at 33%, 20% and 17%, respectively.



**ACCOUNTING, AUDIT & INSURANCE**

The Accounting, Audit & Insurance budget is projected to increase \$180,585 or 21.6% over the 2022 estimate. Increased insurance consultation costs accounts for \$66,717 of the increase. The remaining \$113,868 is due to appropriately reclassifying several Airport Police Department expenses for K9 officers as medical or insurance related consulting costs.

**CONCESSIONS, ENGINEERING & MSP**

The 2023 budget for Concessions, Engineering & MSP is \$33,454 or 2.0% less than the 2022 estimate. The driving factor is removing expenses for a land assessment that was complete during 2022.

**SOFTWARE CONSULTING**

The decrease of \$262,171 or 24.5% in Software Consulting arises from the completion of several enterprise system, infrastructure and operations projects in 2022. These costs are not included in the 2023 budget.

**LEGAL & LEGISLATIVE**

The Legal & Legislative 2023 budget projects a decrease of \$69,818 or 7.4% from the 2022 estimate. Legal fees are projected to decrease \$124,577, while local and national legislative activity is expected to increase \$54,484.

**OPERATING BUDGET EXPENSE**

**PUBLIC INFORMATION & COMMUNITY**

The 2023 budget for Public Information & Community is \$1.5 million or 92.0% over the 2022 estimate. An increase of \$1.4 million will fund work on the MAC’s strategic plan, sustainability goals and development of the new Interconnected Operations Program. The remaining increase is for design resources.

**HUMAN RESOURCES & EMPLOYMENT**

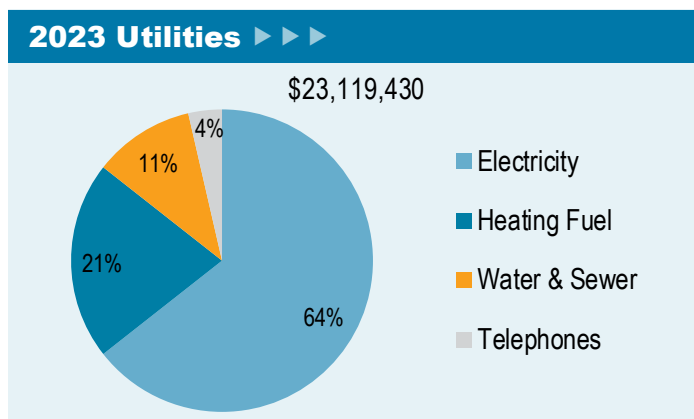
Human Resources & Employment is projected to increase \$47,393 or 30.7% due to planned recruiting activity, including recruiting and hiring 28 new FTEs.

**UTILITIES**

Utilities, which is approximately \$23.1 million or 10% of the \$241.6 million expense budget, is budgeted to increase \$384,703 or 1.7% over the 2022 estimate.

<b>Utilities</b> ▶▶▶						
(\$=000)						
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	2023 Budget vs 2022 Estimate	
					Dollar Change	% Change
Electricity	\$13,751	\$14,477	\$14,955	\$14,891	(\$64)	-0.4%
Heating Fuel	2,694	3,560	4,545	4,896	351	7.7%
Water & Sewer	1,974	2,740	2,573	2,500	(73)	-2.8%
Telephones	673	742	662	832	170	25.6%
<b>Total Utilities</b>	<b>\$19,092</b>	<b>\$21,519</b>	<b>\$22,735</b>	<b>\$23,119</b>	<b>\$384</b>	<b>1.7%</b>

The pie chart shows the distribution of Utilities expenses. Electricity is the largest utility expense at 64% of the category. Variances in the 2023 budget versus the 2022 estimate are explained as follows.



**OTHER**

The Other budget is projected to increase \$731,188 or 63.6% over the 2022 estimate. Consulting services for asbestos removal and Part 139 coordination account for \$246,417 of the increase. Updated safety programs for equipment training and mental health support account for \$66,829 of the increase. The remaining \$417,942 increase includes funds for runway safety inspections, environmental technical consultations, a rent and fee study and digital record conversion scanning services.

**ELECTRICITY**

Efficiency initiatives are expected to cause an Electricity decrease of \$64,187 or 0.4% from the 2022 estimate.

**HEATING FUEL**

The \$351,465 or 7.7% increase in the Heating Fuel budget over the 2022 estimate is primarily due to increasing prices for natural gas usage.

**WATER & SEWER**

The 2023 budget for Water & Sewer is projected to decrease \$72,425 or 2.8% from the 2022 estimate. The decrease is driven by water usage efficiencies built into recent capital projects.

**TELEPHONES**

An increase of \$169,850 or 25.6% in the Telephone budget is projected over the 2022 estimate.

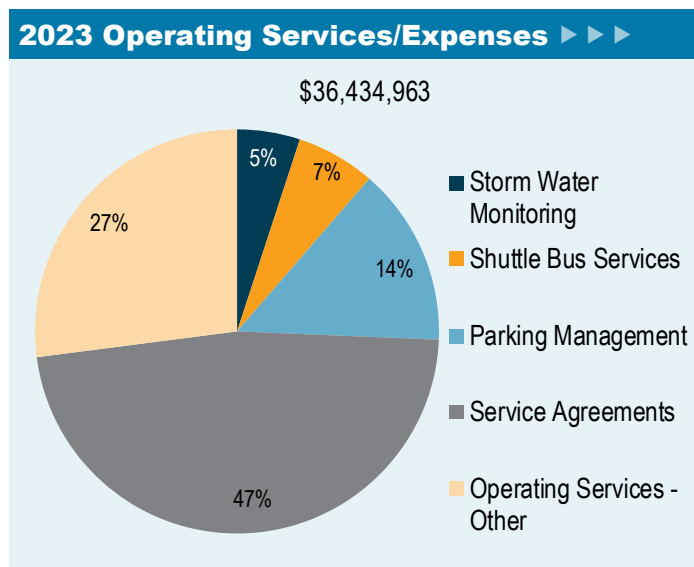
**OPERATING BUDGET EXPENSE**

**OPERATING SERVICES/EXPENSES**

Operating Services/Expenses, which is approximately \$36.4 million or 15% of the \$241.6 million expense budget, is projected to increase \$7.2 million or 24.6% over the 2022 estimate. The following table lists the major components in this category.

<b>Operating Services/Expenses</b> ▶▶▶						
(\$=000)	2023 Budget vs 2022 Estimate					
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
Storm Water Monitoring	\$1,637	\$1,885	\$1,819	\$1,835	\$16	0.9%
Shuttle Bus Services	928	986	1,062	2,307	1,245	117.2%
Parking Management	4,016	5,277	4,651	5,205	554	11.9%
Service Agreements	11,739	14,356	13,194	17,236	4,042	30.6%
Operating Services - Other	7,575	9,759	8,522	9,852	1,330	15.6%
<b>Total Operating Services/Expenses</b>	<b>\$25,895</b>	<b>\$32,263</b>	<b>\$29,248</b>	<b>\$36,435</b>	<b>\$7,187</b>	<b>24.6%</b>

As the pie chart indicates, Service Agreement and Operating Services – Other make up 47% and 27% of the Operating Services/Expenses budget, respectively. Significant changes in the 2023 budget versus the 2022 estimate are as follows.



**STORM WATER MONITORING**

Storm Water Monitoring expenses are projected to increase \$16,356 or 0.9% over the 2022 estimate. The increase is a result of miscellaneous environmental permit costs.

**SHUTTLE BUS SERVICES**

Shuttle Bus Services are projected to increase \$1.2 million or 117.2% over the 2022 estimate. It is driven by the following components. First, the Quick Ride Ramp shuttle is expected to resume service at an increased contract rate. Second, the Metro Transit light rail maintenance costs are projected to increase.

**PARKING MANAGEMENT**

Compared to the 2022 estimate, Parking Management costs are budgeted to increase \$553,560 or 11.9% in 2023. This is driven by scheduled rate increases for contract staff.

**SERVICE AGREEMENTS**

A \$4.0 million or 30.6% increase in Service Agreements is projected over the 2022 estimate. Notable service increases include \$1.6 million for computers, \$772,038 for other equipment and \$225,646 for the loading dock. The remaining \$1.4 million is due to new or additional services, including data management and security.

**OPERATING SERVICES – OTHER**

Operating Services – Other is projected to increase \$1.3 million or 15.6% over the 2022 estimate. Rising gate and vehicle security expenses contribute \$943,641 to the increase. Wellness programs and Metropolitan Council fees increase \$87,550 and \$75,000, respectively. The remaining variance is due to miscellaneous increases.

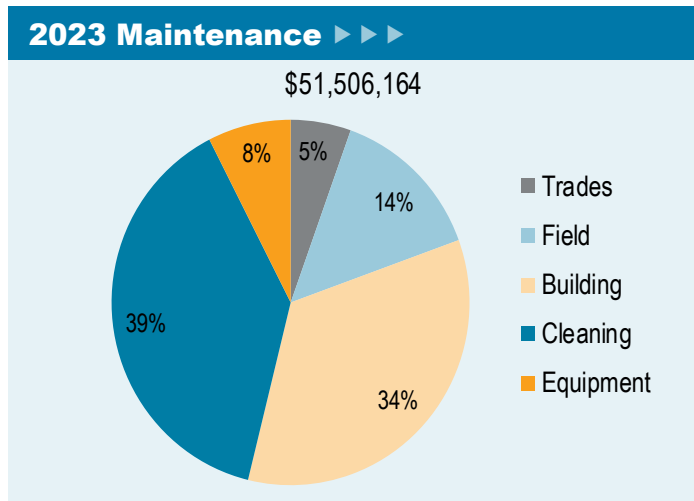


**MAINTENANCE**

The Maintenance budget is approximately \$51.5 million or 21% of the \$241.6 million expense budget and includes a \$10.9 million or 26.7% increase over the 2022 estimate. The following table lists the major components in this category.

<b>Maintenance</b> ►►►						
(\$=000)						
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	2023 Budget vs 2022 Estimate	
					Dollar Change	% Change
Trades	\$1,807	\$2,475	\$2,186	\$2,809	\$623	28.5%
Field	5,040	4,786	4,995	7,205	2,210	44.3%
Building	14,698	17,133	15,598	17,714	2,116	13.6%
Cleaning	16,330	18,625	15,332	19,920	4,588	29.9%
Equipment	2,030	2,748	2,537	3,858	1,321	52.1%
<b>Total Maintenance</b>	<b>\$39,905</b>	<b>\$45,767</b>	<b>\$40,648</b>	<b>\$51,506</b>	<b>\$10,858</b>	<b>26.7%</b>

The pie chart shows the distribution of Maintenance expenses in the 2023 budget. Cleaning and Building maintenance make up just under three-quarters of the total, covering 39% and 34%, respectively. Significant changes in the 2023 budget versus the 2022 estimate are as follows.



**TRADES**

The projected increase in Trades expenses over the 2022 estimate is \$622,826 or 28.5%. Key drivers include a \$67,500 increase to cover a projected 30% inflationary impact on paint and related materials, \$55,000 for new specialized maintenance and \$45,000 to cover additional maintenance due to warranty

expirations. The remaining increase will cover additional repair and replacement of hardware, seating, tug doors and other MAC-owned equipment throughout Terminal 1, Terminal 2 and the Reliever Airports.

**FIELD**

Field expenses include a \$2.2 million or 44.3% increase over the 2022 estimate. Inflationary impacts are projected to increase prices for materials and for equipment rental rates. The budget includes projects delayed as a cost-saving measure.

**BUILDING**

Building maintenance is projected to increase \$2.1 million or 13.6% over the 2022 estimate. Mechanical area maintenance costs account for \$1.7 million of the increase. Oversized baggage maintenance costs increased \$422,822.

**CLEANING**

The 2023 Cleaning budget includes a \$4.6 million or 29.9% increase compared to the 2022 estimate. Janitorial cleaning services account for \$2.0 million of this increase. Scheduled contractual increases and inflation contribute significantly to the increase. Additionally, the MAC campus will be fully opened, with no further pandemic-related closures, and newly constructed space is included in the contracts.

**OPERATING BUDGET EXPENSE**

Window cleaning costs are projected to be \$1.9 million over the 2022 estimate. Window cleaning was cut back significantly during the COVID-19 pandemic. This service will return to pre-pandemic levels at the current contractual rate. The remaining increase is a result of inflationary impacts to cleaning supply and rubbish disposal costs.

**EQUIPMENT**

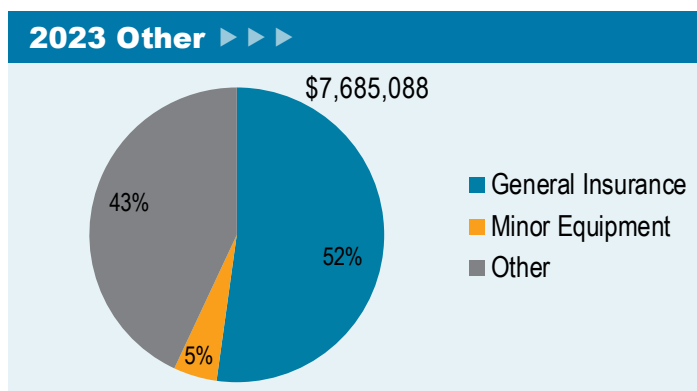
Equipment costs are budgeted to increase \$1.3 million or 52.1% over the 2022 estimate. Approximately \$592,022 or 44.8% of this variance is a result of projected gas and fuel price increases. The remaining increase is a result of the impact of inflation on the price of parts and supplies, as well as additional special equipment and equipment repairs throughout all MAC-owned facilities

**OTHER**

The Other expense category, which is approximately \$7.7 million or 3% of the \$241.6 million expense budget, is projected to increase \$3.2 million or 70.6%. The following table lists the major components in this category.

<b>Other</b> ►►►						
					2023 Budget vs 2022 Estimate	
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	Dollar Change	% Change
General Insurance	\$2,657	\$3,543	\$4,149	\$4,011	(\$138)	-3.3%
Minor Equipment	96	163	115	367	252	220.0%
Other	912	2,440	242	3,307	3,065	1267.1%
<b>Total Other</b>	<b>\$3,665</b>	<b>\$6,146</b>	<b>\$4,506</b>	<b>\$7,685</b>	<b>\$3,179</b>	<b>70.6%</b>

As the pie chart illustrates, General Insurance expenses make up 52% of the Other expenses budget followed by Minor Equipment and Other expenses at 43% and 5%, respectively.



**GENERAL INSURANCE**

General Insurance projects a decrease of \$138,150 or 3.3% from the 2022 estimate due to expected savings.

**MINOR EQUIPMENT**

Minor equipment is equipment that is less than \$10,000. It is projected to increase \$252,346 or 220.0% over the 2022 estimate. The 2023 budget includes equipment purchases that were delayed as a cost-saving measure.

**OTHER**

The Other category consists of expenses for safety, medical and other equipment, license fees and other miscellaneous expenses. The 2023 budget is projected to increase \$3.1 million or 1267.1% over the 2022 estimate. This includes \$2.4 million for air service incentives. The remaining increase is driven by contractual increases, licensing and other costs.

## 2023 Budget Expenses by Subledger ►►►

	Terminal 1	Terminal 1 IAF	EMC	Ramp Fees
<b>PERSONNEL</b>				
Wages	\$ 1,331,906	\$ 32,795	\$ 2,216,118	\$ -
Benefits	504,295	2,509	982,406	-
<b>TOTAL PERSONNEL</b>	<b>\$ 1,836,201</b>	<b>\$ 35,304</b>	<b>\$ 3,198,524</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	2,500	-	1,763	-
Travel	8,100	-	-	-
Other Administrative Expense	1,570	-	300	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 12,170</b>	<b>\$ -</b>	<b>\$ 2,063</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Concept Development/Feasibility	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	-	-	40,000	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Communications Consultant	-	-	-	-
Miscellaneous Expenses	336,256	-	-	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 336,256</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	10,391,755	-	-	-
Heating Fuel	267,292	-	2,813,028	-
Sewer	359,763	-	59,234	-
Water	280,664	-	124,863	-
Telephone	5,235	-	18,524	-
<b>TOTAL UTILITIES</b>	<b>\$ 11,304,709</b>	<b>\$ -</b>	<b>\$ 3,015,649</b>	<b>\$ -</b>

## 2023 Budget Expenses by Subledger ►►►

	Terminal 1	Terminal 1 IAF	EMC	Ramp Fees
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	-	600	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	928,200	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	-	-	-	-
Other Charges/Fees	1,500,130	-	-	-
Service Agreements	4,873,121	80,200	-	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 7,301,451</b>	<b>\$ 80,200</b>	<b>\$ 600</b>	<b>\$ -</b>
<b>MAINTENANCE</b>				
Trades - Painters	15,500	-	1,000	-
Trades - Carpenters	178,055	-	-	-
Trades - Plumbers	155,725	-	4,500	-
Trades - Electricians	541,000	-	17,000	-
Maintenance - Field	-	-	-	431,500
Maintenance Building	11,085,995	7,500	248,600	-
Maintenance-Cleaning	13,697,720	259,567	-	-
Maintenance-Equipment	288,500	1,800	320,566	-
<b>TOTAL MAINTENANCE</b>	<b>\$ 25,962,495</b>	<b>\$ 268,867</b>	<b>\$ 591,666</b>	<b>\$ 431,500</b>
<b>OTHER</b>				
General Insurance	1,125,819	-	183,727	118,300
Safety	2,000	-	3,500	-
Medical Information/Supply	250	-	95	-
Rentals	-	-	-	-
Licenses/Permits	-	-	1,072	-
Miscellaneous Expenses	-	14,750	-	-
Capital Assets	2,500	-	-	-
<b>TOTAL OTHER</b>	<b>\$ 1,130,569</b>	<b>\$ 14,750</b>	<b>\$ 188,394</b>	<b>\$ 118,300</b>
<b>GRAND TOTAL</b>	<b>\$ 47,883,851</b>	<b>\$ 399,121</b>	<b>\$ 7,036,896</b>	<b>\$ 549,800</b>

## 2023 Budget Expenses by Subledger ►►►

	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>PERSONNEL</b>				
Wages	\$ 1,447,721	\$ -	\$ 1,443,727	\$ -
Benefits	180,671	-	1,235,300	-
<b>TOTAL PERSONNEL</b>	<b>\$ 1,628,392</b>	<b>\$ -</b>	<b>\$ 2,679,027</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	6,530	-	6,000	-
Travel	5,250	-	3,625	-
Other Administrative Expense	5,825	-	13,195	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 17,605</b>	<b>\$ -</b>	<b>\$ 22,820</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Concept Development/Feasibility	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	525,000	-	-	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Communications Consultant	-	-	-	-
Miscellaneous Expenses	177,500	-	-	200,000
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 702,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>
<b>UTILITIES</b>				
Electricity	209,909	-	162,834	615,417
Heating Fuel	66,049	18,782	85,503	28,944
Sewer	34,255	-	2,566	9,134
Water	14,992	-	4,684	5,699
Telephone	20,495	-	7,200	-
<b>TOTAL UTILITIES</b>	<b>\$ 345,700</b>	<b>\$ 18,782</b>	<b>\$ 262,787</b>	<b>\$ 659,194</b>

## 2023 Budget Expenses by Subledger ►►►

	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	16,000	-	-	-
GISW Management	1,800,000	-	-	-
Grd Transportation Services	-	-	50,000	-
Shuttle Services	-	-	891,792	486,492
Parking Lots	-	-	-	5,205,000
Met Council Fees	375,000	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	500	-	-	-
Other Charges/Fees	1,977,052	-	10,388	501,984
Service Agreements	281,279	-	465,705	939,243
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 4,449,831</b>	<b>\$ -</b>	<b>\$ 1,417,885</b>	<b>\$ 7,132,719</b>
<b>MAINTENANCE</b>				
Trades - Painters	392,500	-	-	-
Trades - Carpenters	-	-	-	-
Trades - Plumbers	4,000	-	1,450	-
Trades - Electricians	412,000	-	5,000	179,478
Maintenance - Field	1,834,700	-	191,970	1,235,500
Maintenance Building	43,976	-	1,639,013	540,267
Maintenance-Cleaning	58,464	-	380,245	1,211,161
Maintenance-Equipment	-	-	46,365	44,408
<b>TOTAL MAINTENANCE</b>	<b>\$ 2,745,640</b>	<b>\$ -</b>	<b>\$ 2,264,043</b>	<b>\$ 3,210,814</b>
<b>OTHER</b>				
General Insurance	199,320	-	68,819	239,788
Safety	22,000	-	-	-
Medical Information/Supply	950	-	-	-
Rentals	-	-	350	-
Licenses/Permits	6,000	-	-	-
Miscellaneous Expenses	354,200	-	-	-
Capital Assets	-	-	-	-
<b>TOTAL OTHER</b>	<b>\$ 582,470</b>	<b>\$ -</b>	<b>\$ 69,169</b>	<b>\$ 239,788</b>
<b>GRAND TOTAL</b>	<b>\$ 10,472,138</b>	<b>\$ 18,782</b>	<b>\$ 6,715,731</b>	<b>\$ 11,442,515</b>

## 2023 Budget Expenses by Subledger ►►►

	Cargo Area	Terminal 2	Public Area/Roads	Hangars & Other Buildings
<b>PERSONNEL</b>				
Wages	\$ -	\$ 808,422	\$ -	\$ -
Benefits	-	370,208	-	-
<b>TOTAL PERSONNEL</b>	<b>\$ -</b>	<b>\$ 1,178,630</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	-	1,836	-	-
Travel	-	2,210	-	-
Other Administrative Expense	-	500	-	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ -</b>	<b>\$ 4,546</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Concept Development/Feasibility	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	-	-	120,000	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Communications Consultant	-	-	-	-
Miscellaneous Expenses	-	34,089	-	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ -</b>	<b>\$ 34,089</b>	<b>\$ 120,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	183,847	1,602,452	280,623	397,071
Heating Fuel	250,298	612,113	50,826	91,132
Sewer	15,020	-	855,481	1,651
Water	3,068	114,978	530,245	1,737
Telephone	-	3,645	-	-
<b>TOTAL UTILITIES</b>	<b>\$ 452,233</b>	<b>\$ 2,333,188</b>	<b>\$ 1,717,175</b>	<b>\$ 491,591</b>

<b>2023 Budget Expenses by Subledger ►►►</b>					
	Cargo Area	Terminal 2	Public Area/Roads	Hangars & Other Buildings	
<b>OPERATING SERVICES/ EXPENSES</b>					
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	-	37,500	-	-
GISW Management	-	-	-	-	-
Grd Transportation Services	-	-	-	-	-
Shuttle Services	-	-	-	-	-
Parking Lots	-	-	-	-	-
Met Council Fees	-	-	-	-	-
Employee Programs	-	-	-	-	-
Conference Center	-	-	-	-	-
Events & Exercises	-	-	-	-	-
Other Charges/Fees	-	1,748,910	-	-	-
Service Agreements	-	1,167,574	-	-	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ -</b>	<b>\$ 2,916,484</b>	<b>\$ 37,500</b>	<b>\$ -</b>	<b>\$ -</b>
<b>MAINTENANCE</b>					
Trades - Painters	-	-	-	-	-
Trades - Carpenters	-	49,612	-	-	-
Trades - Plumbers	-	33,700	1,000	23,050	-
Trades - Electricians	-	117,000	30,000	27,000	-
Maintenance - Field	79,520	16,500	107,500	-	-
Maintenance Building	79,656	2,229,035	-	79,656	-
Maintenance-Cleaning	5,623	2,716,838	-	107,573	-
Maintenance-Equipment	-	31,300	-	15,600	-
<b>TOTAL MAINTENANCE</b>	<b>\$ 164,799</b>	<b>\$ 5,193,985</b>	<b>\$ 138,500</b>	<b>\$ 252,879</b>	<b>\$ -</b>
<b>OTHER</b>					
General Insurance	-	121,419	67,919	61,927	-
Safety	-	-	-	-	-
Medical Information/Supply	-	-	-	-	-
Rentals	-	-	-	-	-
Licenses/Permits	-	-	-	-	-
Miscellaneous Expenses	-	12,500	-	-	-
Capital Assets	-	1,400	-	-	-
<b>TOTAL OTHER</b>	<b>\$ -</b>	<b>\$ 135,319</b>	<b>\$ 67,919</b>	<b>\$ 61,927</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>	<b>\$ 617,032</b>	<b>\$ 11,796,241</b>	<b>\$ 2,081,094</b>	<b>\$ 806,397</b>	<b>\$ -</b>



## 2023 Budget Expenses by Subledger ►►►

	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Concourses A-D
<b>PERSONNEL</b>				
Wages	\$ 17,321,949	\$ -	\$ -	\$ -
Benefits	8,548,707	-	4,025	-
<b>TOTAL PERSONNEL</b>	<b>\$ 25,870,656</b>	<b>\$ -</b>	<b>\$ 4,025</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	3,000	2,800	6,500	-
Travel	37,725	-	-	-
Other Administrative Expense	870	-	1,640	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 41,595</b>	<b>\$ 2,800</b>	<b>\$ 8,140</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Concept Development/Feasibility	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	-	-	-	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Communications Consultant	-	-	-	-
Miscellaneous Expenses	506,500	-	427,000	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 506,500</b>	<b>\$ -</b>	<b>\$ 427,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	-	-	352,962	-
Heating Fuel	-	-	268,562	-
Sewer	-	-	12,141	-
Water	-	-	10,784	-
Telephone	9,165	-	34,343	-
<b>TOTAL UTILITIES</b>	<b>\$ 9,165</b>	<b>\$ -</b>	<b>\$ 678,792</b>	<b>\$ -</b>

## 2023 Budget Expenses by Subledger ►►►

	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Concourses A-D
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	74,000	25,500	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	-	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	-	-	-	-
Other Charges/Fees	-	-	-	-
Service Agreements	2,500	25,000	78,558	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 2,500</b>	<b>\$ 99,000</b>	<b>\$ 104,058</b>	<b>\$ -</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	42,450	-
Trades - Carpenters	-	-	64,868	-
Trades - Plumbers	-	6,000	63,725	-
Trades - Electricians	-	-	45,000	-
Maintenance - Field	-	3,093,661	-	-
Maintenance Building	-	17,000	127,608	-
Maintenance-Cleaning	-	3,800	15,621	-
Maintenance-Equipment	-	1,824,682	113,495	-
<b>TOTAL MAINTENANCE</b>	<b>\$ -</b>	<b>\$ 4,945,143</b>	<b>\$ 472,767</b>	<b>\$ -</b>
<b>OTHER</b>				
General Insurance	-	382,604	20,301	-
Safety	38,200	4,200	22,000	-
Medical Information/Supply	-	-	-	-
Rentals	-	-	25,000	-
Licenses/Permits	425	650	-	-
Miscellaneous Expenses	-	54,069	-	-
Capital Assets	-	102,080	55,058	-
<b>TOTAL OTHER</b>	<b>\$ 38,625</b>	<b>\$ 543,603</b>	<b>\$ 122,359</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>	<b>\$ 26,469,041</b>	<b>\$ 5,590,546</b>	<b>\$ 1,817,141</b>	<b>\$ -</b>

## 2023 Budget Expenses by Subledger ►►►

	Police	Fire	Administration	Building Official
<b>PERSONNEL</b>				
Wages	\$ 16,246,870	\$ 6,687,705	\$ 22,491,451	\$ 1,156,552
Benefits	7,179,453	3,006,197	8,278,443	469,733
<b>TOTAL PERSONNEL</b>	<b>\$ 23,426,323</b>	<b>\$ 9,693,902</b>	<b>\$ 30,769,894</b>	<b>\$ 1,626,285</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	184,730	2,500	122,377	4,900
Travel	56,868	25,156	330,844	1,000
Other Administrative Expense	30,165	5,500	799,672	3,400
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 271,763</b>	<b>\$ 33,156</b>	<b>\$ 1,252,893</b>	<b>\$ 9,300</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	253,500	-
Appraisals	-	-	67,500	-
RFP/Leases	-	-	-	5,000
Concept Development/Feasibility	-	-	100,000	-
Computer Services	-	-	809,250	-
Engineering Fees	-	155,000	-	-
Graphic Design	-	-	50,000	-
Insurance Consultants	-	-	534,000	-
Legal Fees	-	-	545,000	-
Legislative	-	-	211,000	-
Medical Fees	132,773	11,700	87,500	-
Planning	-	-	30,000	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	485,700	-
Recruiting Expenses	40,000	-	160,000	-
Safety Consultants	15,000	15,000	56,000	-
Communications Consultant	-	-	1,000	-
Miscellaneous Expenses	-	-	1,869,044	36,000
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 187,773</b>	<b>\$ 181,700</b>	<b>\$ 5,259,494</b>	<b>\$ 41,000</b>
<b>UTILITIES</b>				
Electricity	-	141,791	272,895	-
Heating Fuel	-	81,305	65,113	-
Sewer	-	1,615	1,589	-
Water	-	6,574	3,192	-
Telephone	85,328	20,400	511,255	5,300
<b>TOTAL UTILITIES</b>	<b>\$ 85,328</b>	<b>\$ 251,685</b>	<b>\$ 854,044</b>	<b>\$ 5,300</b>

## 2023 Budget Expenses by Subledger ▶▶▶

	Police	Fire	Administration	Building Official
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ 220,700	\$ 5,000
Environmental Control	-	155,000	23,000	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	-	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	15,000	500	219,290	-
Conference Center	-	-	-	20,000
Events & Exercises	-	3,200	194,000	-
Other Charges/Fees	67,640	-	943,620	1,063,555
Service Agreements	989,192	61,050	7,388,451	3,000
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 1,071,832</b>	<b>\$ 219,750</b>	<b>\$ 8,989,061</b>	<b>\$ 1,091,555</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	-	-
Trades - Carpenters	-	-	1,000	-
Trades - Plumbers	-	21,000	4,000	-
Trades - Electricians	-	33,000	38,500	-
Maintenance - Field	15,000	-	-	-
Maintenance Building	-	47,280	10,780	1,327,476
Maintenance-Cleaning	-	84,424	40,103	1,147,137
Maintenance-Equipment	267,225	149,626	49,299	-
<b>TOTAL MAINTENANCE</b>	<b>\$ 282,225</b>	<b>\$ 335,330</b>	<b>\$ 143,682</b>	<b>\$ 2,474,613</b>
<b>OTHER</b>				
General Insurance	417,316	310,193	190,973	-
Safety	16,470	-	10,000	-
Medical Information/Supply	3,045	12,000	-	-
Rentals	-	-	7,100	-
Licenses/Permits	-	-	-	650
Miscellaneous Expenses	199,408	47,000	8,500	2,383,261
Capital Assets	40,644	64,000	62,250	500
<b>TOTAL OTHER</b>	<b>\$ 676,883</b>	<b>\$ 433,193</b>	<b>\$ 278,823</b>	<b>\$ 2,384,411</b>
<b>GRAND TOTAL</b>	<b>\$ 26,002,127</b>	<b>\$ 11,148,716</b>	<b>\$ 47,547,891</b>	<b>\$ 7,632,464</b>

## 2023 Budget Expenses by Subledger ►►►

	Communication/ Operations	Noise & Environment	Total Reliever Airports	TOTAL
<b>PERSONNEL</b>				
Wages	\$ 4,756,779	\$ 1,000,527	\$ 3,557,250	\$ 80,499,772
Benefits	1,837,069	453,008	1,475,421	34,527,445
<b>TOTAL PERSONNEL</b>	<b>\$ 6,593,848</b>	<b>\$ 1,453,535</b>	<b>\$ 5,032,671</b>	<b>\$ 115,027,217</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	30,350	5,000	11,320	392,106
Travel	46,962	10,140	18,304	546,184
Other Administrative Expense	31,414	29,975	17,919	941,945
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 108,726</b>	<b>\$ 45,115</b>	<b>\$ 47,543</b>	<b>\$ 1,880,235</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	253,500
Appraisals	-	-	-	67,500
RFP/Leases	-	-	-	5,000
Concept Development/Feasibility	-	-	-	100,000
Computer Services	-	-	-	809,250
Engineering Fees	-	80,000	168,000	1,088,000
Graphic Design	-	-	-	50,000
Insurance Consultants	-	-	-	534,000
Legal Fees	-	85,000	40,000	670,000
Legislative	-	-	-	211,000
Medical Fees	-	-	-	231,973
Planning	-	-	140,000	170,000
Pollution/Environmental Fees	-	10,000	18,500	28,500
Public Information	-	-	-	485,700
Recruiting Expenses	-	-	-	200,000
Safety Consultants	-	-	-	86,000
Communications Consultant	-	-	-	1,000
Miscellaneous Expenses	453,403	350,000	193,500	4,583,292
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 453,403</b>	<b>\$ 525,000</b>	<b>\$ 560,000</b>	<b>\$ 9,574,715</b>
<b>UTILITIES</b>				
Electricity	-	2,304	277,123	14,890,983
Heating Fuel	-	-	197,158	4,896,105
Sewer	-	-	41,294	1,393,743
Water	-	-	4,820	1,106,300
Telephone	26,324	27,100	57,985	832,299
<b>TOTAL UTILITIES</b>	<b>\$ 26,324</b>	<b>\$ 29,404</b>	<b>\$ 578,380</b>	<b>\$ 23,119,430</b>

## 2023 Budget Expenses by Subledger ►►►

	Communication/ Operations	Noise & Environment	Total Reliever Airports	TOTAL
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ 225,700
Environmental Control	-	3,800	28,500	363,900
GISW Management	-	35,000	-	1,835,000
Grd Transportation Services	-	-	-	50,000
Shuttle Services	-	-	-	2,306,484
Parking Lots	-	-	-	5,205,000
Met Council Fees	-	-	-	375,000
Employee Programs	-	-	-	234,790
Conference Center	-	-	-	20,000
Events & Exercises	1,421	-	6,800	205,921
Other Charges/Fees	3,000	-	560,500	8,376,779
Service Agreements	595,026	280,190	6,300	17,236,389
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 599,447</b>	<b>\$ 318,990</b>	<b>\$ 602,100</b>	<b>\$ 36,434,963</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	18,775	470,225
Trades - Carpenters	-	-	67,821	361,356
Trades - Plumbers	-	-	22,550	340,700
Trades - Electricians	-	-	191,590	1,636,568
Maintenance - Field	-	-	199,452	7,205,303
Maintenance Building	-	-	229,992	17,713,834
Maintenance-Cleaning	22,428	-	169,763	19,920,467
Maintenance-Equipment	69,865	32,047	602,933	3,857,711
<b>TOTAL MAINTENANCE</b>	<b>\$ 92,293</b>	<b>\$ 32,047</b>	<b>\$ 1,502,876</b>	<b>\$ 51,506,164</b>
<b>OTHER</b>				
General Insurance	18,112	12,943	471,519	4,010,999
Safety	4,800	-	7,365	130,535
Medical Information/Supply	-	-	650	16,990
Rentals	-	-	-	32,450
Licenses/Permits	-	6,000	5,175	19,972
Miscellaneous Expenses	17,500	-	15,914	3,107,102
Capital Assets	23,608	-	15,000	367,040
<b>TOTAL OTHER</b>	<b>\$ 64,020</b>	<b>\$ 18,943</b>	<b>\$ 515,623</b>	<b>\$ 7,685,088</b>
<b>GRAND TOTAL</b>	<b>\$ 7,938,061</b>	<b>\$ 2,423,034</b>	<b>\$ 8,839,193</b>	<b>\$ 245,227,812</b>

# 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 Metropolitan Airports Commission’s (MAC) 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 \$10,000.

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.

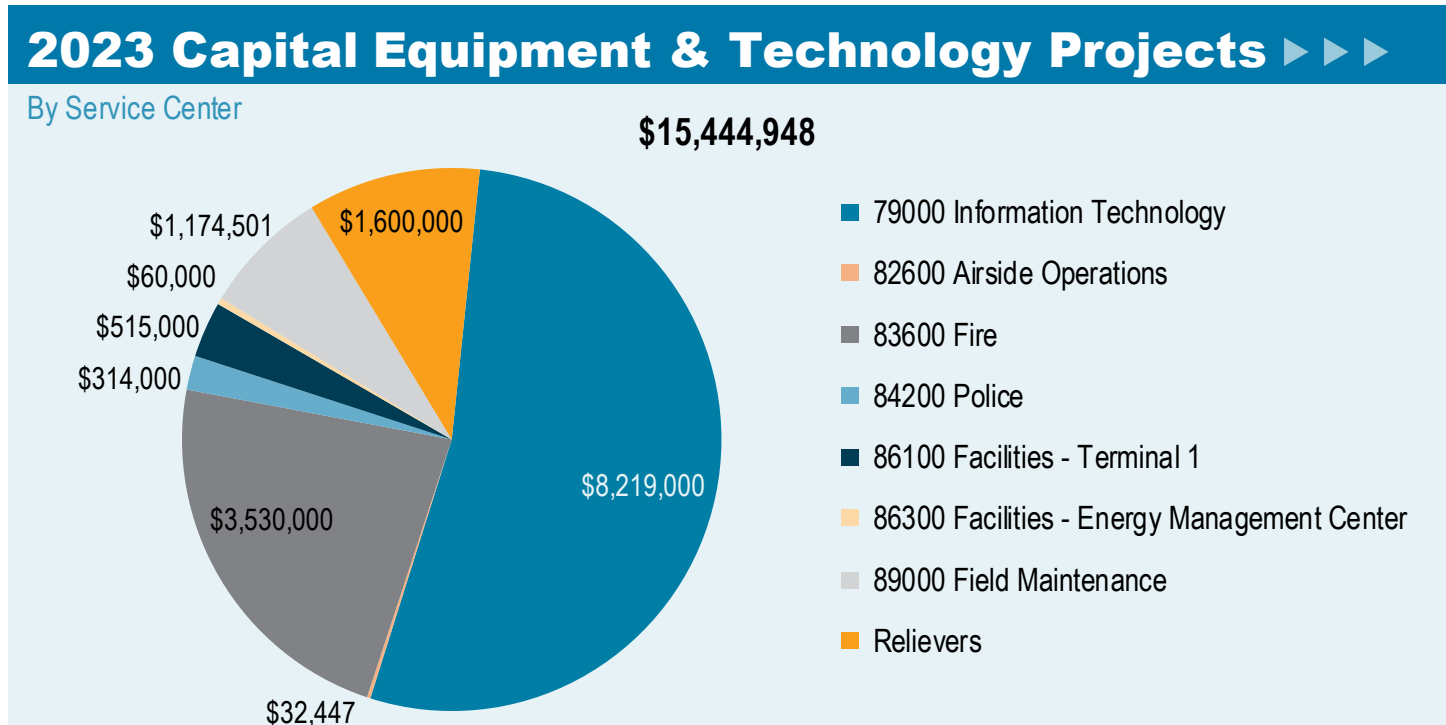
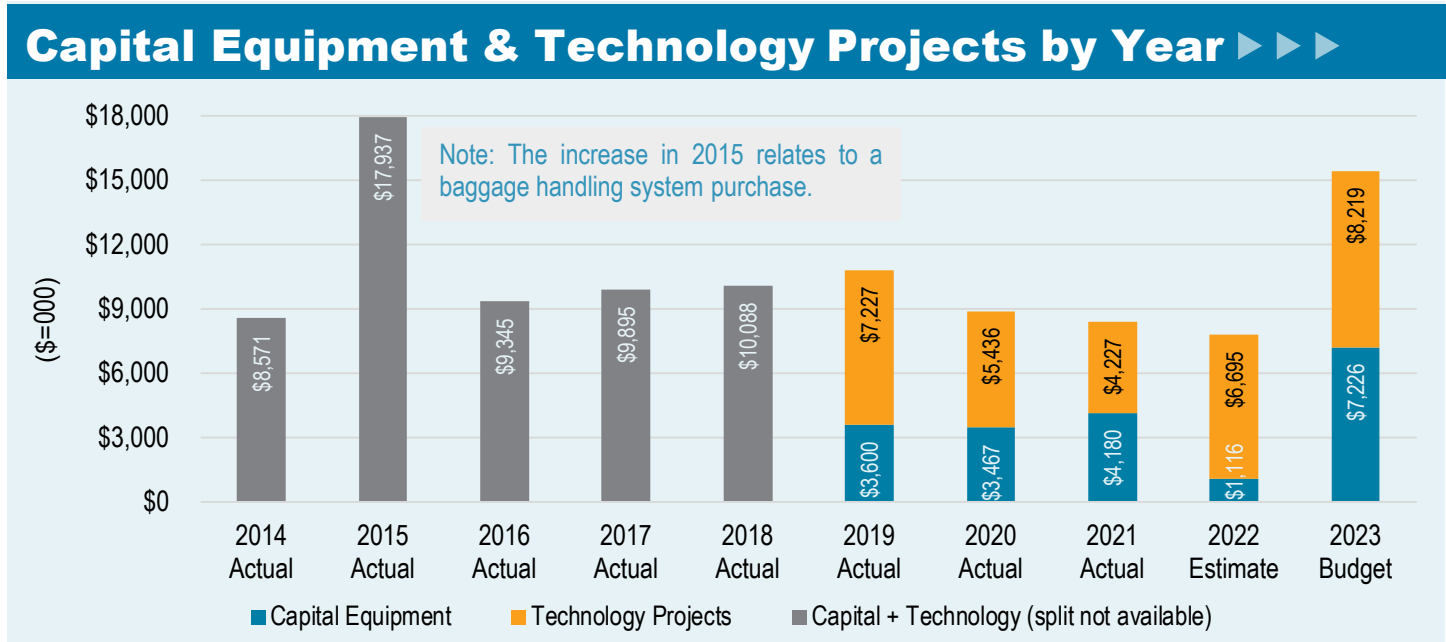
The 2023 budget includes \$15.4 million for capital equipment and technology projects. Of this, \$4.4 million will be financed, with the remainder funded internally. Compared to the 2022 estimate, total 2023 budgeted Capital Equipment and Technology Projects increased by \$7.6 million or 49.0%.

**EQUIPMENT & TECHNOLOGY BUDGET**

The \$7.2 million 2023 capital equipment budget is approximately \$6.0 million greater than the 2022 estimate of \$1.1 million. The 2022 estimate is low with the equipment shortage and long lead time for orders. Technology projects in 2023 are budgeted at \$8.2 million, only slightly higher than the 2022 estimate.

The Technology Refresh project accounts for \$4.9 million, or 59.9% of the technology total. Critical hardware will be replaced throughout MAC systems. A description of all projects and costs is found later in this chapter.

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





## 2023 Capital Equipment & Technology Projects ►►►

	Service Center	Acquisition	Individual Cost	Trade-in Value	Quantity	Total
<b>Capital Equipment Projects</b>						
Airboat with Trailer	83600	Replacement	\$ 175,000	\$ 5,000	1	\$ 170,000
Aircraft Rescue Fire Fighting Truck	83600	Replacement	2,300,000	-	1	2,300,000
Asphalt Mill	89000	Replacement	450,000	180,000	1	270,000
Blast Resistant Trash and Recycling Cans	86100	Replacement	500,000	50,000	1	450,000
Community Service Officer Vehicle	84200	Replacement	54,000	2,000	1	52,000
Fire Department Staff Vehicles	83600	New	65,000	-	2	130,000
Fire Department Staff Vehicles	83600	Replacement	65,000	-	2	130,000
Half-ton Crew Cab Truck	86300	Replacement	45,000	10,000	1	35,000
Half-ton Regular Cab Truck	86300	Replacement	35,000	10,000	1	25,000
Hanging Flower Baskets	89000	Replacement	97,500	-	1	97,500
K9 Police Vehicle	84200	Replacement	63,000	2,000	1	61,000
Patroller Segway	84200	Replacement	15,000	-	1	15,000
Plow Stands	89000	Replacement	30,000	-	1	30,000
Police Vehicles	84200	Replacement	64,000	6,000	3	186,000
Rescue Engine	83600	Replacement	850,000	50,000	1	800,000
Side-by-side Utility Vehicle	89000	Replacement	45,000	1,000	1	44,000
Smart Controllers for Deicing and Sand Trucks	89000	Replacement	50,000	-	8	400,000
Tethered Unmanned Aircraft System	82600	New	16,000	-	1	16,000
Trash Compactor	86100	Replacement	70,000	5,000	1	65,000
Unmanned Aircraft System	82600	Replacement	16,447	-	1	16,447
Variable Width Asphalt Trench Paver	89000	Replacement	450,000	180,000	1	270,000
Water Pumps	89000	Replacement	32,000	999	2	63,001
2,000 Gallon Turf Sprayer	90200	New	100,000	-	1	100,000
Pull-Behind Mower	90200	New	70,000	-	1	70,000
Hillside Mower	90200	New	60,000	-	1	60,000
Snow Pusher (27')	90200	New	33,000	-	1	33,000
Loader 74 HP (High Lift Capability)	90200	Replacement	300,000	-	1	300,000
Stand-up Spreader/Sprayer	90200	New	15,000	-	1	15,000
Dry Materials Spreader	90400	Replacement	10,000	-	1	10,000
Airport Plow Truck (Single Axle)	90400	Replacement	350,000	-	1	350,000
Snow Pusher (22')	90500	New	27,000	-	1	27,000
Toolcat	90500	New	70,000	-	1	70,000

## 2023 Capital Equipment & Technology Projects Cont. ►

2,000 Gallon Turf Sprayer	90500	New	100,000	-	1	100,000
Snow Pusher (19')	90600	New	25,000	-	1	25,000
Tractor 60 HP	90600	Replacement	200,000	-	1	200,000
Toolcat Accessories	90600	Replacement	12,000	-	1	12,000
3/4 Ton Truck w 4x4	90700	Replacement	50,000	-	1	50,000
Snow Pusher (19')	90700	New	25,000	-	1	25,000
Snow Pusher (27')	90700	New	33,000	-	1	33,000
Toolcat with Accessories	90700	New	120,000	-	1	120,000
<b>Subtotal Capital Equipment Projects</b>						<b>\$ 7,225,948</b>
<b>Technology Projects</b>						
Cybersecurity	79000	New	\$ 505,000	\$ -	1	\$ 505,000
National Amendment Gap Analysis Assessment	79000	New	400,000	-	1	400,000
Regulatory Compliance for Phone System	79000	New	245,000	-	1	245,000
Technology Functionality Enhancements	79000	New	2,145,000	-	1	2,145,000
Technology Refresh	79000	Replacement	4,924,000	-	1	4,924,000
<b>Subtotal Technology Projects</b>						<b>\$ 8,219,000</b>
<b>GRAND TOTAL</b>						<b>\$ 15,444,948</b>

### CAPITAL EQUIPMENT NARRATIVES

#### Airboat with Trailer

This airboat will replace a vehicle with obsolete mechanical systems that require extended time to complete repairs. The obsolete airboat has exceeded its estimated life by five years. The purchase of this equipment was delayed as a cost-saving measure during the pandemic.

#### Aircraft Rescue Fire Fighting Truck

The airport rescue and firefighting truck will replace a vehicle that has reached the 12-year life expectancy recommended by the Federal Aviation Administration (FAA). The new truck has a 50% larger capacity than the current vehicle. In addition, supply chain issues have led to delays in parts for fleet maintenance. The current truck will be kept as a reserve vehicle to be used when fleet vehicles are unavailable due to maintenance.

#### Asphalt Mill

This mill will replace an inefficient unit that has reached the end of its useful life. Approximately \$180,000 in state grand funding is expected to offset the cost.

#### Blast Resistant Trash and Recycling Cans

These replacement blast resistant trash and recycling cans will replace trash cans and recycling cans outside terminal security at MSP. This includes public terminal areas, parking ramps and curbside areas. Other complimentary amenities in the pre-security area, such as ash urns and benches, may also be replaced.

#### Community Service Officer Vehicle

This Community Service Officer vehicle will replace and outfit a patrol vehicle that is recommended for replacement by the Airport Police Department (APD) and MAC's Equipment Superintendent. The current vehicle exceeds the recommended threshold of 100,000 miles or 13 years of age. APD has increased staffing and shift minimum officers, causing patrol vehicles to reach the mileage threshold more quickly than in the past.

### Fire Department Staff Vehicles

The new vehicles will be assigned to the Assistant Chief of Operations and the Fueling Inspector. They will be used daily for emergency response and as needed to travel for airport business meetings. The new staff vehicles can be used for initial incident command functions and carry a variety of fire and medical equipment.

### Fire Department Staff Vehicles

These vehicles will replace a 2011 truck assigned to the Assistant Chief of Training and a 2008 truck assigned to utility fire support. They will be used daily for emergency response and as needed to travel for airport business meetings. The vehicles can be used for initial incident command functions and carry a variety of fire and medical equipment.

### Half-Ton Crew Cab Truck

This half-ton crew cab truck will replace a vehicle that has been recommended for replacement according to MAC fleet maintenance standards.

### Half-Ton Regular Cab Truck

This half-ton regular cab truck will replace a vehicle that has been recommended for replacement according to MAC fleet maintenance standards.

### Hanging Flower Baskets

These will replace the flower baskets on the front curb of Terminal 1 that are rusty, defective and have reached the end of their useful lives.

### K9 Police Vehicle

This K9 Police vehicle will replace and outfit a patrol vehicle that is recommended for replacement by the APD and MAC's Equipment Superintendent. The current vehicle exceeds the recommended threshold of 100,000 miles or 13 years of age. This vehicle is reimbursable through the Transportation Security Administration.

### Patroller Segway

This Patroller Segway will replace and outfit a patrol Segway for which replacement parts are not available.

### Plow Stands

These plow stands will replace aging and damaged units. They will be used for outdoor storage of winter equipment.

### Police Vehicles

These three vehicles will replace and outfit patrol vehicles that are recommended for replacement by the APD and MAC's Equipment Superintendent. The current vehicles exceed the recommended threshold of 100,000 miles or 13 years of age. APD has increased staffing and shift minimum officers, causing patrol vehicles to reach the mileage threshold more quickly than in the past.

### Rescue Engine

The new rescue engine will replace an aging engine. The new engine has an 18-month lead time after it is ordered. Upon delivery, the current engine will be approaching end-of-life status and will become the reserve rescue engine. The current reserve rescue engine is five years past its useful life. It will be retired and traded-in to offset the cost of the new rescue engine.

### Side-by-Side Utility Vehicle

This side-by-side utility vehicle will replace a vehicle that has reached the end of its useful life. It will be used for herbicide applications.

### Smart Controllers for Deicing and Sand Trucks

These controllers will replace end-of-life controllers for deicing and sand trucks. The controllers will efficiently apply materials during the snow season.

### Tethered Unmanned Aircraft System

This Unmanned Aircraft System (UAS) will provide tethered data and power capability to support the MAC's emergency response, mapping, aerial photography, inspections and wildlife management survey capabilities on MSP and the Reliever airports. It will provide the ability for continuous long-term surveillance during emergency response and operational incidents. This tethered UAS may be used in situations where a non-tethered UAS cannot be used.

### Trash Compactor

This unit will replace an end-of-life unit on the Concourse C loading dock. It has a high frequency of use by many airport tenants and janitorial staff, making it an essential replacement need.

### Unmanned Aircraft System

This UAS will replace an existing seven-year-old unit. The unit to be replaced does not meet the FAA's remote identification reporting requirements that will go into effect on September 16, 2023. The UAS will provide the ability for continuous long-term surveillance during emergency response and operational incidents.

### Variable Width Asphalt Trench Paver

This trench paver will replace equipment that has reached the end of its useful life. Approximately \$180,000 in state grand funding is expected to offset the cost.

### Water Pumps

These will replace water pumps for landside and airside flushing operations. The purchase of this equipment was delayed as a cost-saving measure during the pandemic.

### 2000 Gallon Turf Sprayer

The reliever airports currently use 300 gallon sprayers with 20' booms to control weeds on the airfield. This larger sprayers will hold 1,000 and 2,000 gallons with 40'-90' booms, which allows much larger areas to be sprayed on each pass without refilling the equipment as often. Purchasing this sprayer will reduce fuel and ensure appropriate chemical application with added features including rate control, foaming systems and GPS integration with the tractors. This sprayer will be housed at St. Paul Airport but will be transported between airports to increase efficiency throughout the system.

### Pull Behind Mower

This large mower deck essentially doubles the productivity in mowing compared to the current 15' deck. The 15' deck will be sent to Lake Elmo to provide a second mower. This will double productivity at both airports.

### Hillside Mower

A few hillsides and ditches are unsafe to mow on the airfield. This hillside mower will be a boom attachment for the wheel loader that will provide for safe mowing and mulching operations in difficult to reach areas. This will reduce wildlife attractants on the airfield and enhance the airfield appearance.

### Snow Pusher 27'

This snow pusher will be purchased for the St. Paul Airport and will be used on the wheel loader for clearing large ramps and taxilanes during snow events. There is a new design, which allows individual sections of the pusher to float over uneven pavement. Acquiring this type of pusher will allow for cleaner pavement and safer areas for airport users as well as decreased fatigue on the operator.

### Loader

The loader being replaced is a 1999 IT 24. The current loader is at the end of its useful life and does not entirely meet the needs of the airport. The new loader will have high-lift arms for loading sand into the airfield sander as well as adjustable forks for handling materials.

### Stand-up Spreader/Sprayer

This equipment is used for weed control on the airfield. The airport currently borrows these from MSP when they are available. Having one based at the St. Paul Airport will allow staff to control weeds throughout the summer and decrease the need for overtime while doing this work as a special project in order to send the unit back to MSP in a timely fashion.

### Dry Materials Spreader

A dry materials spreader will replace a 15-year-old spreader used to apply chemicals to the airfield during winter weather events. This piece of equipment is critical to the airport as it is the only apparatus for applying runway deicing chemicals at Airlake Airport.

### Airport Plow Truck

Airlake Airport only has a 1998 plow truck. This truck was planned for replacement in 2015, but it was deferred multiple times. Replacement parts are difficult to acquire for the old truck so it needs replacement.

### Snow Pusher 22'

This snow pusher will be used on the wheel loader for clearing large ramps and taxilanes during snow events. There is a new design which allows individual sections of the pusher to float over uneven pavement. Acquiring this type of pusher will allow for cleaner pavement and safer areas for airport users as well as decreased fatigue on the operator.

### Toolcat

Crystal Airport has one Toolcat with a multitude of attachments so it is used for many different projects. This purchase will increase operational efficiency by having two Toolcats. It is used for snow blowing near airfield signs, sweeping smaller areas, plowing smaller airfields, applying chemicals during winter and summer and many other uses.

### 2000 Gallon Turf Sprayer

The reliever airports currently use 300 gallon sprayers with 20' booms to control weeds on the airfield. This larger sprayers will hold 1,000 and 2,000 gallons with 40'-90' booms, which allows much larger areas to be sprayed on each pass without refilling the equipment as often. Purchasing this sprayer will reduce fuel and

ensure appropriate chemical application with added features including rate control, foaming systems and GPS integration with the tractors. This sprayer will be housed at Flying Cloud Airport but will be transported between airports to increase efficiency throughout the system.

#### Snow Pusher 19'

This snow pusher will be purchased for the Crystal Airport and will be used on the wheel loader for clearing large ramps and taxilanes during snow events. There is a new design which allows individual sections of the pusher to float over uneven pavement. Acquiring this type of pusher will allow for cleaner pavement and safer areas for airport users as well as decreased fatigue on the operator.

#### Tractor

Crystal Airport has two tractors that are over 20 years old. Neither of these tractors are equipped with plows for winter operations. The one being replaced is operational and will be moved to Lake Elmo for summer mowing operations. This new tractor will be capable of performing snow removal operations and a plow at St. Paul Airport will be fitted to it.

#### Toolcat Accessories

A broom and sweeper will be purchased for the Toolcat. The broom will be used during winter and summer to clean smaller areas on the airfield that cannot be cleaned by the large Oshkosh Runway Broom. When a sweeper is needed, one is borrowed from another reliever airport. A new sweeper will provide faster response and negate transport time. The sweeper is used to clean debris from airfield surfaces.

#### 3/4 Ton Truck

This pickup will replace a 2013 pickup with 139,000 miles. The old truck has required several major repairs over the past few years and is beyond its useful life. A new vehicle will be used for airfield inspections and maintenance of the airport.

#### Snow Pusher 19'

This snow pusher will be purchased for the Anoka County-Blaine Airport and will be used on the wheel loader for clearing large ramps and taxilanes during snow events. There is a new design which allows individual sections of the pusher to float over uneven pavement. Acquiring this type of pusher will allow for cleaner pavement and safer areas for airport users as well as decreased fatigue on the operator.

#### Snow Pusher 27'

This snow pusher will be purchased for the Anoka County-Blaine Airport and will be used on the wheel loader for clearing large ramps and taxilanes during snow events. There is a new design which allows individual sections of the pusher to float over uneven pavement. Acquiring this type of pusher will allow for cleaner pavement and safer areas for airport users as well as decreased fatigue on the operator.

#### Toolcat and Accessories

This Toolcat will be used for snow removal and summer maintenance. This piece of equipment is versatile and allows for snow clearing, snow blowing, sod restoration, grass/tree cutting and a multitude of other uses. Purchasing this piece of equipment and related attachments will provide better maintenance at the airport during all seasons.

### TECHNOLOGY PROJECT NARRATIVES

#### Cybersecurity

This project is part of a multi-year plan to mature the cybersecurity program. Components to be upgraded include end-point security and security risk management.

#### National Amendment Gap Analysis Assessment

The Transportation Security Administration (TSA) Airport Security Plan National Amendment requires the use of a gap analysis to assess risk, create remediation plans and enhance controls.

#### Regulatory Compliance for Phone System

This project enables regulatory compliance for the Customs and Border Protection telephone system.

#### Technology Functionality Enhancements

This project will upgrade or enhance existing technology or provide new functionality. The project includes functionality for enterprise document storage, Data Center 2 capabilities and FBI Criminal Justice Information Services Division risk assessment.

#### Technology Refresh

This project will refresh end-of-life hardware components including radio consoles, network storage, Integrated Video Systems Network (IVISN) storage, servers, switches, Integration-Mulesoft platform, end user refresh, media players, flight information display screens, commercial fleet asset replacement, records management, Emergency Communications Center monitors and the taxicab application.

**CAPITAL IMPROVEMENT PROGRAM EXPENDITURES**

On December 19, 2022, the Commission adopted the 2023-2029 Capital Improvement Program. The seven-year CIP forecasts construction projects in the MAC’s system of airports.

Planning for the Capital Improvement Program was significantly impacted by COVID-19. Since 2020, many scheduled projects were delayed or paused. To develop the 2023-2029 CIP, all deferred, paused and newly proposed projects were reviewed and categorized as follows:

**2023 CIP Projects (Year 1):**  
Projects reasonably defined for implementation in the upcoming calendar year.

**2024 CIP Projects (Year 2):**  
Identified needs or potential needs requiring further study to determine project scope, feasibility and cost.

**2025-2029 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.

The following table summarizes the projects identified for the CIP by year in the 2023-2029 Capital Improvement Program.

<b>2023-2029 Capital Improvement Program ►►►</b>			
Funding by Year	(\$=000)		
	2023	2024	2025-2029
<b>MSP End of Life/Replacement Projects</b>			
<b>Terminal 1</b>			
Concourse and Hub Tram Replacement	\$ 500	\$ -	\$ 600,000
Cooling Unit Replacement	-	1,125	-
Passenger Boarding Bridge Replacements	10,000	4,000	50,000
Recarpeting Program	-	-	2,000
Terminal 1 Outbound Baggage Handling System Replacement	-	-	250,000
<b>Energy Management Center</b>			
Concourses E and F Bridge Heating and Cooling System Replacement	2,500	2,200	1,800
EMC Boiler and Chiller Replacement Study	245	-	-
Ground Transit Center Dual-temperature Pump Improvements	1,800	-	-
Variable Air Volume Box Replacement	1,900	1,900	8,000
<b>Field and Runway</b>			
30L Deicing Pad Expansion	-	-	20,000
30L Deicing Pad Reconstruction	10,000	-	25,000
30L EMAS Replacement	-	-	19,000
Airfield Snow Melter Replacement/Upgrades	1,800	1,800	7,600
Bituminous Shoulder Reconstruction	1,000	1,000	3,000
Concourse G Apron Pavement Reconstruction	10,000	16,250	24,000
Runway 12L-30R Reconstruction	-	-	25,000
Runway 12L-30R and 4-22 Intersection Reconstruction	15,000	-	-
Taxiway A Pavement Reconstruction	-	-	4,200
Taxiway B Pavement Reconstruction	4,200	3,750	7,500
Taxiway C Pavement Reconstruction	-	-	9,500
Taxiway D Pavement Reconstruction	-	2,000	-

## 2023-2029 Capital Improvement Program Cont. ►►►

Funding by Year

(\$=000)

	2023	2024	2025-2029
<b>MSP End of Life/Replacement Projects Continued</b>			
Taxiway H Pavement Reconstruction	\$ -	\$ -	\$ 6,000
Taxiway J Pavement Reconstruction	-	-	7,000
Taxiway P Pavement Reconstruction	11,000	-	-
Taxiway R Pavement Reconstruction	-	-	8,500
<b>Terminal Roads/Landside</b>			
Terminal 1 Access Roadway Bridge Rehabilitation	4,750	-	-
UPS Loop Pavement Reconstruction	-	1,800	-
Variable Message Signs Replacement, Phase 3	-	1,600	-
<b>Parking</b>			
Parking Ramp Snow Melter Replacement/Upgrades	-	1,350	1,350
<b>Terminal 2</b>			
Terminal 2 Pre-conditioned Air	2,300	-	-
Terminal 2 Recarpeting Program	800	1,300	150
Terminal 2 Ticket Counter/Insert Replacement	-	-	730
<b>Public Areas/Roads</b>			
East 62nd Street Reconstruction	-	-	3,900
East 70th Street Reconstruction	-	2,400	-
Post Road Reconstruction Project	-	-	5,000
<b>Trades/Maintenance Buildings</b>			
MSP Liquid Deicer Storage Facility	11,200	-	-
<b>Fire</b>			
Fire Alarm System Transition	1,500	2,000	3,400
<b>General Office/Administration</b>			
Variable Air Volume Replacement and Upgrade	-	-	2,000
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 90,495</b>	<b>\$ 44,475</b>	<b>\$ 1,094,630</b>
<b>MSP Information Technology Projects</b>			
<b>Terminal 1</b>			
Concourses C and G Digital Directory Replacement	-	200	-
Customs and Border Protection Camera System Upgrade	850	-	1,000
MAC Technology Upgrades	10,000	10,000	54,000
Telecom Room Equipment Continuity	-	1,510	-
<b>Police</b>			
Card Access Modifications	-	2,500	5,300
<b>MSP Information Technology Projects Subtotal</b>	<b>\$ 10,850</b>	<b>\$ 14,210</b>	<b>\$ 60,300</b>

## 2023-2029 Capital Improvement Program Cont. ►►►

Funding by Year

(\$=000)

	2023	2024	2025-2029
<b>MSP Long Term Comprehensive Plan Projects</b>			
<b>Terminal 1</b>			
Baggage Claim/Ticket Lobby Operational Improvements	\$ 47,675	\$ 15,000	\$ -
Checkpoint Expansion	-	-	11,000
2023 Concourse G Infill - Pod 2-3	23,500	351,500	-
Design and Construction Standards Update	500	-	-
D-Pod Outbound Baggage System	-	-	15,000
MSP Airport Layout Plan	-	-	1,000
MSP Environmental Review	-	-	2,000
MSP Long-Term Plan	-	-	3,000
MSP Obstructions Removals	-	-	2,000
<b>Field and Runway</b>			
Navigational Aids Study for North Campus Development	350	-	-
Runway 30R Parallel Taxiway	-	-	36,000
<b>Terminal 2</b>			
Long Term Plan Projects (Fees)	-	1,000	-
Terminal 2 North Gate Expansion	-	195,000	-
<b>MSP Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ 72,025</b>	<b>\$ 562,500</b>	<b>\$ 70,000</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>			
<b>Terminal 1</b>			
ADO Office Expansion	-	4,000	-
Art Display Areas	200	250	1,250
Arts Master Plan	670	1,260	5,805
C/G Connector Lighting Improvements	-	-	1,000
Concourse A Heating System Upgrade	-	11,000	-
Delivery Node Redevelopment	3,200	2,300	19,820
F/G Connector & Skyclub Repairs and Improvements	-	-	1,100
Folded Plate Repairs	-	-	43,400
Lavatory Buildings Rehabilitation	-	4,400	-
Lighting Infrastructure Technology and Equipment	1,300	1,500	10,300
LRT Stations Updates	-	-	1,600
Restroom Upgrade Program	2,050	2,050	10,250
Steam System Upgrade Program	-	1,600	6,400
Terminal 1 Information Booth Replacements	-	-	850
Terminal 1 Curbside Canopy Repairs and Lighting Upgrades	-	350	-
Terminal 1 Employee Breakroom	-	-	450
Terminal 1 Mechanical Room C-1043	9,800	-	-
Terminal 1 Tug Drive Heater Replacement	1,500	2,000	-
Terminal 1 Tug Drive Waterproofing	-	2,900	8,700
Way-Finding Sign Backlighting Replacement	2,000	1,000	7,000



## 2023-2029 Capital Improvement Program Cont. ►►►

Funding by Year

(\$=000)

	2023	2024	2025-2029
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>			
<b>Energy Management Center</b>			
Chiller Plant Optimization	\$ -	\$ 3,000	\$ -
Energy Savings Program	2,600	-	4,000
Indoor Air Quality Monitoring System	1,500	1,000	-
MAC Automation Infrastructure Program	2,300	2,300	11,900
Material Storage Building - Boiler Room Addition	1,830	-	-
Steam Trap Monitoring System	-	-	3,000
Terminal 2 Penthouse Chiller Plant Infrastructure Upgrades	-	5,500	-
Victaulic Piping Replacement	-	4,000	14,850
<b>Field and Runway</b>			
Airfield Security Screening Facility Study	250	-	-
Anti-Climb Fencing & Lighting	275	-	-
Apron Lighting LED Upgrade	-	5,000	6,000
Field Maintenance Building Efficiency Program	-	-	204,000
Localizer Array Upgrade	2,000	-	-
Runway LED Lighting Upgrade	1,700	1,500	2,700
Taxiways B and Q Islands	700	-	-
Terminal 2 Glycol Lift Station/Forcemain	-	1,100	-
Tunnel Lighting LED Upgrade	-	1,100	3,500
<b>Terminal Roads/Landside</b>			
Tunnel Approaches Reconstruction	2,600	-	-
<b>Parking</b>			
Parking Guidance System	-	-	6,500
Parking Ramp Railing Refinishing	-	1,000	2,000
Red/Blue Parking Levels 2 & 3	-	-	9,200
<b>Terminal 2</b>			
Ramp Information Display System (RIDS)	-	-	3,600
Terminal 2 Baggage Handling System	-	-	410
Terminal 2 Gate Area Passenger Amenities	-	-	1,000
Terminal 2 Gate Desk/Podium Replacement	-	-	450
Terminal 2 Ground Transportation Waiting Area Expansion	-	-	400
Terminal 2 Lobby Passenger Flow Program	-	1,000	-
Terminal 2 MUFIDS/EVIDS Millwork Upgrades	-	-	350
Terminal 2 Skyway to LRT Flooring Installation	-	-	800
Terminal Door Locks and Emergency Egress Upgrades	-	400	-
<b>Public Areas/Roads</b>			
34th Avenue Bus Area Reconstruction	-	800	-
34th Avenue Reconstruction	-	-	15,600
34th Avenue Sanitary Sewer Replacement	-	-	2,200

## 2023-2029 Capital Improvement Program Cont. ►►►

Funding by Year

(\$=000)

	2023	2024	2025-2029
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>			
34th Avenue Traffic Control Improvements	\$ -	\$ 200	\$ -
Diverging Diamond Intersection Rehabilitation	-	-	380
Highway 494 Terminal and Airline Signs	150	-	-
Taxi Holding Lot Rehabilitation for Cell Phone Lot	650	-	-
Terminal 1 Ground Transportation Modifications	1,240	-	-
Terminal 1 Inbound Roadway Median Improvements	-	-	3,300
Tunnel Fan Replacement	-	4,700	6,800
<b>Hangars and Other Buildings</b>			
MAC Storage Facility	-	30,000	-
Safety and Security Center	-	150,000	-
<b>Trades/Maintenance Buildings</b>			
South Field Maintenance Building Wash Bay	-	3,500	-
<b>Police</b>			
Perimeter Fence Intrusion Detection System	-	-	1,000
Perimeter Gate Security Improvements	-	6,500	6,500
Police Department Improvements at Terminals 1 & 2	-	-	1,500
Public Safety Modifications	1,000	-	2,700
Squad Parking Modifications	-	-	140
<b>Fire</b>			
Campus Fire Protection	-	2,400	8,800
<b>Environment</b>			
Glycol Sewer & Storm Sewer Inspection/Rehabilitation	-	1,700	600
Ground Service Equipment Electrical Charging Stations	3,000	-	-
Infield Fueling Facility Secondary Containment	-	-	400
Lift Station at Ponds 1 and 2	-	-	2,300
MSP Pond 3 / 494 Pond Sediment Removal & Repairs	-	-	5,500
Runway 12R-30L Glycol Forcemain Environmental Improvements	2,000	-	-
Terminal 2 Remote Ramp Lot/Drainage Improvements	-	2,000	-
<b>MSP Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ 44,515</b>	<b>\$ 263,310</b>	<b>\$ 450,305</b>
<b>MSP Noise Mitigation Consent Decree Amendment</b>	<b>\$ 500</b>	<b>\$ 1,000</b>	<b>\$ 500</b>
<b>MSP Ongoing Maintenance Programs</b>			
<b>Terminal 1</b>			
Air Handling Unit Replacement	13,000	2,000	65,000
Baggage System Upgrades	500	500	2,500
Concourse G Rehabilitation	-	10,000	-
Conveyance System Upgrades	-	-	3,000
Electrical Infrastructure Program	2,500	2,500	10,000
Electrical Substation Replacement	7,500	10,000	30,000
Emergency Power Upgrades	6,600	2,500	10,000

## 2023-2029 Capital Improvement Program Cont. ►►►

Funding by Year

(\$=000)

	2023	2024	2025-2029
<b>MSP Ongoing Maintenance Programs Continued</b>			
Plumbing Infrastructure Upgrade Program	\$ 600	\$ 700	\$ 3,500
Terminal Building Remediation Program	3,000	3,000	15,000
Terminal Miscellaneous Modifications	2,600	2,600	14,000
<b>Energy Management Center</b>			
Life Safety Infrastructure Program	-	1,900	9,500
Plant Upgrades	2,000	2,100	11,550
<b>Field and Runway</b>			
Airside Electrical Construction	2,500	2,000	13,000
Airside Roadway Pavement Restoration	1,200	1,200	6,000
Miscellaneous Airfield Construction	1,500	3,500	10,000
Pavement Joint Sealing/Repair	800	800	4,600
<b>Terminal Roads/Landside</b>			
Tunnel/Bridge Inspections	100	120	660
Tunnel-Bridge Misc Mods	-	-	3,000
<b>Parking</b>			
Parking Structure Rehabilitation	3,000	3,000	15,000
<b>Public Areas/Roads</b>			
Concrete Joint Repair	900	1,000	5,550
Landside Pavement Rehabilitation	500	500	2,200
Landside Utility Rehabilitation	750	750	3,750
Roadway Fixture Refurbishment	150	150	750
<b>Hangars and Other Buildings</b>			
Campus Building Rehabilitation Program	1,500	1,500	4,500
Campus Parking Lot Reconstructions	-	650	1,350
End of Life Campus Building Demolition	-	-	4,100
MSP Campus Building Roof Replacements	8,300	6,100	25,700
<b>Trades/Maintenance Buildings</b>			
Sump Pump Controls	-	4,000	7,500
<b>General Office/Administration</b>			
General Office Building Improvements	-	500	1,000
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 59,500</b>	<b>\$ 63,570</b>	<b>\$ 282,710</b>
<b>MSP Tenant Projects</b>			
<b>Terminal 1</b>			
Concessions Upgrades/Revenue Development	100	200	1,000
Concourse and Gatehold Modernization	23,800	85,600	73,100
Elevator and Concourse Improvements Related to Relocated United Club	200	-	1,000

## 2023-2029 Capital Improvement Program Cont. ►►►

Funding by Year

(\$=000)

	2023	2024	2025-2029
<b>MSP Tenant Projects Continued</b>			
Terminal 1 FIS Gate Common Use Additions	\$ 1,500	\$ -	\$ 5,000
Terminal 1 Pre-Conditioned Air	2,500	2,500	-
<b>Parking</b>			
Rental Car EV Charging Infrastructure	1,500	-	-
<b>Terminal 2</b>			
Terminal 2 Concessions Development	2,800	-	-
<b>Public Areas/Roads</b>			
Tenant Parking Lot Reconstruction	-	-	2,900
<b>Hangars and Other Buildings</b>			
Delta Building B Tunnel Water Mitigation	-	-	-
Ground Service Equipment (GSE) Maintenance Facility	200	-	2,000
<b>MSP Tenant Projects Subtotal</b>	<b>\$ 32,600</b>	<b>\$ 88,300</b>	<b>\$ 85,000</b>
<b>Reliever Airports Long Term Comprehensive Plan Projects</b>			
<b>St. Paul Airport</b>			
Airport Layout Plan	500	-	-
Environmental Review	-	-	800
Long Term Comprehensive Plan	800	-	-
<b>Lake Elmo Airport</b>			
Airport Layout Plan	-	100	-
Long Term Comprehensive Plan	-	-	500
<b>Airlake Airport</b>			
Airport Layout Plan	-	-	100
Long Term Comprehensive Plan	-	-	500
Runway 12-30 Improvements	-	4,400	-
<b>Flying Cloud Airport</b>			
Environmental Review	-	800	-
Purchase and Demolition of Hangars	1,300	-	-
South Building Area Utilities	-	-	800
<b>Crystal Airport</b>			
Airport Layout Plan	100	-	-
Long Term Comprehensive Plan	-	-	500
<b>Anoka County-Blaine Airport</b>			
Airport Layout Plan	-	500	-
Building Area Development - Xylite St. Relocation	-	-	1,000
Long Term Comprehensive Plan Update	-	800	-
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ 2,700</b>	<b>\$ 6,600</b>	<b>\$ 4,200</b>

## 2023-2029 Capital Improvement Program Cont. ►►►

Funding by Year

(\$=000)

	2023	2024	2025-2029
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>			
<b>Reliever Airports</b>			
Relievers Building Miscellaneous Modifications	\$ 400	\$ 400	\$ 2,000
Relievers Obstruction Removal	300	-	900
Pavement Rehabilitation Miscellaneous Modifications	300	300	1,500
Relievers Used Oil Sheds & Tanks	-	-	550
<b>St. Paul Airport</b>			
Airport Perimeter Roads	-	-	500
Airport Road and Eaton Street Retaining Wall	-	-	700
Cold Equipment Storage Building	-	-	750
Customs and Border Protection General Aviation Facility	-	4,500	-
Floodwall Inspection and Repairs	200	-	-
Intelligent Monitoring and Control System (IMACS) Expansion	-	2,250	-
LED Edge Lighting Upgrades	500	1,500	-
MAC Building Improvements	200	-	600
Pavement Rehabilitation-Taxilanes/Tower Road	-	-	750
Runway 13-31 Pavement Reconstruction	-	-	5,000
Runway 14-32 EMAS Replacement	-	-	10,000
Runway 14-32 Reconstruction	-	-	10,000
Storm Sewer Improvements	-	1,500	-
Taxiway B Rehabilitation	-	-	800
Taxiway Lima Rehabilitation	-	-	200
Vehicle Gate Replacement	500	-	-
<b>Lake Elmo Airport</b>			
AWOS Replacement	-	-	100
Intelligent Monitoring and Control System	-	-	1,150
Material Storage Building	-	500	-
North Building Area Pavement Rehabilitation	-	900	-
North Service Roads Rehabilitation	-	-	500
Northside Taxiway Reconstruction	-	-	1,200
Runway 04-22 Pavement Rehabilitation	-	4,000	-
<b>Airlake Airport</b>			
AWOS Replacement	-	-	100
Existing Runway 12-30 Reconstruction	-	3,500	-
Intelligent Monitoring and Control System	-	-	1,150
LED Edge Lighting	200	-	-
Maintenance Building Renovation	-	-	750
North Service Road Pavement Rehabilitation	-	-	500
North Taxilanes Pavement Rehabilitation	-	-	1,250
South Building Area Utilities and Taxilanes	-	1,300	-
Taxiway Bravo Pavement Rehabilitation	-	600	-

## 2023-2029 Capital Improvement Program Cont. ►►►

Funding by Year

(\$=000)

	2023	2024	2025-2029
<b>Reliever Airports Maintenance/Facility Upgrade Projects Continued</b>			
<b>Flying Cloud Airport</b>			
Airport Access Roads and Tango Lane	\$ -	\$ -	\$ 500
Airport Access Roads Pavement Rehabilitation	-	-	1,500
Electrical Vault Modifications	-	-	500
Executive Aviation/MAC Maintenance Apron	-	-	600
Gate Replacements	-	-	500
Intelligent Monitoring and Control System	-	2,250	-
MAC Building Improvements	-	-	600
Parcel 7 Sewer and Water	300	-	-
Runway 10R-28L Pavement Rehabilitation	-	2,700	-
Runway 18-36 Pavement Rehabilitation	-	-	700
Spring Lane Extension and Taxilane Connector	600	-	-
Tower Equipment for Airfield Lighting and Utilities	-	-	1,000
Underground Fuel Storage Tank Replacement	-	500	-
<b>Crystal Airport</b>			
Existing Hangar Revitalization	-	-	800
Intelligent Monitoring and Control System	-	-	1,150
LED Edge Lighting Upgrade	400	-	-
Runway 6L-24R Pavement Rehabilitation	-	-	2,500
Service Roads	1,200	-	-
Taxilanes Pavement Rehabilitation	750	-	1,200
Taxiway Alpha Pavement Reconstruction	-	-	1,200
Tower Parking Lot Reconstruction	-	675	-
Underground Fuel Storage Tank Replacement	-	500	-
<b>Anoka County-Blaine Airport</b>			
Automated Weather Observing System Replacement	100	-	-
Building Demolition	230	-	-
Electrical Vault Improvements	-	-	750
Equipment Storage and Maintenance Building	-	700	-
Gate Controller Upgrades	-	-	400
Intelligent Monitoring and Control System	-	-	1,150
Pavement Rehabilitation - Taxiway A and Edge Lights	1,800	-	-
Runway 18-36 Pavement Rehabilitation	-	-	3,000
Runway 9-27 Pavement Rehabilitation	-	-	3,750
Taxiway B Pavement Rehabilitation	-	-	1,400
Underground Fuel Storage Tank Replacement	-	500	-
West Perimeter Road	-	1,800	-
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ 7,980</b>	<b>\$ 30,875</b>	<b>\$ 64,150</b>
<b>MSP SUBTOTAL</b>	<b>\$ 310,485</b>	<b>\$ 1,037,365</b>	<b>\$ 2,043,445</b>
<b>RELIEVERS SUBTOTAL</b>	<b>\$ 10,680</b>	<b>\$ 37,475</b>	<b>\$ 68,350</b>
<b>GRAND TOTAL</b>	<b>\$ 321,165</b>	<b>\$ 1,074,840</b>	<b>\$ 2,111,795</b>

## 2023 CAPITAL IMPROVEMENT PROJECTS

As stated previously, these are projects that have been reasonably defined for implementation in the upcoming calendar year, in this case 2023. The following narratives describe the 2023 Capital Improvement Projects, along with a table of their funding sources. The vast majority of capital projects in the CIP are considered routine projects for a major airport and do not affect the annual operating budget. Explanations of whether the project affects the Operating Budget are noted within the narratives.

## 2023 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

### Concourse and Hub Tram Replacement

► \$500,000

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. This is a study which will have no impact on the current or future operating budget.

### Passenger Boarding Bridge Replacements

► \$10,000,000

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 the gate hold area. 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. The project has minimal or no impact on the current or future operating budget.

## ENERGY MANAGEMENT CENTER (EMC)

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

► \$2,500,000

This is the first of three phases of work to replace and improve the heating and cooling systems on the bridges to Concourses E and F. In this phase, the original chilled water piping will be replaced and located in an accessible soffit. A redundant cooling loop will be added as well to minimize impacts to the concourses during disruptions and construction relocations. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project will have minimal to no impact on the current or future operating budget.

### EMC Boiler and Chiller Replacement Study

► \$245,000

This is a study to review the Terminal 1 boilers and chillers for replacement. The study will look at replacement equipment with a more efficient design, as well as building impacts to remove the old equipment and bring the new equipment into the building. This is a study which will have no impact on the current or future operating budget.

### Ground Transit Center Dual-temperature Pump Improvements

► \$1,800,000

This project will replace end-of-life pumps and supporting infrastructure. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

### Variable Air Volume Box Replacement

► \$1,900,000

This program will replace variable air volume boxes throughout Terminal 1 with more efficient equipment connected to the Intelligent Monitoring and Control Systems and located for maintenance accessibility. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project is projected to reduce the operating budget by approximately \$7,800 annually.

## FIELD AND RUNWAY

### 30L Deicing Pad Reconstruction

► \$10,000,000

This is the first of three phases to reconstruct the deicing pad at Runway 30L. This is a project that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****Airfield Snow Melter Replacement/Upgrades**

► \$1,800,000

This project will replace, modify and/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. The project has minimal or no impact on the current or future operating budget.

**Bituminous Shoulder Reconstruction**

► \$1,000,000

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. The project has minimal or no impact on the current or future operating budget.

**Concourse G Apron Pavement Reconstruction**

► \$10,000,000

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. The project has minimal or no impact on the current or future operating budget.

**Runway 12L-30R and 4-22 Intersection Reconstruction**

► \$15,000,000

This project will reconstruct the intersection of Runway 12L-30R and Runway 4-22. This work will improve intersection drainage and pavement friction results. The work will include removals, subgrade correction, aggregate base, concrete pavement, bituminous shoulders, pavement marking and electrical construction. This project contributes to maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.

**Taxiway B Pavement Reconstruction**

► \$4,200,000

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. The project has minimal or no impact on the current or future operating budget.

**Taxiway P Pavement Reconstruction**

► \$11,000,000

This project provides for the reconstruction of concrete pavement along the east end of Taxiway P, including P1 and P2. Work will include removals, concrete pavement, pavement markings and electrical construction. This is a recurring project with rotating work that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.

**TERMINAL ROADS/LANDSIDE****Terminal 1 Access Roadway Bridge Rehabilitation**

► \$4,750,000

This project will repair the bridge deck, replace expansion joints, paint to protect the steel beams and complete other repairs as needed. The project has minimal or no impact on the current or future operating budget.

**TERMINAL 2****Terminal 2 Pre-conditioned Air**

► \$2,300,000

This project will replace outdated pre-conditioned air units at Gates H1-H10 at Terminal 2 with new units that meet the MAC standard. This project may minimally increase electrical expenses in the future operating budget.

**Terminal 2 Recarpeting Program**

► \$800,000

This multi-year program will replace end-of-life carpeting throughout Terminal 2. This is a recurring project with rotating work that ensures end-of-life finishes are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.



## TRADES/MAINTENANCE BUILDINGS

### MSP Liquid Deicer Storage Facility

► \$11,200,000

This project includes construction of a new airfield runway deicer storage and off-loading facility with additional offload ports, upload ports and increased liquid capacity for airfield runway deicing chemicals. The project has minimal or no impact on the current or future operating budget.

## FIRE

### Fire Alarm System Transition

► \$1,500,000

To improve monitoring reliability and eliminate the existing single point of failure configuration, this multi-year project will include database redundant systems, device controller upgrades and the decentralization of the fire alarm master control equipment. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

## MSP INFORMATION TECHNOLOGY (IT) PROJECTS

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

## TERMINAL 1

### Customs and Border Protection Camera System Upgrade

► \$850,000

The Customs and Border Protection's (CBP's) security camera system has reached the end of its functional and repairable life. The agency requires a standalone camera system rather than one integrated with the MAC Integrated Video and Information System Network (IVISN). The 2023 project will complete gaps in coverage and additional cameras to support the CBP's operational needs. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

### MAC Technology Upgrades

► \$10,000,000

Each year, there are several IT projects that are beyond the resources of MAC's staff and operating budget to accomplish. These projects are prioritized and completed either as a series of contracts or as purchase orders. Work may include fiber optic cable upgrades, MACNet maintenance and upgrades, EVIDs/MUFIDs

digital signs, wireless system enhancements, and MAC public address system maintenance and upgrades. The list of potential projects will be compiled and prioritized in early 2023. This series of recurring projects ensure that miscellaneous IT equipment maintenance, enhancement and replacements happen in a timely manner. The projects have minimal or no impact on the current or future operating budget.

## MSP LONG-TERM COMPREHENSIVE PLAN (LTCP) 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

### 2023 Baggage Claim/Ticket Lobby Operational Improvements

► \$47,675,000

This program addresses issues of congestion and functionality in the Baggage Claim and Ticket Lobby. It will provide the level of service requirements for short- and medium-term growth of the origin and destination passengers, including walkways that meet required codes, public seating areas, centralized meet and greet space, unclaimed baggage storage, baggage service offices, concessions, improved lighting, fire protection throughout the space, structural enhancements, improved sight lines, curbside lighting and access, ticket counter consolidations, airline ticket offices, improved vestibules and access, east mezzanine removal/reduction, structural enhancements, curtain wall replacement and other operational improvements. This phase of the program has minimal or no impact on the current or future operating budget.

### 2023 Concourse G Infill – Pod 2-3

► \$23,500,000

This project includes an expansion/redevelopment of Concourse G. The expansion includes an infill between the existing Pods 2 and 3, which will provide enlarged gate hold areas. The redevelopment will include new and upgraded restrooms, new moving walkways, new mechanical rooms and air handling equipment, redevelopment of concessions space and miscellaneous relocations of tenant space within the project footprint. The 2023 phase will focus on civil work and utility relocations. This phase of the program has minimal or no impact on the current or future operating budget.

**Design and Construction Standards Update**

▶ \$500,000

This project will fund consultant support of updating the MAC's Design and Construction Standards to improve consistency and clarity for project teams, including those for tenant construction projects. This project has minimal or no direct impact on the current or future operating budget.

**FIELD AND RUNWAY****Navigational Aids (NAVAIDS) Study for North Campus Development**

▶ \$350,000

This project funds a one-time study of NAVAIDS related to development on the MSP campus in conjunction with the airport long-term plan efforts. This study is needed for analysis of north field development potential. This is a study which will have no direct impact on the current or future operating budget.

**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****Art Display Areas**

▶ \$200,000

This program is a continuation of the existing program, in partnership with the MSP Foundation, 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 Airport Foundation MSP. The program has minimal or no impact on the MAC's current or future operating budget.

**Arts Master Plan**

▶ \$670,000

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. There is no impact on the operating budget.

**Delivery Node Redevelopment**

▶ \$3,200,000

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 2023 project is planned to redevelop the former main dock under Concourse C at Terminal 1, replaced by the MAC Receiving and Distribution Center, to achieve highest use and improve delivery processes on Concourse E. This project is projected to have minimal or no impact on the current or future operating budget.

**Lighting Infrastructure Technology and Equipment**

▶ \$1,300,000

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 and maintenance costs and improve lighting quality through implementing technology upgrades. Light fixtures age and degrade due to time, heat or exterior elements. Lighting technologies upgrades will also provide for more energy efficient lighting systems. The project is projected to reduce the utilities expenses in the operating budget by approximately \$1,500 annually.

**Restroom Upgrade Program**

▶ \$2,050,000

A study of all restrooms in Terminal 1 was completed in 2010 and a program 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. This is a recurring project with rotating work that ensures end-of-life facilities are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**Terminal 1 Mechanical Room C-1043**

▶ \$9,800,000

Concourse C Mechanical Room C-1043 is a mechanical room that houses a very large, aging high pressure steam pressure reducing station, an aging domestic water main meter assembly, aging Heating, Ventilation and Air Conditioning (HVAC) pumps, fire protection valves, electrical conduits and related equipment. This project will expand and separate portions of the system into unused rooms and install systems, which will be safer, more efficient, meet current code requirements and be reliable. The project is projected to reduce the utilities expenses in the operating budget, but the calculations are not complete at time of publication.

**Terminal 1 Tug Drive Heater Replacement**

▶ \$1,500,000

This project will replace all existing Terminal 1 tug drive steam unit heaters with hot water unit heaters. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**Way-Finding Sign Backlighting Replacement**

▶ \$2,000,000

Wayfinding is a critical customer service piece of our passenger's 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 light-emitting diode (LED) backlit signs. This program updates sign information, locations and provides new illuminated signs and/or digital signs where needed at Terminal 1 and Terminal 2. It also supports repair that exceeds routine maintenance budgets. This program enhances the customer service experience for travelers. The program has minimal or no impact on the MAC's current or future operating budget.

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

▶ \$2,600,000

The scope of this year's project involves work at both Terminal 1 and Terminal 2 and in general includes the replacement of valves, boilers, lighting controls and motors with high-efficiency models. This recurring project supports more efficient operation and maintenance of mechanical systems throughout the campus. The project is projected to reduce the utilities expenses in the operating budget, but the calculations are not complete at time of publication.

**Indoor Air Quality Monitoring System**

▶ \$1,500,000

This project continues efforts begun in 2021 to add carbon dioxide and nitrogen dioxide sensors where required and tie new and existing sensors to the IMACS system for remote monitoring and automatic safety ventilation. It will provide the EMC with advanced modular indoor air quality sensors to install temporarily at any location with IMACS connectivity. The project will also upgrade controls wiring for the post-fire smoke evacuation systems. This project primarily provides a safety improvement. It has minimal to no impact on current and future operating budgets.

**MAC Automation Infrastructure Program**

▶ \$2,300,000

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. This recurring project supports more efficient operation and maintenance of mechanical systems throughout the campus. These efficiencies contribute to savings noted in the other projects.

**Material Storage Building – Boiler Room Addition**

▶ \$1,830,000

This project will replace the corrosion damaged boiler equipment and install it in a new boiler room. The equipment to be replaced is dangerous to maintain due to the corrosion and has already begun to fail and has caused safety concerns. This project would build a new boiler room and install new boilers, pumps, piping, controls, electrical power and variable-frequency drives, unit heater and remove existing boiler equipment in existing mechanical spaces. This is a project that replaces end-of-life equipment and improves systems to extend the life of the new equipment. The project has minimal or no impact on the current or future operating budget.

**FIELD AND RUNWAY****Airfield Security Screening Facility Study**

▶ \$250,000

This study will assist MAC staff to determine location, type, and number of staffed field gates or midfield inspection areas to maximize the number of badge holders screened on the airfield. A subsequent project to execute the study's recommendations will be proposed to enhance both airfield and terminal security. This is a study which will have no direct impact on the current or future operating budget.

**Anti-Climb Fencing and Lighting**

▶ \$275,000

Fencing, closed-circuit television cameras and lighting will be added between Gate 124 and the Terminal 1 inbound roadway rock wall. This project primarily provides a security improvement. It has minimal to no impact on current and future operating budgets.

**Localizer Array Upgrade**

▶ \$2,000,000

This project will upgrade the parallel runways' localizer arrays to improve instrument approach signal clarity. This is a non-recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**Runway LED Lighting Upgrade**

▶ \$1,700,000

This project will replace lighting on Runway 12R-30L with LED lighting. This project is expected to provide a partial reduction to the annual electricity budget for MSP. Energy usage for the new LED lights are projected to decrease by 90% compared to the current runway lighting usage.

**Taxiways B and Q Islands**

▶ \$700,000

This project will construct taxiway islands created by Taxiways A and B, C and D, and P and Q. This non-recurring project primarily provides a safety improvement. It has minimal to no impact on current and future operating budgets.

**TERMINAL ROADS/LANDSIDE****Tunnel Approaches Reconstruction**

▶ \$2,600,000

This project will provide for the reconstruction of the approaches to Tunnel Y-3 and 17-35 Tunnel. These tunnels were constructed in the early 2000's and have had periodic maintenance activities to date. The existing concrete tunnel approaches for Tunnel Y-3 are in need of reconstruction as the pavement has been repaired but the repairs require yearly maintenance efforts that provide a temporary solution. A permanent solution is to reconstruct the approaches to correct the panel movements and other ongoing issues of the approach sections. The tunnel approaches to the 17-35 Tunnel require similar maintenance to Tunnel Y-3 with less panel and other issues. Therefore, that rehabilitation and/or reconstruction will be reviewed. This project maintains compliance with Department of Transportation guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**PUBLIC AREAS/ROADS****Highway 494 Terminal and Airline Signs**

▶ \$150,000

This project will fund replacement of overhead signage on Interstate Highway 494 and Minnesota Highway 5 to accommodate eight airline names per sign instead of the existing signs' limit of six. This program enhances the customer service experience for travelers. The program has minimal or no impact on the MAC's current or future operating budget.

**Taxi Holding Lot Rehabilitation for Cell Phone Waiting Lot**

▶ \$650,000

This project is to rehabilitate the existing taxi holding lot pavement for use as an additional cell phone waiting lot. The project will include milling existing pavement, pavement repairs/replacement as needed, bituminous overlay, pavement marking and other miscellaneous items. The project is intended to improve customer experience by decreasing inbound roadway congestion on Terminal 1 and Terminal 2 roadways. This program enhances the customer service experience for travelers. The program has minimal or no impact on the MAC's current or future operating budget.

**Terminal 1 Ground Transportation Modifications**

▶ \$1,240,000

This project will relocate the Taxi, Transportation Network Companies and other transportation services at the Terminal 1 Ground Transportation Center. Configuration of existing east and west commercial areas will be revised. Anticipated work includes variable message sign relocation, pavement marking, signage and other related items. This program enhances the customer service experience for travelers. The project has minimal or no impact on the current or future operating budget.

**POLICE****Public Safety Modifications**

▶ \$1,000,000

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. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**ENVIRONMENT****Ground Service Equipment (GSE) Electrical Charging Stations**

► \$3,000,000

This project will purchase and install charging stations for airline electric GSE. These fast, energy-efficient charging stations allow for simultaneous charging, adjustable charging rates and automatic shut-off when the GSE are fully charged. The charging stations are to be installed at Terminal 1 for use by Delta GSE. This project fits into the proposed long-term goal of converting all Delta GSE to electric power, thereby reducing overall air emissions and noise pollution at MSP from fossil fuel-burning GSE. Delta will pay for electric usage of the charging units. This project has minimal or no impact on the current or future operating budget.

**Runway 12R-30L Glycol Forcemain Environmental Improvements**

► \$2,000,000

This project provides for construction of glycol pumping stations and forcemains to convey glycol-impacted stormwater from the Runway 30R and 30L deicing pads to the existing glycol sewers west of Runway 4-22 and the glycol management facility. This project has minimal or no impact on the current or future operating budget.

**MSP NOISE MITIGATION PROJECTS**

Noise Mitigation projects are completed in compliance with the Consent Decree First Amendment. It is a residential noise mitigation program that began in March 2014 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, 2024. 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, beginning March 2014.

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

► \$500,000

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

**MSP ONGOING MAINTENANCE PROJECTS**

MSP On-Going Maintenance projects include buildings, systems, pavements and other infrastructure that require annual improvements to maintain the facilities and manage MAC assets.

**TERMINAL 1****Air Handling Unit Replacement**

► \$13,000,000

There are air handling units serving Terminal 1 that were installed with the original terminal construction and are over 50 years old. A study of these units evaluated each unit's age, condition, and ability to adequately heat or cool the spaces it serves. A multi-year program has been implemented to provide for the replacement of the 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. The 2023 project will focus on Concourse D and includes associated ceiling replacement. The project is projected to reduce the utilities expenses in the operating budget by approximately \$31,000 annually.

**Baggage System Upgrades**

► \$500,000

This multi-year program will provide necessary upgrades to the inbound and outbound baggage system not covered by general system maintenance. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**Electrical Infrastructure Program**

► \$2,500,000

There are 53 electrical substations that serve the Terminal 1 complex. It is imperative that these substations be routinely inspected, cleaned and upgraded to ensure their continued performance. This is a recurring project that ensures maintenance of equipment in a timely manner. The project has minimal or no impact on the current or future operating budget.

**Electrical Substation Replacement**

► \$7,500,000

This is a multi-year program to replace electrical substations, which are at or very near end-of-life. This program will also improve redundancy. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**CONSTRUCTION FUND****Emergency Power Upgrades**

▶ \$6,600,000

A study and survey of Terminal 1 transfer switches and emergency lighting was completed in 2008. This year's project is part of a multi-year program that will continue the design and implementation of emergency power and lighting corrective work identified in this study. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**Plumbing Infrastructure Upgrades**

▶ \$600,000

In 2010, MAC staff prepared a preliminary study of the reliability and maintainability of the existing plumbing infrastructure. Portions of the existing plumbing infrastructure serving Terminal 1 are over 40 years old, have systems that are undersized for today's demands, contain isolation valves that are either inaccessible or no longer functional and utilize aging water meter systems. There are also deteriorated sections of the existing sanitary and storm water systems. This ongoing program was implemented in 2012 to upgrade the plumbing infrastructure system to meet current code requirements and MAC standards. The focus of the 2023 project is to continue the replacement of aging plumbing systems. This is a recurring project with rotating work that ensures equipment is maintained to appropriate standards. The project has minimal or no impact on the current or future operating budget.

**Terminal Building Remediation Program**

▶ \$3,000,000

Continual maintenance of the terminal buildings is imperative to passenger comfort and safety as well as sustainability of the MAC asset. Age and weather contribute to building deterioration, mold and other health issues. Building and concourse envelope issues include 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. This individual project has minimal or no impact on the current or future operating budget.

**Terminal Miscellaneous Modifications**

▶ \$2,600,000

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 2023. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. The project has minimal or no impact on the current or future operating budget.

**ENERGY MANAGEMENT CENTER****EMC Plant Upgrades**

▶ \$2,000,000

This multi-year program provides upgrades to the EMC boiler and chiller plants at both Terminal 1 and Terminal 2. The work includes upgrades to the aging chilled water and heated water systems throughout both terminals. The pumping and piping systems on both the heating and cooling systems are aging and in need of repair work beyond regular maintenance. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal on the current or future operating budget.

**FIELD AND RUNWAY****Airside Electrical Construction**

▶ \$2,500,000

This program provides for lighting control upgrades, as well as the removal and replacement of airfield lighting and signage with LED technology. This is a recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**Airside Roadway Pavement Restoration**

▶ \$1,200,000

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 areas most in need of repair. This is a recurring project with rotating work that ensures roadways are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.

**Miscellaneous Airfield Construction**

▶ \$1,500,000

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. It has minimal or no impact on the current or future operating budget.

**Pavement Joint Sealing/Repair**

▶ \$800,000

This is an ongoing program to provide for the resealing of joints, sealing of cracks and limited surface repairs on existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program or as identified by staff inspection in the early spring of each year. This is a recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**TERMINAL ROADS/LANDSIDE****Tunnel/Bridge Inspections**

▶ \$100,000

The MSP Campus has MAC-owned bridges and tunnels. Bridge and tunnel inspections are conducted each year to identify maintenance and repairs, which are then implemented in a timely fashion. This is a recurring project to maintain compliance with Department of Transportation guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**PARKING****Parking Structure Rehabilitation**

▶ \$3,000,000

This is an annual program to maintain the integrity of the airport's multi-level parking structures. Projects typically include concrete repair, joint sealant replacement, expansion joint repairs, concrete sealing and lighting improvements. This is a recurring maintenance project that has minimal or no impact on the current or future operating budget.

**PUBLIC AREAS/ROADS****Concrete Joint Repair**

▶ \$900,000

This project is to 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. The project minimal or no impact on the current or future operating budget.

**Landside Pavement Rehabilitation**

▶ \$500,000

This is an ongoing program of preventative maintenance activities such as crack sealing, surface treatments, and resurfacing on roadways located outside of the Air Operations Area (AOA). 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. The project minimal or no impact on the current or future operating budget.

**Landside Utility Rehabilitation**

▶ \$750,000

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. The project minimal or no impact on the current or future operating budget.

**Roadway Fixture Refurbishment**

▶ \$150,000

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. The project has minimal or no impact on the current or future operating budget.

## HANGARS AND OTHER BUILDINGS

### Campus Building Rehabilitation Program

▶ \$1,500,000

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 on-going 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. The project has minimal or no impact on the current or future operating budget.

### MSP Campus Building Roof Replacement

▶ \$8,300,000

A report has been developed within the MAC that evaluates one-half of the roofs every other year. This on-going program allows these roofs that have been evaluated to be prioritized and programmed for repair. The 2023 project is projected to replace portions of the South Field Maintenance, North Field Maintenance and Cold Storage buildings' roofs. Emergency repairs may also be needed on other roofs; this program will provide dollars for such instances. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. The project has minimal or no impact on the current or future operating budget.

## 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

▶ \$100,000

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, signage, and/or modified connections to utilities for the concession programs or other revenue generating programs at the airport. This project supports potential increase in revenue through concessions leases.

### 2023 Concourse and Gatehold Modernization

▶ \$23,800,000

This is the first phase of the Concourse and Gatehold Modernization program and will complete work in Concourses D and F. Through a reimbursable agreement, Delta Air Lines will complete MAC-funded work to include ceiling and lighting improvements, window tint, wainscoting, non-branded column wraps (excluding branding), paint (excluding branding), wayfinding information displays and flooring in the public area concourse corridors.

Work will include terrazzo, tile and carpet, where applicable. The program budget will also support MAC consultant fees for design collaboration and project oversight. This is a recurring project with rotating work that will enhance the customer experience of passengers. The project has minimal or no impact on the current or future operating budget.

### Elevator and Concourse Improvements Related to Relocated United Club

▶ \$200,000

This project allocates fees to study the feasibility of relocating the United Club to the area above Concourse E that will be vacated by Airside Operations when the Safety and Security Center, Phase 2 is complete. This is a study which will have no impact on the current or future operating budget.

### Terminal 1 FIS Gate Common Use Additions

▶ \$1,500,000

This project will install two common use podiums, backwalls, and boarding pass reader podiums, along with all associated IT equipment for two existing Concourse G gates to be connected to the Terminal 1 Federal Inspection Services facility. This project will provide capacity for additional international air service, which may increase revenue via airline agreements.

### Terminal 1 Pre-conditioned Air

▶ \$2,500,000

This program will provide or replace pre-conditioned air units serving passenger boarding bridges. This project will eliminate the use of idling airplane engines to heat and cool the ambient air and reduce emissions on the campus. This project may minimally increase electrical expenses in the future operating budget.



**PARKING**

**Rental Car Electric Vehicle (EV) Charging Infrastructure**  
**\$1,500,000**

This project will install electrical infrastructure on levels 2-5 of the Silver Parking Ramp at Terminal 1 for the rental car agencies to support the agencies' installation of EV charging stations as they add EVs to their fleets. This project has minimal or no impact on the current or future operating budget.

**TERMINAL 2**

**Terminal 2 Concessions Development**  
**► \$2,800,000**

This project relates to the restaurants and news stores in the middle of Terminal 2. The Terminal 2 concessions program will expire in three to five years. The future program requires Terminal 2 redevelopment to include a back-of-house corridor for the delivery of products to the concessions, expanded seating areas, vending alcoves and mobile ordering kiosks to assist with the relief of long queue lines. This project will right size concessions and position them to maximum efficiency. Leasing this space will increase revenue to the future operating budget through concessions lease provisions.

**HANGARS AND OTHER BUILDINGS**

**Ground Service Equipment Maintenance Facility**  
**► \$200,000**

This project allocates fees to study the need for a GSE maintenance facility and identify a site on campus for the stand-alone facility. This is a study which will have no impact on the current or future operating budget.

**RELIEVER AIRPORTS LONG-TERM COMPREHENSIVE PLAN PROJECTS**

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

**ST. PAUL AIRPORT**

**Airport Layout Plan**  
**► \$500,000**

The new Airport Layout Plan (ALP) will show current conditions and any development proposed in the LTCP. A portion of the budget will be used to acquire new Airport Geographic Information System 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. It has minimal or no impact on the current or future operating budget.

**Long Term Comprehensive Plan**  
**► \$800,000**

This project will review current airport facilities, identify service gaps and better facilitate the safe movement of aircraft at St. Paul Downtown Airport. The St. Paul Airport is part of the MAC's system of reliever airports designated by the FAA to reduce congestion at MSP and to provide improved general aviation facilities in the overall community. This is a recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**FLYING CLOUD AIRPORT**

**Purchase and Demolition of Hangars**  
**► \$1,300,000**

This project will purchase and demolish all or portions of five hangars within the Object Free Area of Flying Cloud's Taxiway Alpha. This project has minimal or no impact on the current or future operating budget.

**CRYSTAL AIRPORT**

**Airport Layout Plan**  
**► \$100,000**

An as-built ALP will be completed to reflect the closure of Runway 14R-32L and the extension of existing Runway 14-32. This is a project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**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**

**Relievers Building Miscellaneous Modifications**  
**► \$400,000**

This program will address ongoing needs for repairs and modifications of MAC-owned buildings at five of the reliever airports. 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 2023. This is a recurring project with rotating work that has minimal or no impact on the current or future operating budget.

**Relievers Obstruction Removal**

▶ \$300,000

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 2023. This is a recurring project with rotating work that ensures runway safety areas are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.

**Relievers Pavement Rehabilitation Miscellaneous Modifications**

▶ \$300,000

This program will address ongoing needs for crack sealing, joint repairs, pavement rejuvenation and pavement repairs at the six reliever airports. The list of potential projects will be compiled and prioritized in early 2023. This is a recurring project with rotating work that ensures runway protection zones are maintained over a period of years. The project has minimal or no impact on the current or future operating budget.

**ST. PAUL AIRPORT****Floodwall Inspection and Repairs**

▶ \$200,000

This will include a complete inspection of all floodwall components and repairs to these components as identified during the inspection. This project will save time when the wall is put up by ensuring all components are functioning properly. This project has minimal impact on the current or future operating budget.

**LED Edge Lighting Upgrades**

▶ \$500,000

This project will replace taxiway edge lighting and signage with LED lighting. This project is expected to provide a partial reduction to the annual electricity budget for the St. Paul Airport. Energy usage for the new LED lights are projected to decrease by 90% compared to the current runway lighting usage.

**MAC Building Improvements**

▶ \$200,000

This is an ongoing program to provide for facility modifications to ensure continued efficient operation of MAC buildings or modifications necessary to meet the requirements of the tenants. This year's project priorities will be set early in 2023. This project has minimal impact on the current or future operating budget.

**Vehicle Gate Replacement**

▶ \$500,000

There are several aging gates at the airport, many of which have ongoing maintenance issues and require replacement. This project replace gates, prioritized by condition and use. This project has minimal impact on the current or future operating budget.

**AIRLAKE AIRPORT****LED Edge Lighting**

▶ \$200,000

This project will replace edge lighting and signs with new LED lighting. This project is expected to provide a partial reduction to the annual electricity budget for the Airlake Airport. Energy usage for the new LED lights are projected to decrease by 90% compared to the current runway lighting usage.

**FLYING CLOUD AIRPORT****Parcel 7 Sewer and Water**

▶ \$300,000

These funds will reimburse the City of Eden Prairie for installing water and sanitary sewer connections to the MAC non-aeronautical development parcels adjacent to Pioneer Trail as part of a city street reconstruction project. This project may increase operating revenue in future years, as these improvements will provide additional opportunities to lease land at Flying Cloud Airport.

**Spring Lane Extension and Taxilane Connector**

▶ \$600,000

This project will extend Spring Lane Taxilane to the east and provide a connector to Taxiway B. The project is operationally necessary for flight school development near the south building area. This project has minimal impact on the current or future operating budget.

**CRYSTAL AIRPORT****LED Edge Lighting Upgrade**

▶ \$400,000

This project will replace edge lighting and signs with new LED lighting. This project is expected to provide a partial reduction to the annual electricity budget for the Crystal airport. Energy usage for the new LED lights are projected to decrease by 90% compared to the current runway lighting usage.

**Service Roads**

▶ \$1,200,000

This project will develop three new service roads, which were identified in the LTCP to improve safety on the airport. This project has minimal impact on the current or future operating budget.

**Taxilanes Pavement Rehabilitation**

► \$750,000

This is an ongoing program to rehabilitate aircraft operational areas (runways, taxiways, aprons) through bituminous overlays, seal coats or reconstruction, to restore the surfaces to a smooth, even condition and improve overall operating conditions. The pavement condition index report and a pavement inspection will be completed to determine the area most in need of repair. This is a recurring project with rotating work that ensures pavements are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.

**ANOKA COUNTY-BLAINE AIRPORT**

**Automated Weather Observing System Replacement**

► \$100,000

This project covers civil work associated with a MnDOT Aeronautics project to replace the Automated Weather Observing System. The new system will be adjacent to the existing system. This project has minimal impact on the current or future operating budget.

**Building Demolition**

► \$230,000

This project will demolish the former Anoka Technical College building, which is owned by the MAC. This will facilitate future lease potential for a tenant construction project. Leasing this land in the future will create annual operating revenue. Revenue will be determined through negotiations with the tenant.

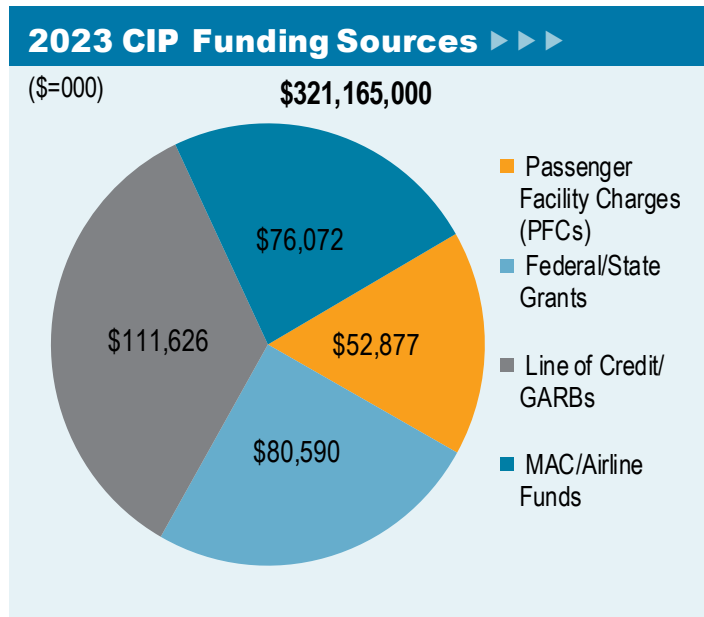
**Pavement Rehabilitation – Taxiway A and Edge Lights**

► \$1,800,000

This project will rehabilitate the taxiway and add edge lighting, beginning at taxiway A1 and ending at the north end of taxiway A. This is a recurring project with rotating work that ensures pavements are appropriately maintained over a period of years. This project is expected to provide a partial reduction to the annual electricity budget for the Anoka County-Blaine Airport. Energy usage for the new LED lights are projected to decrease by 90% compared to the current runway lighting usage.

**2023 CAPITAL IMPROVEMENT PROJECT FUNDING SOURCES**

The pie chart indicates the funding sources for the 2023 Capital Improvement Projects. The Line of Credit/GARBS funding source is the largest contributor to the 2023 CIP. The table summarizes the distribution of 2023 CIP funds by subledger. A cash flow summary of the CIP appears later in this chapter.



Subledger	Total Amount (\$=000)	Percent of Total
Terminal 1	\$178,145	55.5%
EMC	\$16,675	5.2%
Field and Runways	\$64,275	20.0%
Terminal Roads/Landside	\$7,450	2.3%
Parking	\$4,500	1.4%
Terminal 2	\$5,900	1.8%
Public Areas/Roads	\$4,340	1.4%
Hangars and Other Buildings	\$10,000	3.1%
Inventory/Trades	\$11,200	3.5%
Police	\$1,000	0.3%
Fire	\$1,500	0.5%
General Office	\$0	0.0%
Environment	\$5,500	1.7%
Reliever Miscellaneous	\$1,000	0.3%
St. Paul Airport	\$2,700	0.8%
Lake Elmo Airport	\$0	0.0%
Airlake Airport	\$200	0.1%
Flying Cloud Airport	\$2,200	0.7%
Crystal Airport	\$2,450	0.8%
Anoka County-Blaine Airport	\$2,130	0.7%
<b>Total 2023 CIP Funds</b>	<b>\$321,165</b>	<b>100.0%</b>

The following table provides funding sources for each project.

<b>2023 CIP Funding by Source ▶▶▶</b>					
(\$=000)					
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>MSP End of Life/Replacement Projects</b>					
<b>Terminal 1</b>					
Concourse and Hub Tram Replacement	\$ -	\$ -	\$ -	\$ 500	\$ 500
Passenger Boarding Bridge Replacements	4,880	5,120	-	-	10,000
<b>Energy Management Center</b>					
Concourses E and F Bridge Heating and Cooling System Replacement	-	-	-	2,500	2,500
EMC Boiler and Chiller Replacement Study	-	-	-	245	245
Ground Transportation Center Dual-temperature Pump Improvements	-	-	-	1,800	1,800
Variable Air Volume Box Replacement	-	-	-	1,900	1,900
<b>Field and Runways</b>					
30L Deicing Pad Reconstruction	4,000	6,000	-	-	10,000
Airfield Snow Melter Replacement/Upgrades	-	-	1,800	-	1,800
Bituminous Shoulder Reconstruction	400	600	-	-	1,000
Concourse G Apron Pavement Reconstruction	5,500	4,500	-	-	10,000
Runway 12L-30R and 4-22 Intersection Reconstruction	6,000	9,000	-	-	15,000
Taxiway B Pavement Reconstruction	1,680	2,520	-	-	4,200
Taxiway P Pavement Reconstruction	4,400	6,600	-	-	11,000
<b>Terminal Roads/Landside</b>					
Terminal 1 Access Roadway Bridge Rehabilitation	-	-	-	4,750	4,750
<b>Terminal 2</b>					
Pre-conditioned Air Units	-	1,024	1,276	-	2,300
Recarpeting Program	-	-	-	800	800
<b>Trades/Maintenance Buildings</b>					
MSP Liquid Deicer Storage Facility	-	-	11,200	-	11,200
<b>Fire</b>					
Fire Alarm System Transition	-	-	-	1,500	1,500
<b>MSP End of Life/Replacement Projects Subtotal</b>					
	<b>\$ 26,860</b>	<b>\$ 35,364</b>	<b>\$ 14,276</b>	<b>\$ 13,995</b>	<b>\$ 90,495</b>

## 2023 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Total
<b>MSP IT Projects</b>					
<b>Terminal 1</b>					
Customs and Border Protection Camera System Upgrade	\$ -	\$ -	\$ -	\$ 850	\$ 850
MAC Technology Upgrades	-	-	-	10,000	10,000
<b>MSP IT Projects Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,850</b>	<b>10,850</b>
<b>MSP Long Term Comprehensive Plan Projects</b>					
<b>Terminal 1</b>					
Baggage Claim/Ticket Lobby Operational Improvements	24,417	23,258	-	-	47,675
2023 Concourse G Infill - Pod 2-3	-	10,240	13,260	-	23,500
Design and Construction Standards Update	-	-	-	500	500
<b>Field and Runways</b>					
Navigational Aids Study for North Campus Development	-	-	-	350	350
<b>MSP Long Term Comprehensive Plan Subtotal</b>	<b>24,417</b>	<b>33,498</b>	<b>13,260</b>	<b>850</b>	<b>72,025</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>					
<b>Terminal 1</b>					
Art Display Areas	-	-	-	200	200
Arts Master Plan	-	-	-	670	670
Delivery Node Redevelopment	-	-	-	3,200	3,200
Lighting Infrastructure Technology and Equipment	-	-	-	1,300	1,300
Restroom Upgrade Program	-	-	2,050	-	2,050
Terminal 1 Mechanical Room C-1043	-	-	9,800	-	9,800
Terminal 1 Tug Drive Heater Replacement	-	-	-	1,500	1,500
Way-Finding Sign Backlighting Replacement	-	-	-	2,000	2,000
<b>Energy Management Center</b>					
Energy Savings Program	-	-	-	2,600	2,600
Indoor Air Quality Monitoring System	-	-	-	1,500	1,500
MAC Automation Infrastructure Program	-	-	-	2,300	2,300
Material Storage Building - Boiler Room Addition	-	-	-	1,830	1,830

## 2023 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>					
<b>Field and Runways</b>					
Airfield Security Screening Facility Study	\$ -	\$ -	\$ -	\$ 250	\$ 250
Anti-Climb Fencing & Lighting	-	-	-	275	275
Localizer Array Upgrade	-	-	2,000	-	2,000
Runway LED Lighting Upgrade	-	1,020	680	-	1,700
Taxiways B and Q Islands	-	420	-	280	700
<b>Terminal Roads/Landside</b>					
Tunnel Approaches Reconstruction	-	-	-	2,600	2,600
<b>Public Areas/Roads</b>					
Highway 494 Terminal and Airline Signs	-	-	-	150	150
Taxi Holding Lot Rehabilitation for Cell Phone Lot	-	-	-	650	650
Terminal 1 Ground Transportation Modifications	-	-	-	1,240	1,240
<b>Police</b>					
Public Safety Modifications	1,000	-	-	-	1,000
<b>Environment</b>					
GSE Electrical Charging Stations	-	-	-	3,000	3,000
Runway 12R-30L Glycol Forcemain Environmental Improvements	-	-	2,000	-	2,000
<b>MSP Maintenance/Facility Upgrades Projects Subtotal</b>	<b>\$ 1,000</b>	<b>\$ 1,440</b>	<b>\$ 16,530</b>	<b>\$ 25,545</b>	<b>\$ 44,515</b>
<b>MSP Noise Mitigation Projects</b>					
<b>Environment</b>					
Noise Mitigation Consent Decree Amendment	-	-	-	500	500
<b>MSP Noise Mitigation Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 500</b>
<b>MSP Ongoing Maintenance Programs</b>					
<b>Terminal 1</b>					
Air Handling Unit Replacement	-	-	13,000	-	13,000
Baggage System Upgrades	-	-	-	500	500
Electrical Infrastructure Program	-	-	-	2,500	2,500
Electrical Substation Replacement	-	3,840	3,660	-	7,500
Emergency Power Upgrades	-	-	6,600	-	6,600
Plumbing Infrastructure Upgrade Program	-	-	-	600	600
Terminal Building Remediation Program	-	-	3,000	-	3,000
Terminal Miscellaneous Modifications	-	-	-	2,600	2,600

## 2023 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>MSP Ongoing Maintenance Programs Continued</b>					
<b>Energy Management Center</b>					
Plant Upgrades	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
<b>Field and Runways</b>					
Airside Electrical Construction	-	1,500	1,000	-	2,500
Airside Roadway Pavement Restoration	-	-	1,200	-	1,200
Miscellaneous Airfield Construction	600	900	-	-	1,500
Pavement Joint Sealing/Repair	-	-	-	800	800
<b>Terminal Roads/Landside</b>					
Tunnel/Bridge Inspections	-	-	-	100	100
<b>Parking</b>					
Parking Structure Rehabilitation	-	-	3,000	-	3,000
<b>Public Areas/Roads</b>					
Concrete Joint Repair	-	-	-	900	900
Landside Pavement Rehabilitation	-	-	-	500	500
Landside Utility Rehabilitation	-	-	-	750	750
Roadway Fixture Refurbishment	-	-	-	150	150
<b>Hangars &amp; Other Buildings</b>					
Campus Building Rehabilitation Program	-	-	-	1,500	1,500
MSP Campus Building Roof Replacements	-	-	8,300	-	8,300
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 600</b>	<b>\$ 6,240</b>	<b>\$ 39,760</b>	<b>\$ 12,900</b>	<b>\$ 59,500</b>
<b>MSP Tenant Projects</b>					
<b>Terminal 1</b>					
Concessions Upgrades/Revenue Development	-	-	-	100	100
Concourse and Gatehold Modernization	-	-	23,800	-	23,800
Elevator and Concourse Improvements Related to Relocated United Club	-	-	-	200	200
Terminal 1 FIS Gate Common Use Additions	-	-	-	1,500	1,500
Terminal 1 Pre-Conditioned Air	-	-	2,500	-	2,500
<b>Parking</b>					
Rental Car EV Charging Infrastructure	-	-	1,500	-	1,500
<b>Terminal 2</b>					
Terminal 2 Concessions Development	-	-	-	2,800	2,800
<b>Hangars &amp; Other Buildings</b>					
GSE Maintenance Facility	-	-	-	200	200
<b>MSP Tenant Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,800</b>	<b>\$ 4,800</b>	<b>\$ 32,600</b>

## 2023 CIP Funding by Source Continued ▶▶▶

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Total
<b>Reliever Airports Long Term Comprehensive Plan Projects</b>					
<b>St. Paul Airport</b>					
Airport Layout Plan	\$ -	\$ -	\$ -	\$ 500	\$ 500
Long Term Comprehensive Plan	-	-	-	800	800
<b>Flying Cloud Airport</b>					
Purchase and Demolition of Hangars	-	520	-	780	1,300
<b>Crystal Airport</b>					
Airport Layout Plan	-	-	-	100	100
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 520</b>	<b>\$ -</b>	<b>\$ 2,180</b>	<b>\$ 2,700</b>
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>					
<b>Reliever Miscellaneous</b>					
Relievers Building Miscellaneous Modifications	-	-	-	400	400
Reliever Obstruction Removal	-	216	-	84	300
Pavement Rehabilitation Miscellaneous Modifications	-	-	-	300	300
<b>St. Paul Airport</b>					
Floodwall Inspection and Repairs	-	-	-	200	200
LED Edge Lighting Upgrades	-	360	-	140	500
MAC Building Improvements	-	-	-	200	200
Vehicle Gate Replacement	-	360	-	140	500
<b>Airlake Airport</b>					
LED Edge Lighting	-	144	-	56	200
<b>Flying Cloud Airport</b>					
Parcel 7 Sewer and Water	-	-	-	300	300
Spring Lane Extension and Taxilane Connector	-	-	-	600	600
<b>Crystal Airport</b>					
LED Edge Lighting Upgrade	-	288	-	112	400
Service Roads	-	864	-	336	1,200
Taxilanes Pavement Rehabilitation	-	-	-	750	750



## 2023 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Total
<b>Reliever Airports Maintenance/Facility Upgrade Projects Continued</b>					
<b>Anoka County - Blaine Airport</b>					
Automated Weather Observing System Replacement	\$ -	\$ -	\$ -	\$ 100	\$ 100
Building Demolition	-	-	-	230	230
Pavement Rehabilitation - Taxiway A and Edge Lights	-	1,296	-	504	1,800
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 3,528</b>	<b>\$ -</b>	<b>\$ 4,452</b>	<b>\$ 7,980</b>
<b>MSP SUBTOTAL</b>	<b>\$ 52,877</b>	<b>\$ 76,542</b>	<b>\$ 111,626</b>	<b>\$ 69,440</b>	<b>\$ 310,485</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 4,048</b>	<b>\$ -</b>	<b>\$ 6,632</b>	<b>\$ 10,680</b>
<b>GRAND TOTAL</b>	<b>\$ 52,877</b>	<b>\$ 80,590</b>	<b>\$ 111,626</b>	<b>\$ 76,072</b>	<b>\$ 321,165</b>

### 2024 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

##### Cooling Unit Replacement

► \$1,125,000

This project will replace the twelve remaining once-through cooling units across Terminal 1 with either a chilled water unit or a direct expansion unit, depending on the area it serves. The new units will connect to IMACS for monitoring and control. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project will reduce energy and water use, supporting MAC’s 2030 sustainability goals.

##### Passenger Boarding Bridge Replacements

► \$4,000,000

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 area. It is assumed fixed walkways may need to be replaced or added to meet 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. The project has minimal or no impact on the current or future operating budget.

#### ENERGY MANAGEMENT CENTER

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

► \$2,200,000

This is the first of three phases of work to replace and improve the heating and cooling systems on the bridges to Concourses E and F. In this phase, the original chilled water piping will be replaced and located in an accessible soffit. A redundant cooling loop will be added as well to minimize impacts to the concourses during disruptions and construction relocations. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project will have minimal to no impact on the current or future operating budget.

**Variable Air Volume Box Replacement**

▶ \$1,900,000

This program will replace variable air volume boxes throughout Terminal 1 with more efficient equipment connected to the IMACS system and located for maintenance accessibility. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project is projected to reduce the annual operating budget by approximately \$7,800.

**FIELD AND RUNWAY****Airfield Snow Melter Replacement/Upgrades**

▶ \$1,800,000

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. The project has minimal or no impact on the current or future operating budget.

**Bituminous Shoulder Reconstruction**

▶ \$1,000,000

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 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. The project has minimal or no impact on the current or future operating budget.

**Concourse G Apron Pavement Reconstruction**

▶ \$16,250,000

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. The project has minimal or no impact on the current or future operating budget.

**Taxiway B Pavement Reconstruction**

▶ \$3,750,000

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. The project has minimal or no impact on the current or future operating budget.

**Taxiway D Pavement Reconstruction**

▶ \$2,000,000

This project provides for reconstruction of a portion of Taxiway D between Runway 12R-30L and Taxiway W, which was constructed in 1972. This is a project that ensures maintenance of the airfield over a period of years. The project has minimal or no impact on the current or future operating budget.

**TERMINAL ROADS/LANDSIDE****UPS Loop Pavement Reconstruction**

▶ \$1,800,000

This project is to reconstruct the existing United Parcel Service (UPS) Loop. The existing concrete pavement has had periodic maintenance including repairs to the existing joints near the UPS gate entrance. The reconstruction work will include concrete pavement, lighting, electrical infrastructure, concrete walk, landscaping and other improvements. This project has minimal or no impact on the current or future operating budget.

**Variable Message Signs Replacement, Phase 3**

▶ \$1,600,000

This project will replace approximately 26 variable message signs across the MSP campus and install five new signs to assist with parking diversions. This project has minimal or no impact on the current or future operating budget.

**PARKING****Parking Ramp Snow Melter Replacement/Upgrades**

▶ \$1,350,000

This program provides for the evaluation, maintenance, miscellaneous modifications, and replacement of existing snow melters in parking ramps located on the MSP campus. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**H9FA-B5 @&**

**Terminal 2 Recarpeting Program**

► \$1,300,000

This multi-year program will replace end-of-life carpeting throughout Terminal 2. This is a recurring project with rotating work that ensures end-of-life finishes are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**DI 6 @7 5F95G#FC58G**

**East 70th Street Reconstruction**

► \$2,400,000

This project reconstructs East 70th Street due to deteriorating pavement with significant annual maintenance, repairs and settling manholes. This project has minimal or no impact on the current or future operating budget.

**: F9**

**Fire Alarm System Transition**

► \$2,000,000

To improve monitoring reliability and eliminate the existing single point of failure configuration, this multi-year project will include database redundant systems, device controller upgrades and the decentralization of the fire alarm master control equipment. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**AGD H'DFC>97HG**

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

**H9FA-B5 @%**

**Concourse C and G Digital Directory Replacement**

► \$200,000

The six digital displays on Concourses C and G will be replaced to provide consistency with the displays in the Terminal 1 mall. This project has minimal or no impact on the current or future operating budget.

**MAC Technology Upgrades**

► \$10,000,000

IT projects that are beyond MAC staff's resources to accomplish are prioritized and completed as a series of contacts 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 2024.

This series of recurring projects ensure that miscellaneous IT equipment maintenance, enhancement and replacements happen in a timely manner. The projects have minimal or no impact on the current or future operating budget.

**Telecom Room Equipment Continuity**

► \$1,510,000

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. The projects have minimal or no impact on the current or future operating budget.

**DC @7 9**

**Card Access Modifications**

► \$2,500,000

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 the Integrated Video and Information System Network (IVISN). This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

## 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.

### 2023 Baggage Claim/Ticket Lobby Operational Improvements

▶ \$15,000,000

This program addresses issues of congestion and functionality in the Baggage Claim and Ticket Lobby. It will provide the level of service requirements for short and medium-term growth of the origin and destination passengers, including walkways that meet required codes, public seating areas, centralized meet and greet space, unclaimed baggage storage, baggage service offices, concessions, improved lighting, fire protection throughout the space, structural enhancements, improved sight lines, curbside lighting and access, ticket counter consolidations, airline ticket offices, improved vestibules and access, east mezzanine removal/reduction, structural enhancements, curtain wall replacement and other operational improvements. This phase of the program has minimal or no impact on the current or future operating budget.

### 2023 Concourse G Infill – Pod 2-3

▶ \$351,500,000

This project includes an expansion/redevelopment of Concourse G. The expansion includes an infill between the existing Pods 2 and 3, which will provide enlarged gate hold areas. The redevelopment will include new and upgraded restrooms, new moving walkways, new mechanical rooms and air handling equipment, redevelopment of concessions space and miscellaneous relocations of tenant space within the project footprint. This phase of the program has minimal or no impact on the current or future operating budget.

## TERMINAL 2

### Long-Term Plan Projects (Fees)

▶ \$1,000,000

This budget will fund preliminary studies of a South expansion of Terminal 2 and its associated projects and phasing. This is a study which will have no impact on the current or future operating budget.

### Terminal 2 North Gate Expansion

▶ \$195,000,000

This project will expand Terminal 2 to the north, adding passenger boarding bridges, gate hold seating, concessions and support spaces. This project will increase the future operating budget for utilities and janitorial services, but calculations are not available at time of publication.

## 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

### ADO Office Expansion

▶ \$4,000,000

Additional office and meeting space is needed for the Airport Director's Office (Suite 3000) to function properly. This expansion and remodel will support increasing MAC staffing numbers and changes in workspace needs. This project is anticipated to increase the future operating budget for utilities and janitorial services, but calculations are not available at time of publication.

### Art Display Areas

▶ \$250,000

This program is a continuation of the existing program, in partnership with the MSP Foundation, 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 Airport Foundation MSP. The program has minimal or no impact on the MAC's current or future operating budget.

### Arts Master Plan

▶ \$1,260,000

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. There is no impact on the operating budget.

### Concourse A Heating System Upgrade

▶ \$11,000,000

This project will replace the entire heating water system on Concourse A. The new system will include air handling unit fans, heat exchangers, pumps, piping, variable air volume boxes, fin tube radiation and solar photovoltaic panels. All new equipment will have updated controls that connect to IMACS. The project is projected to reduce the utilities expenses in the operating budget, but calculations are not available at time of publication.

### Delivery Node Redevelopment

▶ \$2,300,000

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 2024 project is planned to improve the delivery node at Concourse E. This project is projected to have minimal or no impact on the current or future operating budget.

### Lavatory Buildings Rehabilitation

▶ \$4,400,000

This project will address on-going 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. Where needed, the project will provide new vapor proof LED lighting, IVISN cameras, personnel doors, concrete floor waterproofing and new triturator. 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. These doors are designed to break away upon impact, which will greatly reduce the long-term repair and replacement costs associated with the existing overhead coiling doors. This project is projected to reduce maintenance costs in the future operating budget.

### Lighting Infrastructure Technology and Equipment

▶ \$1,500,000

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. These upgrades also will provide more energy efficient lighting systems. The project is projected to reduce the annual utilities operating budget expenses by approximately \$1,500.

### Restroom Upgrade Program

▶ \$2,050,000

A study of all restrooms in Terminal 1 was completed in 2010 and a program 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. This is a recurring project with rotating work that ensures end-of-life facilities are replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

### Steam System Upgrade Program

▶ \$1,600,000

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. The project has minimal or no impact on the current or future operating budget.

### Terminal 1 Curbside Canopy Repairs and Lighting Upgrades

▶ \$350,000

This project will make improvements to the aging infrastructure on the East and West curbside canopies at Terminal 1, including new LED fixtures on the west canopy, snow dam systems, repairing gutters on both canopies and paint as needed. This is a non-recurring project that ensures end-of-life equipment is repaired or replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

### Terminal 1 Tug Drive Heater Replacement

▶ \$2,000,000

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. The project has minimal or no impact on the current or future operating budget.

**Terminal 1 Tug Drive Waterproofing**

► \$2,900,000

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. The project has minimal or no impact on the current or future operating budget.

**Way-Finding Sign Backlighting Replacement**

► \$1,000,000

Wayfinding is a critical customer service piece of our passenger's 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 light-emitting diode (LED) backlit signs. This program updates sign information, locations and provides new illuminated signs and/or digital signs where needed at Terminal 1 and Terminal 2. It also supports repair that exceeds routine maintenance budgets. The 2024 phase will also support improvements to the Tram wayfinding. This program enhances the customer service experience for travelers. The program has minimal or no impact on the MAC's current or future operating budget.

**9B9F; MA5B5; 9A9BH79BH9F****Chiller Plant Optimization**

► \$3,000,000

This project installs new sensors throughout the chilled water system, installs variable frequency drives for pumps and removes pumps in the system that are no longer necessary. Additionally, this project installs a new program on MACNet and connected to IMACS, to operate the chiller plant at terminal 1. This program trends data within the system and proactively modifies its operations to run in the most efficient manner, while maintaining the cooling capacity to the terminal. The project is projected to reduce the utilities expenses in the operating budget, but the calculations are not complete at time of publication.

**Indoor Air Quality Monitoring System**

► \$1,000,000

This project continues efforts begun in 2021 to add CO2 and NO2 sensors where required and tie new and existing sensors to the IMACS system for remote monitoring and automatic safety ventilation. It will provide the Energy Management Center with advanced

modular indoor air quality sensors to install temporarily at any location with IMACS connectivity. The project will also upgrade control wiring for the post-fire smoke evacuation systems. This project primarily provides a safety improvement. It has minimal to no impact on current and future operating budgets.

**MAC Automation Infrastructure Program**

► \$2,300,000

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. This recurring project supports more efficient operation and maintenance of mechanical systems throughout the campus. These efficiencies contribute to savings noted in the other projects.

**Terminal 2 Penthouse Chiller Plant Infrastructure Upgrades**

► \$5,500,000

The penthouse chiller plant infrastructure upgrade includes the replacement of the existing steel condenser water supply and return piping routing from the penthouse chiller room to the roof mounted cooling towers. The new piping will be made of high-density polyethylene plastic. The existing condenser water pumps will be replaced and air elimination equipment will be added. The three existing cooling towers would be replaced and a fourth tower added for redundancy. The existing 300 ton chiller will be replaced with a new 1000 ton chiller to provide redundancy.

The current older building automation system in the main penthouse will be completely upgraded to the MAC standard IMACS controls. This includes providing a chiller and boiler optimization system that would greatly improve the efficiency of the cooling and heating operation and reduce energy usage. The project is projected to reduce the utilities expenses in the operating budget, but the calculations are not complete at time of publication.

**Victaulic Piping Replacement**

► \$4,000,000

This program will replace Victaulic piping and valves in Terminals 1 and 2. The MAC discovered that the joints in Victaulic piping leak as the seals shrink when cooled due to shutdowns and service disruptions. The seals then do not hold tight when the system is restored to normal operation. Shutdowns and disruptions occur frequently at MSP. This program is a maintenance improvement and has minimal to no impact on current and future operating budgets.

**FIELD AND RUNWAY****Apron Lighting LED Upgrade**

▶ \$5,000,000

This project will replace the older apron lighting units with more efficient LED fixtures. Energy usage for the new LED lights are projected to decrease by 90% compared to the current lighting usage.

**Runway LED Lighting Upgrade**

▶ \$1,500,000

Project provides for all runway edge lights, centerline lights and touchdown zone lights on Runway 12R-30L to be replaced with LED lights. Energy usage for the new LED lights are projected to decrease by 90% compared to the current runway lighting usage.

**Terminal 2 Glycol Lift Station/Forcemain**

▶ \$1,100,000

Project provides for construction of a glycol lift station and forcemain to transport glycol-impacted stormwater, collected from the Terminal 2 Apron, across Runway 4-22, Taxiway C and Taxiway M to the existing airfield glycol sewer located west of Service Road M. The lift station and forcemain will be sized to accommodate future expansion. This project is projected to have minimal or no impact on the current or future operating budget.

**Tunnel Lighting LED Upgrade**

▶ \$1,100,000

This program will replace existing high intensity discharge type lighting with LED to save energy and reduce maintenance. Energy usage for the new LED lights is projected to decrease by 90% compared to the current runway lighting usage.

**PARKING****Parking Ramp Railing Refinishing**

▶ \$1,000,000

This multi-year project will address the parking ramp metal railings that have weathered and degraded over time. The paint has chipped and peeled away, which caused the exposed metal rail to rust and corrode. If not repaired, the degraded metal railings could become at risk for detachment. The rust has stained the concrete walls and concrete slabs, creating an unsightly appearance for airport customers and resulting in concrete repair work in the surrounding areas. This is a recurring maintenance project that has minimal or no impact on the current or future operating budget.

**TERMINAL 2****Terminal 2 Lobby Passenger Flow Program**

▶ \$1,000,000

This project will expand the passenger flow program to the Terminal 2 passenger lobby. This program enhances the customer service experience for travelers. The program has minimal or no impact on the MAC's current or future operating budget.

**Terminal Door Locks and Emergency Egress Upgrades**

▶ \$400,000

This project will add door locking hardware and associated life safety panic devices to the front of house doors located at Terminal 1 and Terminal 2. Additionally, the project will connect to the MAC Secured Area Access or IMACS systems to allow for remote locking and unlocking of the door hardware. This project provides a safety and security improvement. It has minimal to no impact on current and future operating budgets.

**PUBLIC AREAS/ROADS****34th Avenue Bus Area Reconstruction**

▶ \$800,000

This project is to reconstruct the 34th Avenue Bus Area in concrete. The existing roadway is reaching the end of its useful life and has had periodic maintenance to patch areas. The project limits include a portion of 34th Avenue from the MnDOT right-of-way to the bus loop entrance as well as the bus loop. The project will include concrete pavement, lighting, electrical infrastructure, landscaping and other improvements. This is a non-recurring project that ensures replacement of end-of-life pavement in a timely manner. The project has minimal or no impact on the current or future operating budget.

**34th Avenue Traffic Control Improvements**

▶ \$200,000

This project will support the City of Bloomington's upgrade to the signal-related items as part of the Metro Transit Blue Line enhancement project. This non-recurring project provides a safety improvement. It has minimal to no impact on current and future operating budget.

**Tunnel Fan Replacement**

▶ \$4,700,000

The life expectancy of the existing fans in the 17/35 tunnel are past their useful life and the 4/22 tunnel fans are approaching the end of their useful life. This two-year project will replace these fans. This project ensures replacement of end-of-life pavement in a timely manner. The project has minimal to no impact on the

current or future operating budget.

**5B; 5FG5B8CH<9F'6I =@-B; G'**  
**MAC Storage Facility**

▶ \$30,000,000

This project will construct a new building to provide storage and associated workspace to replace storage spread around the campus in buildings that can no longer provide adequate protection from the elements and pests. This project will increase the future operating budget for utilities and janitorial services, but because design work has not begun, calculations are not available at the time of publication.

**Safety and Security Center**

▶ \$150,000,000

This phase of the project will construct a building to house a new Integrated Operations Center, which includes Airside Operations and the Emergency Communications Center, a dedicated primary Emergency Operations Center and consolidated Airport Police Department facilities. This combined facility is intended to bring together the airport entities that are stakeholders in the daily operations to improve collaboration and coordination. This project will increase the future operating budget for utilities and janitorial services, but calculations are not available at time of publication.

**HF589GA5-BH9B5B79'6I =@-B; G'**

**South Field Maintenance Building Wash Bay**

▶ \$3,500,000

This project will add an equipment wash bay to the South Field Maintenance Building. This project will increase the future operating budget for utilities, but calculations are not available at time of publication.

**DC@79'**

**Perimeter Gate Security Improvements**

▶ \$6,500,000

This project is intended to improve Gate 405 with a full crash beam gate, updated electrical controls and a new guard booth. This new building will minimally increase utilities and janitorial expenses in the future operating budget.

**:F9'**

**Campus Fire Protection**

▶ \$2,400,000

This program addresses deficiencies in water-based fire protection systems and firefighting water supplies. It will provide for needed compliance with the Minnesota State Fire and Building Codes and the MAC Design and Construction Standards. It will ensure continued

capability for the Airport Fire Department to respond to fire emergencies, fight fires and mitigate hazards effectively and efficiently. In 2024, the project scope will address issues both in the terminals and throughout the MSP campus. This recurring project primarily provides a safety improvement. It has minimal impact on current and future operating budgets.

**9BJFCBA9BH'**

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

▶ \$1,700,000

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 forcemains. This project primarily provides maintenance of environmental safety on the airfield. It has minimal impact on current and future operating budgets.

**Terminal 2 Remote Ramp Lot/Drainage Improvements**

▶ \$2,000,000

This project will provide concrete panel repair, joint sealing and drainage improvements at the Remote Apron. This is a non-recurring project that ensures maintenance of the airfield in a timely manner. The project has minimal or no impact on the current or future operating budget.

**AGD'BC-G9'A#; 5HCB'DFC>97HG'**

Noise Mitigation projects are completed in compliance with the Consent Decree First Amendment. It is a residential noise mitigation program that began in March 2014 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, 2024. 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, beginning March 2014.

**9BJFCBA9BH'**

**Noise Mitigation Consent Decree Amendment**

▶ \$1,000,000

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



## MSP ONGOING MAINTENANCE PROJECTS

MSP On-Going 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

▶ \$2,000,000

There are existing air handling units serving Terminal 1 that were installed with the original terminal construction in 1958-60. 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. The project is projected to reduce the utilities expenses in the operating budget, but the calculations are not complete at time of publication.

#### Baggage System Upgrades

▶ \$500,000

This multi-year program will provide necessary upgrades to the inbound and outbound baggage system not covered by general system maintenance. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

#### Concourse G Rehabilitation

▶ \$10,000,000

This multi-year program will provide operational improvements to the existing concourse over time, including replacing elevators and modifying or replacing structural, electrical and mechanical systems. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project is projected to reduce the utilities expenses in the operating budget but the calculations are not complete at time of publication.

#### Electrical Infrastructure Program

▶ \$2,500,000

There are 53 electrical substations that serve the Terminal 1 complex. It is imperative that these substations be routinely inspected, cleaned and upgraded to ensure their continued performance. This is a recurring project that ensures maintenance of equipment in a timely manner. The project has minimal or no impact on the current or future operating budget.

#### Electrical Substation Replacement

▶ \$10,000,000

This is a multi-year program to replace electrical substations, which are at or very near end-of-life. This program will also improve redundancy. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

#### Emergency Power Upgrades

▶ \$2,500,000

A study and survey of Terminal 1 transfer switches and emergency lighting was completed in 2008. This year's project is part of a multi-year program that will continue the design and implementation of emergency power and lighting corrective work identified in this study. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

#### Plumbing Infrastructure Upgrades

▶ \$700,000

In 2010, MAC staff prepared a preliminary study of the reliability and maintainability of the existing plumbing infrastructure. Portions of the existing plumbing infrastructure serving Terminal 1 are over 40 years old, have systems that are undersized for today's demands, contain isolation valves that are either inaccessible or no longer functional and utilize aging water meter systems. There are also deteriorated sections of the existing sanitary and storm water systems. This ongoing program was implemented in 2012 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. The project has minimal or no impact on the current or future operating budget.

**Terminal Building Remediation Program**

► \$3,000,000

Continual maintenance of the terminal buildings is imperative to passenger comfort and safety as well as sustainability of the MAC asset. Age and weather contribute to building deterioration, mold and other health issues. Building and concourse envelope issues include 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. This individual project has minimal or no impact on the current or future operating budget.

**Terminal Miscellaneous Modifications**

► \$2,600,000

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 2023. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. The project has minimal or no impact on the current or future operating budget.

**ENERGY MANAGEMENT CENTER****Life Safety Infrastructure Program**

► \$1,900,000

This program will replace life safety equipment and devices associated with the heating, ventilation and air conditioning system throughout 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. It has minimal impact on current and future operating budgets.

**Plant Upgrades (Terminal 1 & Terminal 2)**

► \$2,100,000

This multi-year program provides upgrades to the EMC boiler and chiller plants. The work includes upgrades to the aging chilled water and heated water systems throughout both terminals. The pumping and piping systems on are aging and in need of repair work beyond regular maintenance. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner. The project has minimal on the current or future operating budget.

**FIELD AND RUNWAY****Airside Electrical Construction**

► \$2,000,000

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. It has minimal or no impact on the current or future operating budget.

**Airside Roadway Pavement Restoration**

► \$1,200,000

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 areas most in need of repair. This is a recurring project with rotating work that ensures roadways are appropriately maintained over a period of years. The project has minimal or no impact on the current or future operating budget.

**Miscellaneous Airfield Construction**

► \$3,500,000

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. It has minimal or no impact on the current or future operating budget.

**Pavement Joint Sealing/Repair**

► \$800,000

This is an ongoing program to provide for the resealing of joints, sealing of cracks and limited surface repairs on existing concrete pavements. The areas scheduled for sealing will be as defined in the overall joint sealing program or as identified by staff inspection in the early spring of each year. This is a recurring project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

## TERMINAL ROADS/LANDSIDE

### Tunnel/Bridge Inspections

▶ \$120,000

The MSP Campus has MAC-owned bridges and tunnels. Bridge and tunnel inspections are conducted each year to identify maintenance and repairs, which are then implemented in a timely fashion. This is a recurring project to maintain compliance with Department of Transportation guidelines and requirements. It has minimal or no impact on the current or future operating budget.

## PARKING

### Parking Structure Rehabilitation

▶ \$3,000,000

This is an annual program to maintain the integrity of the airport's multi-level parking structures. Projects typically include concrete repair, joint sealant replacement, expansion joint repairs, concrete sealing and lighting improvements. This is a recurring maintenance project that has minimal or no impact on the current or future operating budget.

## PUBLIC AREAS/ROADS

### Concrete Joint Repair

▶ \$1,000,000

This project is to 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. The project minimal or no impact on the current or future operating budget.

### Landside Pavement Rehabilitation

▶ \$500,000

This is an ongoing program of preventative maintenance activities such as crack sealing, surface treatments, and resurfacing on roadways located outside of the Air 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. The project minimal or no impact on the current or future operating budget.

### Landside Utility Rehabilitation

▶ \$750,000

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. The project minimal or no impact on the current or future operating budget.

### Roadway Fixture Refurbishment

▶ \$150,000

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. The project has minimal or no impact on the current or future operating budget.

## HANGARS AND OTHER BUILDINGS

### Campus Building Rehabilitation Program

▶ \$1,500,000

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 on-going 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. The project has minimal or no impact on the current or future operating budget.

**Campus Parking Lot Reconstruction**

▶ \$650,000

This is an ongoing program of preventative maintenance activities, including crack sealing, surface treatments and resurfacing of parking lots. This program effectively slows deterioration rates, extends service life and delays the need for total reconstruction of parking lot pavements. Inspection of pavements and appurtenances determines what areas are to be prioritized for rehabilitation under each year's project. The 2024 project is planned to reconstruct the pavement around the MAC Field Maintenance facility. This is a recurring project with rotating work that ensures facilities are appropriately maintained and are replaced when reaching end-of-life. The project has minimal or no impact on the current or future operating budget.

**MSP Campus Building Roof Replacement**

▶ \$6,100,000

A report has been developed within the MAC that evaluates one-half of the roofs every other year. This on-going program allows these roofs that have been evaluated to be prioritized and programmed for repair. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years. The project has minimal or no impact on the current or future operating budget.

**TRADE/MAINTENANCE BUILDINGS****Sump Pump Controls**

▶ \$4,000,000

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 program ensures end-of-life equipment is replaced in a timely manner. The project may minimally reduce maintenance staff expense in the current or future operating budget.

**GENERAL OFFICE/ADMINISTRATION****General Office Building Improvements**

▶ \$500,000

Continual maintenance of MAC buildings is necessary for comfort and safety as well as sustainability of the MAC asset. Age and weather contribute to building deterioration, mold and other health issues. The General Office Building, which was built in the 1960's, has experienced a number of window and building issues that need to be corrected. Issues include window sealing and replacements, curtain wall sealing, roof

repairs and valve replacements. This program will also address replacement of end-of-life finishes as required. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner. The project has minimal or no impact on the current or future operating budget.

**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**

▶ \$200,000

This is an annual program to fund miscellaneous upgrades such as finishes, furniture, signage and modified connections to utilities for the concession programs or other revenue generating programs at the airport. This project supports potential increase in revenue through concessions leases.

**Concourse and Gatehold Modernization**

▶ \$85,600,000

This is the second phase of the Concourse and Gatehold Modernization program and will complete work in Concourse C. Through a reimbursable agreement, Delta Air Lines will complete MAC-funded work to include ceiling and lighting improvements, window tint, wainscoting, non-branded column wraps (excluding branding), paint (excluding branding), wayfinding information displays and flooring in the public area concourse corridors. Work will include terrazzo, tile and carpet, where applicable. The program budget will also support MAC consultant fees for design collaboration and project oversight. This is a recurring project with rotating work that will enhance the customer experience of passengers. The project has minimal or no impact on the current or future operating budget.

**Terminal 1 Pre-conditioned Air**

▶ \$2,500,000

This program will provide or replace pre-conditioned air units serving passenger boarding bridges. This project will eliminate the use of idling airplane engines to heat and cool the ambient air and reduce emissions on the campus. This project may minimally increase electrical expenses in the future operating budget.

## 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.

### LAKE ELMO

#### Airport Layout Plan

► \$100,000

An as-built ALP will be completed to reflect current conditions of Runway 14-32's shift and extension. This is a project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

### AIRLAKE

#### Runway 12-30 Improvements

► \$4,400,000

This project will provide for the extension of Runway 12-30 from 4,098 feet to approximately 4,850 feet. The extension will reach the maximum feasible length that can be provided by using declared distances without having to physically relocate Cedar Avenue, which lies directly east of the airfield. The project will also include taxiway modifications, roadway modifications and electrical lighting upgrades. MAC and the FAA will determine what level of environmental review is needed as the project timeline approaches. This project has minimal or no impact on the current or future operating budget.

### FLYING CLOUD

#### Environmental Review

► \$800,000

This project will complete an environmental review of the preferred alternative identified in the 2040 LTCP. This is a project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

### ANOKA COUNTY-BLAINE

#### Airport Layout Plan

► \$500,000

The ALP update will reflect the airport's preferred alternative identified in the LTCP. This update will also include a comprehensive Exhibit A/Property Map update. This is a project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

### Long Term Comprehensive Plan Update

► \$800,000

This plan will review existing and future facility needs of the airport. This is a project to maintain compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

## 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

#### Relievers Building Miscellaneous Modifications

► \$400,000

This program will address ongoing needs for repairs and modifications of MAC-owned buildings at five of the reliever airports, excluding St. Paul. These items may include crew rest areas, heating, air conditioning, structural repairs and aesthetic updates. The list of potential projects will be compiled and prioritized in early 2023. This is a recurring project with rotating work that has minimal or no impact on the current or future operating budget.

#### Relievers Pavement Rehabilitation Miscellaneous Modifications

► \$300,000

This program will address ongoing needs for crack sealing, joint repairs, pavement rejuvenation and pavement repairs at the six reliever airports. The list of potential projects will be compiled and prioritized in early 2024. This is a recurring project with rotating work that ensures runway protection zones are maintained over a period of years. The project has minimal or no impact on the current or future operating budget.

### ST. PAUL

#### Customs and Border Protection General Aviation Facility

► \$4,500,000

This project will construct a new Customs and Border Protection facility to ensure the longevity of these services at Holman Field. This project will increase the future operating budget for utilities and janitorial services, but because design work has not begun, calculations are not available at time of publication.

**CONSTRUCTION FUND****Intelligent Monitoring and Control System (IMACS) Expansion**

▶ \$2,250,000

This project will expand the IMACS network to all Facilities and Trades equipment to allow monitoring and control. This project supports more efficient operation and maintenance of mechanical systems throughout the MAC's system of airports.

**LED Edge Lighting Upgrades**

▶ \$1,500,000

This project will replace taxiway edge lighting and signage with LED lighting. This project is expected to provide a partial reduction to the annual electricity budget for the St. Paul Airport. The new LED lights should use approximately 90% less energy over the life of the bulbs.

**Storm Sewer Improvements**

▶ \$1,500,000

This project includes improvements to the existing storm sewer systems in the West Building Area and infield area between Taxiways Delta and Lima, to improve storm water removal and to address soil and pavement distress in the vicinity of deficient storm sewer structures. The project will also evaluate the potential for improvements to the flood pump stations to maximize efficient removal of storm water from the airfield during flood events. This project maintains the infrastructure to ensure functionality and compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**LAKE ELMO****Materials Storage Building**

▶ \$500,000

This project includes the construction of a MAC storage building for the containment of airfield maintenance products such as salt, sand and topsoil to comply with Minnesota Pollution Control Agency requirements. This project will minimally increase the future operating budget for utilities, but calculations are not available at time of publication.

**North Building Area Pavement Rehabilitation**

▶ \$900,000

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 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. This project has minimal or no impact on the current or future operating budget.

**Runway 04-22 Pavement Rehabilitation**

▶ \$4,000,000

This project includes reconstruction of the full length of existing Runway 4-22. The updated LTCP for this airport proposes an extension to the crosswind runway at the end of Runway 22. Construction of the extension is included in this project. Installation of runway edge lighting is also included. This project maintains airfield pavement in compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**AIRLAKE****Existing Runway 12-30 Reconstruction**

▶ \$3,500,000

This project will reconstruct the pavement of the existing portion of Runway 12-30 while new pavement is constructed for the runway improvement project in the same year. This project maintains airfield pavement in compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**South Building Area Utilities and Taxilanes**

▶ \$1,300,000

This project includes Phase 2 construction of the sanitary sewer mains, water mains and lot services in the South Building Area. It also includes construction of the associated taxilanes and remainder of the south entrance road. This project has minimal or no impact on the current or future operating budget.

**Taxiway Bravo Pavement Rehabilitation**

▶ \$600,000

This is a repair to pavement to mitigate ponding on taxiway B that is a safety hazard, especially in the freeze/thaw periods of the year. Ice is a major safety issue with this ponding, especially in the spring. This taxiway is the primary access to all hangars in the South development area. This project maintains airfield pavement in compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**FLYING CLOUD****Intelligent Monitoring and Control System Expansion**

► \$2,250,000

This project will extend the IMACS network to Flying Cloud Airport, where there is no connectivity at present. This system will allow remote monitoring and control of mechanical, electrical and plumbing systems, as well as facilities monitoring, IT monitoring and data analysis. This project supports more efficient operation and maintenance of mechanical systems throughout the MAC's system of airports.

**Runway 10R-28L Pavement Rehabilitation**

► \$2,700,000

This project is to rehabilitate the existing pavement associated with Runway 10R-28L through a mill and overlay. Work shall consist of milling, pavement repairs, bituminous paving, pavement marking and other miscellaneous items. This project maintains airfield pavement in compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

**Underground Fuel Storage Tank Replacement**

► \$500,000

This project will replace aging underground storage tanks that are owned and maintained by the MAC. The tanks were installed in 1991 and have a life expectancy of 25-30 years. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project will have minimal to no impact on the current or future operating budget.

**CRYSTAL****Tower Parking Lot Reconstruction**

► \$675,000

The oil/water separator's discharge point for the MAC fuel system is not functioning properly, due to the proximity of the drain for the adjacent parking lot. This project will provide a new drainage discharge point for the parking lot to alleviate this issue. It will also provide for reconstruction of the parking lot. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project will have minimal to no impact on the current or future operating budget.

**Underground Fuel Storage Tank Replacement**

\$500,000

This project will replace aging underground storage tanks that are owned and maintained by the MAC. The tanks were installed in 1991 and have a life expectancy of 25-30 years. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project will have minimal to no impact on the current or future operating budget.

**ANOKA COUNTY-BLAINE****Equipment Storage and Maintenance Building**

► \$700,000

This project will construct a new equipment storage and maintenance building for the Anoka County-Blaine airport to replace airport staff's use of a leasable hangar. The project is expected to have minimal or no impact on the current or future operating budget, as the expense of additional square footage will be offset by rent revenue.

**Underground Fuel Storage Tank Replacement**

► \$500,000

This project will replace aging underground storage tanks that are owned and maintained by the MAC. The tanks were installed in 1991 and have a life expectancy of 25-30 years. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner. The project will have minimal to no impact on the current or future operating budget.

**West Perimeter Road**

► \$1,800,000

This project will construct a road to connect the south and north sides of the airport in a safe and efficient manner on the west side of the airport in response to concerns raised during Runway Safety Action Team reviews. This project improves airfield pavement in compliance with FAA guidelines and requirements. It has minimal or no impact on the current or future operating budget.

The following table provides funding sources for each project.

<b>2024 CIP Funding by Source ▶▶▶</b>					
(\$=000)					
	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>MSP End of Life/Replacement Projects</b>					
<b>Terminal 1</b>					
Cooling Unit Replacement	\$ -	\$ -	\$ -	\$ 1,125	\$ 1,125
Passenger Boarding Bridge Replacements	4,000	-	-	-	4,000
<b>Energy Management Center</b>					
Concourses E and F Bridge Heating and Cooling System Replacement	-	-	-	2,200	2,200
Variable Air Volume Box Replacement	-	-	-	1,900	1,900
<b>Field and Runways</b>					
Airfield Snow Melter Replacement/Upgrades	-	-	1,800	-	1,800
Bituminous Shoulder Reconstruction	400	600	-	-	1,000
Concourse G Apron Pavement Reconstruction	8,938	7,313	-	-	16,250
Taxiway B Pavement Reconstruction	1,500	2,250	-	-	3,750
Taxiway D Pavement Reconstruction	-	1,140	-	860	2,000
<b>Terminal Roads/Landside</b>					
UPS Loop Pavement Reconstruction	-	-	-	1,800	1,800
Variable Message Signs Replacement, Phase 3	-	-	-	1,600	1,600
<b>Parking</b>					
Parking Ramp Snow Melter Replacement/Upgrades	-	-	1,350	-	1,350
<b>Terminal 2</b>					
Recarpeting Program	-	-	-	1,300	1,300
<b>Public Areas/Roads</b>					
East 70th Street Reconstruction	-	-	2,400	-	2,400
<b>Fire</b>					
Fire Alarm System Transition	-	-	-	2,000	2,000
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 14,838</b>	<b>\$ 11,303</b>	<b>\$ 5,550</b>	<b>\$ 12,785</b>	<b>\$ 44,475</b>



## 2024 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>MSP IT Projects</b>					
<b>Terminal 1</b>					
Concourses C and G Digital Directory Replacement	\$ -	\$ -	\$ -	\$ 200	\$ 200
MAC Technology Upgrades	-	-	-	10,000	10,000
Telecom Room Equipment Continuity	-	-	-	1,510	1,510
<b>Police</b>					
Card Access Modifications	2,500	-	-	-	2,500
<b>MSP IT Projects Subtotal</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,710</b>	<b>\$ 14,210</b>
<b>MSP Long Term Comprehensive Plan Projects</b>					
<b>Terminal 1</b>					
Baggage Claim/Ticket Lobby Operational Improvements	10,000	-	5,000	-	15,000
2023 Concourse G Infill - Pod 2-3	-	35,490	316,010	-	351,500
<b>Terminal 2</b>					
Long Term Plan Projects (Fees)	-	-	-	1,000	1,000
Terminal 2 North Gate Expansion	-	92,138	102,863	-	195,000
<b>MSP Long Term Comprehensive Plan Subtotal</b>	<b>\$ 10,000</b>	<b>\$ 127,628</b>	<b>\$ 423,873</b>	<b>\$ 1,000</b>	<b>\$ 562,500</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>					
<b>Terminal 1</b>					
ADO Office Expansion	-	-	-	4,000	4,000
Art Display Areas	-	-	-	250	250
Arts Master Plan	-	-	-	1,260	1,260
Concourse A Heating System Upgrade	-	-	11,000	-	11,000
Delivery Node Redevelopment	-	-	-	2,300	2,300
Lavatory Buildings Rehabilitation	-	-	4,400	-	4,400
Lighting Infrastructure Technology and Equipment	-	-	-	1,500	1,500
Restroom Upgrade Program	2,050	-	-	-	2,050
Steam System Upgrade Program	-	-	-	1,600	1,600
Terminal 1 Curbside Canopy Repairs and Lighting Upgrades	-	-	-	350	350
Terminal 1 Tug Drive Heater Replacement	-	-	-	2,000	2,000
Terminal 1 Tug Drive Waterproofing	-	-	-	2,900	2,900
Way-Finding Sign Backlighting Replacement	-	-	-	1,000	1,000

## 2024 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>					
<b>Energy Management Center</b>					
Chiller Plant Optimization	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
Indoor Air Quality Monitoring System	-	-	-	1,000	1,000
MAC Automation Infrastructure Program	-	-	2,300	-	2,300
Terminal 2 Penthouse Chiller Plant Infrastructure Upgrades	-	-	5,500	-	5,500
Victaulic Piping Replacement	-	-	4,000	-	4,000
<b>Field and Runways</b>					
Apron Lighting LED Upgrade	3,000	-	2,000	-	5,000
Runway LED Lighting Upgrade	-	900	-	600	1,500
Terminal 2 Glycol Lift Station/Forcemain	-	-	1,100	-	1,100
Tunnel Lighting LED Upgrade	-	825	-	275	1,100
<b>Parking</b>					
Parking Ramp Railing Refinishing	-	-	1,000	-	1,000
<b>Terminal 2</b>					
Terminal 2 Lobby Passenger Flow Program	-	-	-	1,000	1,000
Terminal Door Locks and Emergency Egress Upgrades	-	-	-	400	400
<b>Public Areas/Roads</b>					
34th Avenue Bus Area Reconstruction	-	-	-	800	800
34th Avenue Traffic Control Improvements	-	-	-	200	200
Tunnel Fan Replacement	-	-	4,700	-	4,700
<b>Hangars and Other Buildings</b>					
MAC Storage Facility	-	-	30,000	-	30,000
Safety and Security Center	-	-	150,000	-	150,000
<b>Trades/Maintenance Buildings</b>					
South Field Maintenance Building Wash Bay	-	-	3,500	-	3,500
<b>Police</b>					
Perimeter Gate Security Improvements	1,625	-	4,875	-	6,500
<b>Fire</b>					
Campus Fire Protection	-	-	-	2,400	2,400

## 2024 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>					
<b>Environment</b>					
Glycol Sewer & Storm Sewer Inspection/Rehabilitation	\$ -	\$ -	\$ -	\$ 1,700	\$ 1,700
Terminal 2 Remote Ramp Lot/Drainage Improvements	-	-	2,000	-	2,000
<b>MSP Maintenance/Facility Upgrades Projects Subtotal</b>					
	<b>\$ 6,675</b>	<b>\$ 1,725</b>	<b>\$ 226,375</b>	<b>\$ 28,535</b>	<b>\$ 263,310</b>
<b>MSP Noise Mitigation Projects</b>					
<b>Environment</b>					
Noise Mitigation Consent Decree Amendment	-	-	-	1,000	1,000
<b>MSP Noise Mitigation Projects Subtotal</b>					
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>
<b>MSP Ongoing Maintenance Programs</b>					
<b>Terminal 1</b>					
Air Handling Unit Replacement	-	-	-	2,000	2,000
Baggage System Upgrades	-	-	-	500	500
Concourse G Rehabilitation	-	-	10,000	-	10,000
Electrical Infrastructure Program	-	-	-	2,500	2,500
Electrical Substation Replacement	-	-	10,000	-	10,000
Emergency Power Upgrades	-	-	-	2,500	2,500
Plumbing Infrastructure Upgrade Program	-	-	-	700	700
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	-	-	-	2,100	2,100
<b>Field and Runways</b>					
Airside Electrical Construction	-	1,200	800	-	2,000
Airside Roadway Pavement Restoration	-	-	1,200	-	1,200
Miscellaneous Airfield Construction	1,400	2,100	-	-	3,500
Pavement Joint Sealing/Repair	-	-	-	800	800
<b>Terminal Roads/Landside</b>					
Tunnel/Bridge Inspections	-	-	-	120	120
<b>Parking</b>					
Parking Structure Rehabilitation	-	-	3,000	-	3,000

## 2024 CIP Funding by Source Continued ▶▶▶

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>MSP Ongoing Maintenance Programs Continued</b>					
<b>Public Areas/Roads</b>					
Concrete Joint Repair	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
Landside Pavement Rehabilitation	-	-	-	500	500
Landside Utility Rehabilitation	-	-	-	750	750
Roadway Fixture Refurbishment	-	-	-	150	150
<b>Hangars &amp; Other Buildings</b>					
Campus Building Rehabilitation Program	-	-	-	1,500	1,500
Campus Parking Lot Reconstructions	-	-	-	650	650
MSP Campus Building Roof Replacements	-	-	6,100	-	6,100
<b>Trades/Maintenance Buildings</b>					
Sump Pump Controls	-	-	4,000	-	4,000
<b>General Office/Administration</b>					
General Office Building Improvements	-	-	-	500	500
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 1,400</b>	<b>\$ 3,300</b>	<b>\$ 38,100</b>	<b>\$ 20,770</b>	<b>\$ 63,570</b>
<b>MSP Tenant Projects</b>					
<b>Terminal 1</b>					
Concessions Upgrades/Revenue Development	-	-	-	200	200
Concourse and Gatehold Modernization	-	-	85,600	-	85,600
Terminal 1 Pre-Conditioned Air	-	-	2,500	-	2,500
<b>MSP Tenant Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,100</b>	<b>\$ 200</b>	<b>\$ 88,300</b>
<b>Reliever Airports Long Term Comprehensive Plan Projects</b>					
<b>Lake Elmo Airport</b>					
Airport Layout Plan	-	-	-	100	100
<b>Airlake Airport</b>					
Runway 12-30 Improvements	-	3,168	-	1,232	4,400
<b>Flying Cloud Airport</b>					
Environmental Review	-	-	-	800	800
<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>\$ 3,168</b>	<b>\$ -</b>	<b>\$ 3,432</b>	<b>\$ 6,600</b>

## 2024 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Total
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>					
<b>Reliever Miscellaneous</b>					
Relievers Building Miscellaneous Modifications	\$ -	\$ -	\$ -	\$ 400	\$ 400
Pavement Rehabilitation Miscellaneous Modifications	-	-	-	300	300
<b>St. Paul Airport</b>					
Customs and Border Protection General Aviation Facility	-	720	-	3,780	4,500
Intelligent Monitoring and Control System (IMACS) Expansion	-	-	-	2,250	2,250
LED Edge Lighting Upgrades	-	1,080	-	420	1,500
Storm Sewer Improvements	-	-	-	1,500	1,500
<b>Lake Elmo Airport</b>					
Material Storage Building	-	-	-	500	500
North Building Area Pavement Rehabilitation	-	-	-	900	900
Runway 04-22 Pavement Rehabilitation	-	-	-	4,000	4,000
<b>Airlake Airport</b>					
Existing Runway 12-30 Reconstruction	-	2,520	-	980	3,500
South Building Area Utilities and Taxilanes	-	-	-	1,300	1,300
Taxiway Bravo Pavement Rehabilitation	-	-	-	600	600
<b>Flying Cloud Airport</b>					
Intelligent Monitoring and Control System	-	-	-	2,250	2,250
Runway 10R-28L Pavement Rehabilitation	-	1,944	-	756	2,700
Underground Fuel Storage Tank Replacement	-	-	-	500	500
<b>Crystal Airport</b>					
Tower Parking Lot Reconstruction	-	-	-	675	675
Underground Fuel Storage Tank Replacement	-	-	-	500	500
<b>Anoka County - Blaine Airport</b>					
Equipment Storage and Maintenance Building	\$ -	\$ -	\$ -	\$ 700	\$ 700
Underground Fuel Storage Tank Replacement	-	-	-	500	500
West Perimeter Road	-	1,080	-	720	1,800
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 7,344</b>	<b>\$ -</b>	<b>\$ 23,531</b>	<b>\$ 30,875</b>
<b>MSP SUBTOTAL</b>	<b>\$ 35,413</b>	<b>\$ 143,955</b>	<b>\$ 781,998</b>	<b>\$ 76,000</b>	<b>\$ 1,037,365</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 10,512</b>	<b>\$ -</b>	<b>\$ 26,963</b>	<b>\$ 37,475</b>
<b>GRAND TOTAL</b>	<b>\$ 35,413</b>	<b>\$ 154,467</b>	<b>\$ 781,998</b>	<b>\$ 102,963</b>	<b>\$ 1,074,840</b>

The following table provides funding sources for each project in the 2025-2029 CIP.

<b>2025-2029 CIP Funding by Source</b> ▶▶▶						
(\$=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	\$ -	\$ 307,200	\$ 292,800	\$ -	\$ -	\$ 600,000
Passenger Boarding Bridge Replacements	32,880	17,120	-	-	-	50,000
Recarpeting Program	-	-	-	2,000	-	2,000
Terminal 1 Outbound Baggage Handling System Replacement	-	-	-	-	250,000	250,000
<b>Energy Management Center</b>						
Concourses E and F Bridge Heating and Cooling System Replacement	-	-	-	1,800	-	1,800
Variable Air Volume Box Replacement	-	-	-	8,000	-	8,000
<b>Field and Runway</b>						
30L Deicing Pad Expansion	8,000	12,000	-	-	-	20,000
30L Deicing Pad Reconstruction	10,000	15,000	-	-	-	25,000
30L EMAS Replacement	7,600	11,400	-	-	-	19,000
Airfield Snow Melter Replacement/Upgrades	-	-	-	7,600	-	7,600
Bituminous Shoulder Reconstruction	1,200	1,800	-	-	-	3,000
Concourse G Apron Pavement Reconstruction	13,200	10,800	-	-	-	24,000
Runway 12L-30R Reconstruction	6,250	18,750	-	-	-	25,000
Taxiway A Pavement Reconstruction	1,806	2,394	-	-	-	4,200
Taxiway B Pavement Reconstruction	3,000	4,500	-	-	-	7,500
Taxiway C Pavement Reconstruction	4,085	5,415	-	-	-	9,500
Taxiway H Pavement Reconstruction	1,500	4,500	-	-	-	6,000
Taxiway J Pavement Reconstruction	1,750	5,250	-	-	-	7,000
Taxiway R Pavement Reconstruction	1,750	6,750	-	-	-	8,500
<b>Parking</b>						
Parking Ramp Snow Melter Replacement/Upgrades	-	-	-	1,350	-	1,350
<b>Terminal 2</b>						
Terminal 2 Recarpeting Program	-	-	-	150	-	150
Terminal 2 Ticket Counter/Insert Replacement	-	-	730	-	-	730
<b>Public Areas/Roads</b>						
East 62nd Street Reconstruction	-	-	-	3,900	-	3,900
Post Road Reconstruction Project	-	-	-	5,000	-	5,000
<b>Fire Alarm System Transition</b>						
Fire Alarm System Transition	-	-	-	3,400	-	3,400
<b>General Office/Administration</b>						
Variable Air Volume Replacement and Upgrade	-	-	-	2,000	-	2,000
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 93,021</b>	<b>\$ 422,879</b>	<b>\$ 293,530</b>	<b>\$ 35,200</b>	<b>\$ 250,000</b>	<b>\$ 1,094,630</b>

## 2025-2029 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Information Technology Projects</b>						
<b>Terminal 1</b>						
Customs and Border Protection Camera System Upgrade	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
MAC Technology Upgrades				54,000	-	54,000
<b>Police</b>						
Card Access Modifications	5,300	-	-	-	-	5,300
<b>MSP Information Technology Projects Subtotal</b>	<b>\$ 5,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ 60,300</b>
<b>MSP Long Term Comprehensive Plan Projects</b>						
<b>Terminal 1</b>						
Checkpoint Expansion	11,000	-	-	-	-	11,000
D-Pod Outbound Baggage System	15,000	-	-	-	-	15,000
MSP Airport Layout Plan	-	-	-	1,000	-	1,000
MSP Environmental Review	-	-	-	2,000	-	2,000
MSP Long-Term Plan	-	-	-	3,000	-	3,000
MSP Obstructions Removals	-	-	-	2,000	-	2,000
<b>Field and Runway</b>						
Runway 30R Parallel Taxiway	10,800	25,200	-	-	-	36,000
<b>MSP Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ 36,800</b>	<b>\$ 25,200</b>	<b>\$ -</b>	<b>\$ 8,000</b>	<b>\$ -</b>	<b>\$ 70,000</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>						
<b>Terminal 1</b>						
Art Display Areas	-	-	-	1,250	-	1,250
Arts Master Plan	-	-	-	5,805	-	5,805
C/G Connector Lighting Improvements	-	-	-	1,000	-	1,000
Delivery Node Redevelopment	-	-	7,800	12,020	-	19,820
F/G Connector & Skyclub Repairs and Improvements	-	-	-	1,100	-	1,100
Folded Plate Repairs	26,040	-	17,360	-	-	43,400
Lighting Infrastructure Technology and Equipment	-	-	-	10,300	-	10,300
LRT Stations Updates	-	-	1,600	-	-	1,600
Restroom Upgrade Program	10,250	-	-	-	-	10,250
Steam System Upgrade Program	-	-	-	6,400	-	6,400
Terminal 1 Information Booth Replacements	-	-	-	850	-	850
Terminal 1 Employee Breakroom	-	-	-	450	-	450
Terminal 1 Tug Drive Waterproofing	-	-	-	8,700	-	8,700
Way-Finding Sign Backlighting Replacement	-	-	-	7,000	-	7,000

## 2025-2029 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>Energy Management Center</b>						
Energy Savings Program	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ 4,000
MAC Automation Infrastructure Program	-	-	11,900	-	-	11,900
Steam Trap Monitoring System	-	-	-	3,000	-	3,000
Victaulic Piping Replacement	-	-	8,000	6,850	-	14,850
<b>Field and Runway</b>						
Apron Lighting LED Upgrade	5,750	-	-	250	-	6,000
Field Maintenance Building Efficiency Program	-	-	158,000	-	46,000	204,000
Runway LED Lighting Upgrade	-	1,620	-	1,080	-	2,700
Tunnel Lighting LED Upgrade	3,250	-	-	250	-	3,500
<b>Parking</b>						
Parking Guidance System	-	-	6,500	-	-	6,500
Parking Ramp Railing Refinishing	-	-	-	2,000	-	2,000
Red/Blue Parking Levels 2 & 3	-	-	9,200	-	-	9,200
<b>Terminal 2</b>						
Ramp Information Display System (RIDS)	-	-	3,600	-	-	3,600
Terminal 2 Baggage Handling System	-	-	-	410	-	410
Terminal 2 Gate Area Passenger Amenities	-	-	-	1,000	-	1,000
Terminal 2 Gate Desk/Podium Replacement	-	-	-	450	-	450
Terminal 2 Ground Transportation Waiting Area Expansion	-	-	-	400	-	400
Terminal 2 MUFIDS/EVIDS Millwork Upgrades	-	-	-	350	-	350
Terminal 2 Skyway to LRT Flooring Installation	-	-	-	800	-	800
<b>Public Areas/Roads</b>						
34th Avenue Reconstruction	-	-	-	15,600	-	15,600
34th Avenue Sanitary Sewer Replacement	-	-	-	2,200	-	2,200
Diverging Diamond Intersection Rehabilitation	-	-	-	380	-	380
Terminal 1 Inbound Roadway Median Improvements	-	-	-	3,300	-	3,300
Tunnel Fan Replacement	-	-	-	6,800	-	6,800
<b>Police</b>						
Perimeter Fence Intrusion Detection System	1,000	-	-	-	-	1,000
Perimeter Gate Security Improvements	1,625	-	4,875	-	-	6,500
Police Department Improvements at Terminals 1 & 2	1,500	-	-	-	-	1,500
Public Safety Modifications	2,700	-	-	-	-	2,700
Squad Parking Modifications	-	-	-	140	-	140



## 2025-2029 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>Fire</b>						
Campus Fire Protection	\$ -	\$ -	\$ -	\$ 8,800	\$ -	\$ 8,800
<b>Environment</b>						
Glycol Sewer & 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 & Repairs	-	-	5,500	-	-	5,500
<b>MSP Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ 52,115</b>	<b>\$ 1,620</b>	<b>\$ 236,635</b>	<b>\$ 113,935</b>	<b>\$ 46,000</b>	<b>\$ 450,305</b>
<b>MSP Noise Mitigation Consent Decree Amendment</b>	-	-	-	<b>500</b>	-	<b>500</b>
<b>MSP Ongoing Maintenance Programs</b>						
<b>Terminal 1</b>						
Air Handling Unit Replacement	-	-	65,000	-	-	65,000
Baggage System Upgrades	-	-	-	2,500	-	2,500
Conveyance System Upgrades	-	-	-	3,000	-	3,000
Electrical Infrastructure Program	-	-	-	10,000	-	10,000
Electrical Substation Replacement	4,880	10,240	14,880	-	-	30,000
Emergency Power Upgrades	-	-	-	10,000	-	10,000
Plumbing Infrastructure Upgrade Program	-	-	-	3,500	-	3,500
Terminal Building Remediation Program	-	-	-	15,000	-	15,000
Terminal Miscellaneous Modifications	-	-	-	14,000	-	14,000
<b>Energy Management Center</b>						
Life Safety Infrastructure Program	-	-	-	9,500	-	9,500
Plant Upgrades	-	-	-	11,550	-	11,550
<b>Field and Runway</b>						
Airside Electrical Construction	-	5,400	2,800	4,800	-	13,000
Airside Roadway Pavement Restoration	-	-	1,200	4,800	-	6,000
Miscellaneous Airfield Construction	-	3,600	-	6,400	-	10,000
Pavement Joint Sealing/Repair	-	-	-	4,600	-	4,600
<b>Terminal Roads/Landside</b>						
Tunnel/Bridge Inspections	-	-	-	660	-	660
Tunnel-Bridge Misc Mods	-	-	-	3,000	-	3,000
<b>Parking</b>						
Parking Structure Rehabilitation	-	-	-	15,000	-	15,000
<b>Public Areas/Roads</b>						
Concrete Joint Repair	-	-	-	5,550	-	5,550
Landside Pavement Rehabilitation	-	-	-	2,200	-	2,200
Landside Utility Rehabilitation	-	-	-	3,750	-	3,750
Roadway Fixture Refurbishment	-	-	-	750	-	750

## 2025-2029 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>Hangars and Other Buildings</b>						
Campus Building Rehabilitation Program	\$ -	\$ -	\$ -	\$ 4,500	\$ -	\$ 4,500
Campus Parking Lot Reconstructions	-	-	-	1,350	-	1,350
End of Life Campus Building Demolition	-	-	-	4,100	-	4,100
MSP Campus Building Roof Replacements	-	-	22,700	3,000	-	25,700
<b>Trades/Maintenance Buildings</b>						
Sump Pump Controls	-	-	7,500	-	-	7,500
<b>General Office/Administration</b>						
General Office Building Improvements	-	-	-	1,000	-	1,000
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 4,880</b>	<b>\$ 19,240</b>	<b>\$ 114,080</b>	<b>\$ 144,510</b>	<b>\$ -</b>	<b>\$ 282,710</b>
<b>MSP Tenant Projects</b>						
<b>Terminal 1</b>						
Concessions Upgrades/Revenue Development	-	-	-	1,000	-	1,000
Concourse and Gatehold Modernization	-	-	73,100	-	-	73,100
Elevator and Concourse Improvements Related to Relocated United Club	-	-	-	1,000	-	1,000
Terminal 1 FIS Gate Common Use Additions	2,000	-	3,000	-	-	5,000
<b>Public Areas/Roads</b>						
Tenant Parking Lot Reconstruction	-	-	-	2,900	-	2,900
<b>Hangars and Other Buildings</b>						
Ground Service Equipment (GSE) Maintenance Facility	-	-	-	2,000	-	2,000
<b>MSP Tenant Projects Subtotal</b>	<b>\$ 2,000</b>	<b>\$ -</b>	<b>\$ 76,100</b>	<b>\$ 6,900</b>	<b>\$ -</b>	<b>\$ 85,000</b>
<b>Reliever Airports Long Term Comprehensive Plan Projects</b>						
<b>St. Paul Airport</b>						
Environmental Review	-	-	-	800	-	800
<b>Lake Elmo Airport</b>						
Long Term Comprehensive Plan	-	-	-	500	-	500
<b>Airlake Airport</b>						
Airport Layout Plan	-	-	-	100	-	100
Long Term Comprehensive Plan	-	-	-	500	-	500
<b>Flying Cloud Airport</b>						
South Building Area Utilities	-	-	-	800	-	800
<b>Crystal Airport</b>						
Long Term Comprehensive Plan	-	-	-	500	-	500
<b>Anoka County-Blaine Airport</b>						
Building Area Development - Xylite St. Relocation	-	-	-	1,000	-	1,000
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,200</b>	<b>\$ -</b>	<b>\$ 4,200</b>

## 2025-2029 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>						
Relievers Building Miscellaneous Modifications	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ 2,000
Relievers Obstruction Removal	-	432	-	468	-	900
Pavement Rehabilitation Miscellaneous Modifications	-	-	-	1,500	-	1,500
Relievers Used Oil Sheds & Tanks	-	-	-	550	-	550
<b>St. Paul Airport</b>						
Airport Perimeter Roads	-	360	-	140	-	500
Airport Road and Eaton Street Retaining Wall	-	-	-	700	-	700
Cold Equipment Storage Building	-	-	-	750	-	750
MAC Building Improvements	-	-	-	600	-	600
Pavement Rehabilitation-Taxilanes/Tower Road	-	-	-	750	-	750
Runway 13-31 Pavement Reconstruction	-	-	-	5,000	-	5,000
Runway 14-32 EMAS Replacement	-	7,200	-	2,800	-	10,000
Runway 14-32 Reconstruction	-	7,200	-	2,800	-	10,000
Taxiway B Rehabilitation	-	576	-	224	-	800
Taxiway Lima Rehabilitation	-	-	-	200	-	200
<b>Lake Elmo Airport</b>						
AWOS Replacement	-	-	-	100	-	100
Intelligent Monitoring and Control System	-	-	-	1,150	-	1,150
North Service Roads Rehabilitation	-	360	-	140	-	500
Northside Taxiway Reconstruction	-	432	-	768	-	1,200
<b>Airlake Airport</b>						
AWOS Replacement	-	-	-	100	-	100
Intelligent Monitoring and Control System	-	-	-	1,150	-	1,150
Maintenance Building Renovation	-	-	-	750	-	750
North Service Road Pavement Rehabilitation	-	-	-	500	-	500
North Taxilanes Pavement Rehabilitation	-	900	-	350	-	1,250
<b>Flying Cloud Airport</b>						
Airport Access Roads and Tango Lane	-	360	-	140	-	500
Airport Access Roads Pavement Rehabilitation	-	720	-	780	-	1,500
Electrical Vault Modifications	-	360	-	140	-	500
Executive Aviation/MAC Maintenance Apron	-	-	-	600	-	600
Gate Replacements	-	360	-	140	-	500
MAC Building Improvements	-	-	-	600	-	600
Runway 18-36 Pavement Rehabilitation	-	-	-	700	-	700
Tower Equipment for Airfield Lighting and Utilities	-	-	-	1,000	-	1,000

## 2025-2029 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>Crystal Airport</b>						
Existing Hangar Revitalization	\$ -	\$ -	\$ -	\$ 800	\$ -	\$ 800
Intelligent Monitoring and Control System	-	-	-	1,150	-	1,150
Runway 6L-24R Pavement Rehabilitation	-	-	-	2,500	-	2,500
Taxilanes Pavement Rehabilitation	-	-	-	1,200	-	1,200
Taxiway Alpha Pavement Reconstruction	-	-	-	1,200	-	1,200
<b>Anoka County-Blaine Airport</b>						
Electrical Vault Improvements	-	540	-	210	-	750
Gate Controller Upgrades	-	288	-	112	-	400
Intelligent Monitoring and Control System	-	-	-	1,150	-	1,150
Runway 18-36 Pavement Rehabilitation	-	2,160	-	840	-	3,000
Runway 9-27 Pavement Rehabilitation	-	2,813	-	938	-	3,750
Taxiway B Pavement Rehabilitation	-	-	-	1,400	-	1,400
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 25,061</b>	<b>\$ -</b>	<b>\$ 39,090</b>	<b>\$ -</b>	<b>\$ 64,150</b>
<b>MSP SUBTOTAL</b>	<b>\$ 194,116</b>	<b>\$ 468,939</b>	<b>\$ 720,345</b>	<b>\$ 364,045</b>	<b>\$ 296,000</b>	<b>\$ 2,043,445</b>
<b>RELIEVERS SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 25,061</b>	<b>\$ -</b>	<b>\$ 43,290</b>	<b>\$ -</b>	<b>\$ 68,350</b>
<b>GRAND TOTAL</b>	<b>\$ 194,116</b>	<b>\$ 494,000</b>	<b>\$ 720,345</b>	<b>\$ 407,335</b>	<b>\$ 296,000</b>	<b>\$ 2,111,795</b>

**SOURCES AND USES OF FUNDS**

From December 31, 2020 through December 31, 2025, the MAC has identified multiple funding sources totaling \$2.1 billion, in addition to a beginning balance of \$353.1 million in funds. During this period, the MAC will expend \$2.3 billion, leaving a net balance of \$171.7 million at the end of 2025. This balance represents a portion of the 2023, 2024 and 2025 CIP projects that were started but not completed by December 31, 2025 and PFCs to pay future debt service.

The Construction Fund Budget below represents anticipated sources and uses of funds during the years 2021-2025. The information for the 2022 estimate includes expected transactions during the fourth quarter.

<b>Construction Fund Budget</b> ►►►							
(\$=000)							
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	2024 Projected	2025 Projected	Total Projected
Balance 12/31/20	\$ 353,103						\$ 353,103
Balance Carried Forward January 1		\$ 211,162	\$ 190,146	\$ 408,218	\$ 247,472	\$ 742,601	
<b>Sources of Funds</b>							
Transfer From Operating Fund	23,492	70,050	79,574	85,108	87,000	86,128	361,302
PFC Funding	51,096	61,072	67,679	67,606	75,332	77,264	338,977
Federal/State Grants	12,965	44,845	22,656	80,590	154,467	46,539	317,217
Interest Income <sup>1</sup>	72	3,420	4,249	13,150	15,000	11,250	43,721
Short-Term Line of Credit	-	38,000	-	25,276	20,300	9,430	55,006
Principal Amount of Bonds/Notes	-	153,410	255,310	-	704,723	-	960,033
Other Receipts	-	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>\$ 87,625</b>	<b>\$ 370,797</b>	<b>\$ 429,468</b>	<b>\$ 271,730</b>	<b>\$ 1,056,822</b>	<b>\$ 230,611</b>	<b>\$ 2,076,256</b>
<b>Uses of Funds</b>							
CIP Project Costs	(222,839)	(162,402)	(184,529)	(405,602)	(536,130)	(776,236)	(2,125,336)
Debt Service PFC Transfer	(27,743)	(19,667)	(26,867)	(26,874)	(25,563)	(25,309)	(132,356)
<b>Total Uses of Funds</b>	<b>\$ (250,582)</b>	<b>\$ (182,069)</b>	<b>\$ (211,396)</b>	<b>\$ (432,476)</b>	<b>\$ (561,693)</b>	<b>\$ (801,545)</b>	<b>\$(2,257,692)</b>
<b>Ending Balance December 31</b>	<b>\$ 190,146</b>	<b>\$ 399,890</b>	<b>\$ 408,218</b>	<b>\$ 247,472</b>	<b>\$ 742,601</b>	<b>\$ 171,667</b>	<b>\$ 171,667</b>

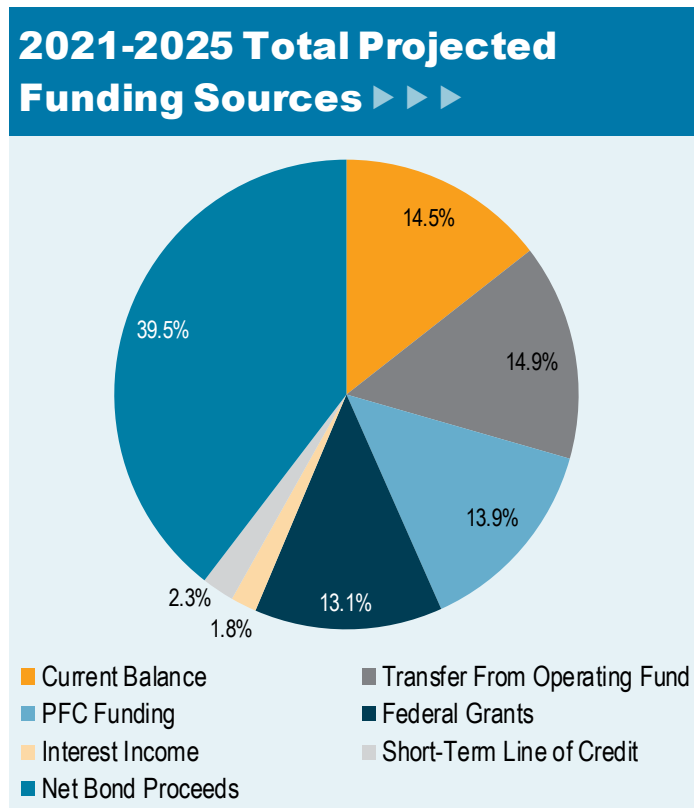
<sup>1</sup> Interest Rate Assumed is 3%-4% for the period 2023 through 2025.

**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 2023 budget includes a \$85.1 million transfer, based on estimated 2022 net revenues. Air travel saw incremental growth in 2022, driving the increase in the net revenues to be transferred in 2023.

In 2024 and 2025, incremental revenue growth is expected to continue, leading to increases in the Operating Fund transfer. The balance to be transferred for the 2021-2025 period is estimated at \$361.3 million or 14.9% of all funding sources.

Excluding the current balance, the pie chart illustrates that Net Bond Proceeds, Transfer from Operating Fund and PFC Funding are the main funding sources for 2021-2025 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 \$317.2 million or 13.1% of total funding.

#### Interest Income

Interest Income is based on the balance in the fund. An interest rate range of 3%-4% is assumed for 2023 through 2025. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$43.7 million or 1.8% of sources is projected.

#### Passenger Facility Charges

PFCs provide a significant funding source of \$339.0 million or 14.0% 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.

### PFC Summary Table ►►►

(\$=000)

Application Number	Amended Approval Amount	Collection as of 12/31/2022	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	584,811	Open
7	14,479	14,479	Open
8	147,986	102,128	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	31,399	Open
14	126,557	125,551	Open
15	334,177	273,917	Open
<b>\$ 2,075,669</b>		<b>\$ 1,759,808</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 \$150 million. The MAC expects to issue \$55.0 million from its line of credit from 2021-2025.

**Long-Term Debt**

In 2024, the Commission expects to issue General Airport Revenue Bonds with an anticipated net of approximately \$704.7 million in construction proceeds. The proceeds would be used to fund various projects around MSP, many of which were deferred during the pandemic. The majority of the work is to be done in Terminal 1.

**USES OF FUNDS**

There are two general categories of Uses of Funds. CIP Project Costs of \$2.1 billion account for 94.1% of the total, while a Debt Service PFC Transfer total of \$132.4 million accounts for the remaining 5.9%. Debt Service PFC Transfer refers to the transfer of funding to pay a portion of PFC projects that have been funded by long-term debt.

In addition to construction costs, CIP project costs include 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 table lists capital projects currently in process with project costs in excess of \$2 million.

**Projects in Process ►►►**

(\$ = 000)

As of November 30, 2022

	Estimated Project Cost	Payments to Date	% Completion
2021 Taxiway A Pavement Reconstruction	\$ 13,900	\$ 13,042	93.8%
2021/2022 IT Technology Refresh	9,468	4,467	47.2%
2022 EMC Roof Replacement & Break Room Remodel	9,800	2,926	29.9%
2022 Perimeter Gate Security Improvements	8,300	3,827	46.1%
2022 Silver Ramp Corrective Work	2,550	2,439	95.6%
2022 T1 & T2 Pre-Conditioned Air (PCA)	4,000	3,071	76.8%
2022 Taxiway P Reconstruction	10,000	6,739	67.4%
2022 TSA Recapitalization	24,000	4,545	18.9%
Air Handling Unit Replacements	11,900	3,315	27.9%
Baggage Claim-Ticket Lobby Improvements	192,305	112,908	58.7%
Baggage Handling Systems	81,206	45,502	56.0%
Concourse B Heating System Upgrades	7,350	2,501	34.0%
Concourse G Apron Pavement Reconstructions	28,000	17,225	61.5%
Concourse G Delta Skyclub	82,500	81,122	98.3%
Concourse G Rehabilitations	13,400	5,464	40.8%
Lake Elmo Reliever Airport - 2021 Runway 14-32 Replacement Phase 3	6,500	5,555	85.5%
MSP Long Term Comprehensive Plan	3,850	3,251	84.4%
Noise Mitigation Consent Decree Amendment	13,890	11,010	79.3%
Parking Structure Rehabilitations	3,000	2,037	67.9%
Passenger Boarding Bridges	18,935	7,260	38.3%
Safety and Security Center Phase 1 & 2	144,610	20,819	14.4%
Taxiway B Pavement Reconstructions	15,925	8,027	50.4%
All Other Projects in Process	798,774	48,514	6.1%
<b>Total</b>	<b>\$ 1,504,163</b>	<b>\$415,566</b>	

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# 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. When issued, they become general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission. In order 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. All GORBs and Airport Improvement Bonds issued in the past have been defeased.

### 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 2023 on Senior Debt Obligations is 7.92 times. With the optional coverage transfer, this figure is 8.17 times. The overall projected coverage ratio is expected to be 1.70 times and 1.76 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, 2022, the Commission has \$39,086,154 notes payable outstanding.

### REVOLVING LINE OF CREDIT

In 2021, the Commission entered into a \$150.0 million Revolving Line of Credit to interim fund certain capital improvement projects. As of December 31, 2022, the Commission has utilized \$43.2 million of the line of credit and will have utilized \$60.1 million at December 31, 2023.

### DERIVATIVE/SWAP DEBT

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

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

<b>Current Long-Term Debt</b> ►►►					
(\$=000)	Outstanding as of Year End				
	Issue Date	Original Amount	Final Payment	2022	2023
<b>General Airport Revenue Bonds</b>					
2014 Series A - 2.00-5.00%	10/08/14	\$217,790	2035	\$192,135	\$182,920
2014 Series B - 2.00-5.00%	10/08/14	46,590	2026	18,365	13,635
2016 Series A - 3.00-5.00%	10/04/16	330,690	2032	330,690	330,690
2016 Series B - 3.00-5.00%	10/04/16	152,190	2024	67,345	37,250
2016 Series C - 2.00-5.00%	12/20/16	207,250	2046	191,755	187,445
2016 Series D - 2.00-5.00%	12/20/16	23,410	2041	20,525	19,855
2016 Series E - 2.00-5.00%	12/20/16	171,690	2034	136,300	126,935
2019 Series A - 4.00-5.00%	10/04/19	96,615	2049	92,825	91,205
2019 Series B - 5.00%	10/04/19	164,320	2049	137,570	130,730
2019 Series C - 5.00%	10/04/19	31,035	2028	23,770	19,665
2022 Series A - 4.125-5.00%	09/07/22	145,900	2052	145,900	139,510
2022 Series B - 4.25-5.00%	09/07/22	226,785	2047	226,785	225,160
<b>Total General Airports Revenue Bonds</b>				<b>\$1,583,965</b>	<b>\$1,505,000</b>
<b>Total Bonds Outstanding</b>				1,583,965	1,505,000
<b>Notes Payable and Revolving Line of Credit</b>				82,279	95,455
<b>Total Long-Term Debt</b>				<b>\$1,666,244</b>	<b>\$1,600,455</b>

**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 GARBs issues. This excludes any future bond issues.

<b>GARB Debt Service Requirement</b> ►►►	
Date	Funding Requirement
January 1, 2023	150,449,539
January 1, 2024	156,426,743
January 1, 2025	158,066,557
January 1, 2026	156,694,528
January 1, 2027	157,759,613

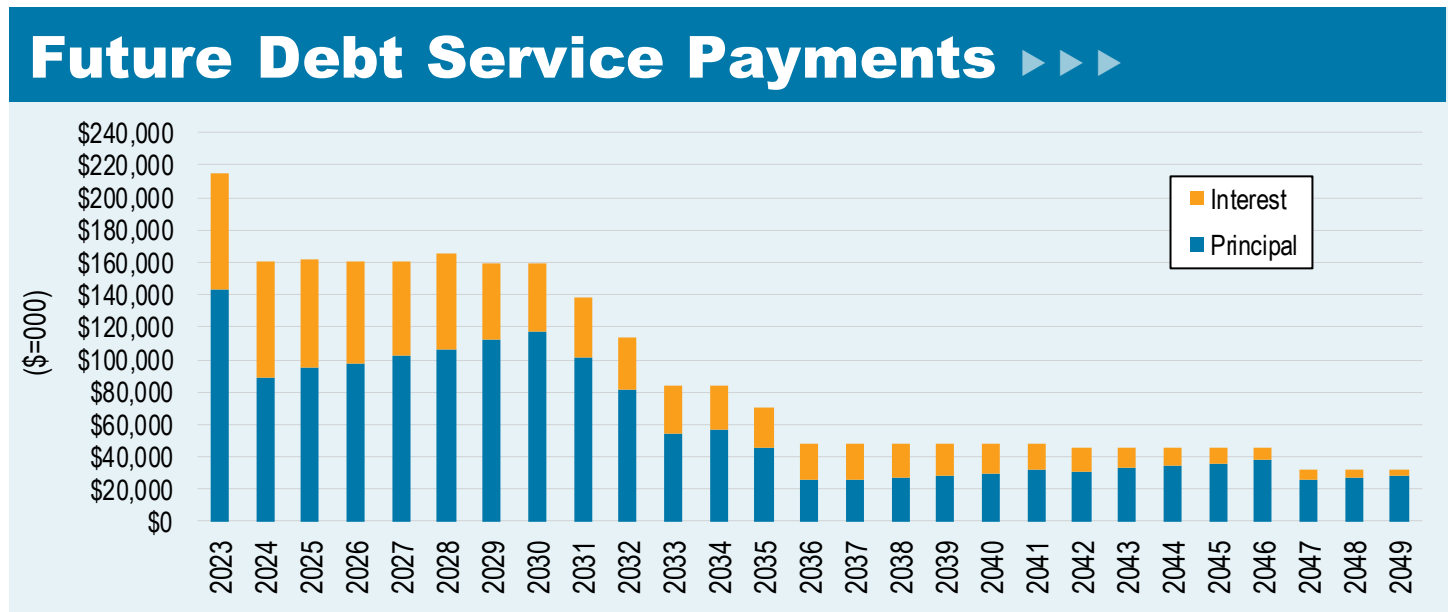
The following table shows future debt requirements for current long-term debt on an annual calendar year basis after December 31, 2022 for the remaining terms. The table does not take into consideration any future bond issues or notes payable issued after 2022.

## Debt Service Requirements ►►►

(\$=000)

	Notes / Line of Credit Principal	GARBs Principal	Total Outstanding Principal	Total All Interest	Total Principal & Interest
2023	\$63,830	\$78,965	\$142,795	\$71,952	\$214,747
2024	3,875	85,470	89,345	71,362	160,707
2025	3,518	91,290	94,808	67,119	161,927
2026	3,265	94,330	97,595	62,653	160,248
2027	2,864	100,045	102,909	57,955	160,864
2028	2,684	103,080	105,764	60,138	165,902
2029	2,654	109,325	111,979	47,779	159,758
2030	2,422	114,650	117,072	42,287	159,359
2031	2,560	98,240	100,800	37,068	137,868
2032	2,399	78,825	81,224	32,738	113,962
2033	2,547	51,955	54,502	29,559	84,061
2034	2,703	54,435	57,138	26,983	84,121
2035	2,866	42,595	45,461	24,587	70,048
2036	997	24,845	25,842	22,879	48,721
2037	-	26,090	26,090	21,597	47,687
2038	-	27,395	27,395	20,312	47,707
2039	-	28,670	28,670	18,962	47,632
2040	-	30,100	30,100	17,492	47,592
2041	-	31,610	31,610	15,994	47,604
2042	-	31,400	31,400	14,509	45,909
2043	-	32,865	32,865	12,941	45,806
2044	-	34,535	34,535	11,241	45,776
2045	-	36,275	36,275	9,454	45,729
2046	-	38,105	38,105	7,577	45,682
2047	-	26,125	26,125	5,976	32,101
2048	-	27,410	27,410	4,678	32,088
2049	-	28,730	28,730	3,331	32,061
2050		18,015	18,015	2,221	20,236
2051		18,855	18,855	1,361	20,216
2052		19,735	19,735	461	20,196
<b>Total</b>	<b>\$99,184</b>	<b>\$1,583,965</b>	<b>\$1,683,149</b>	<b>\$823,166</b>	<b>\$2,506,315</b>

The following chart shows expected future debt principal and interest.



### NEW BOND ISSUES AND REFUNDINGS

On September 7, 2022, the Commission issued \$372.7 million of General Airport Revenue Bonds Series 2022A and Series 2022B. The Commission used a portion of the bond issue proceeds to repay \$98.1 million of the MAC’s Revolving Line of Credit (LOC). The LOC was used in January 2022 to refund prior General Airport Revenue Bonds Series 2011A and 2012B. 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 \$10 million.

Staff anticipates issuing approximately \$700 million of new debt in 2024, which will be used for various 2023-2024 Terminal 1, field and runway and other building projects.

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.

### CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program approved by the Commission in December 2022 for the period 2023-2029 does include funding of projects with the 2022 long-term debt issue. Some of the projects to be funded with the 2022 bond proceeds include the following:

#### Concourse and Gatehold Modernization

Phase 1 of the Concourse and Gatehold Modernization program includes ceiling and lighting improvements, window tint, wainscoting, wayfinding information displays and flooring. The program will also include consultant fees for design collaboration and project oversight.

#### Concourse G Infill Pods 2-3

The Concourse G infill between Pods 2 and 3 will provide enlarged gate hold areas, new and upgraded restrooms, new moving walkways, new mechanical rooms and air handling equipment, redevelopment of concessions space and miscellaneous relocations of tenant space within the project footprint.

#### MSP Liquid Deicer Storage Facility

This project includes construction of a new airfield runway deicer storage and off-loading facility with additional offload ports, upload ports and increased liquid capacity for airfield runway deicing chemicals.

#### Terminal 1 Mechanical Room

This mechanical room houses an aging steam pressure reducing station, an aging domestic water main meter assembly, aging HVAC pumps, fire protection valves, electrical conduits, etc. This project will expand and separate portions of the system into unused rooms and replace systems which will be safer, more efficient, more reliable and meet current code requirements.

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The table below shows sources and uses of funds in the Debt Service Fund. Bonds were defeased on January 1, 2022 and bonds are also expected to be defeased in 2024. Along with new bond issues in 2022 and 2024 comes increasing principal and interest payments.

<b>Debt Service Budget</b> ►►►						
(\$=000)						
	2021 Actual	2022 Budget	2022 Estimate	2023 Budget	2024 Projected	2025 Projected
<b>Beginning Balance January 1</b>	\$243,169	\$176,444	\$176,444	\$154,257	\$144,882	\$126,219
<b>SOURCES OF FUNDS</b>						
Transfer from Operating Fund	\$100,943	\$108,779	\$100,883	\$121,163	\$131,601	\$133,611
Transfer from PFCs <sup>1</sup>	27,743	19,667	19,667	26,874	25,563	25,309
Interest Earnings <sup>2</sup>	2	1,009	248	1,009	1,212	1,316
Bond Proceeds <sup>3</sup>	-	65,349	56,228	-	165,130	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$128,688</b>	<b>\$194,804</b>	<b>\$177,026</b>	<b>\$149,046</b>	<b>\$323,506</b>	<b>\$160,236</b>
<b>USES OF FUNDS</b>						
Bond Refundings	-	(55,598)	(55,958)	-	(181,915)	-
Principal & Interest Paid	(195,413)	(129,513)	(143,255)	(158,421)	(160,253)	(158,920)
<b>TOTAL USES OF FUNDS</b>	<b>(\$195,413)</b>	<b>(\$185,111)</b>	<b>(\$199,213)</b>	<b>(\$158,421)</b>	<b>(\$342,168)</b>	<b>(\$158,920)</b>
<b>Ending Balance December 31</b>	<b>\$176,444</b>	<b>\$186,137</b>	<b>\$154,257</b>	<b>\$144,882</b>	<b>\$126,219</b>	<b>\$127,535</b>

<sup>1</sup> Used to pay existing debt which was formerly paid for with operating funds.  
<sup>2</sup> Interest rate assumed 3.0% for the entire period  
<sup>3</sup> Includes 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 2021-2025.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is federal action addressing the crisis created by the COVID-19 pandemic. Provisions of the CARES Act provide grant assistance to airports which reimburses eligible expenses. In 2021, the MAC received a total grant reimbursement of approximately \$125.9 million from the CARES Act grant. Part of this grant reimbursed the required debt service payments.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) is another federal grant to provide additional relief in the transit industry to respond to COVID-19. In 2021, the MAC received a total grant

reimbursement of approximately \$33.5 million from CRRSAA. Required debt service payments were also reimbursed through this grant.

In 2021, the federal government awarded funds to airports through the American Rescue Plan Act (ARPA) to further assist in reimbursing eligible expenses during the COVID-19 recovery. The MAC received a total grant reimbursement of approximately \$32.6 million. A portion of this grant reimbursed the required debt service payments in 2022.

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 3.0% during 2023-2025. 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 2022 and 2024 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. As stated previously, Series 2011A and 2012B Bonds were refunded in 2022 using the line of credit. With the bond issue proceeds in 2022, the line of credit was reimbursed.

In 2021, the increase in principal and interest payments are primarily due to the advance on the line of credit to refund the two bond series. The principal and interest is now reflected in the current year due instead of spread out per previous bond maturities. Interest is a cost of carrying debt and reduces available funds for operations.

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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, 2022 are as follows:

- ▶ G9B CF 896H
- ▶ GHbXUFX/ Dccfg AA-
- ▶ : ]HW F Ujb[ g AA-

- ▶ GI 6 CF8 B5 H9 896H
- ▶ GHbXUFX/ Dccfg A+
- ▶ : ]HW F Ujb[ g 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.

- ▶ 555 Extremely strong capacity to meet financial commitments Pā @•Uāāā \*
- ▶ 55 Very strong capacity to meet financial commitments
- ▶ 5 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.



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# .....SERVICE CENTER SUMMARIES.....

As discussed in the Executive Summary section, each division has direct responsibility for one or more of the Goals outlined in the MAC's Strategic Plan. The divisions have also selected Goals for their work towards the plan. The service centers within each division have developed Objectives to further the division and organization goals, as well as Performance Measures to track progress towards those objectives. This following tables list the service centers within each Division and indicates the organization goals towards which each service center is working.

<b>Executive Division: Goals ▶▶▶</b>							
	Safety, Security & Preparedness	Customer Experience	Talent	Engagement	Air Service	Economic	Innovation
Executive - Commissioner				▶			
Executive - General				▶			
Finance & Administration			▶			▶	
Live Well, Stay Well			▶				
Executive - Operations	▶		▶	▶			
Internal Audit						▶	
Information Technology							▶
Governmental Affairs	▶			▶			
Legal Affairs			▶				

<b>Strategy &amp; Stakeholder Engagement Division: Goals ▶▶▶</b>							
	Safety, Security & Preparedness	Customer Experience	Talent	Engagement	Air Service	Economic	Innovation
Strategy & Stakeholder Engagement							▶
Strategic Communications				▶			
Air Service Development					▶		
Strategic Marketing						▶	
Stakeholder Engagement				▶			
Community Relations				▶			

Finance & Revenue Development Division: Goals ►►►							
	Safety, Security & Preparedness	Customer Experience	Talent	Engagement	Air Service	Economic	Innovation
Finance & Revenue Development						►	►
Insurance/Risk Management	►						
Finance						►	
MAC General							
Purchasing						►	
Commercial Management & Airline Affairs						►	
Concessions & Business Development		►					
MSP Airport Conference Center		►					

Human Resources & Labor Relations Division: Goals ►►►							
	Safety, Security & Preparedness	Customer Experience	Talent	Engagement	Air Service	Economic	Innovation
Human Resources & Labor Relations			►				

Planning & Development Division: Goals ►►►							
	Safety, Security & Preparedness	Customer Experience	Talent	Engagement	Air Service	Economic	Innovation
Planning & Development						►	
Airport Development						►	
Building Official		►					
Environmental Affairs	►					►	



Management & Operations Division: Goals ▶▶▶							
	Safety, Security & Preparedness	Customer Experience	Talent	Engagement	Air Service	Economic	Innovation
Management & Operations	▶						
Customer Experience		▶					
Integrated Operations	▶						
Airside Operations	▶						
Landside – Administration		▶				▶	
Facilities – Terminal 2				▶			▶
Facilities – Terminal 1	▶	▶					
Facilities – Energy Management Center			▶				
Maintenance Services & Asset Management	▶						
Trades – Administration	▶						
Trades – Electricians			▶				
Trades – Painters			▶				
Trades – Carpenters		▶					
Trades – Plumbers						▶	
Field Maintenance	▶		▶				
Relievers – Administration	▶						
Relievers – St. Paul				▶			
Relievers – Lake Elmo				▶			
Relievers – Airlake				▶			
Relievers – Flying Cloud				▶			
Relievers – Crystal				▶			
Relievers – Anoka County-Blaine				▶			
Police	▶		▶				
Fire	▶						

The following pages list each service center in alphabetical order and describes key budget information for each service center and summarizes its Goals, Objectives and Performance Measures.

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# SERVICE CENTER SUMMARIES

► Air Service Development.....	156	► Landside-Administration .....	198
► Airport Development .....	157	► Legal Affairs.....	200
► Airside Operations.....	159	► Live Well, Stay Well .....	201
► Building Official .....	161	► MAC General .....	202
► Commercial Management & Airline Affairs .....	162	► Maintenance Services & Asset Management .....	203
► Community Relations .....	163	► Management & Operations .....	204
► Concessions & Business Development .....	164	► MSP Airport Conference Center .....	205
► Customer Experience.....	165	► Planning & Development .....	206
► Environmental Affairs .....	167	► Police .....	207
► Executive-Commissioner .....	169	► Purchasing.....	209
► Executive-General.....	170	► Relievers-Administration.....	210
► Executive-Operations.....	171	► Relievers-Airlake.....	211
► Facilities-Energy Management Center.....	173	► Relievers-Anoka County-Blaine .....	212
► Facilities-Terminal 1 .....	174	► Relievers-Crystal .....	213
► Facilities-Terminal 2.....	176	► Relievers-Flying Cloud.....	214
► Field Maintenance.....	178	► Relievers-Lake Elmo.....	215
► Finance .....	180	► Relievers-St. Paul.....	216
► Finance & Administration .....	182	► Stakeholder Engagement .....	217
► Finance & Revenue Development .....	184	► Strategic Communications.....	218
► Fire.....	185	► Strategic Marketing.....	220
► Governmental Affairs .....	187	► Strategy & Stakeholder Engagement.....	221
► Human Resources & Labor Relations.....	189	► Trades-Administration.....	223
► Information Technology.....	191	► Trades-Carpenters.....	225
► Insurance/Risk Management .....	193	► Trades-Electricians .....	226
► Integrated Operations .....	195	► Trades-Painters .....	227
► Internal Audit.....	196	► Trades-Plumbers .....	228

# AIR SERVICE DEVELOPMENT

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

<b>Budget Summary</b> ►►►					
	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 166,847	\$ 172,789	\$ 198,464	\$ 25,675	14.9%
Administrative Expenses	23,951	27,098	64,902	37,804	139.5%
Professional Services	160,413	180,000	180,000	-	-
Utilities	600	600	600	-	-
Operating Services/Expenses	89	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 351,900</b>	<b>\$ 380,487</b>	<b>\$ 443,966</b>	<b>\$ 63,479</b>	<b>16.7%</b>
Full-Time Equivalent (FTE) Total	1	1	1		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Air Service Development service center. Two MAC representatives will attend air service development conferences and airline headquarters meetings.

## 2023 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Air Service

DIVISION GOAL ► Win and retain air service routes

OBJECTIVE ► Increase frequency of engagement with travel gatekeepers, such as airline network planners, corporate travel planners and local destination marketing

PERFORMANCE MEASURE ► Number of travel gatekeeper communications

TARGET ► Minimum of 75

## 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Travel gatekeeper communications

TARGET ► Minimum of 24

RESULT ► 75

# AIRPORT DEVELOPMENT

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

<b>Budget Summary</b> ► ► ►					
	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 298,272	\$ 311,141	\$ 632,135	\$ 320,994	103.2%
<b>Administrative Expenses</b>	14,809	23,855	37,120	13,265	55.6%
<b>Professional Services</b>	514,676	323,000	434,000	111,000	34.4%
<b>Utilities</b>	5,976	5,021	6,120	1,099	21.9%
<b>Operating Services/Expenses</b>	100,007	200	200	-	-
<b>Maintenance</b>	-	-	-	-	-
<b>Other</b>	-	-	2,000	2,000	-
<b>Total Budget</b>	<b>\$ 933,740</b>	<b>\$ 663,217</b>	<b>\$ 1,111,575</b>	<b>\$ 448,358</b>	<b>67.6%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>13</b>	<b>16</b>	<b>18</b>		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and two new positions to be hired in 2023.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to additional prints of aerial photographs and professional development conference attendance.

### PROFESSIONAL SERVICES

The increase in Professional Services is due to consultant service expected in 2023, document scanning, and consultant assistance for a significant overhaul and update of the Design and Construction Standards.

### UTILITIES

The increase in Utilities arises from the number of staff required to have cell phone connectivity supported by stipend or MAC-issued devices.

### OTHER

The increase to Other is due to needed office furniture replacement.

## 2023 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Utilize strategies for maintaining financial strength

OBJECTIVE #1 ► Complete continuing consultant reviews to evaluate level of service to MAC staff and stakeholders

PERFORMANCE MEASURE ► Percentage of completed continuing consultant reviews

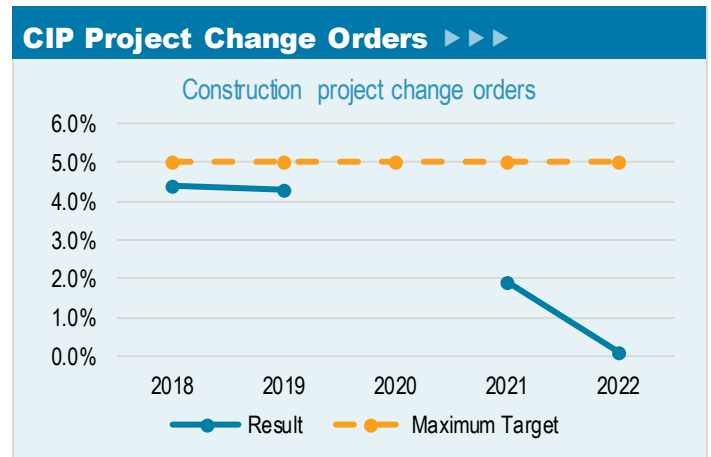
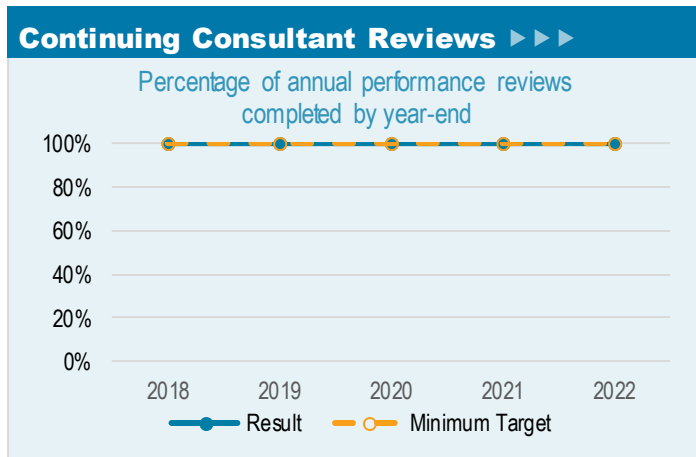
TARGET ► Minimum of 100%

OBJECTIVE #2 ► Maintain construction cost oversight

PERFORMANCE MEASURE ► CIP change order percentage

TARGET ► Maximum of 5%

### 2022 PERFORMANCE MEASURE RESULTS



2020 data is not available

# AIRSIDE OPERATIONS

Airside Operations' three primary tenets are regulatory compliance, safety and operational efficiency. Airside Operations is responsible for ensuring that MSP is in compliance with federal and state regulations, particularly Federal Aviation Regulations Part 139-Airport Certification; conducts airfield safety inspections to determine the operating status of MSP; and coordinates airfield activities with Federal Aviation Administration Air Traffic Control facilities and air carrier tenants. Airside Operations is responsible for managing the snow and ice control plan, the wildlife control program, construction safety and the airfield driver's training and testing program. Airside Operations is the 24/7 non-emergency point-of-contact for MSP tenants.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 1,703,176	\$ 1,850,117	\$ 2,224,197	\$ 374,080	20.2%
Administrative Expenses	20,245	50,499	63,426	12,927	25.6%
Professional Services	137,276	102,928	108,403	5,475	5.3%
Utilities	18,140	18,837	16,524	(2,313)	-12.3%
Operating Services/Expenses	379	5,849	5,849	-	-
Maintenance	7,660	8,488	8,488	-	-
Other	8,454	19,500	22,000	2,500	12.8%
<b>Total Budget</b>	<b>\$ 1,895,330</b>	<b>\$ 2,056,218</b>	<b>\$ 2,448,887</b>	<b>\$ 392,669</b>	<b>19.1%</b>
Full-Time Equivalent (FTE) Total	17	19	18		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime. One staff moved to the Integrated Operations service center in 2023.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Airside Operations service center.

#### PROFESSIONAL SERVICES

Professional Services increased with higher costs in the wildlife management contract.

#### UTILITIES

Utilities decreased as a result of staff mobile phone service changes.

#### OTHER

Other expenses increased as a result of inflated wildlife management program material costs.

### 2023 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE #1** ► Manage and improve the MSP airfield operation

**PERFORMANCE MEASURE** ► Vehicle/pedestrian deviations

**TARGET** ► No deviations

**OBJECTIVE #2** ► Operationalize the new drivers training

**PERFORMANCE MEASURE** ► Program is operational by July 1, 2023

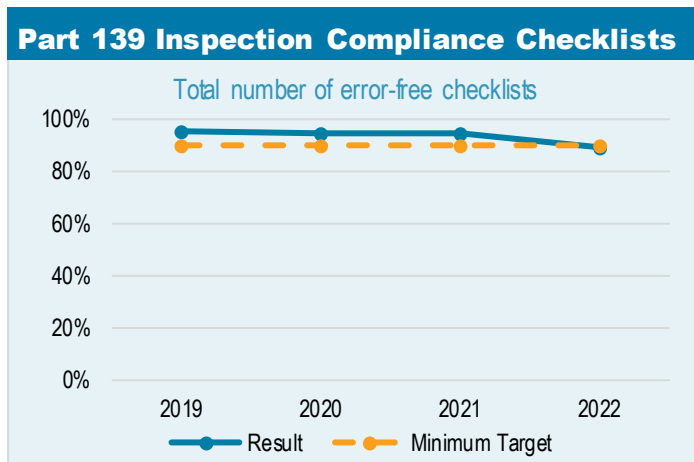
**AIRSIDE OPERATIONS** Continued on next page

### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ▶ Vehicle and pedestrian runway incursions

TARGET ▶ Maximum of 0

RESULT ▶ 3





# BUILDING OFFICIAL

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 193,509	\$ 192,882	\$ 120,425	\$ (72,457)	-37.6%
Administrative Expenses	1,043	-	600	600	-
Professional Services	-	-	-	-	-
Utilities	2,343	2,196	1,100	(1,096)	-49.9%
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 196,895</b>	<b>\$ 195,078</b>	<b>\$ 122,125</b>	<b>\$ (72,953)</b>	<b>-37.4%</b>
Full-Time Equivalent (FTE) Total	2	2	1		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The decrease in Personnel is attributable to one staff moving to Planning and Development.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses includes travel expenses for business-related courses.

### 2023 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Grow stakeholder & community engagement

**OBJECTIVE** ► Maintain a high level of customer service through a timely and efficient building inspection process

**PERFORMANCE MEASURE #1** ► Percent of building inspections completed within 24 hours of scheduled time

**TARGET** ► Minimum of 100%

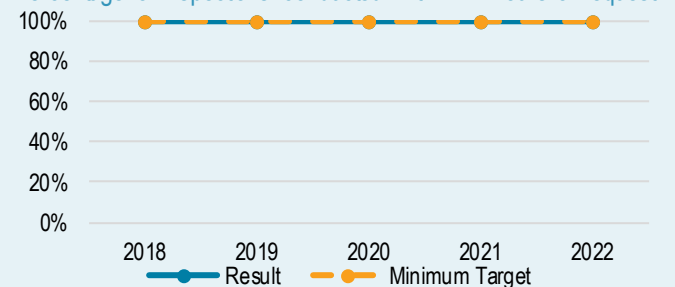
**PERFORMANCE MEASURE #2** ► Percent of construction plan reviews completed within 14 days of receipt

**TARGET** ► Minimum of 100%

### 2022 PERFORMANCE MEASURE RESULTS

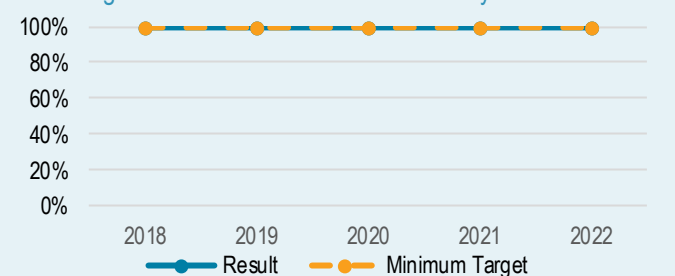
#### Building Inspections ►►►

Percentage of inspections conducted within 24 hours of request



#### Construction Plan Reviews ►►►

Percentage of reviews conducted within 14 days of submission



# COMMERCIAL MANAGEMENT & AIRLINE AFFAIRS

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 420,473	\$ 534,733	\$ 597,990	\$ 63,257	11.8%
Administrative Expenses	3,892	3,850	12,010	8,160	211.9%
Professional Services	24,125	105,000	67,500	(37,500)	-35.7%
Utilities	1,886	1,800	2,400	600	33.3%
Operating Services/Expenses	3,175	300	-	(300)	-100.0%
Maintenance	113,962	243,850	237,945	(5,905)	-2.4%
Other	-	-	12,500	12,500	-
<b>Total Budget</b>	<b>\$ 567,513</b>	<b>\$ 889,533</b>	<b>\$ 930,345</b>	<b>\$ 40,812</b>	<b>4.6%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>3</b>	<b>4</b>	<b>4</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Commercial Management & Airline Affairs service center.

#### PROFESSIONAL SERVICES

The decrease in Professional Services relates to a critical phase of the real estate assessment project being completed in 2022.

#### UTILITIES

The increase in Utilities relates to the addition of a new staff member to the cell phone stipend plan.

#### OPERATING SERVICES/EXPENSES

The reduction in Operating Services/Expenses relates to no advertising planned for 2023.

#### OTHER

The increase in Other expenses relates to the purchase of office furniture for the new staff member.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Real estate assessment and implementation

OBJECTIVE ► Diversify the MAC’s revenue portfolio and enhance its financial strength through non-aeronautical land development

PERFORMANCE MEASURE ► Number of new land lease projects completed at either MSP or the Reliever airports

TARGET ► Minimum of 2

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► New non-aeronautical leases

TARGET ► Minimum of 2

RESULT ► 1

NOTE ► Staff completed the Lease renewal with the City of Eden Prairie for the use of the Flying Cloud Airport ball fields. Additionally, staff is in the final negotiation on a new development on the corner lot at the Anoka County – Blaine airport for a commercial development. Staff also completed the sale of the Long Meadow Circle property in Bloomington.

# COMMUNITY RELATIONS

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 446,418	\$ 452,966	\$ 501,740	\$ 48,774	10.8%
Administrative Expenses	2,227	3,700	15,040	11,340	306.5%
Professional Services	41,282	100,000	160,000	60,000	60.0%
Utilities	20,490	24,300	24,300	-	-
Operating Services/Expenses	125,793	106,300	88,000	(18,300)	-17.2%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 636,210</b>	<b>\$ 687,266</b>	<b>\$ 789,080</b>	<b>\$ 101,814</b>	<b>14.8%</b>
Full-Time Equivalent (FTE) Total	4	4	4		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Community Relations service center for staff who sit on national conference planning committees. A modest increase for office supplies is included to support hybrid community meetings.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to an Aviation Environmental Design Tool (AEDT) modeling project for reduced thrust take-offs at MSP Airport and designing a new targeted outreach plan to grow community/stakeholder engagement.

#### MAINTENANCE

The decrease in Operating Services/Expenses is due to the exclusion of the Crystal Airport Noise Level Reduction Testing, which was completed in 2022.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Grow stakeholder & community engagement

OBJECTIVE ► Develop and implement priority engagement activities

PERFORMANCE MEASURE ► Number of MSP Noise Oversight Committee and Reliever airport commission meetings organized, coordinated and held

TARGET ► Minimum of 20 meetings

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Number of hours spent engaging with our stakeholders

TARGET ► Minimum of 300

RESULT ► 324.35

# CONCESSIONS & BUSINESS DEVELOPMENT

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 524,463	\$ 636,111	\$ 699,742	\$ 63,631	10.0%
Administrative Expenses	-	2,275	12,660	10,385	456.5%
Professional Services	2,203	72,500	141,000	68,500	94.5%
Utilities	2,100	3,240	3,600	360	11.1%
Operating Services/Expenses	592	2,000	3,000	1,000	50.0%
Maintenance	-	-	-	-	-
Other	-	500	500	-	-
<b>Total Budget</b>	<b>\$ 529,358</b>	<b>\$ 716,626</b>	<b>\$ 860,502</b>	<b>\$ 143,876</b>	<b>20.1%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>5</b>	<b>6</b>	<b>6</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased for additional miscellaneous office supplies, an iPad for iAuditor use and costs to attend the Airport Experience Conference for two staff.

#### PROFESSIONAL SERVICES

Professional Services increased to hire a consultant for the MSP Strategic Partnership Program.

#### UTILITIES

A slight increase is included in Utilities to accommodate an additional phone stipend.

#### OPERATING SERVICES/EXPENSES

Operating Services/Expenses increased for the Secret Shopper Program in 2023. This includes the cost of the third party who conducts the secret shops, the dollars they spend at the concessions and the gift cards to those who are scored 100% on their secret shops.

### 2023 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Customer Experience

DIVISION GOAL ► “One Journey” experience

OBJECTIVE #1 ► Improve customer experience at Terminal 2 by rebidding the concessions program

PERFORMANCE MEASURE ► Percentage of new Terminal 2 concessions contracts executed

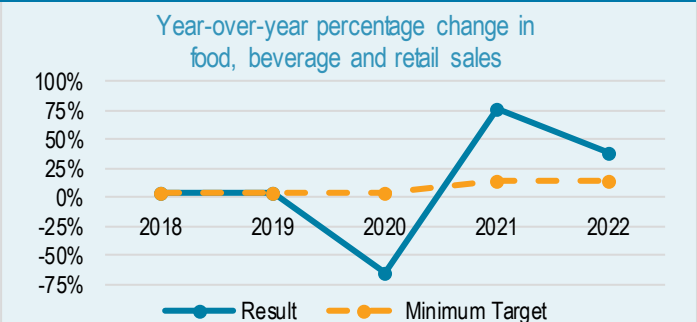
TARGET ► Minimum of 100%

OBJECTIVE #2 ► Improve customer service by reestablishing the Secret Shopper program

PERFORMANCE MEASURE ► Increase MSP’s concessions Airport Service Quality survey scores year-over-year

### 2022 PERFORMANCE MEASURE RESULTS

#### Concessions Gross Sales ►►►



# CUSTOMER EXPERIENCE

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 240,230	\$ 241,552	\$ 1,650,804	\$ 1,409,252	583.4%
Administrative Expenses	15,845	43,400	49,676	6,276	14.5%
Professional Services	-	-	-	-	-
Utilities	1,200	1,200	4,440	3,240	270.0%
Operating Services/Expenses	1,215,960	1,688,488	1,945,000	256,512	15.2%
Maintenance	-	-	-	-	-
Other	3,090	-	-	-	-
<b>Total Budget</b>	<b>\$ 1,476,325</b>	<b>\$ 1,974,640</b>	<b>\$ 3,649,920</b>	<b>\$ 1,675,280</b>	<b>84.8%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>2</b>	<b>2</b>	<b>25</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to 23 passenger services assistants moving from Landside Operations to Customer Experience. The increase also includes wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses results from moving the passenger services assistant positions to Customer Experience from Landside Operations.

#### UTILITIES

The increase in Utilities results from additional phone stipends for the passenger services assistants moved from Landside Operations.

#### OPERATING SERVICES/EXPENSES

The increase in Other expenses is due to Innovative Handling Solutions queue/porter contract costs and reflects renewal rates approved by the commission.

### 2023 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Provide excellent "One Journey" customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

**OBJECTIVE #1** ► Implement a Voice of the Customer Program that brings together established customer feedback mechanisms into one comprehensive system that will be used by MSP stakeholders to make customer experience enhancements

**PERFORMANCE MEASURE** ► Implement program by year-end

**OBJECTIVE #2** ► Implement an enhanced customer service training program for MSP employees

**PERFORMANCE MEASURE** ► Implement Phase 1 by year-end

## 2022 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ▶ Voice of the Customer Program is implemented

**TARGET** ▶ Completion

**RESULT** ▶ Completed

**Note** ▶ Voice of the Customer Program pilot completed. Rollout begins in January 2023

**PERFORMANCE MEASURE** ▶ Implement an enhanced customer service training program for MSP employees

**TARGET** ▶ Phase 1 of enhanced customer service training is implemented

**RESULT** ▶ Partial completion

**NOTE** ▶ Enhanced training program still in discussion phase. Looking to implement phase 1 in late 2023.

# ENVIRONMENTAL AFFAIRS

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 394,246	\$ 441,020	\$ 505,927	\$ 64,907	14.7%
Administrative Expenses	1,015	4,300	4,300	-	-
Professional Services	434,317	501,000	713,500	212,500	42.4%
Utilities	3,192	4,000	4,000	-	-
Operating Services/Expenses	1,692,023	1,942,900	1,913,400	(29,500)	-1.5%
Maintenance	-	-	30,000	30,000	-
Other	7,470	25,350	19,200	(6,150)	-24.3%
<b>Total Budget</b>	<b>\$ 2,532,263</b>	<b>\$ 2,918,570</b>	<b>\$ 3,190,327</b>	<b>\$ 271,757</b>	<b>9.3%</b>
Full-Time Equivalent (FTE) Total	4	4	5		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and one new position to be hired in 2023.

#### PROFESSIONAL SERVICES

The increase in Professional Services will address continuing and new regulatory compliance requirements related to water quality, air quality, soil management and hazardous waste. The increase in Professional Services is also driven by an addition of funds for an MSP Stormwater Study, which will comprehensively evaluate the storm sewer system and complete the storm sewer model to support efficient stormwater management for current operations and future development on the MSP campus.

#### OPERATING SERVICES/EXPENSES

Operating Services/Expenses was reduced for better alignment of actual and anticipated expenditures.

#### MAINTENANCE

Maintenance increased due to the transfer of ongoing routine MSP tank compliance costs from Field

Maintenance, which better aligns the budget with Environmental Affairs' responsibilities.

#### OTHER

Other expenses were reduced for better alignment of actual and anticipated expenditures.

### 2023 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Grow stakeholder & community engagement

OBJECTIVE ► Provide high-level engagement with regulatory entities and other internal and external customers

PERFORMANCE MEASURE ► Submit on-time and accurate required environmental permits and compliance reports

**ENVIRONMENTAL AFFAIRS** *Continued on next page*

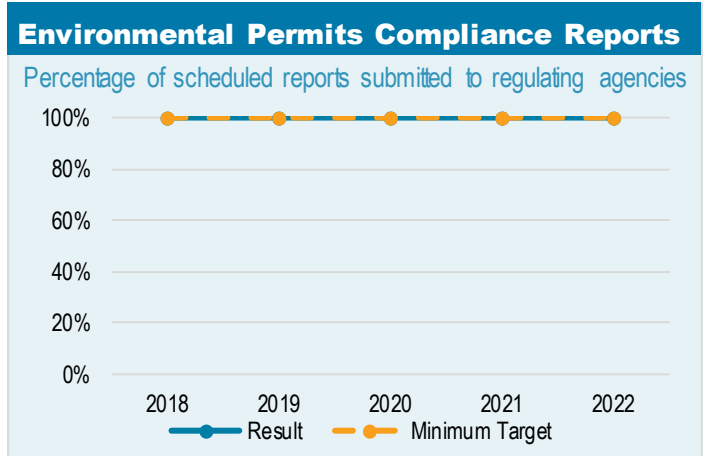
**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Keep our airports safe and secure

**OBJECTIVE** ► Enhance and promote safe work practices at the department level and with other internal and external partners

**PERFORMANCE MEASURE** ► Complete applicable safety trainings and update program standard operating procedures

### 2022 PERFORMANCE MEASURE RESULTS





# EXECUTIVE – COMMISSIONER

The responsibilities of the Board of Commissioners are: 1) promoting public welfare; 2) promoting national, international, state and local air transportation; 3) promoting the safe, efficient and economical handling of air commerce both nationally and internationally, developing the potential of the metropolitan area as an aviation center and providing for the most economical and effective use of aeronautical facilities and services; and 4) assuring metropolitan area residents that the environmental impact from air transportation will be minimized by promoting the overall goals of the state's environmental policies, minimizing the public's exposure to noise and pursuing the highest level of safety at all Commission airports.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 46,163	\$ 56,062	\$ 57,100	\$ 1,038	1.9%
Administrative Expenses	6,832	10,175	28,975	18,800	184.8%
Professional Services	-	-	-	-	-
Utilities	-	600	635	35	5.8%
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 52,995</b>	<b>\$ 66,837</b>	<b>\$ 86,710</b>	<b>\$ 19,873</b>	<b>29.7%</b>
Full-Time Equivalent (FTE) Total	0.5	0.5	0.5		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel was budgeted in the Executive-Commissioner service center.

### 2023 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► In partnership with the CEO, ensure Commission and staff alignment with enterprise strategic plan

OBJECTIVE ► In partnership with the CEO, ensure Commission and staff alignment with enterprise strategic plan

PERFORMANCE MEASURE ► Commission approval of the enterprise strategic plan

### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Commission approval of the enterprise strategic plan for period 2023-2027

TARGET ► Approval obtained

RESULT ► Approval obtained

# EXECUTIVE – GENERAL

The Executive – General service center is responsible for the overall administration of the Metropolitan Airports Commission and for the implementation of all Commission policies. The Office of the Executive Director/CEO is directly accountable to the Board of Commissioners for the safe and efficient operation of the seven airports under the Commission's jurisdiction. Responsibilities include the coordination, direction and implementation of programs and services of the Commission, as well as external relations with those regulatory agencies and governmental bodies concerned with the operation and administration of the Commission and its airports.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 466,614	\$ 471,909	\$ 519,844	\$ 47,935	10.2%
Administrative Expenses	319,346	187,213	216,678	29,465	15.7%
Professional Services	-	-	-	-	-
Utilities	5,855	1,200	1,240	40	3.3%
Operating Services/Expenses	-	400,000	-	(400,000)	-100.0%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 791,815</b>	<b>\$ 1,060,322</b>	<b>\$ 737,762</b>	<b>\$ (322,560)</b>	<b>-30.4%</b>
Full-Time Equivalent (FTE) Total	2	2	2		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Executive-General service center.

#### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses is directly related to the Airports Council International-North America (ACI-NA) 2022 Annual Conference held in Minneapolis in September 2022.

### 2023 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Enhance internal and external stakeholder communication and community engagement

OBJECTIVE ► Advance organization in alignment with enterprise strategic plan

PERFORMANCE MEASURE ► Develop the enterprise strategic plan for period 2023 to 2027 and recommend it to the Commission for approval

### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Develop the enterprise strategic plan for period 2023 to 2027 and recommend to it the Commission for approval

TARGET ► Development and recommendation completed

RESULT ► Development and recommendation completed

# EXECUTIVE – OPERATIONS

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 499,854	\$ 540,700	\$ 611,731	\$ 71,031	13.1%
Administrative Expenses	5,119	14,195	40,695	26,500	186.7%
Professional Services	11,395	41,000	101,000	60,000	146.3%
Utilities	1,700	1,200	2,400	1,200	100.0%
Operating Services/Expenses	33,343	123,200	129,220	6,020	4.9%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 551,411</b>	<b>\$ 720,295</b>	<b>\$ 885,046</b>	<b>\$ 164,751</b>	<b>22.9%</b>
Full-Time Equivalent (FTE) Total	3	4	4		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Executive-Operations service center to participate in ACI-NA leadership roles, panel participation and American Association of Airport Executives involvement.

#### PROFESSIONAL SERVICES

The Professional Services increase is attributable to Safety Management Systems implementation consultant services.

#### UTILITIES

The Utilities increase includes cell phone stipend and data card monthly charges for the new Safety Management Systems Manager.

### OPERATING SERVICES/EXPENSES

The increase in Other expenses is attributable to the MSP Nice Celebration.

### 2023 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Grow stakeholder & community engagement

OBJECTIVE ► Promote coordination, engagement and community support for the "One Journey" concept throughout the MAC's operations

PERFORMANCE MEASURE ► Number of Customer Service Action Council meetings

TARGET ► Minimum of 9

**EXECUTIVE – OPERATIONS** Continued on next page

**ORGANIZATIONAL GOAL ▶ Talent**

DIVISION GOAL ▶ Employee development

OBJECTIVE ▶ Provide training, education and mentoring to support personal growth and development to meet organizational needs

PERFORMANCE MEASURE ▶ Attend leadership development training to meet supervisory role and responsibilities

**ORGANIZATIONAL GOAL ▶ Safety, Security & Preparedness**

DIVISION GOAL ▶ Improve the MAC's safety program

OBJECTIVE ▶ Implement a Safety Management System that meets the Federal Aviation Administration's regulatory requirement

PERFORMANCE MEASURE ▶ Implement an operational program by year-end 2023

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE ▶ Customer Service**  
Action Council meetings

TARGET ▶ Minimum of 9

RESULT ▶ 11

# FACILITIES – ENERGY MANAGEMENT CENTER

The Energy Management Center (EMC) is responsible for the heating, ventilation and air conditioning (HVAC) of all MAC facilities. Staff provide 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. The EMC utilizes an Intelligent Monitoring and Control System (IMACS) to operate and maintain the complex and growing airport HVAC systems; monitors 350 carbon monoxide sensors spread around the MSP campus; responds to all incoming HVAC-related calls; keeps detailed records of gas, oil, water and steam usage and tracks all repair work and preventative maintenance.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 1,891,903	\$ 1,988,122	\$ 2,229,227	\$ 241,105	12.1%
Administrative Expenses	1,945	1,763	3,063	1,300	73.7%
Professional Services	34,982	40,000	40,000	-	-
Utilities	14,541	18,524	18,524	-	-
Operating Services/Expenses	40,521	-	-	-	-
Maintenance	1,647,164	2,196,400	2,354,086	157,686	7.2%
Other	3,060	4,655	4,667	12	0.3%
<b>Total Budget</b>	<b>\$ 3,634,116</b>	<b>\$ 4,249,464</b>	<b>\$ 4,649,567</b>	<b>\$ 400,103</b>	<b>9.4%</b>
Full-Time Equivalent (FTE) Total	21	22	22		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is for International Facilities Management Association memberships and to attend the annual Knowledge Transfer Day.

#### MAINTENANCE

The increase in Maintenance is due to a contractual increase in the Intelligent Monitoring and Control Systems contract for 2023. It also includes the addition of pond evaporator service at Lake Elmo and an increase for other equipment. The plan is to be proactive and purchase and replace the evaporators before they fail. This will reduce down time from supply chain issues and long lead times.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Engage employees and equip them with the tools and skills to be successful

OBJECTIVE ► Train the crew on HVAC sustainability

PERFORMANCE MEASURE ► Number of training sessions held

TARGET ► Minimum of 4

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► HVAC sustainability training sessions held

TARGET ► Minimum of 4

RESULT ► 4

# FACILITIES – TERMINAL 1

Facilities – Terminal 1 is responsible for the overall operation, maintenance, cleaning, heating and cooling of the MSP Terminal facilities and all MAC campus buildings. This service center also provides management oversight for various service, operation and maintenance contracts and responds to both immediate and long-term tenant and public needs. Facilities-Terminal 1 also works with and coordinates with several MAC departments to ensure that Capital Improvement Projects, on-going maintenance projects and facility repairs are completed with the least amount of disruption to the traveling public and terminal building operations in order to maintain MSP at a high level of service consistent with the expectations of its internal and external customers and partners.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 827,686	\$ 838,589	\$ 1,144,750	\$ 306,161	36.5%
Administrative Expenses	3,555	3,550	12,170	8,620	242.8%
Professional Services	211,152	308,614	397,889	89,275	28.9%
Utilities	5,250	5,500	5,235	(265)	-4.8%
Operating Services/Expenses	2,413,457	2,765,430	2,916,076	150,646	5.4%
Maintenance	26,085,252	30,001,664	31,435,721	1,434,057	4.8%
Other	-	750	750	-	-
<b>Total Budget</b>	<b>\$ 29,546,352</b>	<b>\$ 33,924,097</b>	<b>\$ 35,912,591</b>	<b>\$ 1,988,494</b>	<b>5.9%</b>
Full-Time Equivalent (FTE) Total	9	9	11		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and one new position to be hired in 2023. In addition, one staff moved from Trades-Painters to this service center.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Facilities - Terminal 1 service center for two staff members to attend industry-related conferences in 2023.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to the expanded scope of services for conveyance consulting. The scope was temporarily reduced in 2020, 2021 and 2022 as a cost-saving measure in response to the pandemic. Since 2020, 43 new units have been added to the maintenance portfolio. These units need to be incorporated in the regular conveyance group inspections.

#### UTILITIES

The slight decrease in Utilities aligns with current stipends for approved staff member cell phones.

#### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is the result of restoring the logistics contract back to pre-pandemic staffing levels, which includes a 3% contractual rate increase for 2023.

#### MAINTENANCE

The increase in Maintenance is due to restoring general janitorial cleaning and interior window cleaning frequencies to pre-pandemic levels as well as adding several new MAC-owned building and terminal spaces to the janitorial contract. Included in the contract is an increase of 4% due to higher wages and supply costs associated with the contract. Additionally, the increase reflects contractual increases for trash and recycling, tram maintenance, conveyance maintenance and a significant increase in the cost of restroom and cleaning supplies due to inflation and adjusting to 90% of pre-pandemic levels.

**FACILITIES – TERMINAL 1** Continued on next page

**2023 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ▶ Customer Experience

**DIVISION GOAL** ▶ Provide excellent "One Journey" customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

**OBJECTIVE** ▶ Build upon the continued success of the Travel Confidently MSP cleaning program by achieving industry health, safety and cleanliness reaccreditations through implementation of specific standards, protocols and industry best practices.

**PERFORMANCE MEASURE #1** ▶ Achieve AAAE Global Biorisk Accreditation Center (GBAC) Star Facility reaccreditation by year-end

**PERFORMANCE MEASURE #2** ▶ Achieve ACI Airport Health Accreditation Program reaccreditation by year-end

**ORGANIZATIONAL GOAL** ▶ Safety, Security & Preparedness

**DIVISION GOAL** ▶ Implement the Interconnected Operations Program

**OBJECTIVE** ▶ Implement department strategic planning initiative to support M&O Division Service Operating Model framework and future vision

**PERFORMANCE MEASURE** ▶ Complete implementation by April 30, 2023

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Achieve AAAE Global Biorisk Accreditation Center (GBAC) Star Facility reaccreditation

**TARGET** ▶ Reaccreditation achieved

**RESULT** ▶ Complete

**PERFORMANCE MEASURE** ▶ Achieve ACI Airport Health Accreditation Program reaccreditation

**TARGET** ▶ Reaccreditation achieved

**RESULT** ▶ Complete

**PERFORMANCE MEASURE** ▶ Concept of Operations is developed and complete

**TARGET** ▶ 100% Completion

**RESULT** ▶ Partial completion

**NOTE** ▶ The draft is completed, the document will be finalized in the first quarter of 2023.

## FACILITIES – TERMINAL 2

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

### Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 766,361	\$ 781,949	\$ 841,217	\$ 59,268	7.6%
Administrative Expenses	1,353	3,525	4,546	1,021	29.0%
Professional Services	-	-	-	-	-
Utilities	1,800	2,280	3,645	1,365	59.9%
Operating Services/Expenses	316	2,450	1,980	(470)	-19.2%
Maintenance	1,227,899	1,391,962	1,569,852	177,890	12.8%
Other	1,446	29,850	28,650	(1,200)	-4.0%
<b>Total Budget</b>	<b>\$ 1,999,175</b>	<b>\$ 2,212,016</b>	<b>\$ 2,449,890</b>	<b>\$ 237,874</b>	<b>10.8%</b>
Full-Time Equivalent (FTE) Total	10	9	9		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Facilities - Terminal 2 service center for Airlines Council International-North America Facilitation Committee meetings and conferences.

#### UTILITIES

Utilities increased for one additional mobile phone stipend for a new position.

#### OPERATING SERVICES/EXPENSES

Operating Services/Expenses decreased to align with recent annual spending.

#### MAINTENANCE

The increase in Maintenance is the result of increased costs associated with the renewal of the jet bridge and Baggage Handling System maintenance and support

contract and increased costs for parts from suppliers for oversized bag notification system improvements.

#### OTHER

A one-time furniture request in 2022 explains the decrease in Other expenses in the 2023 budget.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Innovation

DIVISION GOAL ► Implement the Interconnected Operations Program

OBJECTIVE ► Improve work efficiencies and operational collaboration with internal and external stakeholders

PERFORMANCE MEASURE ► Complete high priority integrations and enhancements of the new Resource Management System by year-end 2023.



**ORGANIZATIONAL GOAL** ▶ Engagement

**DIVISION GOAL** ▶ Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ▶ Partner with airlines and other stakeholders to implement a more efficient oversized baggage tracking and notification system in Terminal 2, improve baggage handling efficiency and customer service and reduce airline missed bag costs

**PERFORMANCE MEASURE** ▶ Number of missed oversized bags at Terminal 2 in the fourth quarter of 2023

**TARGET** ▶ No missed bags

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Complete a procurement plan for a new Resource Management System

**TARGET** ▶ Plan is complete

**RESULT** ▶ Partial completion

**NOTE** ▶ The New Resource Management System is installed and operational, ongoing acceptance testing, final acceptance in February 2023.

**PERFORMANCE MEASURE** ▶ Resource Management System is aligned with division Concept of Operations Progress

**TARGET** ▶ 100% alignment

**RESULT** ▶ 100% alignment

# FIELD MAINTENANCE

Field Maintenance core competencies include Part 139 compliance, snow and ice removal operations, pavement maintenance, parking ramp maintenance, landscaping, signage and fencing, environmental tasks, fleet services, emergency programs, daily customer experience housekeeping and additional miscellaneous duties. Winter responsibilities include the removal of 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.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 9,282,329	\$ 10,029,361	\$ 11,186,521	\$ 1,157,160	11.5%
Administrative Expenses	9,113	8,275	34,125	25,850	312.4%
Professional Services	-	60,000	276,000	216,000	360.0%
Utilities	27,566	23,520	23,675	155	0.7%
Operating Services/Expenses	50,790	158,230	190,600	32,370	20.5%
Maintenance	5,417,070	5,550,268	8,172,931	2,622,663	47.3%
Other	25,973	47,900	167,430	119,530	249.5%
<b>Total Budget</b>	<b>\$ 14,812,841</b>	<b>\$ 15,877,554</b>	<b>\$ 20,051,282</b>	<b>\$ 4,173,728</b>	<b>26.3%</b>
Full-Time Equivalent (FTE) Total	102	109	111		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime. Two FTEs moved to the Information Technology and Management and Operations service centers and four new positions are scheduled to be hired in 2023. The 2023 budget also covers higher union health benefit costs and additional training.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is the result of deferred training and travel for employees that serve on an industry committee, benchmarking trips for new field maintenance management and crew best practices training for core competencies.

#### PROFESSIONAL SERVICES

The increase in Professional Services is the result of a field maintenance resource study that has been deferred for three years and an increase in expenses for annual Engineered Material Arresting System inspections by the manufacturer.

#### UTILITIES

The increase in Utilities is the result of additional routers to vehicles for computer usage by staff.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is driven by the recycling of materials and equipment that was paused in response to the pandemic. No further deferment can occur without loss of building and land space, which is already at a premium for the department.

#### MAINTENANCE

The increase in Maintenance is a result of inflation on materials, a switch to commodity pricing and an increase in raw material costs from manufacturers during the supply chain crisis. Inflation has also affected trucking costs, oil prices and vendor costs. Due to the supply chain issues, the department is adding vehicle leasing for MAC departments in an effort to try and control capital equipment expenses and delays in production.

**FIELD MAINTENANCE** Continued on next page

**OTHER**

The increase in Other expenses is due to the forecasted purchase of minor assets that were deferred in response to the pandemic. The equipment is past the end of its useful life and cannot be deferred any longer without a loss of department capability and loss of service level expectations of our customers.

**2023 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ▶ Safety, Security & Preparedness

**DIVISION GOAL** ▶ Implement the Interconnected Operations Program

**OBJECTIVE** ▶ Train managers and foremen to use Cityworks so that they conduct at least 75% of pavement discrepancy documentation via Cityworks with an error rate of less than 10%

**PERFORMANCE MEASURE** ▶ Percentage of errors in work order closeouts in Cityworks application

**TARGET** ▶ Maximum of 10%

**ORGANIZATIONAL GOAL** ▶ Talent

**DIVISION GOAL** ▶ Engage employees and equip them with the tools and skills to be successful

**OBJECTIVE** ▶ Partner with Human Resources to develop a comprehensive workforce planning program, based on a recent department study, utilizing HR analytics to define specific hiring practices, scenario planning and hiring due to retirement and attrition rates by job class

**PERFORMANCE MEASURE** ▶ Implement Human Resources business continuity staffing strategy

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Percentage of errors in work order closeouts in Cityworks application

**TARGET** ▶ Maximum of 10%

**RESULT** ▶ 1%

**PERFORMANCE MEASURE** ▶ On-site vehicle and equipment operation training sessions

**TARGET** ▶ Minimum of 3

**RESULT** ▶ 4

# FINANCE

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 1,452,496	\$ 1,520,686	\$ 1,735,652	\$ 214,966	14.1%
Administrative Expenses	6,905	8,471	11,107	2,636	31.1%
Professional Services	251,206	211,200	229,500	18,300	8.7%
Utilities	2,700	3,000	3,000	-	-
Operating Services/Expenses	190,599	210,667	204,900	(5,767)	-2.7%
Maintenance	-	-	-	-	-
Other	195	2,000	2,200	200	10.0%
<b>Total Budget</b>	<b>\$ 1,904,101</b>	<b>\$ 1,956,024</b>	<b>\$ 2,186,359</b>	<b>\$ 230,335</b>	<b>11.8%</b>
Full-Time Equivalent (FTE) Total	14	15	15		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and repurposing an open position within Finance to a supervisory level to better allocate workload.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Finance service center.

#### PROFESSIONAL SERVICES

The increase in Professional Services expense is related to a rise in accounting and audit fees.

#### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses derives from aligning bank fees to recent actual spending.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

#### DIVISION GOAL ► Deliver financial excellence

OBJECTIVE ► Assist MAC business units in managing revenues and expenses by providing current information

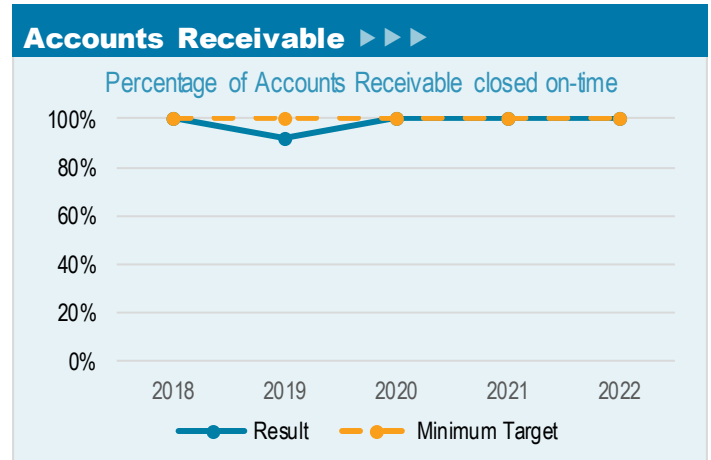
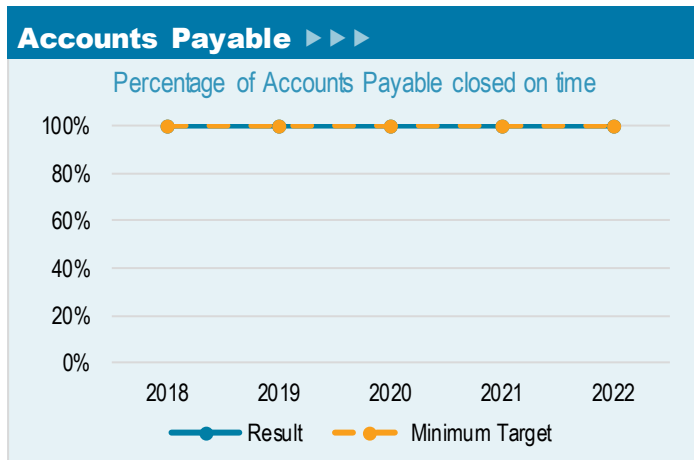
PERFORMANCE MEASURE #1 ► Percent of months in which accounts payable was closed on-time

TARGET ► Minimum of 100%

PERFORMANCE MEASURE #2 ► Percent of months in which accounts receivable was closed on-time

TARGET ► Minimum of 100%

### 2022 PERFORMANCE MEASURE RESULTS



# FINANCE & ADMINISTRATION

Finance & Administration is responsible for overseeing the Finance & Revenue Development and Human Resources & Labor Relations divisions. The service center also oversees and guides the strategic implementation and management of the organization’s Live Well, Stay Well service center; ensures the divisions' alignment on the Commission’s enterprise strategic plan; and oversees policies and provides strategic guidance for the Human Resources and Labor Relation and Finance and Revenue Development divisions.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 467,723	\$ 470,548	\$ 317,908	\$ (152,640)	-32.4%
Administrative Expenses	6,401	800	16,180	15,380	1922.5%
Professional Services	-	50,000	-	(50,000)	-100.0%
Utilities	1,200	1,200	1,080	(120)	-10.0%
Operating Services/Expenses	-	12,500	-	(12,500)	-100.0%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 475,324</b>	<b>\$ 535,048</b>	<b>\$ 335,168</b>	<b>\$ (199,880)</b>	<b>-37.4%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>3</b>	<b>3</b>	<b>2</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

Personnel decreased as the Vice President of Finance & Revenue Development moved to the new Finance & Revenue Development service center. This decrease is offset by wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel was budgeted in the Finance & Administrative service center. The 2023 budget also includes an international business trip.

#### PROFESSIONAL SERVICES

The costs for Professional Services moved to the Finance & Revenue Development budget.

#### UTILITIES

Utilities decreased as one annual phone stipend moved to the Finance & Revenue Development budget.

### OPERATING SERVICES/EXPENSES

Conference sponsorships were included as a one-time expense in the 2022 budget. This caused the reduction in the 2023 Operating Expenses/Services budget.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Retain and attract a qualified workforce

OBJECTIVE ► Develop or review policies addressing a competitive workplace

PERFORMANCE MEASURE ► Number of policies developed or reviewed

TARGET ► Minimum of two

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Deliver financial excellence

OBJECTIVE ► Guide the organization to ensure revenues and expenses are sufficient to meet bondholder requirements

PERFORMANCE MEASURE ► Overall debt service coverage

TARGET ► Minimum of 1.4 times

**FINANCE & ADMINISTRATION** *Continued on next page*

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Overall debt service coverage

**TARGET** ▶ Minimum of 1.4 times

**RESULT** ▶ 1.53 times

# FINANCE & REVENUE DEVELOPMENT

Finance & Revenue Development is responsible for overseeing the implementation of the Commission’s financial policies, financial planning and analysis, budgeting, revenue development, commercial management, airline affairs, insurance and risk management. As part of implementing the Commission's financial policies, Finance & Revenue Development establishes strong fiscal and budgetary practices that provide funding as required for operating and capital expenditures for its system of airports, as well as good business practices to optimize the generation of revenues, both aeronautical and non-aeronautical. The Vice President, Finance and Revenue Development is the staff liaison to the Commission’s Operations, Finance & Administration Committee.

<b>Budget Summary</b> ►►►					
	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ -	\$ -	\$ 205,412	\$ 205,412	-
Administrative Expenses	-	-	5,030	5,030	-
Professional Services	-	-	50,000	50,000	-
Utilities	-	-	1,080	1,080	-
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 261,522</b>	<b>\$ 261,522</b>	<b>-</b>
Full-Time Equivalent (FTE) Total	0	0	1		

## BUDGET HIGHLIGHTS

### PERSONNEL

Finance & Revenue Development is a new service center, which includes staff personnel costs.

### ADMINISTRATIVE EXPENSES

The budget of the Vice President of Finance & Revenue Development moved to this new service center from the Finance & Administration budget. Office supplies, memberships and travel costs for Airports Council International conferences are included in the Administrative Expenses.

### PROFESSIONAL SERVICES

Professional Services holds costs for advisers for financial model updating and financial forecasting. These costs are moved from the Finance & Administration budget.

## 2023 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Support Commercial Management & Airline Affairs in completing the real estate assessment and implementation

OBJECTIVE ► Complete an assessment of the west cargo parcel and determine next steps to ensure it is shovel ready for a cargo tenant

PERFORMANCE MEASURE ► Implement the west cargo parcel strategy, complete the financial analysis and begin marketing by year-end 2023

### ORGANIZATIONAL GOAL ► Innovation

DIVISION GOAL ► Support all three divisions regarding data governance

OBJECTIVE ► Partner with Information Technology to complete an analysis of data analytics strategies that could leverage data the MAC currently gathers with new data opportunities

PERFORMANCE MEASURE ► Number of new data analytic strategies implemented by divisions

TARGET ► Minimum of 3



# FIRE

The MSP Airport Fire Department is responsible for providing aircraft rescue and firefighting (ARFF), structural firefighting and first response emergency medical services to the MSP campus and some adjacent areas under agreement. The department is also responsible for fire code enforcement; investigation of all fires that occur within the service area; and maintenance of Federal Aviation Administration ARFF training, response requirements and proper documentation for state and federal reporting requirements.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 5,486,446	\$ 5,853,819	\$ 6,810,349	\$ 956,530	16.3%
Administrative Expenses	7,120	6,750	32,156	25,406	376.4%
Professional Services	29,423	105,000	181,700	76,700	73.0%
Utilities	14,620	16,800	20,400	3,600	21.4%
Operating Services/Expenses	131,722	180,000	189,400	9,400	5.2%
Maintenance	3,458	4,750	11,750	7,000	147.4%
Other	100,144	114,520	473,000	358,480	313.0%
<b>Total Budget</b>	<b>\$ 5,772,933</b>	<b>\$ 6,281,639</b>	<b>\$ 7,718,755</b>	<b>\$ 1,437,116</b>	<b>22.9%</b>
Full-Time Equivalent (FTE) Total	49	53	56		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime. Three new positions are scheduled to be hired in 2023. Required training is also slightly higher in 2023.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Fire service center. The purpose of training and participating in forums and exercises helps produce best practices for firefighting and for protecting the health of our fire fighters.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to the increased rates for engineering support for the Fire Marshal, digital conversion of medical documents and the addition of safety training that includes the Mental Wellbeing Program, which is a suicide prevention program.

#### UTILITIES

The increase in Utilities is due to the increased costs of phone and data charges.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to the replacement of small equipment and hand tools and increased costs due to inflation for the annual servicing of our fire apparatus.

#### MAINTENANCE

The increase in Maintenance is due to the replacement of station supplies.

#### OTHER

The increase in Other expenses is due to the higher cost of emergency response medical supplies and the increased need for the products. It also includes the replacement of mandated firefighting foam, which includes removing, cleaning and replacing the foam.

**FIRE** Continued on next page

**2023 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ▶ Safety, Security & Preparedness

**DIVISION GOAL** ▶ Employee development & performance management

**OBJECTIVE** ▶ Invest in the professional development of individuals within the department to enhance and strengthen their abilities

**PERFORMANCE MEASURE** ▶ Percentage of authorized personnel sent to continuing education or career enhancement programs by year-end 2023

**TARGET** ▶ Minimum of 10%

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Number of frontline supervisors that complete the Consistent Delivery of Services Initiative training program series

**TARGET** ▶ Minimum of 9

**RESULT** ▶ 11

**NOTE** ▶ In 2022 the 9 current front-line supervisors completed the Consistent Delivery of Services Initiative training program series. The 2 new front-line supervisors were also trained in this series. In summary, a total of 11 front-line supervisors completed the Consistent Delivery of Services Initiative training program series.

# 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 staff serves as a first point of contact for federal, state and local elected officials when they are working on MAC-related issues. Governmental Affairs staff also assists the Executive Director/CEO and the Commission on many internal policy development issues.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 224,199	\$ 246,375	\$ 276,591	\$ 30,216	12.3%
Administrative Expenses	67,364	49,125	69,164	20,039	40.8%
Professional Services	162,614	219,000	211,000	(8,000)	-3.7%
Utilities	600	600	600	-	-
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	4,400	4,400	-	-
<b>Total Budget</b>	<b>\$ 454,777</b>	<b>\$ 519,500</b>	<b>\$ 561,755</b>	<b>\$ 42,255</b>	<b>8.1%</b>
Full-Time Equivalent (FTE) Total	1.5	1.5	1.5		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Governmental Affairs service center. MAC staff will also attend additional meetings such as the Minnesota Aviation Hall of Fame event. Membership fees and dues have been affected by inflation.

#### PROFESSIONAL SERVICES

Professional Services decreased slightly in the 2023 budget in an attempt to help reduce MAC's overall budget.

### 2023 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ► Continue to monitor and advocate with the FAA to include the replacement of the Flying Cloud Airport tower in a future construction budget

**PERFORMANCE MEASURE** ► Written documentation from the Federal Aviation Administration that the tower is included in a future construction budget

**ORGANIZATIONAL GOAL** ► Engagement

**DIVISION GOAL** ► Grow stakeholder & community engagement

**OBJECTIVE** ► Keep MAC Commissioners properly informed of legislative matters

**PERFORMANCE MEASURE** ► Number of presentations to the Board of Commissioners

**TARGET** ► Minimum of 4

**GOVERNMENTAL AFFAIRS** *Continued on next page*

## 2022 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ▶ Written documentation from the FAA that the tower is included on the priority list

**TARGET** ▶ Documentation obtained

**RESULT** ▶ Documentation obtained

**NOTE** ▶ 2022 congressional budget shows us on the list and FAA business case analysis completed fall of 2022

**PERFORMANCE MEASURE** ▶ Presentations to the Board of Commissioners

**TARGET** ▶ Minimum of 4

**RESULT** ▶ 4

# HUMAN RESOURCES & LABOR RELATIONS

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 1,338,247	\$ 1,485,676	\$ 1,892,681	\$ 407,005	27.4%
Administrative Expenses	18,108	24,723	45,688	20,965	84.8%
Professional Services	66,516	210,000	245,000	35,000	16.7%
Utilities	4,325	4,200	5,880	1,680	40.0%
Operating Services/Expenses	20,010	53,200	68,740	15,540	29.2%
Maintenance	-	-	-	-	-
Other	-	-	20,000	20,000	-
<b>Total Budget</b>	<b>\$ 1,447,206</b>	<b>\$ 1,777,799</b>	<b>\$ 2,277,989</b>	<b>\$ 500,190</b>	<b>28.1%</b>
Full-Time Equivalent (FTE) Total	13	13	14		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and one new position to be hired in 2023. Personnel also includes American Association of Airport Executives-Certified Member onsite training and executive coaching.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is for travel costs and registration fees to attend conferences and training for staff. Membership for the Diversity, Equity & Inclusion Manager to attend a conference for Minority Transportation Officials is also included.

#### PROFESSIONAL SERVICES

The Professional Services increase is for consultant fees for two executive searches.

#### UTILITIES

The increase in Utilities is the result of adding monthly cell phone stipends for two new employees.

#### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is a result of advertising for additional positions being filled as well as an increase in the monetary awards for employee recognition programs.

#### OTHER

The Other expenses include office furniture for two new Human Resources employees.

**HUMAN RESOURCES & LABOR RELATIONS** *Continued on next page*

**2023 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL ▶ Talent**

**DIVISION GOAL ▶** Support organizational goals related to hiring and retaining a diverse workforce by focusing on the backlog of open positions created by the MAC's freeze on hiring certain positions in 2021 and 2022 and the workforce hired as a result

**OBJECTIVE ▶** Fill the backlog of open positions with a diverse population of top talent

**PERFORMANCE MEASURE ▶** Percent of management trained in Diversity, Equity and Inclusion in even years or non-management trained in odd years

**TARGET ▶** Minimum of 90%

**PERFORMANCE MEASURE ▶** Percent of new hires from diverse backgrounds

**TARGET ▶** Minimum of 20%

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE ▶** Percent of frontline and non-management employees that have completed Diversity, Equity and Inclusion training

**TARGET ▶** Minimum of 90%

**RESULT ▶** Not Applicable

**NOTE ▶** Due to staffing changes, this performance measure was not completed.

**PERFORMANCE MEASURE ▶** Percent of approved positions filled within 60 days of approval

**TARGET ▶** Minimum of 95%

**RESULT ▶** Not Applicable

**NOTE ▶** Due to staffing changes, this performance measure was not completed.

# INFORMATION TECHNOLOGY

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 5,925,864	\$ 6,270,616	\$ 7,274,365	\$ 1,003,749	16.0%
Administrative Expenses	76,522	98,500	125,992	27,492	27.9%
Professional Services	1,199,153	850,000	809,250	(40,750)	-4.8%
Utilities	397,165	427,635	496,815	69,180	16.2%
Operating Services/Expenses	9,084,442	11,247,655	13,915,912	2,668,257	23.7%
Maintenance	-	-	-	-	-
Other	17,615	-	-	-	-
<b>Total Budget</b>	<b>\$ 16,700,761</b>	<b>\$ 18,894,406</b>	<b>\$ 22,622,334</b>	<b>\$ 3,727,928</b>	<b>19.7%</b>
Full-Time Equivalent (FTE) Total	46	49	53		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases, three new positions to be hired in 2023 and one staff moving from Field Maintenance into IT.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Information Technology service center. Travel costs are higher as conferences return to in-person and membership fees climbed as discounts given during the pandemic are expiring.

#### PROFESSIONAL SERVICES

The decrease in Professional Services is due to hiring an FTE in place of a technical architectural consultant. Additionally, execution of IT Capital Projects provided funding for some resources previously funded through operating dollars.

#### UTILITIES

The increase in Utilities is the result of voice system support including additional redundancy and new session initiation protocol trunks. Cost is expected to decrease next year with the full retirement of the Mitel phone system.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is attributable to rising service agreement costs as projects progress from implementation to production and become operational. A primary driver was the expansion and modernization of the Common Use technology footprint. Also, inflation is a factor in support vendor costs.

**2023 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ▶ Innovation

**DIVISION GOAL** ▶ Support and enable the MAC via efficient and secure technology delivery that empowers digital transformation

**OBJECTIVE** ▶ Complete common use environment modernization, including common use biometric exit implementation

**PERFORMANCE MEASURE** ▶ Passenger processing and biometric exit application deployed, replacing legacy components

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Percent of critical systems delivered via modern architecture (non-legacy)

**TARGET** ▶ Minimum of 100%

**RESULT** ▶ 80%



# INSURANCE/RISK MANAGEMENT

Insurance/Risk Management is responsible for planning, organizing and administering risk and insurance programs to safeguard the MAC's assets from the risk of accidental loss through the use of recognized risk management techniques. Responsibilities include risk identification, evaluation and measurement; preventative strategies; claims administration; purchase of insurance coverage and evaluation of financing alternatives. Areas of responsibility also include employee benefit program administration, workers' compensation, the MAC's health engagement program, liability and property insurance coverage, employee and fleet safety and maintaining a safe airports system.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 16,070,837	\$ 1,198,564	\$ 1,267,229	\$ 68,665	5.7%
Administrative Expenses	6,828	8,991	22,150	13,159	146.4%
Professional Services	389,510	396,250	581,500	185,250	46.8%
Utilities	1,900	2,400	3,000	600	25.0%
Operating Services/Expenses	496,408	13,000	13,000	-	-
Maintenance	-	2,500	10,000	7,500	300.0%
Other	2,658,920	3,555,501	4,023,499	467,998	13.2%
<b>Total Budget</b>	<b>\$ 19,624,403</b>	<b>\$ 5,177,206</b>	<b>\$ 5,920,378</b>	<b>\$ 743,172</b>	<b>14.4%</b>
Full-Time Equivalent (FTE) Total	6	6	6		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Insurance/Risk service center.

#### PROFESSIONAL SERVICES

Professional Services increased for costs to establish an enterprise risk management process.

#### UTILITIES

Utilities increased for phone stipends for additional staff.

#### MAINTENANCE

Maintenance increased for additional industrial hygiene costs.

#### OTHER

Other expenses increased for an expected rise in general insurance costs.

### 2023 GOALS, OBJECTIVES & MEASURES

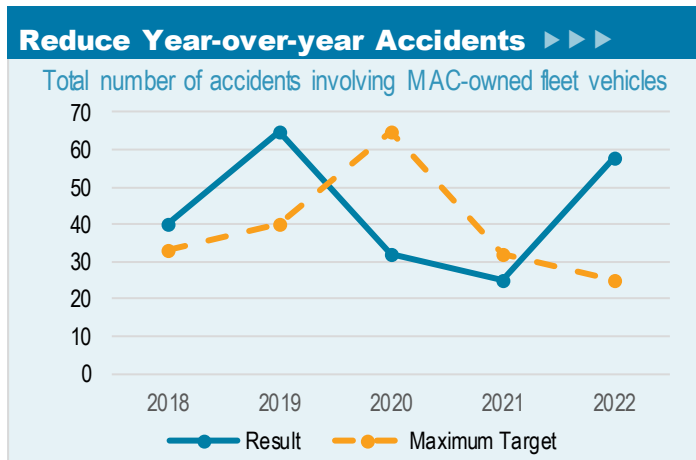
**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Control risks and associated costs

**OBJECTIVE** ► Administer proactive and preventive training to reduce frequency of fleet accidents

**PERFORMANCE MEASURE** ► Reduce year-over-year fleet accidents

**Reduce Year-over-year Accidents**



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# INTEGRATED OPERATIONS

Integrated Operations has two primary responsibilities: management of MSP Airside Operations and support of the Management & Operations Division with planning, analysis, optimization services and technical training. The 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. The IOC will operate 24/7 with staff from key MAC departments along with external stakeholders to increase the safe and effective operation of MSP and reliever airports.

Budget Summary ►►►					
	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ -	\$ -	\$ 862,291	\$ 862,291	-
Administrative Expenses	-	-	23,450	23,450	-
Professional Services	-	-	345,000	345,000	-
Utilities	-	-	1,800	1,800	-
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	2,600	2,600	-
<b>Total Budget</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,235,141</b>	<b>\$ 1,235,141</b>	<b>-</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>0</b>	<b>0</b>	<b>7</b>		

## PERSONNEL

Integrated Operations is a new service center which includes staff personnel costs. Two staff moved from Management and Operations and one staff moved from Airside Operations to the Integrated Operations service center. Four new positions are expected to be hired in 2023.

## ADMINISTRATIVE EXPENSES

Integrated Operations is a new service center in 2023.

## PROFESSIONAL SERVICES

Integrated Operations is a new service center in 2023.

## UTILITIES

Integrated Operations is a new service center in 2023.

## OTHER

Integrated Operations is a new service center in 2023.

## ORGANIZATIONAL GOAL ► Safety, Security & Preparedness

DIVISION GOAL ► Implement the Interconnected Operations Program

OBJECTIVE ► Develop and implement an industry-leading operations strategy that includes and is supported by the North Star Center integrated operations center

PERFORMANCE MEASURE ► Implement phase one of the North Star Center Playbook by year-end 2023

# 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.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 496,587	\$ 507,961	\$ 560,604	\$ 52,643	10.4%
Administrative Expenses	5,383	3,107	11,180	8,073	259.8%
Professional Services	2,640	30,000	25,000	(5,000)	-16.7%
Utilities	600	660	600	(60)	-9.1%
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 505,210</b>	<b>\$ 541,728</b>	<b>\$ 597,384</b>	<b>\$ 55,656</b>	<b>10.3%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>4</b>	<b>4</b>	<b>4</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Internal Audit service center.

#### PROFESSIONAL SERVICES

The decrease in Professional Services is attributable to construction auditing services being paid through the Capital Improvement Program.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Internal audit plan

OBJECTIVE ► Complete Commission-approved annual audit plan

PERFORMANCE MEASURE ► Complete Commission-approved annual audit plan

TARGET ► Minimum of 100%

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Construction auditing

OBJECTIVE ► Support the MAC's Capital Improvement Program through value-added assurance activities

PERFORMANCE MEASURE ► Number of construction projects receiving continuous construction project auditing, with consultant assistance

TARGET ► Minimum of 1

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Employee development & performance management

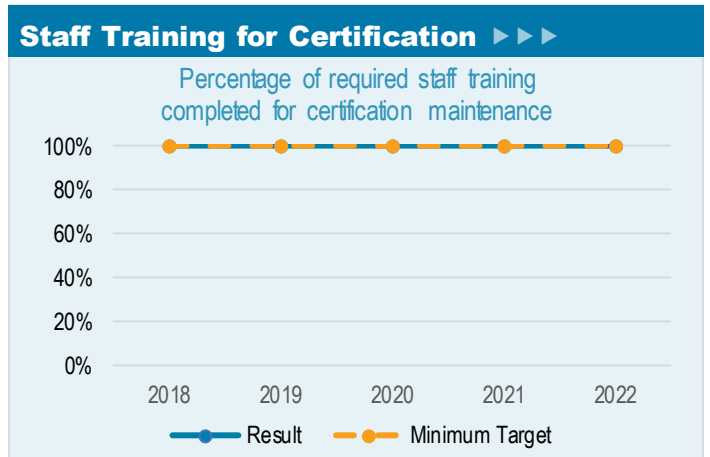
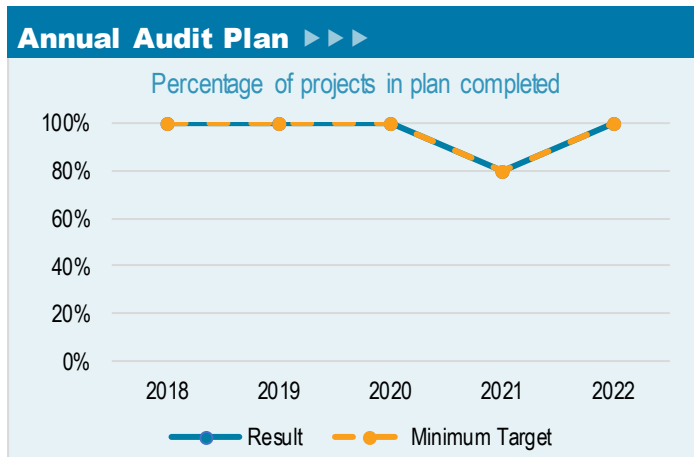
OBJECTIVE ► Audit staff earn sufficient continuing professional education credits in 2023 to maintain certifications

PERFORMANCE MEASURE ► Percent of staff who earn sufficient training for certification

TARGET ► Minimum of 100%

**INTERNAL AUDIT** Continued on next page

**Annual Audit Plan**



# LANDSIDE – ADMINISTRATION

Landside-Administration is responsible for managing and operating public and employee parking, revenue control systems and associated parking and transportation infrastructure at MSP. This service center also oversees the permitting and regulatory requirements of charter buses, shuttles, limousines, taxicabs and transportation network companies.

## Budget Summary ►►►

	2021 Actual	2022 Budget	2023 Budget	2023 Budget vs 2022 Budget	
				Dollar Change	% Change
Personnel	\$ 2,434,235	\$ 2,467,537	\$ 1,311,059	\$ (1,156,478)	-46.9%
Administrative Expenses	20,884	25,000	22,820	(2,180)	-8.7%
Professional Services	-	-	-	-	-
Utilities	7,491	6,600	7,200	600	9.1%
Operating Services/Expenses	5,206,257	6,701,571	8,054,356	1,352,785	20.2%
Maintenance	28,451	40,808	47,264	6,456	15.8%
Other	323	-	350	350	-
<b>Total Budget</b>	<b>\$ 7,697,641</b>	<b>\$ 9,241,516</b>	<b>\$ 9,443,049</b>	<b>\$ 201,533</b>	<b>2.2%</b>
Full-Time Equivalent (FTE) Total	34	36	13		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The decrease in Personnel is attributable to 23 passenger services assistants moving to Customer Experience. This decrease is offset by wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The decrease in Administrative Expenses results from office supplies and postage costs moving from Landside Operations to Customer Experience for the Passenger Services Assistants.

#### UTILITIES

The increase in Utilities is associated with Wi-Fi costs for Operations Agents working within the Transportation Network Companies and taxicab holding lots.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is primarily due to opening the Quick Ride Ramp based on new contract rates in 2023. Contractual rate increases and a forecasted increase of 90% of 2019 enplanements also affected a number of other contracts. The parking management contract has an annual 2% increase and staffing levels adjusted to 90% of pre-pandemic levels; however, approximately \$1M is reduced from the overall contract cost by using a cashless parking transactions process.

#### MAINTENANCE

The increase in Maintenance is associated with additional portable restrooms within the Transportation Network Companies and taxicab holding lots.

#### OTHER

The Other expenses increase is associated with the copier rental used during annual taxicab permitting.

**Customer Experience**

**ORGANIZATIONAL GOAL** ▶ Customer Experience

**DIVISION GOAL** ▶ Provide excellent "One Journey" customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

**OBJECTIVE** ▶ Increase parking revenues and enhance MAC's competitive position through dynamic pricing discounts for pre-booked parking during historically low-volume and under-utilized days

**PERFORMANCE MEASURE** ▶ Increase pre-book parking transactions by year-end 2023

**TARGET** ▶ Minimum of 1%

**ORGANIZATIONAL GOAL** ▶ Economic

**DIVISION GOAL** ▶ Parking Yield Management

**OBJECTIVE** ▶ Develop a flexible-pricing parking system that leverages technology and data to price, market and manage parking spaces based upon consumer demand and parking space availability

**PERFORMANCE MEASURE** ▶ Percent increase in revenue within the first 12 months of implementation

**TARGET** ▶ Minimum of 3%

**Revenue**

**PERFORMANCE MEASURE** ▶ Percent increase in pre-booking transactions compared to total parking transactions

**TARGET** ▶ Minimum of 1%

**RESULT** ▶ 1.96%

**PERFORMANCE MEASURE** ▶ Percent increase in pre-booking revenue compared to total parking revenue

**TARGET** ▶ Minimum of 3%

**RESULT** ▶ 3.8%

# LEGAL AFFAIRS

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 997,284	\$ 1,139,932	\$ 1,301,428	\$ 161,496	14.2%
Administrative Expenses	64,347	55,680	100,055	44,375	79.7%
Professional Services	430,923	680,000	670,000	(10,000)	-1.5%
Utilities	4,941	4,800	6,300	1,500	31.3%
Operating Services/Expenses	12,934	1,400	1,400	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 1,510,429</b>	<b>\$ 1,881,812</b>	<b>\$ 2,079,183</b>	<b>\$ 197,371</b>	<b>10.5%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>8</b>	<b>9</b>	<b>9</b>		

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Legal Affairs service center.

### PROFESSIONAL SERVICES

Professional Services decreased to budget closer to actual spending.

### ORGANIZATIONAL GOAL ► Talent

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Strengthen and enhance client relationships

OBJECTIVE ► Implement regular client feedback process

PERFORMANCE MEASURE ► Percent of clients participating in feedback process

TARGET ► Minimum of 75%

### PERFORMANCE MEASURE ► Complete pilot with Risk Management

PERFORMANCE MEASURE ► Complete pilot with Risk Management

TARGET ► Pilot completed

RESULT ► Pilot completed



# LIVE WELL, STAY WELL

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

Budget Summary ►►►					
	2021 Actual	2022 Budget	2023 Budget	2023 Budget vs 2022 Budget	
				Dollar Change	% Change
Personnel	\$ -	\$ -	\$ 350	\$ 350	-
Administrative Expenses	-	2,500	4,375	1,875	75.0%
Professional Services	-	-	6,000	6,000	-
Utilities	804	800	-	(800)	-100.0%
Operating Services/Expenses	103,875	92,000	179,550	87,550	95.2%
Maintenance	-	-	-	-	-
Other	-	-	5,000	5,000	-
<b>Total Budget</b>	<b>\$ 104,679</b>	<b>\$ 95,300</b>	<b>\$ 195,275</b>	<b>\$ 99,975</b>	<b>104.9%</b>
Full-Time Equivalent (FTE) Total	0	0	0		

## PERSONNEL

### PERSONNEL

Personnel includes expenses for representatives to attend annual conferences.

## ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses includes supplies for the annual employee event giveaways.

## PROFESSIONAL SERVICES

Professional Services include reinstating the fitness trainer that was postponed during the pandemic.

## OPERATING SERVICES/EXPENSES

The increase in Operating Expenses/Services is generated by providing monetary incentives to encourage staff to take measures to improve their health.

## OTHER

Other expenses include funds for replacement of small fitness equipment.

## ORGANIZATIONAL GOAL ► Talent

### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Provide exceptional customer service

OBJECTIVE ► Create a strategic plan for the Live Well, Stay Well Committee

PERFORMANCE MEASURE ► Number of discussions facilitated to develop a robust governance structure

TARGET ► Minimum of 4

## PERFORMANCE MEASURE ► Leadership team is complete by end of first quarter

PERFORMANCE MEASURE ► Leadership team is complete by end of first quarter

TARGET ► Complete team

RESULT ► Partial completion

NOTE ► The team is 80% complete as one person had to recently step down.

PERFORMANCE MEASURE ► Facilitated strategic plan meetings

TARGET ► Minimum of 2

RESULT ► 2 meetings

# 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, 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.

## Budget Summary ►►►

	2021 Actual	2022 Budget	2023 Budget	2023 Budget vs 2022 Budget	
				Dollar Change	% Change
Personnel	\$ 12,863,908	\$ 29,240,625	\$ 29,018,190	\$ (222,435)	-0.8%
Administrative Expenses	87	275,626	-	(275,626)	-100.0%
Professional Services	327,327	-	-	-	-
Utilities	18,418,892	20,777,315	22,287,131	1,509,816	7.3%
Operating Services/Expenses	1,029,988	919,927	1,063,555	143,628	15.6%
Maintenance	1,956,019	1,931,589	2,701,450	769,861	39.9%
Other	619,312	1,952,030	2,449,244	497,214	25.5%
<b>Total Budget</b>	<b>\$ 35,215,533</b>	<b>\$ 55,097,112</b>	<b>\$ 57,519,570</b>	<b>\$ 2,422,458</b>	<b>4.4%</b>
Full-Time Equivalent (FTE) Total	0	0	0		

### PERSONNEL

The decrease in Personnel is based on a reduction in retiree medical payments from Other Post-Employment Benefits (OPEB) trust reimbursements as well as a reduction in benefits based on actual spending.

### ADMINISTRATIVE EXPENSES

Administrative Expenses decreased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in each individual service center.

### UTILITIES

Utilities are expected to be higher than in 2022 based on a consultant's estimate of usage and cost.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to contracted funding rates for the MSP Airport Foundation.

### MAINTENANCE

Maintenance expenses increased as baggage handling costs are expected to rise with the anticipated return of passengers, and fuel is affected by inflation.

### OTHER

The Other expenses budget increased for airline incentive payments. New routes are expected to be launched in 2023.

# MAINTENANCE SERVICES & ASSET MANAGEMENT

Maintenance Services & Asset Management is responsible for the organization's administration and coordination of maintenance, trades, fleet and asset management. In addition, the service center leads the development and implementation of an organizational-wide formal asset management program focusing on cross-functional operations that prioritize safety and regulatory compliance while helping elevate the customer experience.

Budget Summary ►►►					
	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ -	\$ -	\$ 185,805	\$ 185,805	-
Administrative Expenses	-	-	25,845	25,845	-
Professional Services	-	-	398,000	398,000	-
Utilities	-	-	985	985	-
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 610,635</b>	<b>\$ 610,635</b>	<b>-</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>0</b>	<b>0</b>	<b>1</b>		

## PERSONNEL

Maintenance Services & Asset Management is a new service center which includes staff personnel costs.

## ADMINISTRATIVE EXPENSES

Administrative Expenses includes travel, training and memberships for staff who serve on industry committees. Travel also includes industry-related benchmarking trips.

## PROFESSIONAL SERVICES

Professional Services includes a baseline assessment and development of an enterprise asset management program strategy and related process and technology roadmaps.

## UTILITIES

Utilities includes phone stipends and computer data cards for department staff.

## ORGANIZATIONAL GOAL

► Safety, Security & Preparedness

DIVISION GOAL ► Implement the Interconnected Operations Program

OBJECTIVE ► Proactively manage asset life-cycles to optimize investments and minimize asset failures, related staffing demands and operational or service impacts

PERFORMANCE MEASURE ► Develop and implement an Enterprise Asset Management strategy

# MANAGEMENT & OPERATIONS

Management & Operations (M&O) is responsible for oversight and administration of the service centers that manage the day-to-day operations of the MAC's system of airports. This service center oversees and is responsible for all operations-related issues and for participating at the senior staff level in policy development, strategic planning and interdepartmental coordination.

Budget Summary ►►►					
	2021 Actual	2022 Budget	2023 Budget	2023 Budget vs 2022 Budget	
				Dollar Change	% Change
Personnel	\$ 421,122	\$ 484,063	\$ 275,657	\$ (208,406)	-43.1%
Administrative Expenses	1,461	900	13,430	12,530	1392.2%
Professional Services	183,741	300,000	-	(300,000)	-100.0%
Utilities	1,200	1,800	1,200	(600)	-33.3%
Operating Services/Expenses	-	-	-	-	-
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 607,524</b>	<b>\$ 786,763</b>	<b>\$ 290,287</b>	<b>\$ (496,476)</b>	<b>-63.1%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>2.5</b>	<b>3.5</b>	<b>1.5</b>		

## PERSONNEL

The decrease in Personnel is attributable to two staff moving to the Integrated Operations service center.

## ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Management & Operations service center.

## PROFESSIONAL SERVICES

Professional Services are decreasing as these costs are transferred to the new Integrated Operations service center.

## UTILITIES

This decrease in Utilities is attributable to phone stipends being transferring to the new Integrated Operations department.

## ORGANIZATIONAL GOAL

Safety, Security & Preparedness

DIVISION GOAL ► Implement the Interconnected Operations Program

OBJECTIVE ► Develop and implement an industry-leading operations strategy that includes and is supported by the North Star Center integrated operations center

PERFORMANCE MEASURE ► Complete a business case evaluation of the North Star Center

## PERFORMANCE MEASURE

Complete Concept of Operations phase one implementation

TARGET ► Completion

RESULT ► Partial completion

NOTE ► North STAR Center (NSC) Playbook is in the process of being finalized including NSC staffing, processes and resourcing road mapping. M&O Division reorganization and new program integrations completed with positions being filled as resources allow. AODB/RMS and Cityworks implementations are complete with continuing growth of GIS and Better Airport capabilities in support of business processes and operations analysis and planning activities.

# MSP AIRPORT CONFERENCE CENTER

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 171,428	\$ 201,430	\$ 240,850	\$ 39,420	19.6%
Administrative Expenses	100	5,500	6,000	500	9.1%
Professional Services	-	-	-	-	-
Utilities	600	600	600	-	-
Operating Services/Expenses	13,946	26,500	27,000	500	1.9%
Maintenance	-	-	-	-	-
Other	2,185	3,250	3,350	100	3.1%
<b>Total Budget</b>	<b>\$ 188,259</b>	<b>\$ 237,280</b>	<b>\$ 277,800</b>	<b>\$ 40,520</b>	<b>17.1%</b>
Full-Time Equivalent (FTE) Total	1	3	3		

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### OPERATING SERVICES/EXPENSES

Operating Services/Expenses increased for marketing dollars to welcome customers back to the conference center post COVID-19.

### OTHER

The increase in Other expenses results from using a 3 year average and contractual cost for equipment rental.

### ORGANIZATIONAL GOAL

Customer Experience

DIVISION GOAL ► "One Journey" experience

OBJECTIVE ► Reengage marketing efforts to bring back previous clients and generate new clients

PERFORMANCE MEASURE ► Number of marketing emails and contacts to previous clients

TARGET ► Minimum of 50

### PERFORMANCE MEASURE

► Number of marketing emails sent to customer base welcoming them back

TARGET ► Minimum of 50

RESULT ► Deferred to 2023

NOTE ► During 2022, the conference center didn't get fully staffed until mid-November and due to training new employees and completing the daily tasks at hand, this task didn't get completed. Marketing emails will be sent out during 2023.

# PLANNING & DEVELOPMENT

Planning & Development supervises property acquisition, planning, design, engineering, architecture, construction of all Commission facilities and grants management, all completed by Airport Development. Planning & Development also supervises the Building Official and Environmental Affairs service centers. In addition, the division is responsible for maintaining good relationships with local, state and federal government partners and airport stakeholders.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 353,583	\$ 391,980	\$ 545,600	\$ 153,620	39.2%
Administrative Expenses	6,115	3,760	12,705	8,945	237.9%
Professional Services	118,539	120,000	170,000	50,000	41.7%
Utilities	1,607	1,020	1,800	780	76.5%
Operating Services/Expenses	373,798	315,000	390,200	75,200	23.9%
Maintenance	-	-	-	-	-
Other	845	-	-	-	-
<b>Total Budget</b>	<b>\$ 854,487</b>	<b>\$ 831,760</b>	<b>\$ 1,120,305</b>	<b>\$ 288,545</b>	<b>34.7%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>3</b>	<b>3</b>	<b>4</b>		

### PERSONNEL

The increase in Personnel is attributable to reorganizing staff as well as wage structure adjustments and step increases. One staff moved from Building Official to the Planning and Development service center.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is for travel costs to participate in American Council International-North America leadership roles, panel participation and American Association of Airport Executives involvement.

### PROFESSIONAL SERVICES

The increase in Professional Services is due to a specific one-time study related to development of the MSP Campus.

### UTILITIES

The increase in Utilities includes cell phone stipends and data card monthly charges.

### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to the anticipated rise in Metropolitan Council fees.

### ORGANIZATIONAL GOAL ► Economic

#### DIVISION GOAL ► Utilize strategies for maintaining financial strength

OBJECTIVE ► Support Implementation of first-year CIP projects

PERFORMANCE MEASURE ► Percentage of CIP projects implemented

TARGET ► Minimum of 100%

RESULT ► 99%

### PERFORMANCE MEASURE ► Percentage of first-year CIP projects implemented

TARGET ► Minimum of 100%

RESULT ► 99%

# POLICE

With public service as the foundation, every member of the Airport Police Department is committed to the preservation of peace, order and safety. Police personnel are dedicated to the protection of life and property, the prevention of crime and the deterrence of terrorism. The Emergency Communications Center (ECC) is the 911 center for the MSP airport community. ECC staff make critical decisions to ensure the safety of the traveling public, MSP employees and public safety personnel. The department’s vision is to be the standard of excellence in aviation policing throughout North America.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 14,788,955	\$ 16,875,058	\$ 19,474,020	\$ 2,598,962	15.4%
Administrative Expenses	150,865	155,095	306,831	151,736	97.8%
Professional Services	62,410	85,875	198,773	112,898	131.5%
Utilities	61,396	89,924	91,998	2,074	2.3%
Operating Services/Expenses	2,575,683	3,562,109	3,438,570	(123,539)	-3.5%
Maintenance	8,777	65,000	96,000	31,000	47.7%
Other	163,454	298,846	298,425	(421)	-0.1%
<b>Total Budget</b>	<b>\$ 17,811,540</b>	<b>\$ 21,131,907</b>	<b>\$ 23,904,617</b>	<b>\$ 2,772,710</b>	<b>13.1%</b>
Full-Time Equivalent (FTE) Total	150	171	176		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime. Five new positions are scheduled to be hired in 2023. Also, additional police skills training is included in the 2023 budget.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Police service center. The cost for card stock needed to produce airport security identification badges is higher due to inflation. Also included is the addition of a Police Citizens Academy.

#### PROFESSIONAL SERVICES

The increase in Professional Services is attributable to new cardiac laboratory screening evaluations for officers, the addition of mental health services for department members and the outsourcing of all employment backgrounds.

#### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses is due to a reduction in emergency response supplies, towing charges and elimination of the Terminal 1 employee screening portal.

#### MAINTENANCE

The increase in Maintenance costs is related to the replacement of officer bikes and gym equipment, replacement of Terminal 1 radar speed signage, purchase of thermal detection monocular and cost sharing of an explosive ordinance disposal robot for aircraft entry with the Bloomington Police Department, which was deferred from the 2022 budget.

**POLICE** Continued on next page

**2023 GOALS, OBJECTIVES & MEASURES**

**ORGANIZATIONAL GOAL** ▶ Safety, Security & Preparedness

**DIVISION GOAL** ▶ Mitigate insider threat and maintain a secure airfield

**OBJECTIVE** ▶ Increase screening measures at field gates

**PERFORMANCE MEASURE** ▶ Implement new screening measures for individuals and vehicles at Gate 269 by year-end 2023

**ORGANIZATIONAL GOAL** ▶ Talent

**DIVISION GOAL** ▶ Employee wellness

**OBJECTIVE** ▶ Ensure physical and emotional well-being of public safety staff dealing with high-stress incidents

**PERFORMANCE MEASURE #1** ▶ Percent of full-time officers participating in cardiac screening

**TARGET** ▶ Minimum of 50%

**PERFORMANCE MEASURE #2** ▶ Percent increase of officers and Emergency Communications Center staff who participate in wellness consultations

**TARGET** ▶ Minimum of 10%

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Percent compliance with body camera use requirements

**TARGET** ▶ Minimum of 100%

**RESULT** ▶ 100%

**PERFORMANCE MEASURE** ▶ Number of staff with 40 hours of Critical Incident Training

**TARGET** ▶ Minimum of 25

**RESULT** ▶ 36

**NOTE** ▶ Remaining staff continue to take the classes



# PURCHASING

Purchasing oversees the acquisition of materials, equipment, and supplies; coordination of minor construction; and repair/maintenance of equipment to meet the needs of end-users by using the method that results in the most efficient use of MAC resources. Purchasing administers the Commercial Card Program for MAC staff and maintains blanket orders, including insurance certificates, for contracts generated by Purchasing. Purchasing's responsibilities also include 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.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 526,057	\$ 523,796	\$ 566,450	\$ 42,654	8.1%
Administrative Expenses	19,943	32,300	32,400	100	0.3%
Professional Services	-	-	-	-	-
Utilities	-	-	-	-	-
Operating Services/Expenses	270,990	182,000	192,165	10,165	5.6%
Maintenance	-	-	-	-	-
Other	611	7,000	1,650	(5,350)	-76.4%
<b>Total Budget</b>	<b>\$ 817,601</b>	<b>\$ 745,096</b>	<b>\$ 792,665</b>	<b>\$ 47,569</b>	<b>6.4%</b>
Full-Time Equivalent (FTE) Total	6	6	6		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is related to increased printing costs as MAC staff returns to an office work environment.

#### OTHER

Other expenses decreased as MAC-wide vehicle tab renewals occur primarily in even-numbered years.

### 2023 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Control risks and associated costs

OBJECTIVE ► Reduce procurement process input errors

PERFORMANCE MEASURE ► Number of user training videos related to the procurement process created

TARGET ► Minimum of 2

### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Number of procurement process videos created

TARGET ► Minimum of 2

RESULT ► 8

# RELIEVERS – ADMINISTRATION

Relievers – Administration is responsible for the operation, management and maintenance of the MAC's six Reliever Airports. This service center is also responsible for the administration of over 800 tenant leases and contracts on the airport properties.

<b>Budget Summary</b> ►►►					
	2021 Actual	2022 Budget	2023 Budget	2023 Budget vs 2022 Budget	
				Dollar Change	% Change
Personnel	\$ 875,651	\$ 881,882	\$ 989,944	\$ 108,062	12.3%
Administrative Expenses	6,544	7,756	16,543	8,787	113.3%
Professional Services	3,000	-	15,000	15,000	-
Utilities	5,798	6,720	6,660	(60)	-0.9%
Operating Services/Expenses	3,093	1,500	2,000	500	33.3%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 894,086</b>	<b>\$ 897,858</b>	<b>\$ 1,030,147</b>	<b>\$ 132,289</b>	<b>14.7%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>8</b>	<b>8</b>	<b>8</b>		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Relievers - Administration service center.

### PROFESSIONAL SERVICES

Professional Services increased due to reinstatement of consultant fees related to Reliever Airports rents and fee study.

## 2023 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Safety, Security & Preparedness

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ► Implement operational procedures, in alignment with airport user surveys, that drive innovation and financial stewardship through training, documentation and communication

**PERFORMANCE MEASURE** ► Number of meetings held to review standard operating procedures with airport managers, senior airport maintenance workers and mechanics

**TARGET** ► Minimum of 4

## 2022 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Number of standard operating procedures review sessions

**TARGET** ► Minimum of 4

**RESULT** ► 6

# RELIEVERS – AIRLAKE

Relievers – Airlake is responsible for the operation, maintenance and administration of the Airlake Airport. The service center staff manage the properties, including the administration of leases. Staff also respond to tenant, airport user and community issues and concerns.

<b>Budget Summary</b> ►►►					
	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 114,364	\$ 134,753	\$ 151,727	\$ 16,974	12.6%
Administrative Expenses	150	2,250	2,250	-	-
Professional Services	30,650	22,969	24,500	1,531	6.7%
Utilities	1,087	1,104	1,280	176	15.9%
Operating Services/Expenses	-	-	-	-	-
Maintenance	16,839	32,154	35,673	3,519	10.9%
Other	(56)	476	1,400	924	194.1%
<b>Total Budget</b>	<b>\$ 163,034</b>	<b>\$ 193,706</b>	<b>\$ 216,830</b>	<b>\$ 23,124</b>	<b>11.9%</b>
Full-Time Equivalent (FTE) Total	1	1	1		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime.

### PROFESSIONAL SERVICES

Professional Services increased due to contractual obligations.

### MAINTENANCE

Maintenance increased in equipment and facility maintenance due to inflation in commodity pricing.

### OTHER

Other expenses increased for operational efficiency by purchasing a multi-purpose headset, which allows connection to aviation band radio and Bluetooth connection to Duty Phone.

## 2023 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Foster relationships that inspire trust and provide opportunities for airports and stakeholders

OBJECTIVE ► Develop a "hotwash" exercise with key airport stakeholders after significant snow and ice events

PERFORMANCE MEASURE ► Percentage of significant snow and ice events that are followed by virtual "hotwash" exercises

TARGET ► Minimum of 100%

### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percentage of significant snow events followed by virtual "hot wash" exercise meetings

TARGET ► Minimum of 100%

RESULT ► 100%

# RELIEVERS – ANOKA COUNTY-BLAINE

Relievers – Anoka County-Blaine is responsible for the operation, maintenance and administration of the Anoka County-Blaine Airport. The service center staff manage the properties, including the administration of leases. Staff also respond to tenant, airport user and community issues and concerns.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 368,677	\$ 437,302	\$ 482,057	\$ 44,755	10.2%
Administrative Expenses	1,514	2,960	3,735	775	26.2%
Professional Services	30,123	26,969	30,500	3,531	13.1%
Utilities	612	1,580	1,040	(540)	-34.2%
Operating Services/Expenses	58,587	35,000	35,000	-	-
Maintenance	137,207	117,800	144,665	26,865	22.8%
Other	5,279	2,915	5,100	2,185	75.0%
<b>Total Budget</b>	<b>\$ 601,999</b>	<b>\$ 624,526</b>	<b>\$ 702,097</b>	<b>\$ 77,571</b>	<b>12.4%</b>
Full-Time Equivalent (FTE) Total	4	4	4		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime.

#### PROFESSIONAL SERVICES

Professional Services increased due to contractual obligations.

#### MAINTENANCE

Maintenance increased largely due to inflation in commodity pricing of supplies.

#### OTHER

Other expenses increased due to a watershed assessment.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Foster relationships that inspire trust and provide opportunities for airports and stakeholders

OBJECTIVE ► Develop a "hotwash" exercise with key airport stakeholders after significant snow and ice events

PERFORMANCE MEASURE ► Percentage of significant snow and ice events that are followed by virtual "hotwash" exercises

TARGET ► Minimum of 100%

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percentage of significant snow events followed by virtual "hot wash" exercise meetings

TARGET ► Minimum of 100%

RESULT ► 100%

# RELIEVERS – CRYSTAL

Relievers – Crystal is responsible for the operation, maintenance and administration of the Crystal Airport. The service center staff manage the properties, including the administration of leases. Staff also respond to tenant, airport user and community issues and concerns.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 291,866	\$ 356,831	\$ 362,944	\$ 6,113	1.7%
Administrative Expenses	4,747	5,050	6,510	1,460	28.9%
Professional Services	32,728	22,969	24,500	1,531	6.7%
Utilities	3,199	3,500	3,600	100	2.9%
Operating Services/Expenses	241,129	240,000	540,000	300,000	125.0%
Maintenance	101,162	113,415	120,440	7,025	6.2%
Other	616	600	615	15	2.5%
<b>Total Budget</b>	<b>\$ 675,447</b>	<b>\$ 742,365</b>	<b>\$ 1,058,609</b>	<b>\$ 316,244</b>	<b>42.6%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>3</b>	<b>3</b>	<b>3</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime. This increase is offset by a temporary employee that was moved to another reliever airport.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to fuel system operating costs.

#### PROFESSIONAL SERVICES

Professional Services increased due to contractual obligations.

#### OPERATING SERVICES/EXPENSES

Operating Services/Expenses increased for anticipated rising fuel costs.

#### MAINTENANCE

Maintenance increased in equipment and facility maintenance due to inflation in commodity pricing.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Foster relationships that inspire trust and provide opportunities for airports and stakeholders

OBJECTIVE ► Develop a "hotwash" exercise with key airport stakeholders after significant snow and ice events

PERFORMANCE MEASURE ► Percentage of significant snow and ice events that are followed by virtual "hotwash" exercises

TARGET ► Minimum of 100%

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percentage of significant snow events followed by virtual "hot wash" exercise meetings

TARGET ► Minimum of 100%

RESULT ► 100%

# RELIEVERS – FLYING CLOUD

Relievers – Flying Cloud is responsible for the operation, maintenance and administration of the Flying Cloud Airport. The service center staff manage the properties, including the administration of leases. Staff also respond to tenant, airport user and community issues and concerns.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 391,913	\$ 462,063	\$ 515,148	\$ 53,085	11.5%
Administrative Expenses	2,719	4,485	8,185	3,700	82.5%
Professional Services	30,627	22,969	24,500	1,531	6.7%
Utilities	2,350	2,424	5,000	2,576	106.3%
Operating Services/Expenses	223	-	1,000	1,000	-
Maintenance	188,512	143,300	213,288	69,988	48.8%
Other	745	890	18,075	17,185	1930.9%
<b>Total Budget</b>	<b>\$ 617,089</b>	<b>\$ 636,131</b>	<b>\$ 785,196</b>	<b>\$ 149,065</b>	<b>23.4%</b>
Full-Time Equivalent (FTE) Total	4	4	4		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Reliever - Flying Cloud service center.

#### PROFESSIONAL SERVICES

Professional Services increased due to contractual obligations.

#### UTILITIES

Utilities increased due to the contract pricing increase for cellular services and additional cell services for perimeter access gates.

#### MAINTENANCE

Maintenance increased for equipment and facility maintenance due to inflation in commodity pricing. Aging facilities require additional needs.

#### OTHER

Other expenses increased for operational efficiency by purchasing a multi-purpose headset, which will connect to aviation band radio and Bluetooth connection to Duty Phone.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Foster relationships that inspire trust and provide opportunities for airports and stakeholders

OBJECTIVE ► Develop a "hotwash" exercise with key airport stakeholders after significant snow and ice events

PERFORMANCE MEASURE ► Percentage of significant snow and ice events that are followed by virtual "hotwash" exercises

TARGET ► Minimum of 100%

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percentage of significant snow events followed by virtual "hot wash" exercise meetings

TARGET ► Minimum of 100%

RESULT ► 100%

# RELIEVERS – LAKE ELMO

Relievers – Lake Elmo is responsible for the operation, maintenance and administration of the Lake Elmo Airport. This service center staff manage the properties, including the administration of leases. Staff also respond to tenant, airport user and community issues and concerns.

<b>Budget Summary</b> ►►►					
	2021 Actual	2022 Budget	2023 Budget	2023 Budget vs 2022 Budget	
				Dollar Change	% Change
<b>Personnel</b>	\$ 136,226	\$ 168,310	\$ 245,417	\$ 77,107	45.8%
<b>Administrative Expenses</b>	216	1,950	1,950	-	-
<b>Professional Services</b>	67,079	57,969	39,500	(18,469)	-31.9%
<b>Utilities</b>	1,087	1,099	1,080	(19)	-1.7%
<b>Operating Services/Expenses</b>	-	-	-	-	-
<b>Maintenance</b>	20,677	39,100	46,350	7,250	18.5%
<b>Other</b>	88	300	600	300	100.0%
<b>Total Budget</b>	<b>\$ 225,373</b>	<b>\$ 268,728</b>	<b>\$ 334,897</b>	<b>\$ 66,169</b>	<b>24.6%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>1</b>	<b>2</b>	<b>2</b>		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime.

### PROFESSIONAL SERVICES

Professional Services decreased to budget closer to actual spending.

### MAINTENANCE

Maintenance increased in equipment and facility maintenance due to inflation in commodity pricing.

### OTHER

Other expenses increased to purchase safety gear for maintenance staff.

## 2023 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Engagement

**DIVISION GOAL** ► Foster relationships that inspire trust and provide opportunities for airports and stakeholders

**OBJECTIVE** ► Develop a "hotwash" exercise with key airport stakeholders after significant snow and ice events

**PERFORMANCE MEASURE** ► Percentage of significant snow and ice events that are followed by virtual "hotwash" exercises

**TARGET** ► Minimum of 100%

### 2022 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Percentage of significant snow events followed by a virtual "hot wash" exercise meeting

**TARGET** ► Minimum of 100%

**RESULT** ► 100%

# RELIEVERS – ST. PAUL

Relievers – St. Paul is responsible for the operation, maintenance and administration of the St. Paul Downtown Airport. The service center staff manage the properties, including the administration of leases. Staff also respond to tenant, airport user and community issues and concerns.

<b>Budget Summary</b> ►►►					
	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 630,168	\$ 767,733	\$ 835,634	\$ 67,901	8.8%
<b>Administrative Expenses</b>	2,057	5,210	8,370	3,160	60.7%
<b>Professional Services</b>	31,159	22,969	24,500	1,531	6.7%
<b>Utilities</b>	3,025	3,720	3,720	-	-
<b>Operating Services/Expenses</b>	10,811	12,800	15,100	2,300	18.0%
<b>Maintenance</b>	225,952	292,720	316,775	24,055	8.2%
<b>Other</b>	2,355	2,400	3,400	1,000	41.7%
<b>Total Budget</b>	<b>\$ 905,527</b>	<b>\$ 1,107,552</b>	<b>\$ 1,207,499</b>	<b>\$ 99,947</b>	<b>9.0%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>7</b>	<b>7</b>	<b>7</b>		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime.

### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Relievers - St. Paul service center.

### MAINTENANCE

Maintenance increased for equipment and facility maintenance affected by inflation in commodity pricing for petroleum-based products.

## 2023 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Engagement

**DIVISION GOAL** ► Foster relationships that inspire trust and provide opportunities for airports and stakeholders

**OBJECTIVE** ► Develop a "hotwash" exercise with key airport stakeholders after significant snow and ice events

**PERFORMANCE MEASURE** ► Percentage of significant snow and ice events that are followed by virtual "hotwash" exercises

**TARGET** ► Minimum of 100%

### 2022 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Percentage of significant snow events followed by virtual "hot wash" exercise meetings

**TARGET** ► Minimum of 100%

**RESULT** ► 100%



# STAKEHOLDER ENGAGEMENT

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

<b>Budget Summary</b> ►►►					
	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 223,959	\$ 225,244	\$ 250,399	\$ 25,155	11.2%
Administrative Expenses	4,076	34,375	57,537	23,162	67.4%
Professional Services	6,513	32,000	35,000	3,000	9.4%
Utilities	600	600	600	-	-
Operating Services/Expenses	21,242	382,500	45,000	(337,500)	-88.2%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 256,390</b>	<b>\$ 674,719</b>	<b>\$ 388,536</b>	<b>\$ (286,183)</b>	<b>-42.4%</b>
Full-Time Equivalent (FTE) Total	2	2	2		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is primarily due to engagement activities to support long-term planning and environmental review initiatives. The increase also includes a modest budget for MAC booths at regional aviation events.

### PROFESSIONAL SERVICES

The increase in Professional Services is primarily due to consulting support for enhanced engagement for long-term planning and environmental review initiatives.

### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses is due to the elimination of the one-time expense for hosting the Airports Council International-North America Annual Conference and Exhibition in 2022.

## 2023 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Grow stakeholder & community engagement

OBJECTIVE ► Develop and implement priority engagement activities

PERFORMANCE MEASURE ► Number of internal and external engagement events and meetings for which Stakeholder Engagement provides support or management

TARGET ► Minimum of 80

### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Number of internal and external engagement events and meetings

TARGET ► Minimum of 70

RESULT ► 111

# STRATEGIC COMMUNICATIONS

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 546,465	\$ 612,886	\$ 840,092	\$ 227,206	37.1%
Administrative Expenses	73,204	73,936	87,958	14,022	19.0%
Professional Services	61,709	34,600	50,000	15,400	44.5%
Utilities	2,637	1,800	2,400	600	33.3%
Operating Services/Expenses	504	2,250	3,000	750	33.3%
Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 684,519</b>	<b>\$ 725,472</b>	<b>\$ 983,450</b>	<b>\$ 257,978</b>	<b>35.6%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>4</b>	<b>4</b>	<b>6</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and one new position to be hired in 2023. In addition, one staff moved from Strategic Marketing to Strategic Communications.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is due to additional media monitoring service to account for broadcast media. This service allows for accurate reporting on television coverage obtained to support proactive media outreach.

#### PROFESSIONAL SERVICES

The increase in Professional Services is from the implementation of operational improvements recommended by a 2022 study to ensure the Passenger Engagement Assistant Office continues to be an effective and efficient resource for MSP passengers.

#### UTILITIES

The increase in Utilities is due to the addition of an after-hours media phone that was not included in previous budgets.

### OPERATING SERVICES/EXPENSES

The increase in Operating Expenses is due to a recategorizing of items from Administrative Expenses to Operating Services/Expenses.

### 2023 GOALS, OBJECTIVES & MEASURES

ORGANIZATIONAL GOAL ► Engagement

DIVISION GOAL ► Grow stakeholder & community engagement

OBJECTIVE ► Grow proactive media engagements through direct media pitches, news conferences and news releases

PERFORMANCE MEASURE ► Percentage of total media engagements that are proactive engagements

TARGET ► Minimum of 25%

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Create a plan for improving Customer Communications Office performance, efficiency and effectiveness, including a thorough review of the staffing model, tools and resource capabilities and gaps.

**TARGET** ▶ Action plan is approved

**RESULT** ▶ Action plan is approved

**NOTE** ▶ The Customer Communications Office operational study provided best practice staffing models, call center monitoring metrics and a comprehensive technology gap analysis. The study informed a developmental plan to adopt call center procedures and industry standard KPI performance measures. One full time employee (FTE) supervisory position was approved for 2023, which was consistent with the staffing recommendation. This position will allow for hands on training opportunities, resulting in increased customer service provided to passengers.

# STRATEGIC MARKETING

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

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 659,289	\$ 853,315	\$ 939,941	\$ 86,626	10.2%
Administrative Expenses	60,342	162,987	158,663	(4,324)	-2.7%
Professional Services	231,676	657,336	760,700	103,364	15.7%
Utilities	3,000	3,000	3,600	600	20.0%
Operating Services/Expenses	166,676	609,820	577,400	(32,420)	-5.3%
Maintenance	8,963	20,600	12,500	(8,100)	-39.3%
Other	849	-	2,000	2,000	-
<b>Total Budget</b>	<b>\$ 1,130,795</b>	<b>\$ 2,307,058</b>	<b>\$ 2,454,804</b>	<b>\$ 147,746</b>	<b>6.4%</b>
Full-Time Equivalent (FTE) Total	7	9	8		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases. One staff moved from Strategic Marketing to Strategic Communications in 2023.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to an increase in revenue driving initiatives including prebook parking and concessions programs along with contract support for open positions.

#### UTILITIES

The increase in Utilities is due to an additional cell phone reimbursement for the Digital Marketing Strategist as this staff plays a critical role in our crisis communication strategy.

#### OTHER

The increase in Other expenses is due to the purchase of new office furniture for new team members to ensure existing office spaces are effective and efficient.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Economic

DIVISION GOAL ► Support non-aeronautical revenue with effective marketing spend

OBJECTIVE ► Utilize yield management to implement an integrated marketing campaign for pre-booked parking

PERFORMANCE MEASURE ► Percent growth of pre-booked parking's share of its total addressable market

TARGET ► Minimum of 50%

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percent growth of pre-book parking customers

TARGET ► Minimum of 30%

RESULT ► 88%

NOTE ► Prebook parking customers increased by 88% in 2022. This growth is attributed to robust marketing and communication campaigns designed to increase awareness and convert awareness to utilization.

# STRATEGY & STAKEHOLDER ENGAGEMENT

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 mission, vision and strategic goals. This service center includes strategic planning, sustainability and division-wide activities.

Budget Summary ►►►					
	2021 Actual	2022 Budget	2023 Budget	2023 Budget vs 2022 Budget	
				Dollar Change	% Change
Personnel	\$ 372,477	\$ 362,886	\$ 437,607	\$ 74,721	20.6%
Administrative Expenses	3,722	13,825	33,850	20,025	144.8%
Professional Services	112,841	1,045,000	1,369,000	324,000	31.0%
Utilities	1,200	1,200	1,200	-	-
Operating Services/Expenses	-	20,000	-	(20,000)	-100.0%
Maintenance	-	-	-	-	-
Other	-	-	8,000	8,000	-
<b>Total Budget</b>	<b>\$ 490,240</b>	<b>\$ 1,442,911</b>	<b>\$ 1,849,657</b>	<b>\$ 406,746</b>	<b>28.2%</b>
Full-Time Equivalent (FTE) Total	3	3	3		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

### ADMINISTRATIVE EXPENSES

Administrative Expenses increased as travel was transferred to the MAC General account in 2022 for tracking purposes during the pandemic. For the 2023 budget, travel is budgeted in the Strategy & Stakeholder Engagement service center.

### PROFESSIONAL SERVICES

Professional Services increased due to conducting division strategic planning in 11 MAC service centers, beginning to advance and implement the 2023-2027 enterprise strategic plan and activities that progress MAC toward achieving its 2030 board-approved sustainability goals.

### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expenses is due to transferring the Recycle Across America labels to the Maintenance & Operations division.

### OTHER

Sustainability expects to conduct 2023 pilot projects. These costs will increase Other expenses.

## 2023 GOALS, OBJECTIVES & MEASURES

### ORGANIZATIONAL GOAL ► Innovation

DIVISION GOAL ► Establish a fully integrated and adopted sustainability planning process with clear impact measurements

OBJECTIVE ► Coordinate planning and implementation to advance progress toward the MAC's 2030 sustainability goals

PERFORMANCE MEASURE ► Number of 2023 emissions, water and waste action plans developed and implemented

TARGET ► Minimum of 3

### ORGANIZATIONAL GOAL ► Innovation

DIVISION GOAL ► Establish a fully integrated, adopted and understood strategic planning process

OBJECTIVE ► Support divisions and departments in completing strategic plans that align with and facilitate achieving the enterprise strategic plan

PERFORMANCE MEASURE ► Number of division and department strategic plans completed in 2023

TARGET ► Minimum of 9

## STRATEGY & STAKEHOLDER ENGAGEMENT

*Continued on next page*

**2022 PERFORMANCE MEASURE RESULTS**

**PERFORMANCE MEASURE** ▶ Curated Strategic Planning Discussions

TARGET ▶ Minimum of 6

RESULT ▶ 9

**PERFORMANCE MEASURE** ▶ Completed and submitted sustainability grant applications

TARGET ▶ Minimum of 3

RESULT ▶ 4

# TRADES – ADMINISTRATION

Trades - Administration is responsible for the administration and coordination of the Carpenters, Electricians, Painters and Plumbers. This service center works with construction projects, enforces the 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 staff. It is also responsible for the oversight of the MSP Emergency Generator Systems, Fire Alarm Systems, Fire Protection Systems, Electrical Gear Maintenance and Uninterruptible Power Supply contracts.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 187,040	\$ 194,831	\$ 211,951	\$ 17,120	8.8%
Administrative Expenses	4,077	4,500	6,500	2,000	44.4%
Professional Services	245,363	355,000	437,000	82,000	23.1%
Utilities	4,668	5,100	5,500	400	7.8%
Operating Services/Expenses	16,404	39,500	43,000	3,500	8.9%
Maintenance	869,734	948,373	955,236	6,863	0.7%
Other	22,659	24,000	39,000	15,000	62.5%
<b>Total Budget</b>	<b>\$ 1,349,945</b>	<b>\$ 1,571,304</b>	<b>\$ 1,698,187</b>	<b>\$ 126,883</b>	<b>8.1%</b>
Full-Time Equivalent (FTE) Total	2	2	2		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is to update the aerial photos throughout Trades.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to reinstating the Irrigation Plumbing contract, which was paused in 2022, a slight increase in the Electrical Component and Gear Maintenance contract due to projected 2023 efforts and an increase in the Plumbing Master Plan contract due to the critical need to continue with this effort and return it to the pre-pandemic level. The increase also contains a new contract to support drafting the next Fire Alarm request for proposal, which will be bid in 2023.

#### UTILITIES

The increase in Utilities is due to the need for additional vehicle routers and the need for cellphone accessories.

#### OPERATING SERVICES/EXPENSES

Operating Services/Expenses increased as a result of rising contractual rates for utilities located at MSP and the City of Bloomington as well as with MnDot for traffic light maintenance on 34th Ave.

#### MAINTENANCE

Maintenance increased for inflated contractual costs and additional points on the Fire Alarm System.

#### OTHER

The increase in Other expenses is related to the one-time purchase to build out support spaces in T1. The increase also includes aerial lift annual testing and inspection and the purchase of office furniture.

**TRADES – ADMINISTRATION** *Continued on next page*

### 2023 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ▶ Safety, Security & Preparedness

**DIVISION GOAL** ▶ Implement the Interconnected Operations Program

**OBJECTIVE** ▶ Optimize workflows and create efficiencies by supporting and providing input for the development of the Interconnected Operations Program, the buildout of the mobile work order solution and the completion of geographic information system data sets

**PERFORMANCE MEASURE** ▶ Implement Cityworks mobile work order solution

### 2022 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ▶ Implementation of Cityworks mobile work order solution is complete

**TARGET** ▶ 100% completion

**RESULT** ▶ Partial completion

**NOTE** ▶ The project schedule has been adjusted and the end date is unknown at this time.



# TRADES – CARPENTERS

Trades-Carpenters ensures that all of the MAC's terminals and facilities are safe, secure and aesthetically pleasing for the MAC, its tenants and the traveling public. This service center provides high-quality service to all MAC service centers and airport tenants in a timely and cost-efficient manner. Responsibilities include repair and maintenance of a wide variety of facility finishes; securing and separating "non-secured" areas from "secured" areas; and specialty projects such as upholstery, cabinet making, office remodeling and naming/numbering doors and concession spaces with identification tags.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 1,064,417	\$ 1,039,371	\$ 1,227,587	\$ 188,216	18.1%
<b>Administrative Expenses</b>	866	800	1,240	440	55.0%
<b>Professional Services</b>	-	-	-	-	-
<b>Utilities</b>	7,079	7,500	5,643	(1,857)	-24.8%
<b>Operating Services/Expenses</b>	1,230	-	-	-	-
<b>Maintenance</b>	210,804	364,412	370,722	6,310	1.7%
<b>Other</b>	6,863	8,894	12,358	3,464	38.9%
<b>Total Budget</b>	<b>\$ 1,291,259</b>	<b>\$ 1,420,977</b>	<b>\$ 1,617,550</b>	<b>\$ 196,573</b>	<b>13.8%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>11</b>	<b>11</b>	<b>11</b>		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime and uniform costs.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses is for continued education costs.

#### OTHER

The increase in Other expenses is to purchase a new variable speed drill with cross slide table and a door tag beveller and saw.

### 2023 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Customer Experience

**DIVISION GOAL** ► Provide excellent "One Journey" customer experiences that exceed expectations through programs that are informed by a comprehensive understanding of the customer

**OBJECTIVE** ► Complete an assessment of Terminal facility repair and reconditioning needs in advance of NCAA and ACI events to ensure the Terminals are in exceptional shape and meet the expectations of MSP stakeholders and customers

**PERFORMANCE MEASURE** ► Percentage of identified repairs completed by the end of first quarter 2023

**TARGET** ► Minimum of 100%

### 2022 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Complete assessment and repairs by the end of first quarter

**TARGET** ► 100% Completion

**RESULT** ► Completed

# TRADES – ELECTRICIANS

Trades-Electricians provides maintenance and repairs of electrical equipment and lighting fixtures throughout the MSP campus and Reliever Airports system. Electricians are responsible for the maintenance and repair of all directional signage and runway/taxiway lighting throughout the MAC airports to comply with specific Federal Aviation Administration regulations. This service center also 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.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 2,211,515	\$ 2,630,378	\$ 2,769,186	\$ 138,808	5.3%
Administrative Expenses	270	-	-	-	-
Professional Services	-	-	-	-	-
Utilities	14,750	14,200	16,200	2,000	14.1%
Operating Services/Expenses	184,053	201,000	235,000	34,000	16.9%
Maintenance	1,020,280	1,425,981	1,608,978	182,997	12.8%
Other	5,577	12,000	7,000	(5,000)	-41.7%
<b>Total Budget</b>	<b>\$ 3,436,445</b>	<b>\$ 4,283,559</b>	<b>\$ 4,636,364</b>	<b>\$ 352,805</b>	<b>8.2%</b>
Full-Time Equivalent (FTE) Total	18	20	20		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and increased overtime. Also, deferred training has been added to the budget.

#### UTILITIES

The increase in Utilities is due to phone plan costs for additional headcount.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is based on expected costs to complete deferred projects from the pandemic.

#### MAINTENANCE

Maintenance increased due to rising material costs, maintaining equipment and purchasing additional parts and warranty for unmanned exits.

#### OTHER

Other expenses decreased as there was a one-time purchase of a Cushman cart in 2022.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Engage employees and equip them with the tools and skills to be successful

OBJECTIVE ► Crosstrain employees on electrical duties associated with MSP's security/card access system, EMC, Reliever Airport duties and new MSP electrical infrastructure

PERFORMANCE MEASURE ► Number of employees cross-trained in each area of responsibility

TARGET ► Minimum of 3

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Crosstrain three employees in each area of responsibility

TARGET ► 100% Completion

RESULT ► Completed

# TRADES – PAINTERS

The primary role of Trades-Painters is to ensure a full-service life for a multitude of surfaces by protecting them from corrosion and deterioration. Additionally, MAC Painters maintain a clean, comfortable, visually pleasing and safe environment for the traveling public and meet all FAA-mandated Airport Operations Area markings at MSP and the Reliever Airports. The Painters are responsible for all paint maintenance on buildings, correct markings used on public roadways and parking ramps and maintenance of runways/taxiways in accordance with FAA regulations. The Painters ensure that the most appropriate and safest materials are utilized and subsequently disposed of in an environmentally responsible manner.

## Budget Summary ►►►

	2023 Budget vs 2022 Budget				
	2021 Actual	2022 Budget	2023 Budget	Dollar Change	% Change
Personnel	\$ 740,491	\$ 1,082,426	\$ 1,121,225	\$ 38,799	3.6%
Administrative Expenses	434	-	-	-	-
Professional Services	-	-	-	-	-
Utilities	1,212	1,300	1,300	-	-
Operating Services/Expenses	-	-	-	-	-
Maintenance	283,827	388,450	455,950	67,500	17.4%
Other	1,107	2,000	19,200	17,200	860.0%
<b>Total Budget</b>	<b>\$ 1,027,071</b>	<b>\$ 1,474,176</b>	<b>\$ 1,597,675</b>	<b>\$ 123,499</b>	<b>8.4%</b>
Full-Time Equivalent (FTE) Total	10	11	12		

### BUDGET HIGHLIGHTS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and two new positions to be hired in 2023 in place of temporary employees. In addition, one staff moved from Trades-Painters to the Facilities-Terminal 1 service center in 2023.

#### MAINTENANCE

The increase in Maintenance is related to inflation on the cost of traffic paint, which is used on the airfields across the MSP Airport system.

#### OTHER

Other expenses increased to purchase a Graco 2150 Husky transfer pump and a Graco Line Lazer V 200HS Easy Bead System pump.

### 2023 GOALS, OBJECTIVES & MEASURES

#### ORGANIZATIONAL GOAL ► Talent

DIVISION GOAL ► Engage employees and equip them with the tools and skills to be successful

OBJECTIVE ► Crosstrain employees on the new paint equipment

PERFORMANCE MEASURE ► Percentage of employees cross-trained

TARGET ► Minimum of 50%

#### 2022 PERFORMANCE MEASURE RESULTS

PERFORMANCE MEASURE ► Percent of employees cross-trained on new equipment

TARGET ► Minimum of 50%

RESULT ► Completed

# TRADES – PLUMBERS

Trades-Plumbers are responsible for the water supply available to MSP users, tenants and MAC personnel. This is accomplished through the maintenance, repair and ongoing preventive measures of the potable water systems, sanitary and storm sewer systems, building plumbing systems, irrigation systems and fire sprinkler systems. The Plumbers are also responsible for completing plumbing inspections, locating appropriate utility lines and reviewing plumbing schematics for new projects.

<b>Budget Summary</b> ►►►					
	2021 Actual	2022 Budget	2023 Budget	2023 Budget vs 2022 Budget	
				Dollar Change	% Change
<b>Personnel</b>	\$ 1,674,251	\$ 2,050,647	\$ 2,213,255	\$ 162,608	7.9%
<b>Administrative Expenses</b>	550	400	400	-	-
<b>Professional Services</b>	-	-	-	-	-
<b>Utilities</b>	7,505	10,700	10,700	-	-
<b>Operating Services/Expenses</b>	3,668	6,000	6,390	390	6.5%
<b>Maintenance</b>	325,550	443,765	550,100	106,335	24.0%
<b>Other</b>	5,980	25,425	26,925	1,500	5.9%
<b>Total Budget</b>	<b>\$ 2,017,504</b>	<b>\$ 2,536,937</b>	<b>\$ 2,807,770</b>	<b>\$ 270,833</b>	<b>10.7%</b>
<b>Full-Time Equivalent (FTE) Total</b>	<b>10</b>	<b>11</b>	<b>12</b>		

## BUDGET HIGHLIGHTS

### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments, step increases and one new position to be hired in 2023.

### MAINTENANCE

The increase in Maintenance is the result of required five-year fire systems inspections and testing in compliance with the National Fire Protection Association standards. Also included is a one-time replacement of the Eaton Street sanitary lift station control panel in St. Paul and all components of the sanitary lift station located near the Crystal Airport Control Tower.

### OTHER

Other expenses increased to purchase additional personal protective equipment.

## 2023 GOALS, OBJECTIVES & MEASURES

**ORGANIZATIONAL GOAL** ► Economic

**DIVISION GOAL** ► Safely operate and maintain the MAC system of airports with a purposeful approach to delivering customer service and financial sustainability

**OBJECTIVE** ► Reduce total campus water consumption and total campus irrigation water consumption

**PERFORMANCE MEASURE** ► Percent reduction in total gallons of water used year-over-year

**TARGET** ► Minimum of 1.5%

## 2022 PERFORMANCE MEASURE RESULTS

**PERFORMANCE MEASURE** ► Year-over-year reduction in total gallons of water used throughout the MSP campus

**TARGET** ► Minimum of 1.5%

**RESULT** ► Increase of 12.78%

**NOTE** ► The increase is driven by increased passenger volumes

**PERFORMANCE MEASURE** ► Year-over-year reduction in total gallons of water used for irrigation

**TARGET** ► Minimum of 1.5%

**RESULT** ► .69% decrease

# STATISTICS & INFORMATIVE FACTS

## HISTORICAL OPERATING REVENUE AND OPERATING EXPENSE

The table below compares operating revenue and operating expense for the years 2013 and estimated 2022 and emphasizes 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 estimated 2022 indicates revenue growth of \$88.0 million or 3.0% and increase in Expense of \$56.0 million or 3.7% over 2013.

<b>Historical Operating Revenue and Expense</b> ►►►						
(\$=000)						
	2013		2022		2022 vs 2013	
	Actual	% of Total	Estimate	% of Total	Dollar Change	Average % Change
<b>Operating Revenue</b>						
Airline Rates & Charges	\$ 106,015	37.1%	\$ 125,657	33.6%	\$ 19,642	1.9%
Concessions	131,321	45.9%	171,975	46.0%	40,654	3.0%
Rentals/Fees	33,327	11.7%	55,732	14.9%	22,405	5.9%
Utilities & Other Revenue	15,382	5.4%	20,706	5.5%	5,324	3.4%
<b>Total Operating Revenue</b>	<b>\$ 286,045</b>		<b>\$ 374,070</b>		<b>\$ 88,025</b>	<b>3.0%</b>
<b>Operating Expense<sup>1</sup></b>						
Personnel	\$ 71,024	48.4%	\$ 97,094	47.9%	\$ 26,070	3.5%
Administrative Expenses	1,407	1.0%	1,190	0.6%	(217)	-1.8%
Professional Services	4,514	3.1%	7,459	3.7%	2,945	5.7%
Utilities	18,633	12.7%	22,735	11.2%	4,102	2.2%
<b>Operating Services/Expenses</b>	<b>18,940</b>	<b>12.9%</b>	<b>29,248</b>	<b>14.4%</b>	<b>10,308</b>	<b>4.9%</b>
Maintenance	29,305	20.0%	40,648	20.0%	11,343	3.7%
Other	3,055	2.1%	4,506	2.2%	1,451	4.4%
<b>Total Operating Expense</b>	<b>\$ 146,878</b>		<b>\$ 202,880</b>		<b>\$ 56,002</b>	<b>3.7%</b>
<b>Operating Income (Loss)<sup>2</sup></b>	<b>\$ 139,167</b>		<b>\$ 171,190</b>		<b>\$ 32,023</b>	<b>2.3%</b>

<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 1.9% between the years of 2013 and 2022. This resulted from the growth in landing fees and expanded terminal facilities necessary to accommodate the growth in passenger activity such as the four new gates at Terminal 2 constructed in 2016. Landing fees are calculated on a breakeven basis with revenue and expense being equal. The increase between 2013 and 2022 also resulted from changes in the 2019 Amendment to the Airline Use Agreement.
- ▶ The increase in the Concessions category of 3.0% resulted from the growth in passengers from 2013 to 2022. In addition, new and improved concessions, parking rate increases and revenues from transportation network companies were factors in this increase.
- ▶ The average annual percentage increase for Rentals/Fees was 5.9% between the years of 2013 and 2022. This growth was attributable to increased building rentals, including the Federal Express facility, UPS facility and additional Reliever Airport hangar and lot rents.
- ▶ In Utilities & Other Revenue, the annual average percentage increase was 3.4%. Concession Utility revenue and Maintenance Cleaning Distribution Fees grew with the expansion of facilities and concession stores. General Aviation brought in additional revenue.

## OPERATING EXPENSE

Expense changes are as follows:

- ▶ Personnel expenses increased from 2013 to 2022 by 3.5%. Actual headcount in 2013 was at 566 while staff positions in 2022 rose to 641.5 full-time equivalent employees. Information Technology staff has increased substantially to stay ahead of new and emerging technology. Additional Fire and Police headcount has been hired for emergencies and safety throughout the MSP campus. Also, additional staff has been hired to champion the MAC's robust strategic plan. Costs for employee benefits doubled during this time frame and pension costs are much higher as well. Increased personnel costs were needed for Terminal 1 and Terminal 2 expansions.
- ▶ Administrative Expenses have decreased 1.8% annually, resulting from cost savings necessary during the COVID-19 pandemic between 2020 and 2022.
- ▶ Professional Services increased 5.7% when comparing 2013 actual expenses to the estimated expenses for 2022. The increase relates to consulting for technology requirements, new strategic initiatives, mechanical services and disseminating public information.
- ▶ The average annual increase in Utilities is 2.2% between 2013 and 2022, reflecting expansion and improvements in the terminals such as the checked baggage handling system, terminal ticketing areas, Terminal 1 food court expansion, updated bathrooms, completion of the skyway to the hotel and opening of the Silver Parking Ramp. With these improvements come higher costs of natural gas, electricity, water and sewer.
- ▶ Operating Services/Expenses increased 4.9% between the years 2013 and 2022 due to additional contracts. This includes expenses for management of parking, shuttle buses, employee screening as well as increases in security and other services requested by airlines.
- ▶ Maintenance increased 3.7% between 2013 and 2022 due to additional facilities and runway surfaces. Contracted maintenance also increased for building mechanical areas including automated people movers, elevators, escalators and moving walks.
- ▶ Other Expenses increased 4.4%, primarily as a result of increasing costs for general insurance and minor assets, such as computers. The airline incentive program which encourages flights to locations in need of air service is also a large factor in this increase.

The table below shows historical concessions revenue from 2013 through 2023 budget. Parking, Rental Car & Ground Transportation and Food & Beverage bring in most revenue.

## Historical Concessions Revenue ►►►

(\$=000)

Year	Parking	Rental Car & Ground Transport	Food & Beverage	News & Retail	Other	Total
2013	78,983	23,133	14,743	8,489	5,973	131,321
2014	83,575	23,751	16,128	8,245	4,745	136,444
2015	90,906	24,694	16,836	8,191	6,266	146,893
2016	94,888	27,783	21,044	8,702	8,274	160,691
2017	99,332	30,907	23,137	10,171	8,929	172,476
2018	98,239	34,338	24,241	11,057	9,501	177,376
2019	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 Estimate	103,416	34,517	17,075	7,463	9,504	171,975
2023 Budget	117,109	37,328	31,137	10,766	10,752	207,092

### FACILITY EXPANSION

The following chart compares the expansion of the major facilities at MSP between 2013 and 2022. Both terminals expanded as needed for growth. The main mall food court and south security exit were both expanded at Terminal 1. Gates were also 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.

Additional parking spaces were constructed at Terminal 1 as enplanements rose. Parking spaces were reduced at Terminal 2 as they were used to build 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. Expenses include utilities, security, administrative costs and maintenance, both labor and materials.

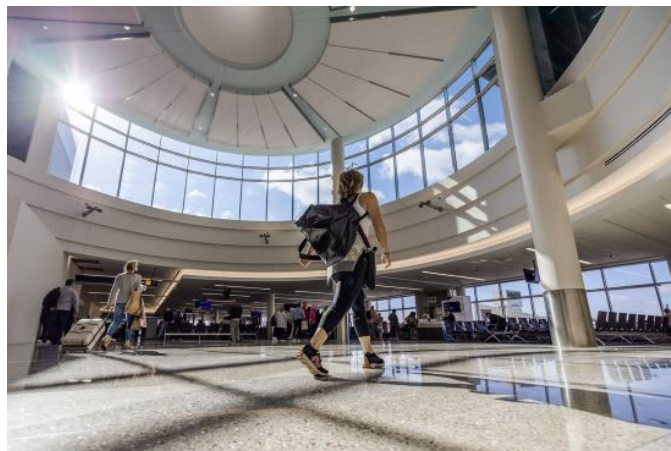
## Facility Expansion ►►►

	2013	2022	Increase (Decrease)	% Change
<b>Terminal 1</b>				
Terminal Square Footage	2,836,553	3,012,562	176,009	6.2%
Number of Gates	114	104	(10)	-8.8%
Ramp Lineal Footage	11,302	11,001	(301)	-2.7%
Parking Spaces	13,447	18,366	4,919	36.6%
<b>Terminal 2</b>				
Terminal Square Footage	488,750	626,165	137,415	28.1%
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 2013.

## Major New Facilities Completed ►►►

New Facilities	Closing Date	New Facilities	Closing Date
Terminal 1 South Baggage Screening – Phase 2	2013	2017 Automated Security Lanes	2017
Information Technology Data Center Facility – Phase 1 & 2	2013	2017 Parking Structure Rehabilitation	2017
Terminal 2 Apron Expansion	2013	2016 Vertical Circulation Improvements	2018
I-494/34 <sup>th</sup> Ave. Interchange (Diverging Diamond)	2013	2016 Concourse A-G Connector Bridge – Phase 1	2018
Concourse G Roof Replacements	2013	2016 Mezzanine HVAC/AHU Replacements & Penthouses	2018
North Side Storm Sewer (Ponds 3 & 4)	2013	2018 Taxiway S Reconstruction	2018
Post Road Fuel Farm Fire Protection Improvement	2013	2017 Concourse G Rehabilitation	2018
Conveyance System Upgrades	2013	2018 Terminal 1 Main Mall Food Court Expansion	2019
2014 Pavement Rehabilitation-Aprons	2014	2018 Mezzanine HVAC/AHU Replacements & Penthouses (North)	2019
Terminal 1 Checked Baggage Inspection System	2014	2018 Consolidated Loading Dock Facility	2019
Terminal 1 Bag Claim Fire Protection System	2014	Delta Baggage Handling Acquisition/BHS Recontrols	2019
Terminal 2 Auto Rental Facility	2014	2017 Baggage Handling System	2019
2012 iVISON Projects (CCTV) Phase 1 & 2 Camera Replacements	2014	Terminal 1 Silver Parking Ramp	2020
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 iVISON-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 – Phase 1	2021
Terminal 2 Gate Expansion	2016	2019 Baggage Claim-Ticket Lobby Improvement – Phase 2	2021
Terminal 1 Checkpoint Consolidation	2016	2019 T1 Parking Ramp Modifications	2021
Terminal 1 2014/2015 Restrooms Upgrade	2016	Crystal Reliever Airport-Runway 14R-32L & Taxiway E Modifications	2021
Solar Panels on Terminal 2 Parking Ramp	2016	2021 Taxiway A Pavement Reconstruction	2021
2015 Pavement Rehabilitation-Aprons	2016	2018 Baggage Handling System	2022
2016 Passenger Boarding Bridge-Phase 2	2017	2020 Baggage Claim-Ticket Lobby Improvement - Phase 1	2022
2016 Terminal 1 Restrooms Upgrade	2017	2020 Concourse G Gate Infill and Delta Skyclub	2022
2016 iVISON (CCTV) Improvements	2017	2021 Baggage Claim Ticket Lobby Phase 2	2022
2016 Concourse A/B Pre-Conditioned Air Upgrades	2017	2021 Concourse G Apron Pavement Reconstruction	2022
2016 Food Court Service Elevator Replacement	2017	2022 Concourse G Apron Pavement Reconstruction	2022

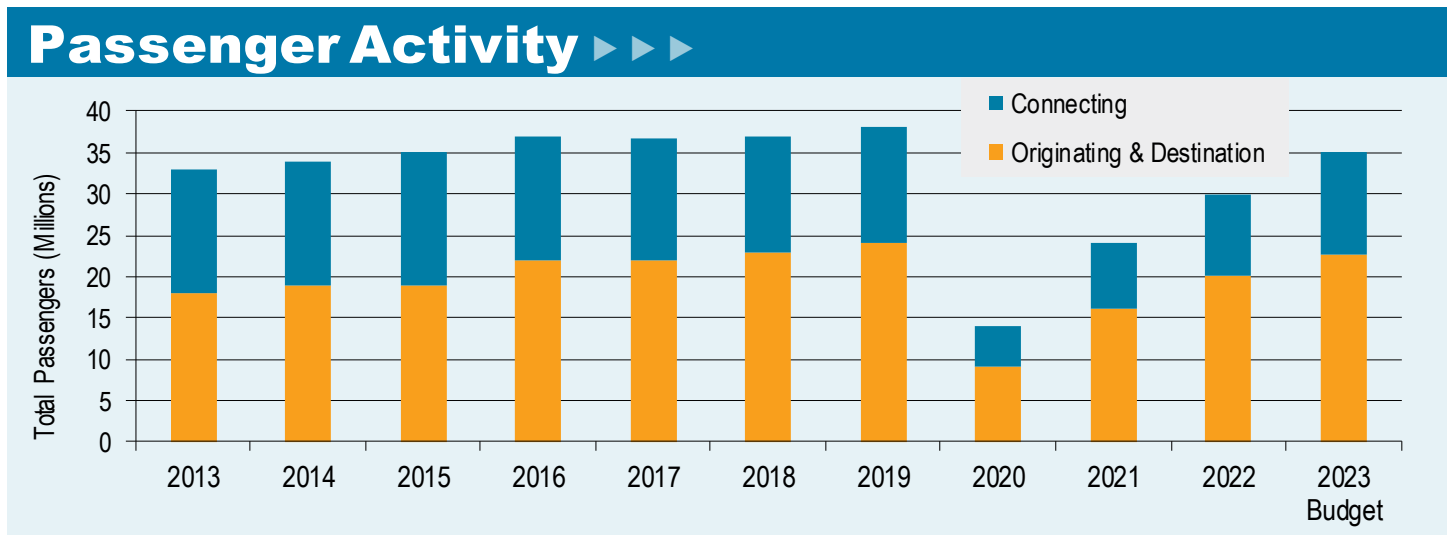


*The New Two-Story Rotunda in the G Concourse*



**ACTIVITY/OPERATIONS STATISTICS**

The chart below illustrates the trend in passenger activity at MSP from 2013 through budgeted 2023.



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 stopped flying because of the COVID-19 pandemic.
- ▶ Passenger activity in 2021 improved with the return of passengers using air transportation for business and leisure during the COVID-19 recovery. Leisure travelers are returning stronger than business travelers.

- ▶ In 2022, passenger activity increased 24% compared to 2021, indicating growth in air transportation.
- ▶ Passenger activity is projected to increase 17% in 2023 over 2022.

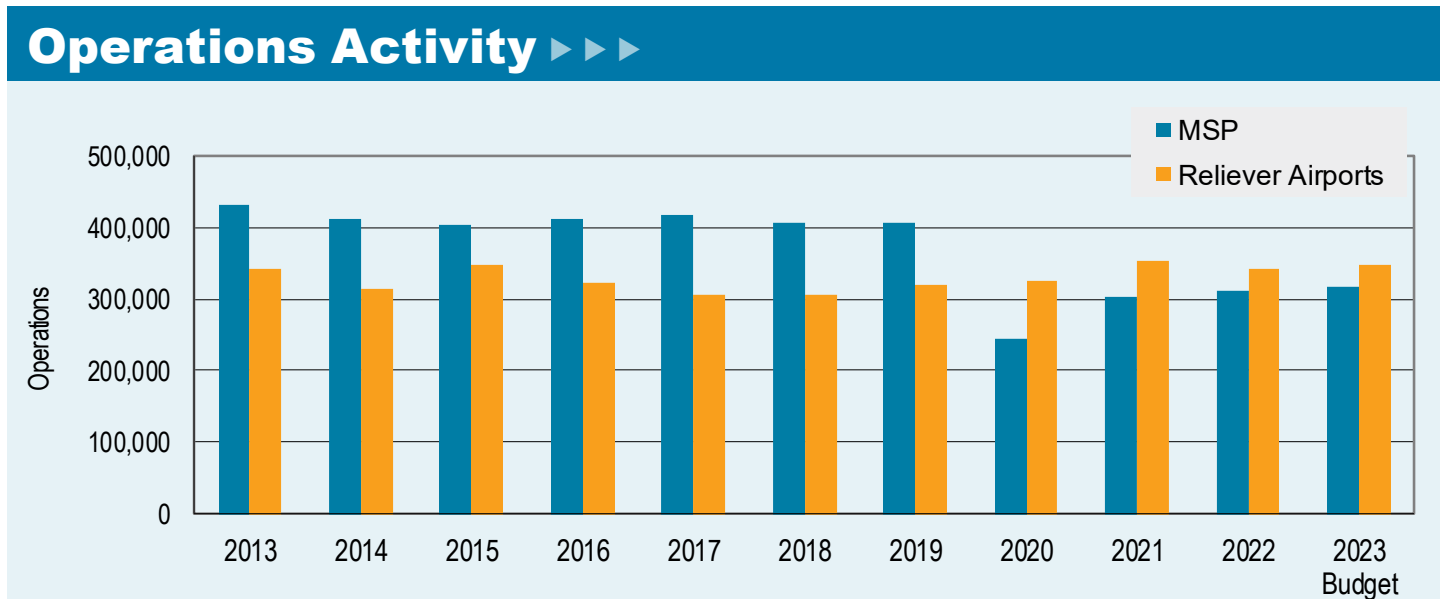
Passenger activity is an important element in forecasting revenue sources such as concession revenue and auto rental revenue. Passenger counts are also used for common use, carousel and conveyor, porter services and queue line management percentages for airline billing. The following table shows actual passenger statistics for 2013 through budgeted 2023.

**Revenue Passenger Activity ▶ ▶ ▶**

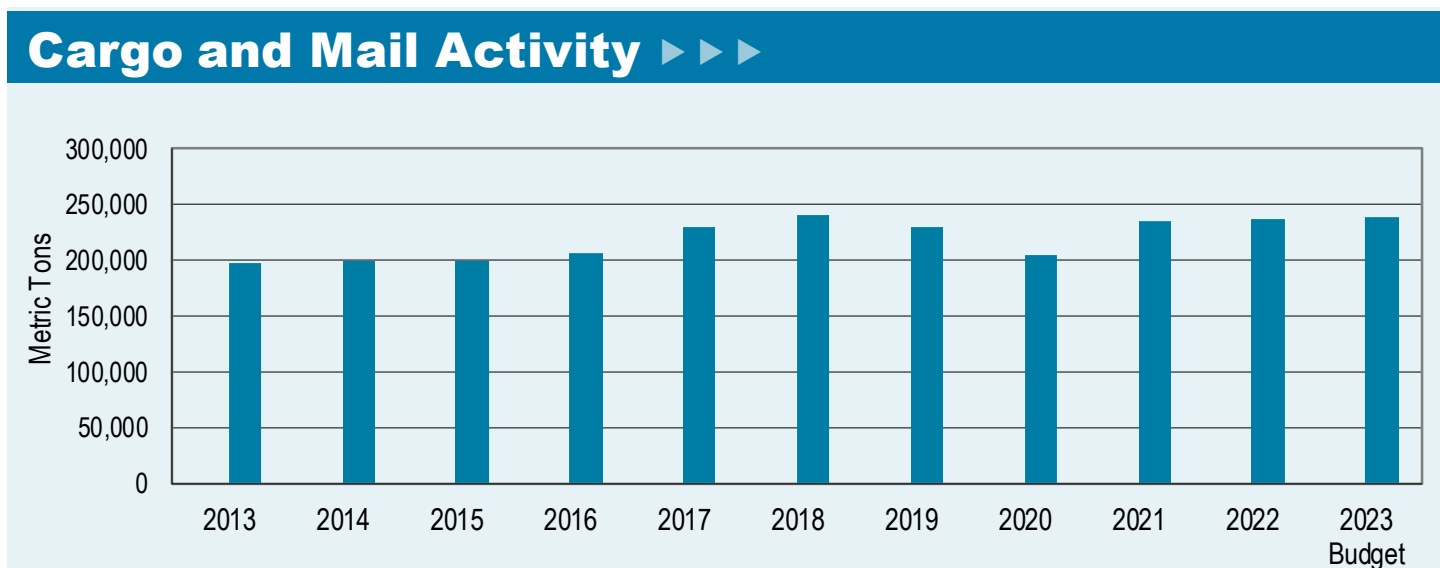
(Thousands)

	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
Enplaned Originating Passengers	8,930	9,299	9,791	10,501	11,032	11,528	12,110	4,614	8,143	10,456	11,573
Enplaned Connecting Passengers	14,880	15,818	15,878	7,660	7,353	6,859	7,072	2,497	4,055	4,713	6,232
<b>Total Enplaned Passengers</b>	<b>23,810</b>	<b>25,117</b>	<b>25,669</b>	<b>18,161</b>	<b>18,385</b>	<b>18,387</b>	<b>19,181</b>	<b>7,110</b>	<b>12,197</b>	<b>15,169</b>	<b>17,805</b>
Total Deplaned Passengers	8,958	8,973	9,825	18,186	18,415	18,400	19,172	7,141	12,229	15,184	17,305
<b>Total Passengers</b>	<b>32,768</b>	<b>34,089</b>	<b>35,494</b>	<b>36,347</b>	<b>36,800</b>	<b>36,787</b>	<b>38,353</b>	<b>14,251</b>	<b>24,426</b>	<b>30,353</b>	<b>35,110</b>

The chart below depicts the total operations activity for both MSP and the Reliever Airports. MSP operations declined in 2020 from the pandemic and passengers' concern about the close proximity to others while flying. Air transportation slowly began to recover from the pandemic in 2021 and continued in 2022. The expectation for 2023 is that the number of operations will rise approximately 2% over 2022 operations.



The following chart shows cargo and mail activity reacting to the economy as it rose and peaked in 2018 when the economy flourished but dropped slightly in 2019 and dipped further in 2020 from the impact of COVID-19 when businesses temporarily closed and furloughed staff. In 2021 and 2022, mail and cargo operations began to climb as the economy improved, businesses reopened and people ordered online during the pandemic recovery. Cargo and mail activity is projected to rise slightly with the increase in online shopping.



**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 6.9% in population since 2011. As indicated in the population table, two-thirds of Minnesota residents are concentrated in the MSA.

The pie chart illustrates Minnesota’s population by race.

**Population Comparison ►►►**

(000)

Year	United States	Minnesota	MSA	MSA as % of MN
2011	311,583	5,347	3,389	63.4%
2012	313,874	5,380	3,422	63.6%
2013	316,129	5,420	3,459	63.8%
2014	318,857	5,457	3,428	62.8%
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	5,717	*	*

Sources: United States 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

**5.7M** ► **Population**

Source: U.S. Census Bureau

**16** ► **# of Fortune 500 companies**

Source: Fortune.com

**\$676.9B** ► **Revenue generated by Fortune 500 companies**

Source: Fortune.com

**534K** ► **# of small businesses**

Source: U.S. Small Business Administration

**67,400** ► **# of farms**

Source: U.S. Department of Agriculture

**\$66,280** ► **Per capita income**

Source: Bureau of Economic Analysis

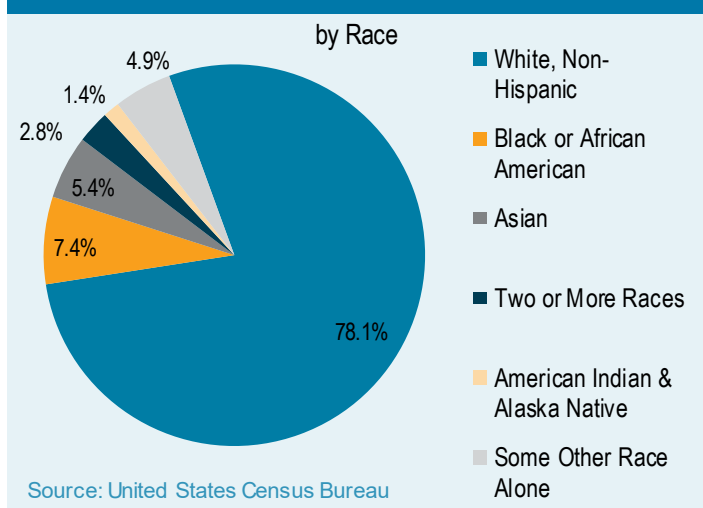
**37.60%** ► **% of adults who hold a bachelors degree or higher**

Source: U.S. Census Bureau

**93.60%** ► **% of adults with a high school degree or higher**

Source: U.S. Census Bureau

**Minnesota Population ►►►**



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 2022. The world-renowned Mayo Clinic tops the list with 48,200 in-state employees. Six 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 24,771 in-state employees, ranking at number 9 on the list of top 20.

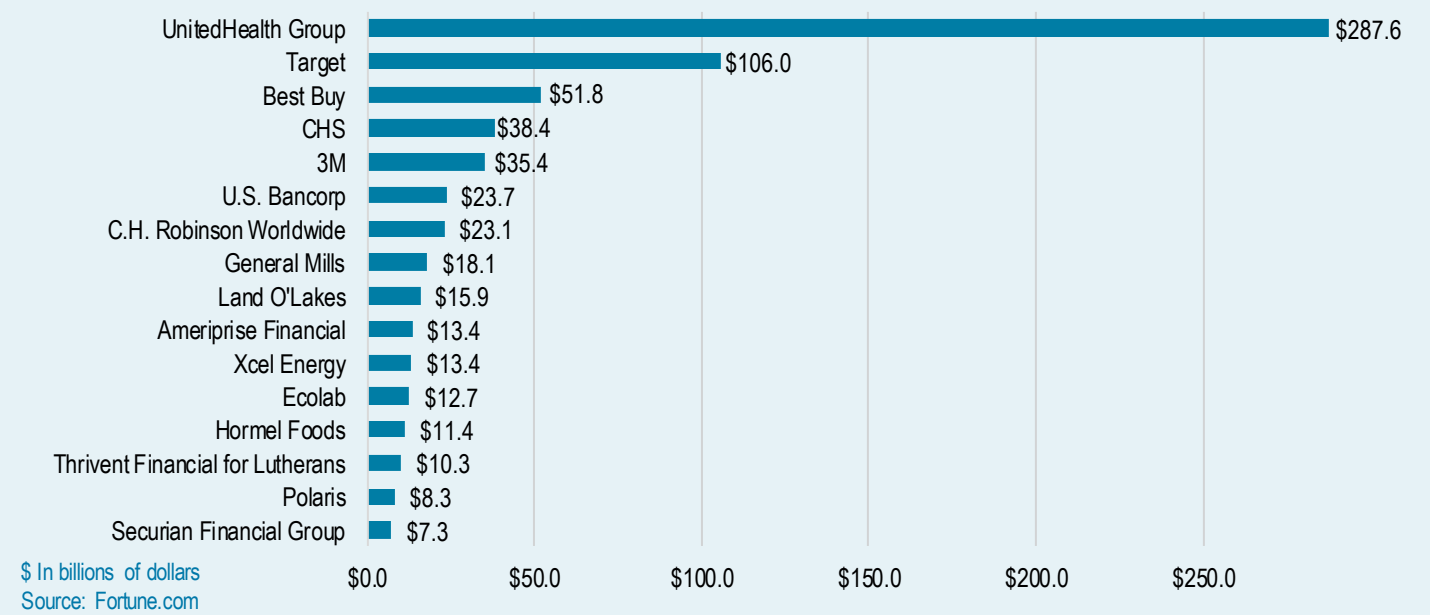
**Top 20 Largest Employers for 2022** ▶▶▶

Rank	Minnesota Employer	# In-state Employees	Industry	Rank	Minnesota Employer	# In-state Employees	Industry
1	Mayo Clinic	48,200	Health Services	11	Wells Fargo Minnesota	16,000	Financial Services
2	Allina Health System	40,663	Health Services	12	Minnesota State	15,294	Education
3	State of Minnesota	36,002	Governmental Services	13	3M Company	13,740	Manufacturing
4	Target Corp.	34,000	Retail	14	U.S. Bancorp	13,000	Financial Services
5	US Federal Government	31,936	Governmental Services	15	CentraCare	12,032	Health Services
6	Fairview Health Services	31,758	Health Services	16	Essentia Health	11,569	Health Services
7	University of Minnesota	26,331	Education	17	Medtronic	11,206	Health Services
8	HealthPartners Inc.	25,000	Health Services	18	Coborn’s Inc.	9,300	Retail
9	Walmart Inc.	24,771	Retail	19	United States Postal Service	8,626	Postal Service
10	UnitedHealth Group Inc.	18,000	Financial Services	20	United Natural Foods Inc.	8,312	Supply Chain

Source: Minneapolis/St. Paul Business Journal

Minnesota is home to 16 Fortune 500 companies, representing a wide variety. These companies brought in \$676.9 billion in revenue during 2022 and employed 1.2 million people worldwide. The following chart recognizes the 2022 Minnesota Fortune 500 Companies ranked by revenue. UnitedHealth Group tops the chart with \$287.6 billion in revenue, followed by Target Corporation with \$106.0 billion. In addition, Minnesota is home to more than 534,000 small businesses and 67,400 farms.

**2022 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.

In 2022, state unemployment dropped to 2.2% from the initial pandemic spike of 4.4% in 2020 and 3.1% in 2021. As the table below illustrates, the country, Minnesota and the MSA, experienced similar 2020 increases and 2021 and 2022 decreases.

<b>Civilian Unemployment Rate ►►►</b>			
	United States	Minnesota	Minneapolis-St Paul MSA
2013	7.4%	4.7%	4.8%
2014	6.2%	3.6%	3.0%
2015	5.0%	3.5%	2.7%
2016	4.7%	3.8%	3.0%
2017	4.1%	3.1%	2.4%
2018	3.9%	2.8%	2.8%
2019	3.4%	3.5%	3.0%
2020	6.7%	4.4%	3.9%
2021	3.9%	3.1%	2.2%
2022	3.7%	2.2%	2.1%

Sources: Minnesota Department of Employment and Economic Development, National Conference of State Legislatures

The Minnesota Department of Employment and Economic Development (DEED) statistics show that the state continues to add jobs annually. According to DEED projections, Minnesota will reach almost 3.3 million jobs by 2028. With the Fortune 500 companies, the large number of employers in the state and new jobs annually, Minnesota remains economically strong and vibrant.



Job Fairs Are Held at MSP Airport Several Times A Year

**INCOME**

In 2021, Minnesota ranked 13th in the U.S. for per capita personal income. Minnesota’s \$66,280 per capita personal income was 103.3% of the national average of \$64,143.

<b>Per Capita Personal Income ►►►</b>			
	United States	Minnesota	Minneapolis-St Paul MSA
2013	44,894	47,977	51,183
2014	47,017	50,157	53,166
2015	48,891	52,229	55,599
2016	49,812	52,890	56,723
2017	51,811	54,670	59,736
2018	54,098	56,986	62,889
2019	56,047	58,426	64,255
2020	59,510	62,005	67,214
2021	64,143	66,280	71,912
2022	65,636	68,231	*

\*Data not available at time of publication  
Sources: U.S. Bureau of Economic Analysis, St. Louis Fed

For every year listed in the personal income chart, the MSA’s per capita personal income has been higher than the per capita personal income amount for both the nation and the state. This leads to an average higher discretionary disposable income than others throughout Minnesota and the nation. 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 bachelor and advanced degrees is 3.9% greater than the percentage of the United States population as a whole. Minnesota exceeds the nation by 4.7% when it comes to high school graduates and people with some college education.

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.

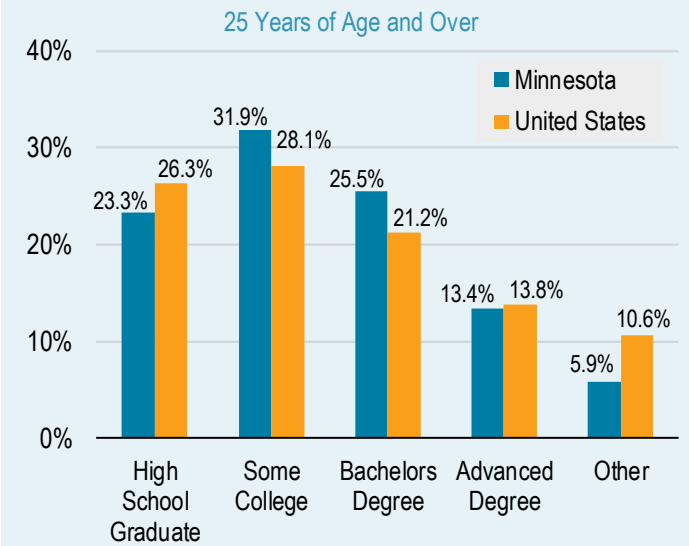
MSP is a high-activity large hub airport. Approximately 33% of its passengers were connecting in 2021, while the other 67% were origin-destination. In 2021, MSP ranked 16th in the U.S., moving up one spot over its 2020 rank.

At the end of 2021, MSP served 25.2 million passengers, an increase of 10.3 million or 69.6 percent from 2020 passenger total. As a direct result of the COVID-19 pandemic, passenger traffic in 2020 was drastically low compared to recent years at all major airports. While 2022 full-year data is not available at the time of publication, early information indicates a partial recovery to pre-pandemic traffic. The upward trend is expected to continue into 2023.



*Delta’s Nonstop Service from MSP to Seoul Resumes Two Years After the COVID-19 Pandemic*

**Highest Education Level ►►►**



Source: US Census Bureau

**US Airport Rankings:**

**Total Passengers\* ►►►**

Year Ended December 31, 2021

In thousands

Rank	Airport	Passengers
1	Atlanta (ATL)	75,705
2	Dallas/Fort Worth (DFW)	62,466
3	Denver (DEN)	58,829
4	Chicago (ORD)	54,020
5	Los Angeles (LAX)	48,007
---		
15	Fort Lauderdale (FLL)	28,077
16	<b>Minneapolis (MSP)</b>	<b>25,202</b>
17	San Francisco (SFO)	24,344
18	Detroit (DTW)	23,611
19	Boston (BOS)	22,696
20	Salt Lake City (SLC)	22,384

\*Arriving, departing and direct transit passengers counted once

Source: Airports Council International-North America





Photo by Mike Krivt, 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.
- ▶ Six major teams play professional sports in the Twin Cities: the Minnesota Twins (baseball), Minnesota Vikings (football), Minnesota Timberwolves (men’s basketball), Minnesota Lynx (women’s basketball), Minnesota United (men’s soccer) and Minnesota Wild (hockey). In 2016, the brand new U.S. Bank Stadium in downtown Minneapolis hosted its first Minnesota Vikings game. It also hosted the NFL’s Super Bowl LII game in 2018 and the NCAA Men’s Final Four basketball tournament in 2019. Minnesota United opened the 2019 season at the new Allianz Field in St. Paul.

- ▶ University of Minnesota Gophers participate in the Big Ten Conference in a number of sports including basketball, hockey, football and soccer.
- ▶ Minnesota boasts more than 10,000 lakes and 136,000 acres of parks, trails and wildlife management areas. The state is renowned for its wide variety of outdoor activities, including sailing, fishing, skiing and hunting.
- ▶ Popular local activities in Minnesota include the following annual events: Minnesota State Fair, Minneapolis Aquatennial and St. Paul Winter Carnival.

**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 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



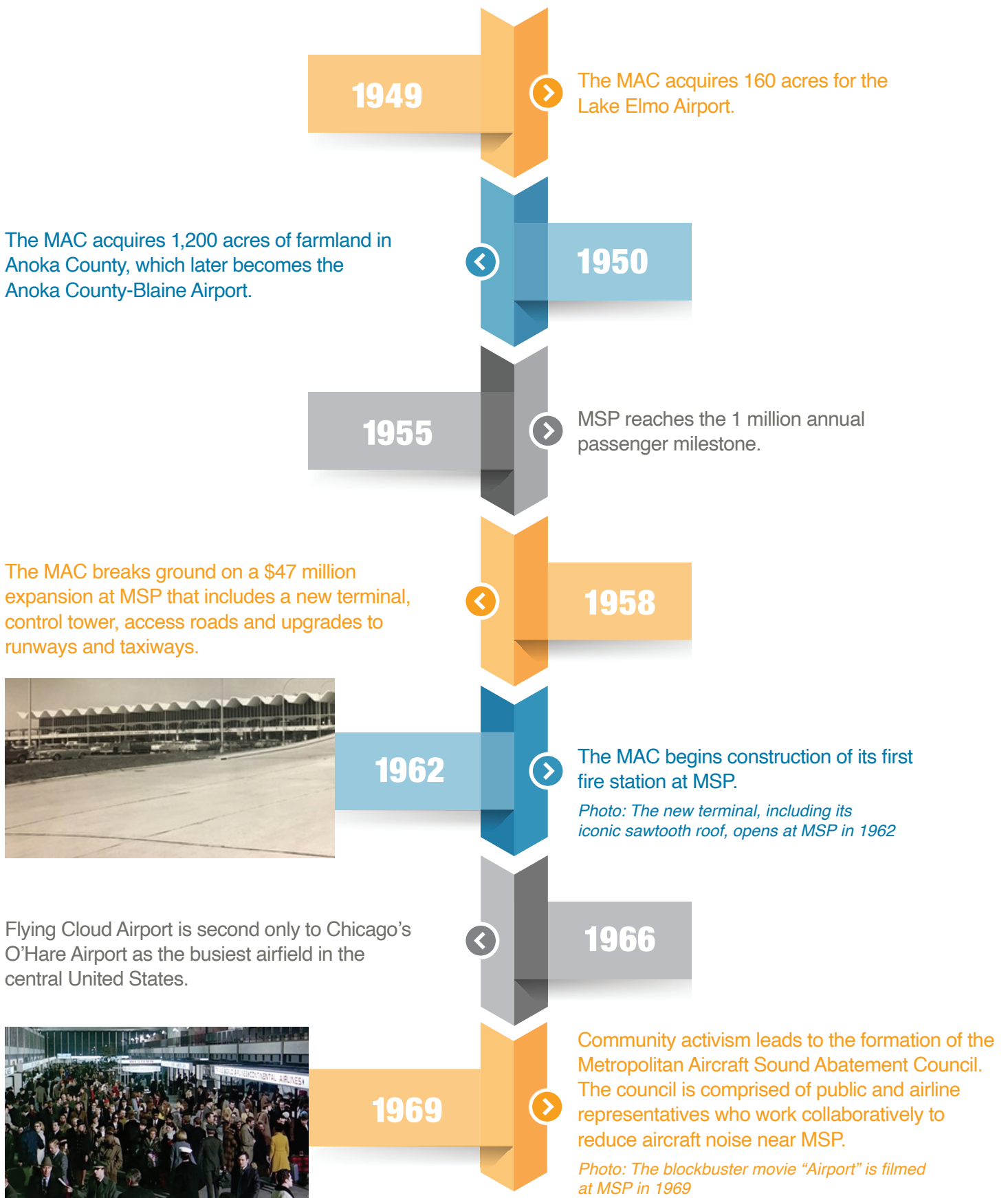
1943

Minnesota passes legislation to form the Minneapolis-St. Paul Metropolitan Airports Commission (MAC)

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*

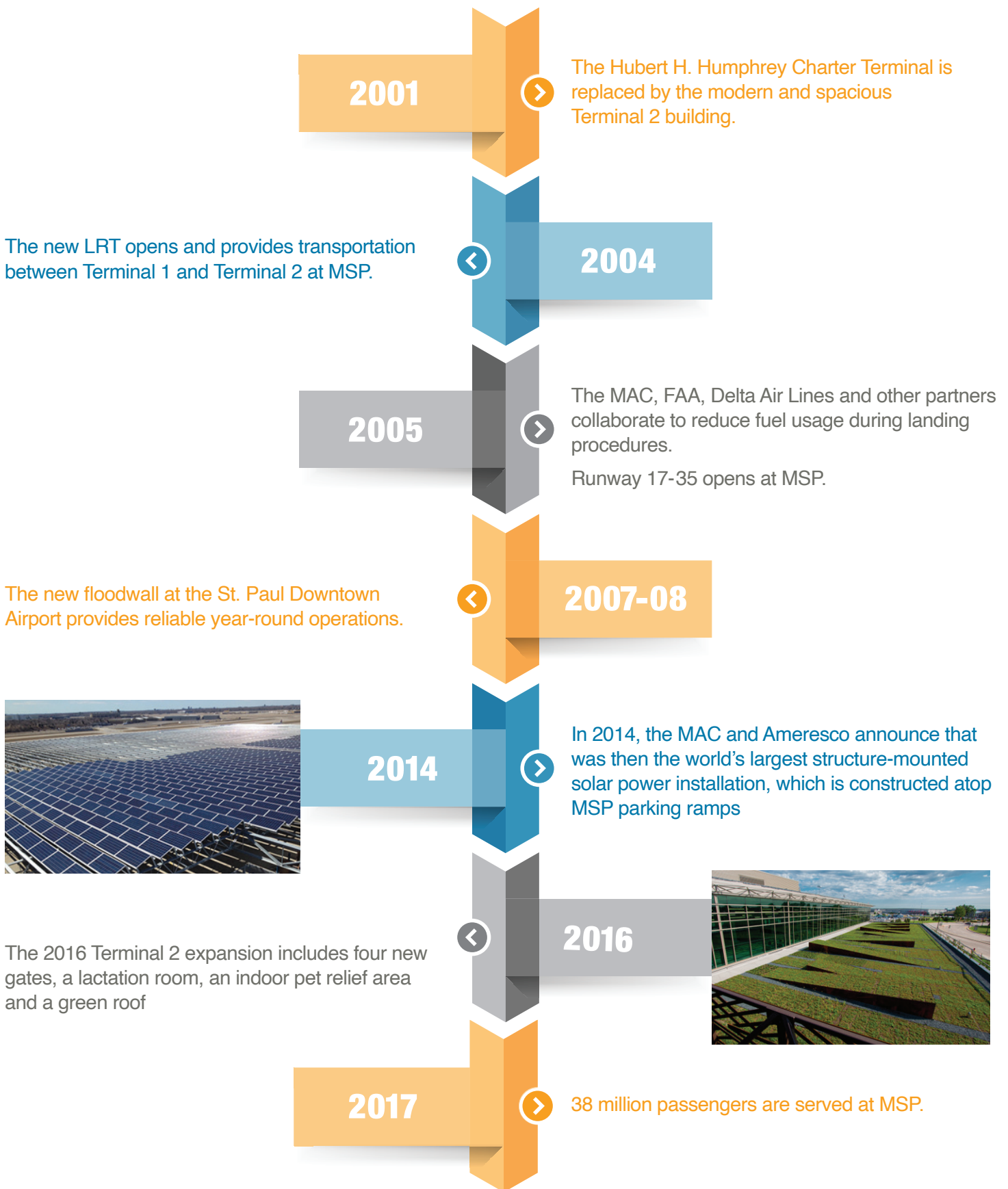
1991



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



FACTS Continued on next page

STATISTICS & INFORMATIVE FACTS

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.



2020

Operations at the MAC’s six general aviation airports grew by eight percent in 2021, over 2020, and experienced double-digit growth between 2019 and 2021.



2018



MSP is named the best airport in North America by Airports Council International for the 4th consecutive year.

2021



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# GLOSSARY

## AAAE

### American Association of Airport Executives

AAAE is the world's largest professional organization for airport executives, representing thousands of airport management personnel at public-use commercial and general aviation airports.

## 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

## AEDT

### Aviation Environmental Design Tool

## AHU

### Air Handling Unit

## AIR OPERATIONS AREA

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. Its mission is to enhance the experience and exceed the expectations of travelers at the Minneapolis-St. Paul International Airport, as well as to support the airport and broader 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 expense or revenue on the income statement.

## AOA

### Air Operations Area

**AODB/RMS****Airport Operational Database/Resource Management System**

RMS is directly connected to the Airport Operational Database, which is developed in an Open Systems Architecture to integrate those application which are planned for future integration. The modules themselves are expandable and the technology used allows users to implement new features and functionalities seamlessly.

**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.

**AWOS****Automated Weather Observing System****AUDIT**

A formal examination of an organization's accounts or financial situation.

**BALANCED BUDGET**

In a balanced budget, operating revenue is equal to budgeted operating expense plus depreciation.

**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 \$10,000 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.

**CARES ACT****The Coronavirus Aid, Relief and Economic Security Act**

The CARES Act is a federal action addressing the crisis created by the COVID-19 pandemic. Provisions of the CARES Act provide grant assistance to airports to reimburse eligible expenses.

**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.

**CIP****Capital Improvement Program**

The CIP is a seven-year plan relating to construction projects in the MAC's system of airports. The CIP's current budget year includes projects that are reasonably defined for implementation during that year. The next budget year includes projects identified as a need or potential need in that year of the program but require further study in order to properly determine the scope, feasibility and cost of the project. The final five years consist of projects that appear to be needed during that period. This portion assists in financial planning and meets the requirements of the Metropolitan Council's Investment Framework.

**CMAA****Commercial Management and Airline Affairs****CO2****Carbon dioxide**



**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. COVID-19 is a new disease, caused by a novel (or new) coronavirus that has not previously been seen in humans. Although most people who have COVID-19 have mild symptoms, COVID-19 can also cause severe illness and even death for older adults and people who have certain underlying medical conditions. The disease is highly transmittable.

**CRRSAA**

Coronavirus Response and Relief Supplemental Appropriations Act

CRRSAA is a federal grant that provides relief to the transit industry in response to the COVID-19 pandemic.

**DEBT SERVICE**

Debt service is an issuer's obligation to repay the principal and interest.

**DEBT SERVICE FUND**

The Debt Service Fund is used to pay required debt principal and interest payments.

**DEED**

Department of Employment and Economic Development

**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 refundings, 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.

**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 United States 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 aircraft with 9-seat or fewer, usually to a large- or medium-hub airport. The Department currently subsidizes commuter and certificated air carriers to serve approximately 60 communities in Alaska and 115 communities in the lower 48 contiguous states that otherwise would not receive any scheduled air service.

**EV**

**Electric Vehicle**

**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.

**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.

**FBI**

**Federal Bureau of Investigation**

**FICA**

**Federal Insurance Contributions Act**

**FIS**

**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.

**GBAC**

Global Biorisk Accreditation Center

**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

**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.

**GIS**

Geographic Information System

A geographic information system is a system that creates, manages, analyzes and maps all types of data. GIS connects data to a map, integrating location data.

**GISW**

Glycol Impacted Storm Water Management

**GPS**

Global Positioning System

**GSE**

Ground Service Equipment

**HOT WASH**

A hot wash is an immediate after-action discussion and evaluation of an exercise, training session or event.

**HVAC**

Heating, Ventilation and Air Conditioning

**IAF**

International Arrivals Facility or International Arrival Fees

**IMACS**

Intelligent Monitoring and Control Systems

**INTERCONNECTED OPERATIONS PROGRAM**

To advance implementation of the MAC strategy, a major reorganization of the Management and Operations Division has been initiated that includes development of a new operating model which requires formal and structured asset management, improved alignment between trades and maintenance services, as well as providing planning, analysis and training support services to operations teams. This major reorganization, referred to as the Interconnected Operations Program (Inter-Ops), also provides incorporation of the new North STAR Center into the command-and-control structure of the Management and Operations Division.

**INTEREST**

Interest is the cost of borrowing money and is paid to the lending institution.

**IT**

Information Technology or Information Technology Department

**IOC**

Integrated Operations Center

**IVISN**

Integrated Video and Information System Network

**K9**

A K9 (canine) is a dog trained to assist law enforcement.

**KPI**

Key Performance Indicators

**LANDSIDE**

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.

**LED**

Light-Emitting Diode

**LOC**

Line of Credit

- LRT**  
Light-Rail Transit
- LTCP**  
Long-Term Comprehensive Plan
- LWSW**  
Live Well, Stay Well
- M & O**  
Management and Operations
- MAC**  
Metropolitan Airports Commission  
Created in 1943 by Minnesota state law, the MAC is a public corporation providing coordinated aviation services throughout the Twin Cities metropolitan area. The MAC operates one of the largest airport systems in the nation, which includes MSP and six general aviation airports. A 15-member Board of Commissioners appointed by Minnesota's Governor and the Mayors of Minneapolis and Saint Paul establishes the Commission's policies. These policies are implemented by the Commission's senior leadership and staff.
- MACNET**  
The MAC's computer network, which is the system of transmitting information across the MAC community.
- MCD**  
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.
- METROPOLITAN COUNCIL**  
Also known as the Met Council, it is the metropolitan regional planning agency.
- MINNEAPOLIS-ST. PAUL METROPOLITAN AREA**  
The counties surrounding MSP: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. The area includes the cities of Minneapolis and St. Paul.
- 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**  
Navigational Aids
- NCAA**  
National Collegiate Athletic Association
- NO2**  
Nitrogen dioxide
- 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.
- 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.
- NSC**  
North STAR Center

**OF&A COMMITTEE****Operations, Finance & Administration Committee**

The OF&A Committee is composed of Commissioners meeting on a monthly basis. This Committee is one of the two standing Committees of the Metropolitan Airports Commission. All financial information is reported to the committee and acted upon at this meeting.

**OFA****Object Free Area**

The runway object free area (OFA) 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.

**OPEB****Other Post-Employment Benefit****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.

**PANDEMIC****COVID-19 Pandemic****PART 139****FAA Regulation Part 139**

FAA 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.

**PCA****Pre-Conditioned Air****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.

**PFC****Passenger Facility Charge**

A PFC is an authorization by Congress which allows proprietors of commercial service airports, such as the MAC, to impose a passenger facility charge upon revenue passengers enplaning at those airports. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers, to mitigate noise impacts and to expand airport system capacity.

**R & R****Repair and Replacement Surcharges**

Repair and Replacement Surcharges are a component of airline rates and charges.

**RAMP FEES**

Ramp fees are charged to a particular airline for exclusive use of a specific area of ramp, calculated by dividing the total estimated costs by the number of lineal feet of ramp space.

**REIMBURSED EXPENSE**

Reimbursed expenses are costs paid by the Commission which are billed back to tenants or paid to the MAC by outside sources. Reimbursement receipts are recorded in "Other Revenue."

**RELIEVER AIRPORTS**

These airports provide facilities for general aviation activity and reduce traffic and congestion at large airports. The MAC owns six reliever airports: St. Paul Downtown, Flying Cloud, Crystal, Anoka County-Blaine, Lake Elmo, and Airlake Airports.

**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.

**RFP****Request for Proposal**

A request for proposal is a business document that announces and provides details about a project, as well as solicits bids from companies interested in completing the project.

**RIDS****Ramp Information Display System****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**

Carriers and airlines who have signed the Airline Agreement. They include major, commuter, charter and cargo or freight carrier categories.

**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 more senior lien bonds in terms of claims on payments.

**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.

**TSA****Transportation Security Administration****UAS****Unmanned Aircraft System****UPS****United Parcel Service****WORKING CAPITAL**

Working capital is the change in current assets minus the change in current liabilities.

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