



# 2024 OPERATING BUDGET

METROPOLITAN AIRPORTS COMMISSION MINNEAPOLIS-SAIN T PAUL, MN



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**OUR PURPOSE**  
 To provide exceptional experiences so Minnesota thrives

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

# EXECUTIVE SUMMARY

## DECEMBER 18, 2023

To the Public:

We are pleased to present the 2024 Metropolitan Airports Commission (MAC) Budget which was adopted by the Board of Commissioners (Commission) on December 18, 2023.

Total Operating Revenue for 2024 is projected to be \$507.8 million and Operating Expense is \$285.1 million excluding depreciation and noise amortization. Non-operating expense, including non-operating revenue, is budgeted to be \$130.4 million. The approved 2024 budget results in \$92.3 million of Net Revenue Available for Designation.

The 2024 budget process commenced in May 2023. Some of the key short-term issues and associated risk factors faced by the MAC in developing the overall targets for the 2024 Operating Budget included:

- ▶ Managing future growth and capacity as we recover from the pandemic
- ▶ Changes in the state of the economy and the airline industry in 2024
- ▶ Funding the Capital Improvement Program (CIP), which totaled \$1.1 billion.
- ▶ Elevated borrowing costs with higher interest rates

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

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

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

## BUDGET TARGETS

The Commission identified four targets that were used in developing the 2024 Operating Budget. Presented are the targets and their respective budget results.

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

**Result** The coverage ratio will be 4.65x on Senior GARBs and 2.60x on total coverage (with transfer).

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

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

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

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

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

**Result** The budget forecasts \$92.3 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 continues to recover from the effects of the COVID-19 pandemic that struck the airline industry in 2020. As the MAC is still recovering in 2024, revenue is projected to grow 11% compared to 2023. A large bond issue is planned, and additional federal and state grants are expected in 2024 to fund CIP projects. Expenses increased in 2024 based on the number of enplanements and inflation. The 2025-2026 projections were prepared using passenger growth expectations and inflation estimates.

## Consolidated Enterprise Fund ►►►

(\$ = 000)

2024 Budget vs 2023 Estimate

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	2025 Projection	2026 Projection
<b>Sources All Funds</b>						
Balance Carried Forward January 1 <sup>1</sup>	\$ 569,237	\$ 779,058	\$ 779,058	\$ 776,192	\$ 1,435,363	\$ 801,976
<b>Operating Fund Revenues</b>						
Airline Rates & Charges	125,612	158,255	165,696	185,587	193,010	198,800
Concessions	173,398	207,092	217,095	230,205	249,349	267,159
Other Operating Revenues	79,406	81,939	85,980	92,007	93,514	94,703
Interest Earnings	321	5,544	9,934	9,218	5,107	5,107
Other & Self-Liquidating Revenue	45,494	7,584	21,560	41,347	2,079	2,079
Transfers in Equipment Financing	2,850	4,400	8,875	19,000	12,000	12,000
<b>Construction Fund Revenues</b>						
PFC Funding	60,985	67,606	66,834	75,332	77,264	79,196
Federal & State Grants	22,656	80,590	27,895	204,588	53,723	32,036
Interest Income	4,249	13,150	20,295	25,000	22,200	12,600
Bond/Notes Proceeds	255,310	-	-	705,045	-	565,580
Short-Term Funding Program	-	25,276	46,400	23,500	7,500	6,800
Other Receipts	-	-	3,867	-	-	-
Transfers In - Operating Fund	79,574	85,108	91,734	87,000	86,128	67,000
<b>Debt Fund Revenues</b>						
Interest Earnings	254	1,009	987	1,208	1,295	1,315
Bond Proceeds	56,228	-	176,897	-	-	-
Transfers In (PFC and GARB Requirements)	127,749	148,037	147,607	154,702	156,459	157,926
<b>Total All Receipts</b>	<b>\$ 1,603,323</b>	<b>\$ 1,664,648</b>	<b>\$ 1,870,714</b>	<b>\$ 2,629,931</b>	<b>\$ 2,394,991</b>	<b>\$ 2,304,277</b>
<b>Uses All Funds</b>						
<b>Operating Fund Expenses</b>						
Personnel	97,837	113,373	111,189	123,532	128,473	132,327
Administration	1,207	1,892	1,741	2,277	2,368	2,439
Professional Services	7,986	10,582	11,567	14,638	15,224	15,681
Utilities	25,590	23,119	25,146	24,940	25,938	26,716
Operating Services	29,191	35,592	34,365	40,290	41,902	43,159
Maintenance	47,930	53,106	56,390	67,035	69,716	71,807
Other	5,956	7,691	7,735	12,435	12,932	13,320
Equipment & Other Capital Expenditures	9,879	14,494	11,478	36,153	26,754	21,807
Transfers Out - Debt	103,826	123,803	125,700	134,331	135,410	136,183
Transfers Out - Equipment Financing	4,680	4,223	4,821	7,814	5,044	4,736
Transfers Out - Construction	79,574	85,108	91,734	87,000	86,128	67,000
<b>Construction Fund Expenses</b>						
CIP Project Costs	184,529	405,602	226,673	461,149	861,738	741,136
Debt Service PFC Transfer	26,867	26,874	26,814	25,183	24,929	25,730
<b>Debt Fund Expenses</b>						
Bond Refundings	55,958	-	198,781	-	-	-
Bond Principal & Interest Payments	143,255	158,421	160,388	157,791	156,459	157,926
<b>Total All Costs</b>	<b>\$ 824,265</b>	<b>\$ 1,063,880</b>	<b>\$ 1,094,522</b>	<b>\$ 1,194,568</b>	<b>\$ 1,593,015</b>	<b>\$ 1,459,967</b>
<b>Total Ending All Net Fund Balances</b>	<b>\$ 779,058</b>	<b>\$ 600,768</b>	<b>\$ 776,192</b>	<b>\$ 1,435,363</b>	<b>\$ 801,976</b>	<b>\$ 844,310</b>

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

**BUDGET DEVELOPMENT**

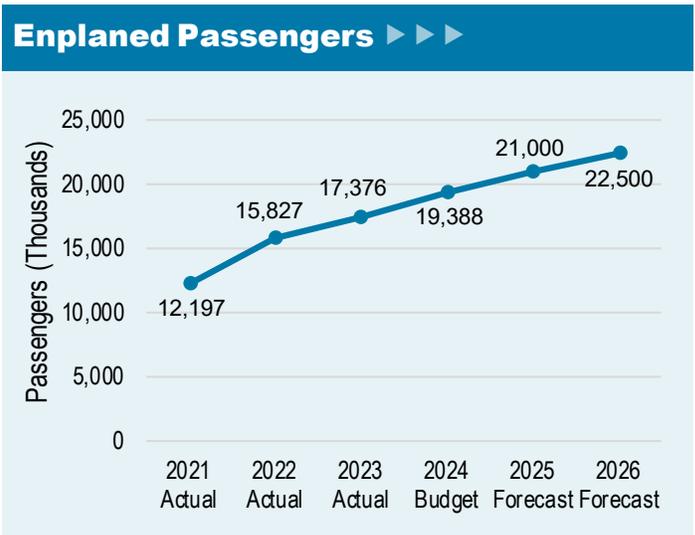
The Metropolitan Airports Commission is dedicated to providing services that consistently exceed the expectations of its customers and stakeholders. The MAC strives to fulfill its purpose: To provide exceptional airport experiences so Minnesota thrives. Ensuring the organization's long-term financial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

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

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

As previously indicated, the Commission's process for developing targets and guidelines for the 2024 budget included a discussion of critical issues around future growth and capacity as well as changes in the economy and in the airline industry. Key to this discussion was the enplanement forecast, increased need for operating expenses, maintaining our coverage ratios, working with our stakeholder partners to reduce their costs as well as looking for opportunities to derive new revenue and a competitive cost per enplaned passenger.

The enplaned passenger graph shows historical as well as forecasted enplaned passenger counts. In 2021, enplanements at Minneapolis-St. Paul International Airport (MSP) increased 64.5% after the onset of the COVID-19 pandemic in 2020. During continued recovery, passenger enplanements have grown. Based on forecasts obtained from airlines and various other industry sources, enplanement forecasts show recovery to reach the 2019 enplanement level will be achieved in 2025. The MAC projects continued growth and enplanements up to 22.5 million by 2026. Forecasts are updated throughout the year.



The 2024 budget was developed on 19.4 million enplanements projected at the time of budgeting based on the pandemic recovery. The increasing number of enplanements results in the need to hire additional staff to maintain service to passengers. 36 new headcount are budgeted in 2024. The new headcount will support MAC's strategic plan goals, cover increasing needs and continue to provide exceptional airport experiences to the traveling public.

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



*Aerial View of Flying Cloud Reliever Airport*

OPERATING BUDGET

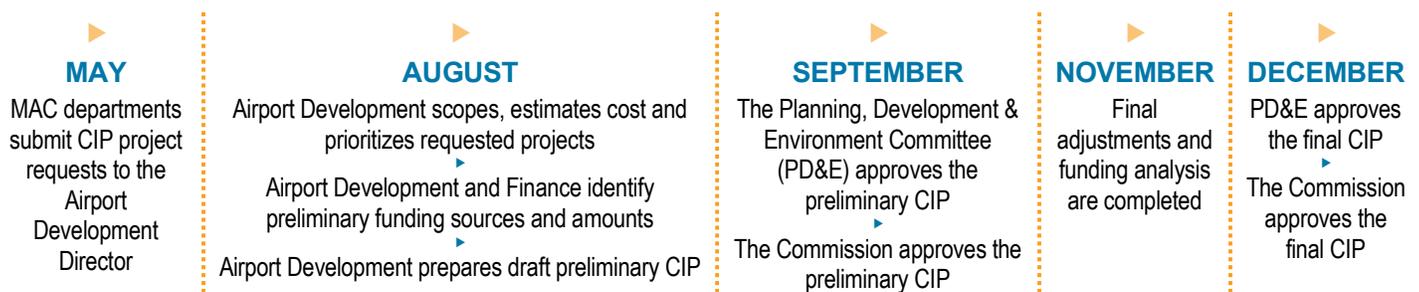
The following table is a summary of Revenue, Expense and Non-Operating Revenue and Expense comparing 2022 Actual through the 2024 Budget. Revenue and expenses are both increasing along with the growth in passengers. Details regarding recent changes in revenues and expenses are within the Operating Budget Revenue and Operating Budget Expense sections of this document.

<b>Operating Budget Summary</b> ►►►						
(\$ = 000)						
2024 Budget vs 2023 Estimate						
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Operating Revenue</b>						
Airline Rates and Charges	\$ 125,612	\$ 158,255	\$ 165,696	\$ 185,587	\$ 19,891	12.0%
Concessions	173,398	207,092	217,095	230,205	13,110	6.0%
Rentals/Fees	56,947	59,476	62,421	66,535	4,114	6.6%
Utilities & Other Revenues	22,459	22,463	23,559	25,472	1,913	8.1%
<b>Total Operating Revenue</b>	<b>\$ 378,417</b>	<b>\$ 447,286</b>	<b>\$ 468,771</b>	<b>\$ 507,799</b>	<b>\$ 39,027</b>	<b>8.3%</b>
<b>Operating Expense</b>						
Personnel	\$ (97,837)	\$ (113,373)	\$ (111,189)	\$ (123,532)	\$ (12,343)	11.1%
Administrative Expenses	(1,207)	(1,892)	(1,741)	(2,277)	(536)	30.8%
Professional Services	(7,986)	(10,582)	(11,567)	(14,638)	(3,071)	26.6%
Utilities	(25,590)	(23,119)	(25,146)	(24,940)	206	-0.8%
Operating Services	(29,191)	(35,592)	(34,365)	(40,290)	(5,925)	17.2%
Maintenance	(47,930)	(53,106)	(56,390)	(67,035)	(10,645)	18.9%
Other	(5,956)	(7,691)	(7,735)	(12,435)	(4,700)	60.8%
<b>Total Operating Expense <sup>1</sup></b>	<b>\$ (215,696)</b>	<b>\$ (245,354)</b>	<b>\$ (248,133)</b>	<b>\$ (285,147)</b>	<b>\$ (37,014)</b>	<b>14.9%</b>
<b>Net Operating Revenue</b>	<b>\$ 162,721</b>	<b>\$ 201,932</b>	<b>\$ 220,638</b>	<b>\$ 222,651</b>	<b>\$ 2,013</b>	<b>0.9%</b>
<b>Non-Operating Revenue (Expense)</b>						
Add: Other Non-operating Revenue	\$ 48,816	\$ 17,528	\$ 40,369	\$ 73,840	\$ 33,471	82.9%
Less: Debt Service/Equipment/Other	(119,772)	(155,358)	(154,837)	(204,222)	(49,385)	31.9%
<b>Total Non-Operating Revenue (Expense)</b>	<b>\$ (70,957)</b>	<b>\$ (137,830)</b>	<b>\$ (114,467)</b>	<b>\$ (130,382)</b>	<b>\$ (15,914)</b>	<b>13.9%</b>
<b>Net Revenue</b>	<b>\$ 91,765</b>	<b>\$ 64,101</b>	<b>\$ 106,169</b>	<b>\$ 92,269</b>	<b>\$ (13,900)</b>	<b>-13.1%</b>

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

CAPITAL IMPROVEMENT PROGRAM

The Commission approves a seven-year Capital Improvement Program which is divided into three areas. The first area is approval of projects that will be initiated in year one of the program. The second area identifies projects which may be reviewed in detail to determine cost and feasibility. The third area of the program is 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 2024-2030 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. The 2024 CIP budget is significant as three large projects are included, the Terminal 2 gate expansion, Concourse G infill project and the second phase of the Safety and Security Center.

<b>Capital Improvement Program Summary</b> ▶▶▶				
(\$=000)				
	Budget 2023	Budget 2024	Budget 2025	Budget 2026
<b>Projects - All Airports</b>				
<b>Minneapolis-St. Paul International Airport</b>				
End of Life/Replacement Projects	\$ 90,495	\$ 59,575	\$ 72,350	\$ 39,100
Information Technology	10,850	7,910	18,650	27,650
Long-Term Comprehensive Plan Projects	72,025	581,000	163,000	1,000
Maintenance / Facility Upgrade Projects	46,015	281,130	196,220	87,395
Ongoing Maintenance Programs	59,500	82,165	79,820	87,970
Noise Mitigation Projects	500	1,000	500	-
MSP Tenant Projects	31,100	90,620	76,224	229
<b>Total Minneapolis-St. Paul International Airport</b>	<b>\$ 310,485</b>	<b>\$ 1,103,400</b>	<b>\$ 606,764</b>	<b>\$ 243,344</b>
<b>Reliever Airports</b>	10,680	32,400	28,900	17,100
<b>Total Projects - All Airports</b>	<b>\$ 321,165</b>	<b>\$ 1,135,800</b>	<b>\$ 635,664</b>	<b>\$ 260,444</b>
<b>Funding</b>				
Passenger Facility Charges (PFCs)	\$ 67,606	\$ 29,642	\$ 32,895	\$ 17,570
Federal and State Grants	80,590	204,588	53,723	32,036
General Airport Revenue Bonds-Line of Credit	111,626	804,495	444,950	134,930
Internal/Airline Funds	76,072	97,076	104,096	75,908
<b>Total Funding</b>	<b>\$ 335,894</b>	<b>\$ 1,135,800</b>	<b>\$ 635,664</b>	<b>\$ 260,444</b>

*Numbers may not foot due to rounding*

**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 \$700 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. The Commission has a line of credit of \$150 million. As of December 31, 2023, the Commission has utilized \$87.7 million of its line of credit. The amount utilized from the line of credit will be paid off with future PFC applications and bond issues.

Refundings

The Commission has aggressively pursued the refunding options of its outstanding debt. Bond proceeds 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 \$25.7 million per year.

<b>Debt Refundings Summary</b> ►►►				
(\$=000)				
Series Refunded	Refunding Year	Total Savings	Annual Savings	Present Value % Savings
1998A, 1999A, 2001A & 2001C <sup>1</sup>	2007	\$ 33,050	\$ 2,330	5.19%
1998B <sup>1</sup>	2008	2,440	365	3.32%
1999B & 2000B <sup>1</sup>	2009	8,140	990	4.95%
2001B & 2001D <sup>1</sup>	2010	9,640	1,150	8.94%
GO 13 <sup>2</sup>	2010	633	214	4.50%
2003A <sup>1</sup>	2011	3,318	369	6.10%
2003A <sup>1</sup>	2012	5,272	293	12.50%
2005A, B & C <sup>1</sup>	2014	60,235	3,011	14.69%
2007A & B <sup>1</sup>	2016	164,340	10,956	25.74%
2009A & B & 2010A, B, C & D <sup>1</sup>	2019	39,489	2,468	14.70%
2011A & 2012 B <sup>1</sup>	2022	13,032	1,448	18.40%
2014A & 2014B <sup>1</sup>	2023	25,677	2,140	7.82%
		<b>\$ 365,266</b>	<b>\$ 25,734</b>	
<b>Average Present Value Savings</b>				<b>10.57%</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 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. As of January 2024, MSP provides air service to 127 domestic and 30 international non-stop destinations. Competitive air service is provided to 85 destinations.

# ENTERPRISE STRATEGIC PLAN

## ENTERPRISE STRATEGIC PLANNING PROCESS

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

The process included:

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

- ▶ **Convergence:** Narrowed down ideas to develop the proposed purpose, values, focus areas, goals and key performance indicators
- ▶ **Finalize:** Finalized the plan’s purpose, values, focus areas, goals and key performance indicators. Staff presented and received approval from the Commission for the purpose, values and focus areas

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

# OUR PURPOSE

To provide exceptional airport experiences so Minnesota thrives





OUR VALUES

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

FOCUS AREAS

 Invest in our workforce and partnerships	 Optimize financial performance while investing to sustain growth	 Actively manage sustainability and stakeholder & community relations	 Operate the airports in a friendly, efficient, safe and secure manner	 Position the MAC for changes in the aviation industry
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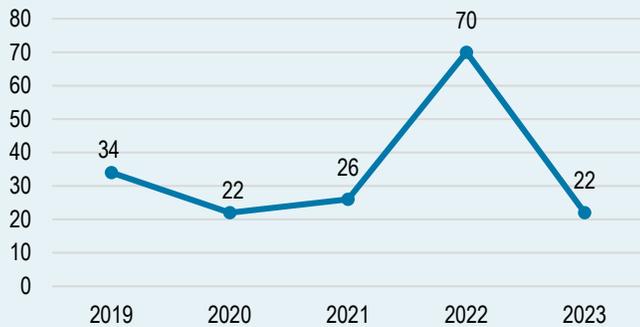
<sup>1</sup> The MAC identifies Strategic Goals as Focus Areas.

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

**KEY PERFORMANCE INDICATORS**

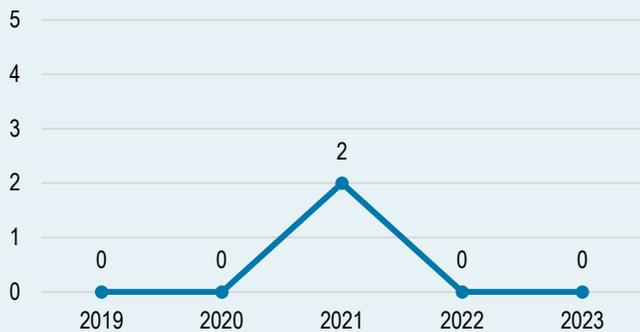
**SAFETY AND SECURITY**

**OSHA-Recordable Injuries/Illnesses ▶▶▶**



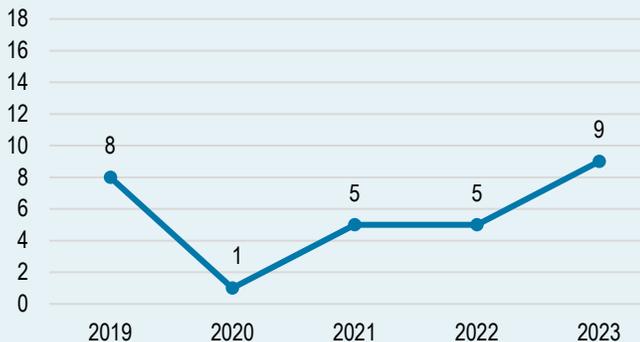
In 2022, the increase in reportable injuries resulted from employees infected at work and testing positive for COVID-19.

**MSP Security Breaches ▶▶▶**

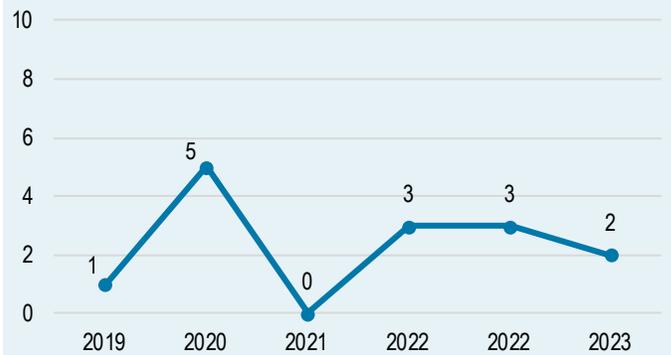


The security breaches in 2021 resulted in no operational impact.

**Reliever Airports Runway Incursions ▶▶▶**



**MSP Runway Incursions ▶▶▶**



**CUSTOMER EXPERIENCE**

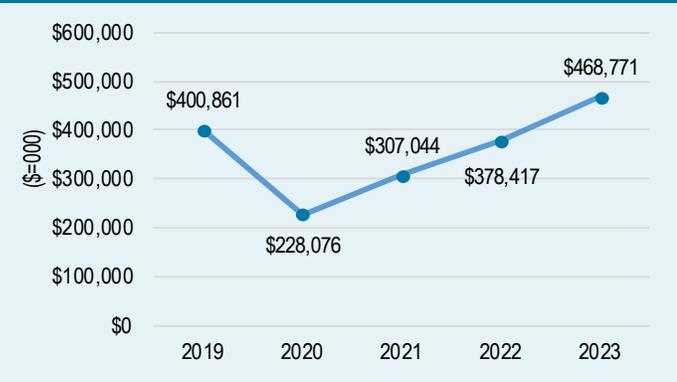
**Overall Satisfaction with MSP ▶▶▶▶**



*Plane taking off from the Crystal Reliever Airport*

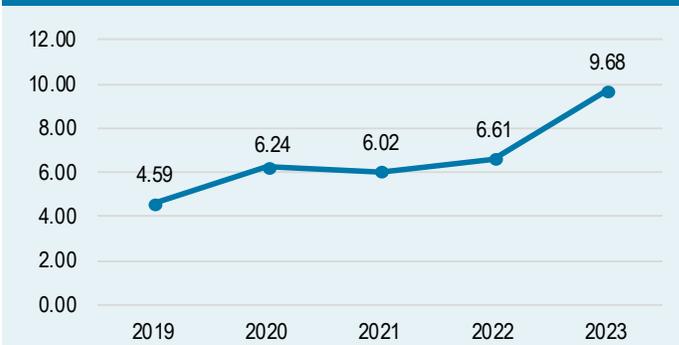
FINANCIAL

**MAC Operating Revenue ▶▶▶**



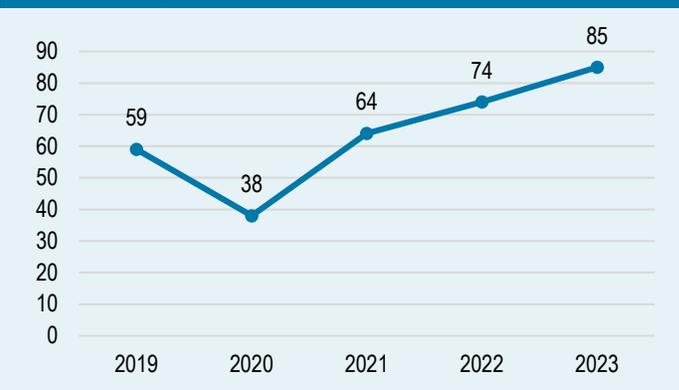
MAC operating revenue decreased sharply in 2020 as the airline industry tumbled during the COVID-19 pandemic. Slowly the industry is recovering.

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



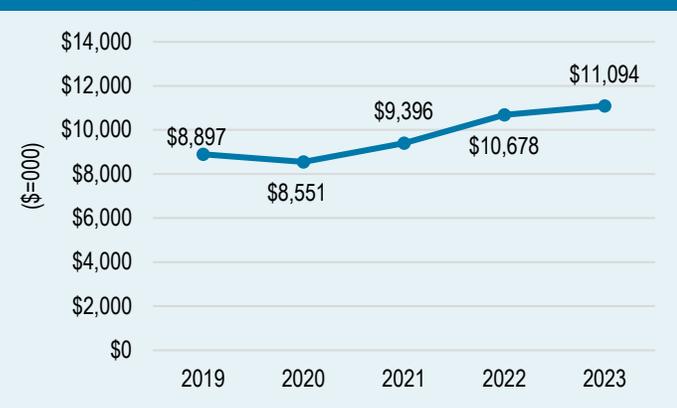
OPERATIONS

**MSP Competitive Destinations ▶▶▶**



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

**Reliever Airport Revenue ▶▶▶**



**MSP Airline Cost per Enplaned Passenger ▶▶▶**



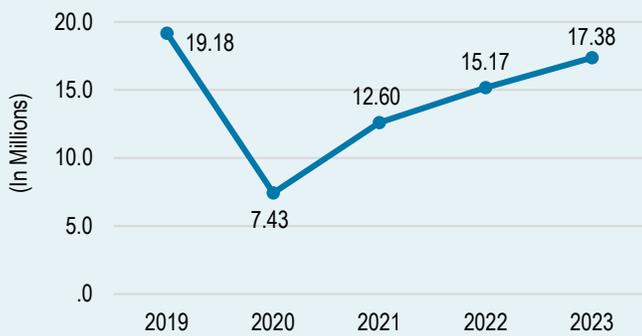
The elevated cost per enplaned passenger in 2020 is a result of the low passenger count due to the pandemic.

**MSP Operations ▶▶▶**



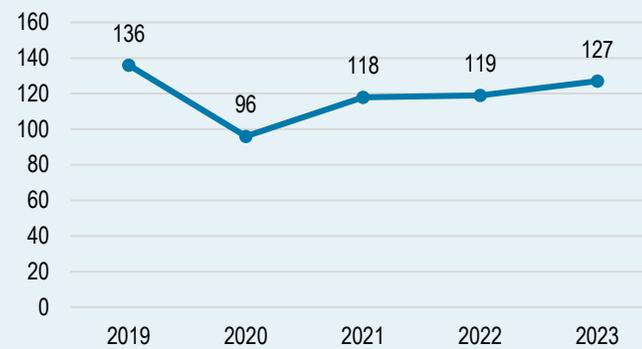
Air operations were significantly affected at the onset of the pandemic in 2020.

**MSP Enplaned Passengers** ►►►



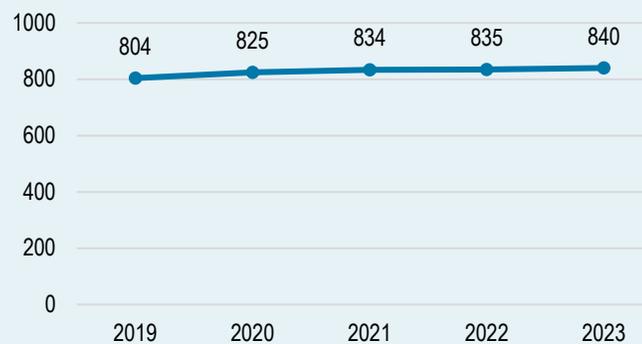
Enplanements were significantly affected at the onset of the pandemic in 2020.

**MSP Non-Stop Domestic Destinations** ►►►

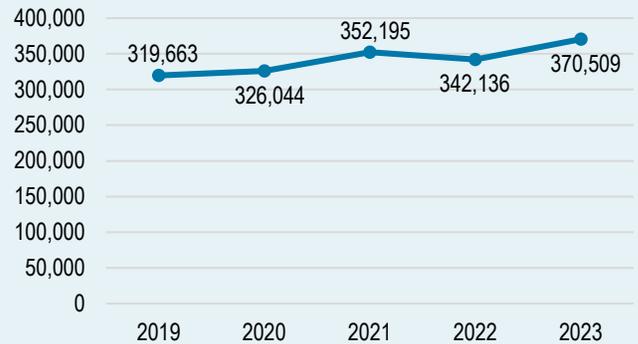


In 2020, airlines paused many routes in response to the pandemic. Routes are now returning and being added.

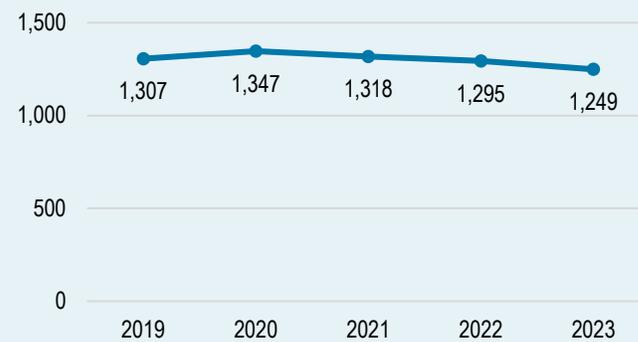
**Reliever Airport Tenants** ►►►



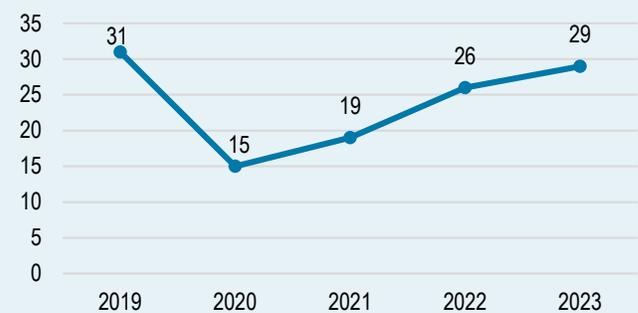
**Reliever Operations** ►►►



**Reliever-based Aircraft** ►►►



**MSP Non-stop International Destinations** ►►►

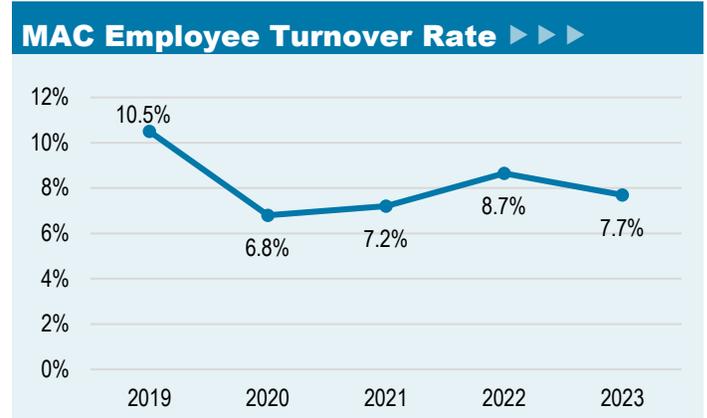


International flight was significantly curtailed at the onset of the pandemic in 2020. Routes are now returning and being added.

DEVELOPMENT



EMPLOYEE ENGAGEMENT



*Spirit Airlines Plane Taking off Over the Terminal 2 Parking Ramp*

## 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 2024 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

## 2023 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, 2023. 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 2024 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, 2023**

*Christopher P. Morill*

Executive Director

## Awards Received During 2023 ►►►

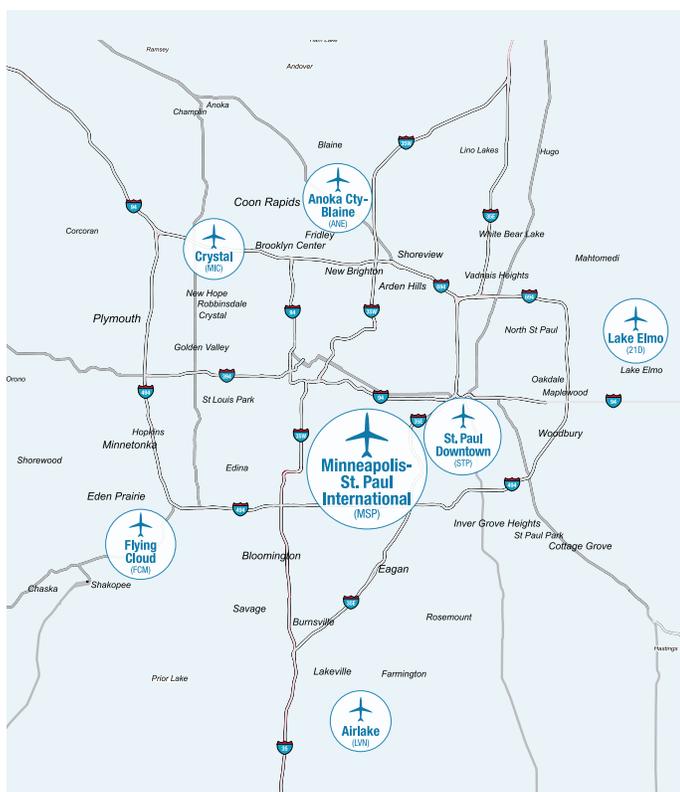
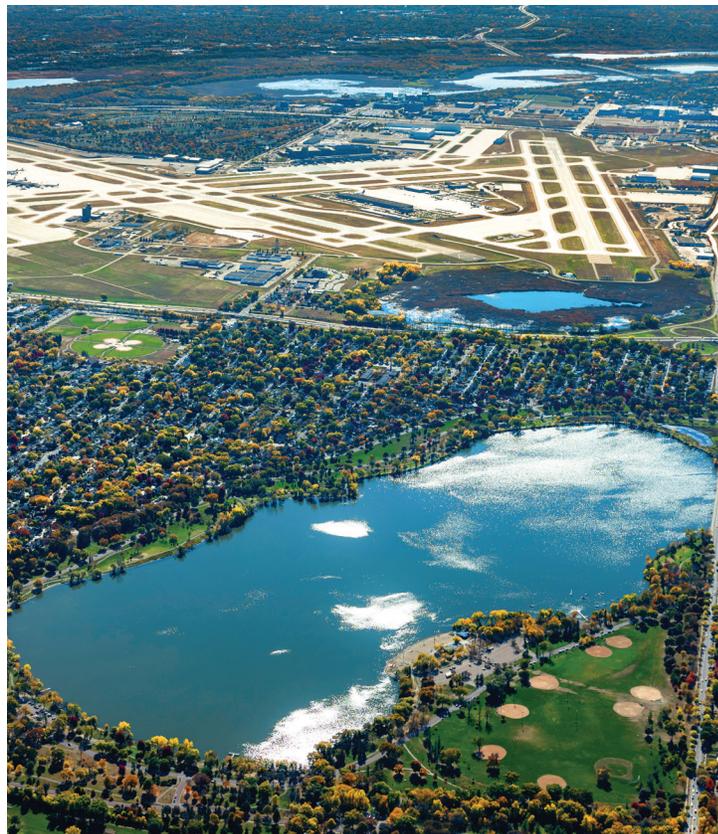
Award	Project	Given by
2023 North America Airport Satisfaction Study, 2nd Place	-	J.D. Powers
Accessibility Accreditation	-	Airports Council International
American Council of Engineering Companies of Minnesota Grand Award	T1 Concourse G Reconstruction	American Council of Engineering Companies of Minnesota
Award for Partnering with Concessionaires or Service Providers	-	Airports Council International - North America
Best Airport in North America	-	Airports Council International
Best Airports of 2023, 2nd Place	-	Wall Street Journal
Best Local-Inspired Restaurant	The Blue Door Pub by Areas USA	Airport Experience News
Best On-Time Performance, 10th Place	-	OAG Aviation Worldwide
Best Quick Serve Restaurant Concept	Settebello Pizzeria by The Grove, Inc.	Airport Experience News
Best US Airports for Food, 3rd Place	-	Food and Wine
Certificate of Achievement for Excellence in Financial Reporting, 37 consecutive years	Annual Comprehensive Financial Report	Government Finance Officers Association
Distinguished Budget Presentation Award, 39 consecutive years	Annual Budget Document	Government Finance Officers Association
Engineering Excellence Award	Concourse G Infill and Delta Sky Club	American Council of Engineering Companies of Minnesota
Gold Telly, Non-Broadcast General - Documentary: Short Form	An Inside Look at Airport Snow Removal	Telly Awards
Governor's Safety Award for Outstanding Achievement in Safety	Transportation Security Administration, Minnesota	Minnesota Safety Council
Level 3 Accessibility Enhancement Accreditation	-	Airports Council International
Making A Difference Award	Airport Police Department Emergency Communications Center	Minnesota Sheriff's Association
MSP Top Airport for On-Time Performance - May 2023	-	Cirium
National Award for Interdiction	MSP Airport Police Department Narcotics Unit	National Director of the High Intensity Drug Trafficking Areas
Public Health & Safety Readiness Accreditation	Public Health & Safety Readiness	Airports Council International
Silver Telly, Branded Content Craft - Directing	An Inside Look at Airport Snow Removal	Telly Awards
Silver Telly, Non-Broadcast General - Government Relations	What is General Aviation	Telly Awards
Silver Telly, Non-Broadcast General - Government Relations	Meet the Fleet A350	Telly Awards
STAR Facility Accreditation	Cleaning and Disinfecting	Global Biorisk Advisory Council
Top Projects of 2023	Concourse G Infill and Delta Sky Club	Finance & Commerce Magazine
US Patent	-	US Patent Office
World's Best Domestic Airport, 4th Place	-	Travel + Leisure World's Best Awards

# 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.

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

Regular meeting times are as follows:

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

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

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

**DIVISIONS**

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

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

**Operations, Finance & Administration Committee ►**

2023 Financial Topics

**Audits**

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

**Operating Budget**

- 2024 Budget Targets
- 2024 Commercial Vehicle and Taxicab Per-Trip Use Fees
- 2024 Liquor License Fee Increase
- 2024 Preliminary and Final Budgets
- Accounts Receivable Monthly Summary
- Allocation of 2022 Net Revenues
- Budget Amendments and Purchase Approvals
- Commission Travel Quarterly Report
- Employee Benefits and Compensation
- JPA with BCA for Human Trafficking Investigations
- Monthly Budget Variance Report
- MSP Percent for Arts and Culture Program 5-Year Plan
- Parking Rates - Dynamic Discount Program
- Property and Automobile Insurance Renewals

**Bonds, Debt and Capital Funding**

- Bond Counsel Continuing Consultant Services
- Issuance and Occurrence of Bonds

**Investments**

- Investment Management Consultant Services
- Investment Portfolio Quarterly Report

**Leases and Agreements**

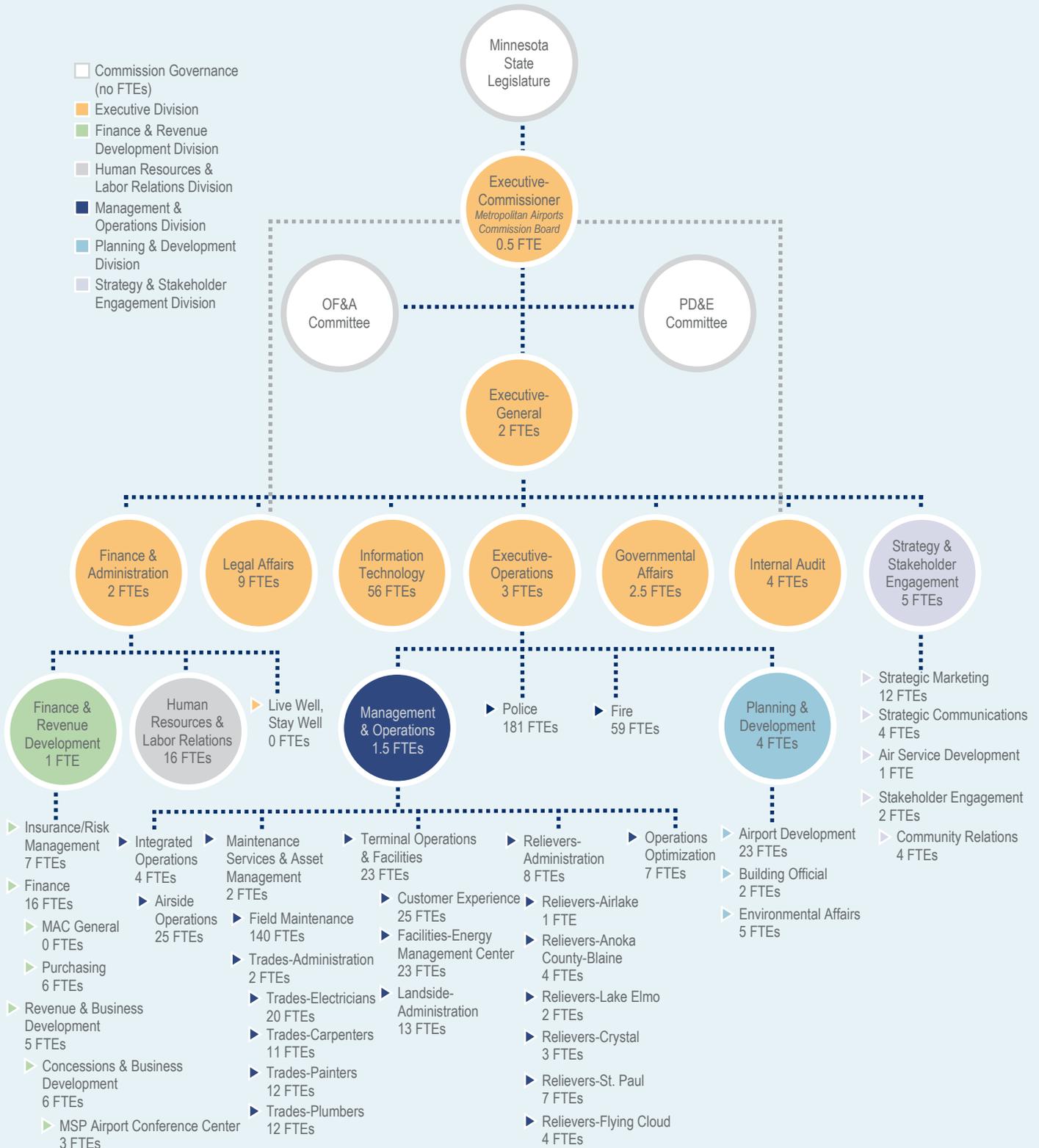
- Concessions Leases, Agreements and Amendments
- Equipment Financing and Leases
- Professional Service Authorizations Quarterly Report
- Ratification of Labor Agreements
- Requests for Proposals, Qualifications and Bids

**Miscellaneous**

- Human Resources Policy Revisions
- Purchasing Policy Revisions
- Cannabis and Hemp Smoking Ordinance

# ORGANIZATIONAL CHART

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



SERVICE CENTERS

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

# ORGANIZATIONAL STRUCTURE ►►►

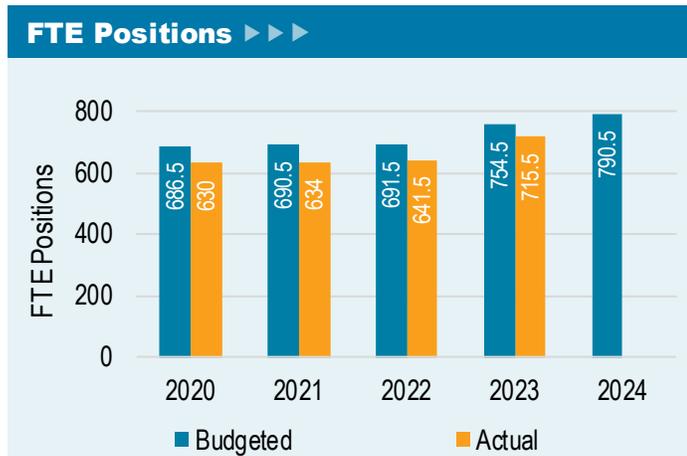
By Division and Service Center

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

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

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

The FTE Positions bar graph shows an overall increase in budgeted FTEs across the years. Generally, this increase has been correlated to increasing passenger activity. Evolving safety, security, maintenance and customer experience needs have led to newly authorized FTEs in recent years, despite the decrease in passenger activity due to COVID-19.



In 2024, FTEs increased by 36 over the 2023 Budget, bringing the total to 790.5 FTEs. Most of the new FTEs are key parts of MAC’s strategic plan. The FTEs will support new and increasing needs throughout MAC and provide the necessary staff resources to the traveling public.

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

In 2022, one FTE was added, bringing the total to 691.5 FTEs. 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 while one FTE was 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.



*Employees Who Exemplify MAC Values are Recognized at the Annual MAC Values Awards*



# Regular Status FTE Position Count ►►►

by Division and Service Center

	2020 Actual As of 12/31/20	2021 Actual As of 12/31/21	2022 Actual As of 12/31/22	2023 Actual As of 12/31/23	2023 Budget	2024 Budget
<b>EXECUTIVE DIVISION</b>						
75000 Executive-General	2	2	2	2	2	2
75100 Executive-Commissioner	0.5	0.5	0.5	0.5	0.5	0.5
75600 Finance & Administration	3	3	2	2	2	2
76500 Executive-Operations	4	3	3	3	4	3 <sup>1</sup>
76700 Live Well, Stay Well	0	0	0	0	0	0
78300 Internal Audit	4	4	4	4	4	4
79000 Information Technology	46	46	50	52	53	56 <sup>2</sup>
79500 Governmental Affairs	1.5	1.5	1.5	1.5	1.5	2.5 <sup>3</sup>
81000 Legal Affairs	8	8	8	9	9	9
<b>Division Total</b>	<b>69</b>	<b>68</b>	<b>71</b>	<b>74</b>	<b>76</b>	<b>79</b>
<b>Division Budget</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>76</b>	<b>76</b>	<b>79</b>
<b>STRATEGY &amp; STAKEHOLDER ENGAGEMENT DIVISION</b>						
76000 Strategic Communications	3	4	2	4	6	4 <sup>4</sup>
76100 Air Service Business Development	1	1	1	1	1	1
76200 Strategy & Stakeholder Engagement	3	3	3	3	3	5 <sup>5</sup>
85200 Stakeholder Engagement	2	2	2	2	2	2
85000 Strategic Marketing	6	7	8	8	8	12 <sup>4</sup>
85300 Community Relations	4	4	3	3	4	4
<b>Division Total</b>	<b>19</b>	<b>21</b>	<b>19</b>	<b>21</b>	<b>24</b>	<b>28</b>
<b>Division Budget</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>28</b>
<b>FINANCE &amp; REVENUE DEVELOPMENT DIVISION</b>						
76300 Finance & Revenue Development	0	0	0	1	1	1
76800 Insurance/Risk Management	5	6	6	6	6	7 <sup>6</sup>
78000 Finance	14	14	14	15	15	16 <sup>7</sup>
78100 MAC General	0	0	0	0	0	0
78200 Purchasing	6	6	6	6	6	6
80000 Revenue & Business Development	3	3	4	4	4	5 <sup>8</sup>
80100 Concessions & Business Development	5	5	6	6	6	6
82050 MSP Airport Conference Center	3	1	3	3	3	3
<b>Division Total</b>	<b>36</b>	<b>35</b>	<b>39</b>	<b>41</b>	<b>41</b>	<b>44</b>
<b>Division Budget</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>41</b>	<b>41</b>	<b>44</b>

**FTEs differ between the 2023 and 2024 budgets for the following reasons:**

- <sup>1</sup> In 2024, one manager position transferred into 82100 from 76500.
- <sup>2</sup> Three new FTEs were added in 2024 to hire a Systems Integration Specialist, GIS Analyst and Data Analyst.
- <sup>3</sup> One new FTE position was added in 2024 to hire a Director of State Governmental Affairs.
- <sup>4</sup> During 2023, two FTEs transferred from 76000 to 85000. In 2024, two new FTEs were added to 85000 to hire a Customer Relationship Management Marketing Manager and Brand Marketing Strategist.
- <sup>5</sup> In 2024, two new FTEs were added to hire a Sustainability Energy Manager and a Sustainability Coordinator.
- <sup>6</sup> One new FTE was added in 2024 to hire a Senior Analyst Enterprise Risk Manager.
- <sup>7</sup> One new FTE was added in 2024 to hire an Accountant.
- <sup>8</sup> In 2024, one new FTE was added to hire a Strategic Partnerships Manager.

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

by Division and Service Center

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	
	As of 12/31/20	As of 12/31/21	As of 12/31/22	As of 12/31/23			
<b>HUMAN RESOURCES &amp; LABOR RELATIONS DIVISION</b>							
75700 Human Resources & Labor Relations	11.5	12.5	13	13	14	16	<sup>9</sup>
<b>Division Total</b>	11.5	12.5	13	13	14	16	
<i>Division Budget</i>	13	13	13	14	14	16	
<b>PLANNING &amp; DEVELOPMENT DIVISION</b>							
75500 Planning & Development	2	3	4	4	4	4	
77000 Airport Development	13	13	14	13	18	23	<sup>10</sup>
77100 Building Official	2	2	1	1	1	2	<sup>11</sup>
85100 Environmental Affairs	4	4	4	5	5	5	
<b>Division Total</b>	21	22	23	23	28	34	
<i>Division Budget</i>	25	25	25	28	28	34	
<b>MANAGEMENT &amp; OPERATIONS DIVISION</b>							
75800 Management & Operations	2.5	2.5	3.5	1.5	1.5	1.5	
82000 Customer Experience	2	2	2	25	25	25	
82100 Integrated Operations	0	0	0	6	6	4	<sup>1, 12</sup>
82600 Airside Operations	16	17	17	24	25	25	
83400 Landside-Administration	37	34	35	12	13	13	
83600 Fire	47	49	49	51	56	59	<sup>13</sup>
84200 Police	156	150	147	164	175	181	<sup>14</sup>
85500 Operations Optimization	9	10	10	10	11	7	<sup>12</sup>
86100 Terminal Operations & Facilities	9	9	8	9	9	23	<sup>15</sup>
86300 Facilities-Energy Management Center	21	21	20	22	22	23	<sup>16</sup>
87000 Maintenance Services & Asset Management	0	0	0	2	2	2	
88000 Trades-Electricians	17	18	20	20	20	20	
88100 Trades-Painters	9	10	9	12	12	12	
88200 Trades-Carpenters	10	11	11	11	11	11	
88300 Trades-Plumbers	10	10	10	10	12	12	
88400 Trades-Administration	2	2	2	2	2	2	
89000 Field Maintenance	97	102	104	133	140	140	
90000 Relievers-Administration	8	8	8	8	8	8	
90200 Relievers-St. Paul	8	7	7	7	7	7	
90300 Relievers-Lake Elmo	1	1	2	2	2	2	
90400 Relievers-Airlake	1	1	1	1	1	1	
90500 Relievers-Flying Cloud	4	4	4	4	4	4	
90600 Relievers-Crystal	3	3	3	3	3	3	
90700 Relievers-Anoka County-Blaine	4	4	4	4	4	4	
<b>Division Total</b>	473.5	475.5	476.5	543.5	571.5	589.5	
<i>Division Budget</i>	512.5	516.5	517.5	571.5	571.5	589.5	
<b>TOTAL ACTUAL FTEs</b>	<b>630.0</b>	<b>634.0</b>	<b>641.5</b>	<b>715.5</b>	<b>N/A</b>	<b>N/A</b>	
<b>TOTAL BUDGET FTEs</b>	<b>686.5</b>	<b>690.5</b>	<b>691.5</b>	<b>754.5</b>	<b>754.5</b>	<b>790.5</b>	

FTEs differ between the 2023 and 2024 budgets for the following reasons:

<sup>9</sup> For 2024, two new FTEs were added for a Human Resources Coordinator and a Workforce/Outreach/Recruitment position.

<sup>10</sup> In 2024, five new FTEs were added to hire a Sustainable Design Manager, a Project Coordinator, two Project Managers and a Contract Procurement and Project Coordinator.

- <sup>11</sup> One new FTE was added for a Building Inspector in 2024.
- <sup>12</sup> In 2023, 85500 was Facilities - Terminal 2 (T2). On 1/1/2024, all T2 FTEs transferred into 86100 and 85500 was repurposed to Operations Optimization. Three FTEs transferred from 82100 into repurposed 85500 and four new FTEs were added to hire a Manager of Operations System Services, Data Analyst, GIS Analyst and Business System Administrator.
- <sup>13</sup> In 2024, three new FTES were added to hire additional Firefighters.
- <sup>14</sup> In 2024, six FTEs were added to hire more Officers, Emergency Communication Specialist, Video Surveillance Specialists and Police Cadets.
- <sup>15</sup> 86100 was formerly named Facilities - Terminal 1 (T1) in 2023. On 1/1/24, 86100 was renamed to Terminal Operations & Facilities and T1 and T2 FTEs were combined in this service center. Three new FTEs were added in 2024 to hire a Facilities Construction Coordinator, Operations Coordinator and Assistant Manager of Terminal Operations.
- <sup>16</sup> One FTE was added in 2024 for an Assistant Chief Engineer.



*MAC Employee Events Bring Staff Together Every Year to Connect and Learn About Each Other's Work*

*Pictured: The MAC Values Awards (top), Fire Department Lunch (left) and All-Employee Appreciation Event (bottom)*



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

	2021 Actual	2022 Actual	2023 Actual	2024 Budget
<b>ORGANIZED</b>				
70 - Operating Engineers	21.0	21.0	21.0	22.0
49 - Equipment Maintenance	19.0	18.0	20.0	22.0
320 - MSP International - Field	72.0	79.0	94.0	102.0
320 - MSP International - Facilities	0.0	0.0	0.0	0.0
320 - Reliever Airports	20.0	21.0	20.0	21.0
386 - Painters	10.0	10.0	12.0	12.0
CAR - Carpenters	11.0	11.0	11.0	11.0
034 - Plumbers	10.0	10.0	10.0	12.0
292 - Electricians	18.0	20.0	20.0	20.0
Emergency Communications Specialists	12.0	13.0	13.0	16.0
307 - Police Lieutenants, Sergeants	18.0	18.0	20.0	20.0
302 - Police Officers	66.0	61.0	69.0	77.0
S6 - Firefighters	35.0	34.0	36.0	44.0
S6 - Fire Captains	9.0	10.0	10.0	10.0
<b>TOTAL ORGANIZED</b>	<b>321.0</b>	<b>326.0</b>	<b>356.0</b>	<b>389.0</b>
<b>NON-ORGANIZED</b>				
Chairperson, Executive Director/CEO	2.0	1.5	1.5	1.5
Executives, Vice Presidents, Directors, Assistant Directors	37.0	41.0	45.0	49.0
Managers, Assistant Managers, Supervisors	134.0	94.0	102.0	109.0
Police Chief, Fire Chief	2.0	2.0	2.0	2.0
Community Service Officers	16.0	24.0	23.0	25.0
Passenger Service Assistants	18.0	19.0	22.0	22.0
Fire Marshall, Training Coordinator	2.0	2.0	2.0	2.0
Police Commander, Deputy Chief, Training Coordinator	3.0	1.0	3.0	3.0
Administrative, Professional, Technical Support	99.0	131.0	159.0	188.0
<b>TOTAL NON-ORGANIZED</b>	<b>313.0</b>	<b>315.5</b>	<b>359.5</b>	<b>401.5</b>
<b>TOTAL MAC</b>	<b>634.0</b>	<b>641.5</b>	<b>715.5</b>	<b>790.5</b>

# BUDGET PROCESS & FINANCIAL POLICIES

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



The annual budget targets are presented to the Commission at the beginning of the budgeting process. The targets for the 2024 budget are presented in the Executive Summary section.

Focus areas and priorities of the organization are communicated to division staff along with guidelines and the budget targets. The divisions link their goals, objectives and key performance indicators to the focus areas.

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

## FULL-TIME EQUIVALENT REQUESTS

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

## OTHER COSTS

- First Priority** Additional costs required to meet security requirements
- Second Priority** Embedded cost increases such as scheduled contract escalators, salary adjustments for organized labor and utility rate increases
- Third Priority** Costs to maintain facilities
- Fourth Priority** Costs to advance organizational strategic goals

## CONTROLLABLE EXPENSES

The MAC prepares a line-item budget for each division. Controllable expenses allow a division to budget for those line items for which it has direct responsibility and control. In addition to the account number, expenses are also budgeted using the appropriate subledger, which is part of the account code. Expenses are budgeted to the appropriate subledger through either direct cost or allocation. Expenses of the organization are key factors in revenue calculations. Rates and charges revenue collected from the airlines are governed by the Airline Use Agreement and corresponding amendments. Other revenue collections are dictated by either lease or ordinance. The summarized costs from the subledgers determine the calculation of various rates and charges. 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. The long-range financial plan analysis is prepared during the first quarter of the year. In April, staff presents to the Operating, Finance & Administration Committee (OF&A) the budget targets for the upcoming year with a 30-day public comment period. Also, the budget database is updated and prepared for budget entries. In May, staff requests approval from the OF&A to allocate prior year available funds. The Commission approves the targets in May.

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

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

During September, 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 2024 Operating Budget was given at the December 18, 2023 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

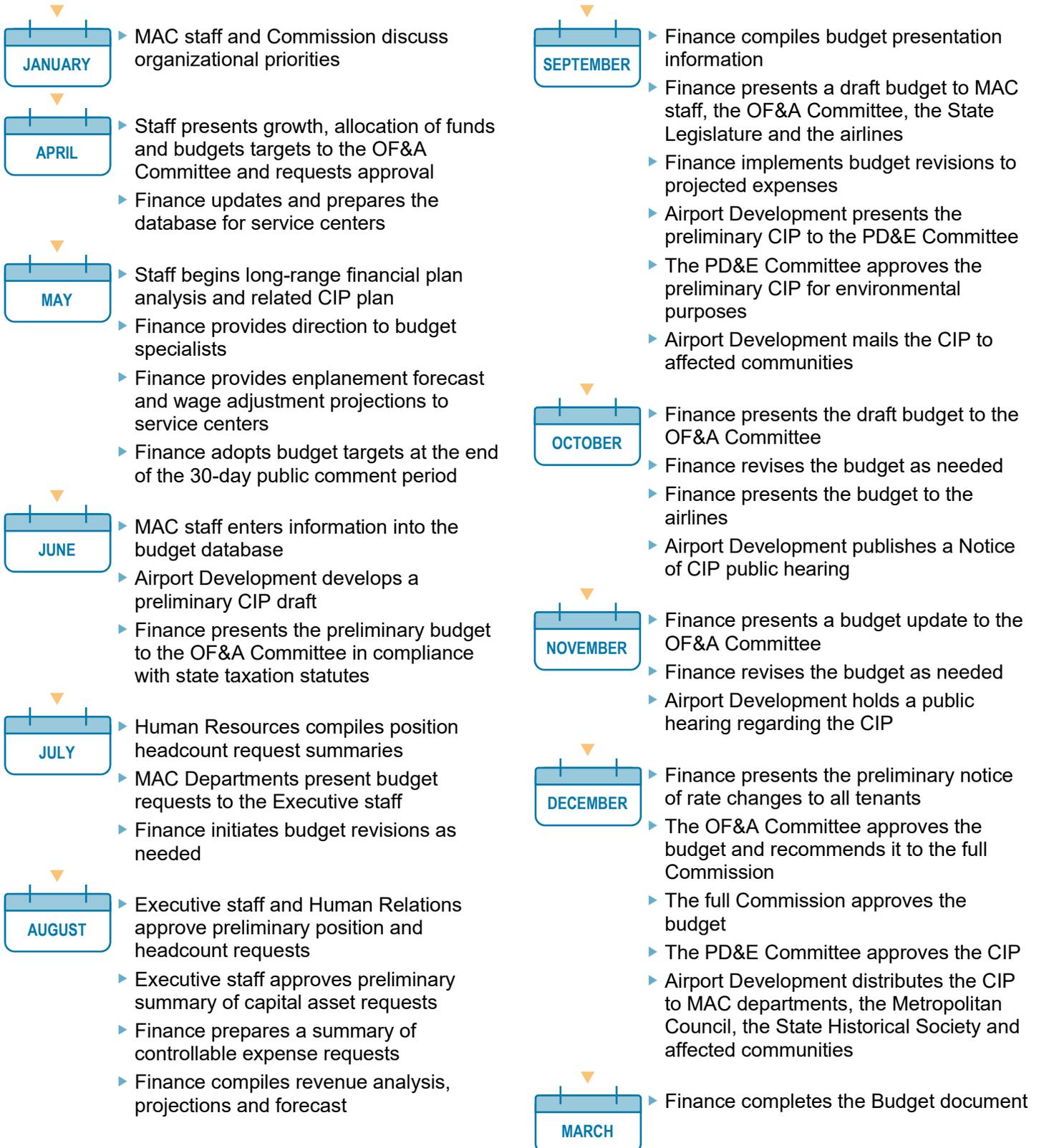
The approved Operating & Non-Operating Summary Report in this section summarizes revenue and expense, including non-operating revenue and expense, and compares the 2024 budget to the 2023 year-end estimate.



*Reliever Airports Generate Revenue for the MAC Through Lot Rents and Other Sources*

**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 ►►►

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2024 Budget vs 2023 Estimate

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>OPERATING REVENUE</b>						
<b>Airline Rates &amp; Charges</b>						
<b>Airline Agreement</b>						
Landing Fees	72,845	87,169	93,784	105,086	11,301	12.1%
Ramp Fees	6,655	8,158	8,803	9,669	866	9.8%
Airline R&R	5,512	5,632	5,632	5,801	169	3.0%
T1 Rentals	36,622	51,143	51,143	57,654	6,511	12.7%
T1 Other	7,898	9,070	8,730	9,936	1,206	13.8%
Concessions Rebate	(18,049)	(21,400)	(21,245)	(23,155)	(1,910)	9.0%
<b>Total Airline Agreement</b>	<b>\$ 111,482</b>	<b>\$ 139,772</b>	<b>\$ 146,848</b>	<b>\$ 164,991</b>	<b>\$ 18,144</b>	<b>12.4%</b>
T2 Lobby	10,090	13,617	13,959	15,181	1,221	8.8%
T2 Other /Passenger	4,040	4,866	4,889	5,415	526	10.8%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 125,612</b>	<b>\$ 158,255</b>	<b>\$ 165,696</b>	<b>\$ 185,587</b>	<b>\$ 19,891</b>	<b>12.0%</b>
<b>Concessions</b>						
<b>Terminal</b>						
Food & Beverage	17,046	31,137	30,343	33,432	3,089	10.2%
News	3,634	5,943	5,391	5,930	539	10.0%
Retail Stores	3,548	4,824	5,136	5,421	285	5.5%
Passenger Services	6,897	7,964	8,605	8,848	243	2.8%
<b>Total Terminal</b>	<b>\$ 31,125</b>	<b>\$ 49,867</b>	<b>\$ 49,476</b>	<b>\$ 53,631</b>	<b>\$ 4,155</b>	<b>8.4%</b>
<b>Parking/Ground Transportation</b>						
Parking	105,183	117,109	126,050	131,482	5,432	4.3%
Ground Transportation	12,409	14,383	15,160	16,720	1,560	10.3%
Auto Rental - On Airport	21,883	22,945	23,507	25,382	1,875	8.0%
<b>Total Parking/Ground Transportation</b>	<b>\$ 139,475</b>	<b>\$ 154,437</b>	<b>\$ 164,717</b>	<b>\$ 173,585</b>	<b>\$ 8,867</b>	<b>5.4%</b>
<b>Other Concessions</b>	<b>2,798</b>	<b>2,788</b>	<b>2,902</b>	<b>2,989</b>	<b>87</b>	<b>3.0%</b>
<b>Total Concessions</b>	<b>\$ 173,398</b>	<b>\$ 207,092</b>	<b>\$ 217,095</b>	<b>\$ 230,205</b>	<b>\$ 13,110</b>	<b>6.0%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	16,062	17,356	16,875	17,864	989	5.9%
Auto Rental CFC	17,033	19,072	19,344	21,085	1,741	9.0%
Ground Rentals	13,174	12,848	16,003	17,066	1,063	6.6%
Reliever Airports	10,678	10,200	10,200	10,520	320	3.1%
<b>Total Rentals &amp; Fees</b>	<b>\$ 56,947</b>	<b>\$ 59,476</b>	<b>\$ 62,421</b>	<b>\$ 66,535</b>	<b>\$ 4,113</b>	<b>6.6%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	5,309	5,714	6,378	6,913	535	8.4%
General Aviation/Airside Fees	6,511	6,731	7,114	7,402	289	4.1%
Maintenance, Cleaning & Distribution Fees	3,839	4,488	4,511	4,943	432	9.6%
Other Revenues	2,424	2,361	2,388	2,427	39	1.6%
Reimbursed Expense	4,377	3,169	3,169	3,787	618	19.5%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 22,459</b>	<b>\$ 22,463</b>	<b>\$ 23,559</b>	<b>\$ 25,472</b>	<b>\$ 1,913</b>	<b>8.1%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 378,417</b>	<b>\$ 447,286</b>	<b>\$ 468,771</b>	<b>\$ 507,799</b>	<b>\$ 39,027</b>	<b>8.3%</b>

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

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2024 Budget vs 2023 Estimate

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Total Operating Revenue</b>	\$ 378,417	\$ 447,286	\$ 468,771	\$ 507,799	\$ 39,027	8.3%
<b>OPERATING EXPENSE</b>						
Personnel	97,837	113,373	111,189	123,532	12,342	11.1%
Administrative Expenses	1,207	1,892	1,741	2,277	536	30.8%
Professional Services	7,986	10,582	11,567	14,638	3,072	26.6%
Utilities	25,590	23,119	25,146	24,940	(206)	-0.8%
Operating Services/Expenses	29,191	35,592	34,365	40,290	5,926	17.2%
Maintenance	47,930	53,106	56,390	67,035	10,645	18.9%
Other	5,956	7,691	7,735	12,435	4,700	60.8%
<b>TOTAL OPERATING EXPENSE</b>	\$ 215,696	\$ 245,354	\$ 248,133	\$ 285,147	\$ 37,014	14.9%
Excludes Depreciation and Noise Amortization						
<b>NET OPERATING REVENUE</b>	\$ 162,721	\$ 201,932	\$ 220,638	\$ 222,651	\$ 2,013	0.9%
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
<b>Other Non-Operating Revenue</b>						
Interest Income	6,171	5,544	8,500	9,218	718	8.4%
Unrealized Gain/Loss on Investments	(5,850)	-	1,434	-	(1,434)	-100.0%
Self-Liquidating Income	2,079	588	588	622	34	5.8%
	\$ 2,399	\$ 6,132	\$ 10,522	\$ 9,840	\$ (682)	-6.5%
<b>Debt Service</b>						
Short Term Financing	(2,943)	(2,640)	(4,537)	(4,812)	(275)	6.1%
Bond Principal & Interest						
Operating Fund Transfer	(100,883)	(121,163)	(121,163)	(129,519)	(8,356)	6.9%
Equip Financing Principal & Interest Payments	(4,680)	(4,223)	(4,821)	(7,814)	(2,993)	-10.6%
	\$ (108,506)	\$ (128,026)	\$ (130,521)	\$ (142,145)	\$ (11,624)	8.9%
<b>Equipment</b>						
Capital Expenditures	(1,355)	(1,219)	(1,478)	(1,703)	(224)	15.2%
Equipment Purchases	(8,524)	(13,275)	(10,000)	(34,450)	(24,450)	244.5%
Equipment Financing	2,850	4,400	8,875	19,000	10,125	114.1%
	\$ (7,029)	\$ (10,094)	\$ (2,603)	\$ (17,153)	\$ (14,549)	558.8%
<b>Other</b>						
Six Month Reserve Transfer	(1,235)	(12,838)	(12,838)	(21,649)	(8,812)	68.6%
Grant Reimbursements	43,567	6,900	20,000	45,000	25,000	125.0%
Gain (Loss) on Equipment & Other	(152)	96	972	(4,275)	(5,247)	-540.0%
	\$ 42,180	\$ (5,842)	\$ 8,134	\$ 19,075	\$ 10,941	134.5%
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	\$ (70,955)	\$ (137,830)	\$ (114,469)	\$ (130,382)	\$ (15,914)	13.9%
<b>Net Revenue Available for Designation</b>	\$ 91,765	\$ 64,101	\$ 106,169	\$ 92,269	\$ (13,900)	-13.1%

Numbers may not foot due to rounding

**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 2024 budget projects a 56.5% gain in net position as passenger enplanements are projected to increase and a number of CIP grants are expected.

<b>GAAP Operating Non-Operating Summary</b> ►►►						
(\$=000)	2024 Budget vs 2023 Estimate					
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>OPERATING REVENUE</b>						
Airline Rates & Charges	\$ 125,612	\$ 158,255	\$ 165,696	\$ 185,587	\$ 19,891	12.0%
Concessions	173,398	207,092	217,095	230,205	13,110	6.0%
Rentals/Fees	56,947	59,476	62,421	66,535	4,113	6.6%
Utilities & Other Revenues	22,459	22,463	23,559	25,472	1,913	8.1%
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 378,417</b>	<b>\$ 447,286</b>	<b>\$ 468,771</b>	<b>\$ 507,799</b>	<b>\$ 39,027</b>	<b>8.3%</b>
<b>OPERATING EXPENSE</b>						
Personnel <sup>1</sup>	\$ 90,775	\$ 118,373	\$ 116,189	\$ 128,532	\$ 12,342	10.6%
Administrative Expenses	1,207	1,892	1,741	2,277	536	30.8%
Professional Services	7,986	10,582	11,567	14,638	3,072	26.6%
Utilities	25,590	23,119	25,146	24,940	(206)	-0.8%
Operating Services/Expenses	29,191	35,592	34,365	40,290	5,926	17.2%
Maintenance	47,930	53,106	56,390	67,035	10,645	18.9%
Other	5,956	7,691	7,735	12,435	4,700	60.8%
Depreciation	183,793	190,572	185,308	200,676	15,368	8.3%
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 392,426</b>	<b>\$ 440,926</b>	<b>\$ 438,442</b>	<b>\$ 490,823</b>	<b>\$ 52,382</b>	<b>11.9%</b>
<b>OPERATING GAIN (LOSS)</b>	<b>\$ (14,010)</b>	<b>\$ 6,359</b>	<b>\$ 30,330</b>	<b>\$ 16,975</b>	<b>\$ (13,355)</b>	<b>-44.0%</b>
<b>NON-OPERATING REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>						
Interest Income and Other	\$ 24,973	\$ 6,454	\$ 42,781	\$ 6,309	\$ (36,472)	-85.3%
Passenger Facility Charges	60,985	67,606	66,834	74,855	8,022	12.0%
Interest Expense	(50,131)	(60,070)	(73,549)	(67,531)	6,018	-8.2%
Capital Contributions & Grants	85,121	85,090	112,678	249,588	136,910	121.5%
<b>TOTAL NON-OPERATING REVENUE (EXPENSE) &amp; CONTRIBUTIONS</b>	<b>\$ 120,948</b>	<b>\$ 99,080</b>	<b>\$ 148,743</b>	<b>\$ 263,221</b>	<b>\$ 114,477</b>	<b>77.0%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 106,938</b>	<b>\$ 105,440</b>	<b>\$ 179,073</b>	<b>\$ 280,196</b>	<b>\$ 101,122</b>	<b>56.5%</b>

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

Numbers may not foot due to rounding

## FINANCIAL POLICIES AND PROCEDURES

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

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

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

### FINANCIAL POLICIES AND PROCEDURES – OPERATING BUDGET

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

#### Operating Budget Policies and Procedures

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

\$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 2024 operating budget expenses are \$285.1 million and the reserve account is carrying a balance of \$142.6 million. In the event of a revenue shortfall in a current budget year, the Executive Director/Chief Executive Officer could freeze new hires, reduce temporary work force, defer wage adjustments, reduce discretionary spending, decrease capital and project expenditures and may recommend a transfer from the Commission's operating reserve.

### Revenue

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

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

protect from possible short-term fluctuations.

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

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

### Basis of Budgeting

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

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

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

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

### Accrual Basis of Accounting

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

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

### Balanced Budget

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

### Use of Estimates

The use of 2023 estimates in the reporting of the 2024 budget financial statements is based upon assumptions and estimates at the time of completion of the final budget draft. Actual results could differ from those estimates.

### Budget Monitoring

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

Reports are distributed monthly to the MAC Board of Commissioners.

## FINANCIAL POLICIES AND PROCEDURES – INVESTMENT/CASH MANAGEMENT

### Cash Management

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

### Investments

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

### Collateral

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

## FINANCIAL POLICIES AND PROCEDURES – CAPITAL PROJECTS

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

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

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

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

**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

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 2024 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 and Standard and Poor's Rating Agencies.
- ▶ Procedures/mechanisms will be developed and maintained to obtain the highest possible rating on the GARBs.
- ▶ All refundings of GORBs or Airport Revenue Bonds must show a minimum 3% Net Present Value savings as specified in Minnesota Statute Section 475.67, Subdivision 12.
- ▶ The current remaining authorized level of issuance for GORBs is \$55 million.
- ▶ The MAC will endeavor to keep the total maturity length of GORBs below 20 years and retire at least 50% of the principal within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.
- ▶ Staff will adhere to Administrative Policy 2701 dealing with Special Facility Financing which defines project evaluation, reimbursement of costs, and investment criteria.
- ▶ Regarding Derivative Financing Products, staff will adhere to Administrative Policy 2702 which defines its purpose, eligible counterparties, solicitation method and accounting treatment.

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

**Reserve**

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

**Debt Limits**

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

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

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

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# FUND STRUCTURE

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

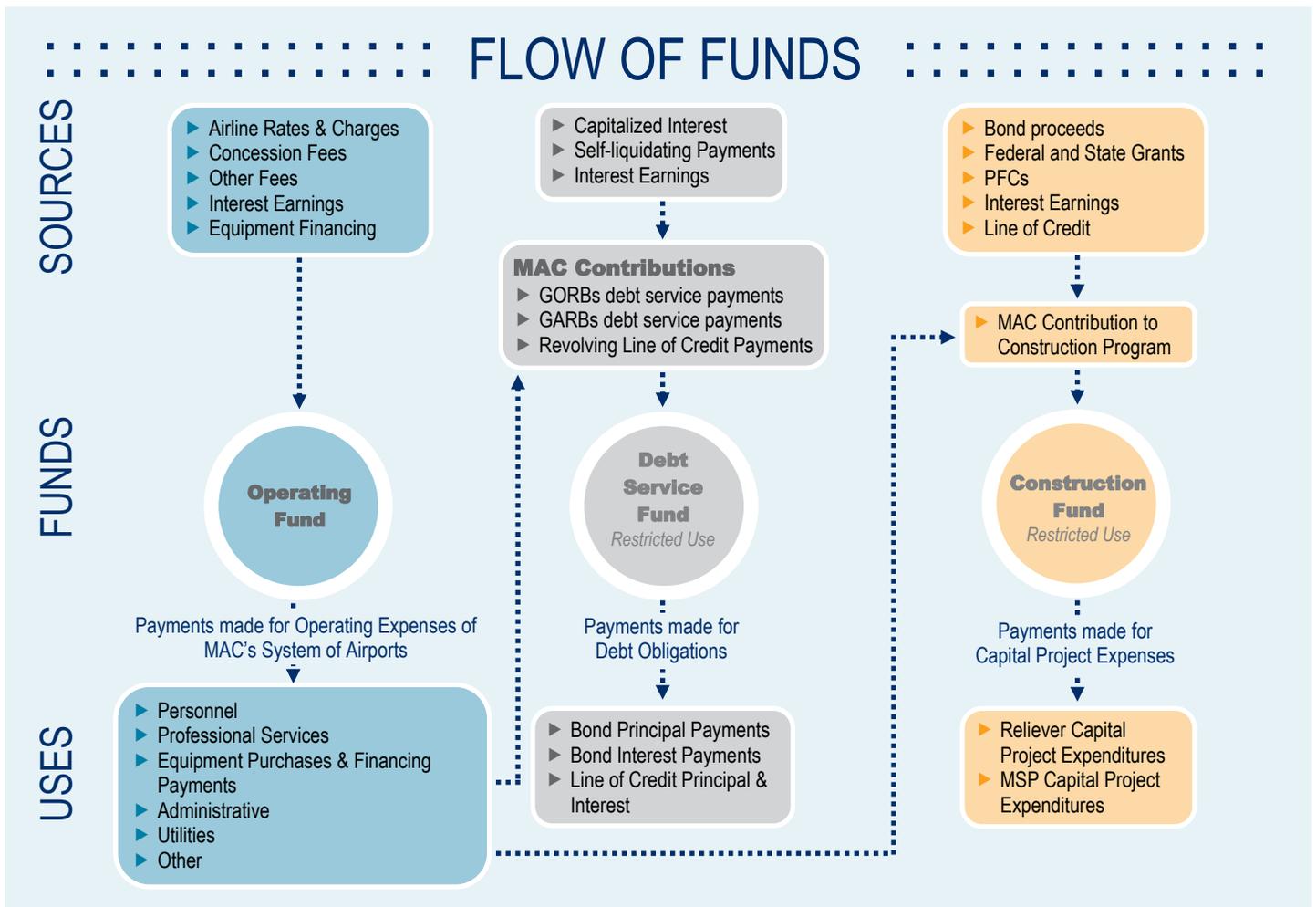
- ▶ Operating Fund
- ▶ Construction Fund
- ▶ Debt Service Fund

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

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

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

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



**FUND BALANCE SUMMARY**

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

The table below is presented to show the general overview of the flow of funds and the amount of dollars moving through each fund on an annual basis. Footnotes explain fund balance changes greater than 10% from the 2023 Estimate to the 2024 Budget. Funds are described in detail, including all sources and uses, in their respective sections within this document.

<b>Fund Balance Summary ▶▶▶</b>						
(\$ = 000)						
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	2025 Projection	2026 Projection
<b>Operating Fund</b>						
Balance Carried Forward January 1	\$ 202,647	\$ 216,072	\$ 216,072	\$ 243,346	\$ 270,265	\$ 275,435
Total Sources of Funds	427,081	464,814	509,140	577,364	555,059	579,848
Total Uses of Funds	(334,082)	(387,875)	(390,132)	(463,445)	(463,761)	(468,175)
Transfers	(79,574)	(85,108)	(91,734)	(87,000)	(86,128)	(67,000)
<b>Operating Fund December 31 Balance</b>	<b>\$ 216,072</b>	<b>\$ 207,903</b>	<b>\$ 243,346</b>	<b>\$ 270,265</b> <sup>1</sup>	<b>\$ 275,435</b>	<b>\$ 320,108</b>
<b>Construction Fund</b>						
Balance Carried Forward January 1	\$ 190,146	\$ 401,524	\$ 401,524	\$ 405,062	\$ 1,039,195	\$ 399,343
Total Sources of Funds	422,774	271,730	257,025	1,120,465	246,815	763,212
Total Uses of Funds	(211,396)	(432,476)	(253,487)	(486,332)	(886,667)	(766,866)
<b>Construction Fund December 31 Balance</b>	<b>\$ 401,524</b>	<b>\$ 240,778</b>	<b>\$ 405,062</b>	<b>\$ 1,039,195</b> <sup>2</sup>	<b>\$ 399,343</b>	<b>\$ 395,689</b>
<b>Debt Service Fund</b>						
Balance Carried Forward January 1	\$ 176,444	\$ 161,462	\$ 161,462	\$ 127,784	\$ 125,903	\$ 127,198
Total Sources of Funds	184,231	149,046	325,491	155,910	157,754	159,241
Total Uses of Funds	(199,213)	(158,421)	(359,169)	(157,791)	(156,459)	(157,926)
<b>Debt Service Fund December 31 Balance</b>	<b>\$ 161,462</b>	<b>\$ 152,087</b>	<b>\$ 127,784</b>	<b>\$ 125,903</b>	<b>\$ 127,198</b>	<b>\$ 128,513</b>
<b>Total All Funds</b>						
Balance Carried Forward January 1	\$ 569,237	\$ 779,058	\$ 779,058	\$ 776,192	\$ 1,435,363	\$ 801,976
Total Sources of Funds	1,034,086	885,590	1,091,656	1,853,739	959,628	1,502,301
Total Uses of Funds	(744,691)	(978,772)	(1,002,788)	(1,107,568)	(1,506,887)	(1,392,967)
Transfers	(79,574)	(85,108)	(91,734)	(87,000)	(86,128)	(67,000)
<b>Total All Funds December 31 Balance</b>	<b>\$ 779,058</b>	<b>\$ 600,768</b>	<b>\$ 776,192</b>	<b>\$ 1,435,363</b> <sup>3</sup>	<b>\$ 801,976</b>	<b>\$ 844,310</b>

<sup>1</sup> The 2024 year-end balance of \$270.3 million in the Operating Fund is an increase of 11% over the 2023 Estimate. The increase is related to adding 36 new FTEs and purchases of equipment and other capital expenditures that were delayed in prior years.

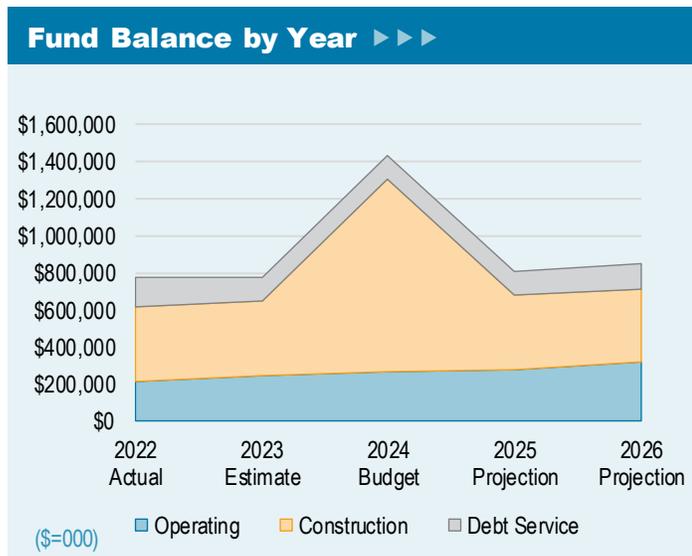
<sup>2</sup> The year-end balance of \$1.0 billion budgeted for the 2024 Construction Fund is a 157% increase from the 2023 Estimate. Bonds will be issued in 2024 for approximately \$700 million to fund construction projects.

<sup>3</sup> At the end of 2024, the total balance of All Funds is budgeted to be \$1.4 billion, which is an 85% increase from the 2023 year-end estimate. The increase in the All Funds balance is a result of the Construction Fund projects noted in Footnote 2.

The Operating Fund is used for day-to-day operations. The overall change in the fund balance from the 2022 Actual ending balance of \$216.1 million to the 2026 Projected ending balance of \$320.1 million is a total increase of \$104.0 million. The variance is a result of increases in operating revenues, primarily concessions, and reduced transfers to the Construction Fund.

The Construction Fund is used to pay capital costs associated with the CIP. The fund had an ending balance of \$401.5 million in 2022 and is projected to have a 2026 ending balance of \$395.7 million. Two primary factors drive the \$5.8 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 Pods 2-3.

The Debt Service Fund is used to pay required debt principal and interest payments. The fund had a 2022 ending balance of \$161.5 million and is projected to decrease \$33.0 million to a 2026 year-end balance of \$128.5 million. Primarily, bond refundings decreased the fund balance.



**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 2022 through 2026.

<b>Operating Fund Sources and Uses</b> ▶▶▶						
(\$ = 000)						
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	2025 Projection	2026 Projection
<b>Sources</b>						
Balance Carried Forward January 1	\$ 202,647	\$ 216,072	\$ 216,072	\$ 243,346	\$ 270,265	\$ 275,435
<b>Operating Revenues</b>						
Airline Rates & Charges	125,612	158,255	165,696	185,587	193,010	198,800
Concessions	173,398	207,092	217,095	230,205	249,349	267,159
Other Operating Revenues	79,406	81,939	85,980	92,007	93,514	94,703
<b>Subtotal Operating Revenues</b>	<b>\$ 378,416</b>	<b>\$ 447,286</b>	<b>\$ 468,771</b>	<b>\$ 507,799</b>	<b>\$ 535,873</b>	<b>\$ 560,662</b>
<b>Other/Non Operating Revenues</b>						
Interest Earnings <sup>1</sup>	321	5,544	9,934	9,218	5,107	5,107
Other & Self-Liquidating Revenue	45,494	7,584	21,560	41,347	2,079	2,079
Transfers In Equipment Financing	2,850	4,400	8,875	19,000	12,000	12,000
<b>Subtotal Other/Non Operating Revenue</b>	<b>\$ 48,665</b>	<b>\$ 17,528</b>	<b>\$ 40,369</b>	<b>\$ 69,565</b>	<b>\$ 19,186</b>	<b>\$ 19,186</b>
<b>Total Sources</b>	<b>\$ 427,081</b>	<b>\$ 464,814</b>	<b>\$ 509,140</b>	<b>\$ 577,364</b>	<b>\$ 555,059</b>	<b>\$ 579,848</b>
<b>Uses</b>						
<b>Operating Expenses</b>						
Personnel	\$ 97,837	\$ 113,373	\$ 111,189	\$ 123,532	\$ 128,473	\$ 132,327
Administrative Expenses	1,207	1,892	1,741	2,277	2,368	2,439
Professional Services	7,986	10,582	11,567	14,638	15,224	15,681
Utilities	25,590	23,119	25,146	24,940	25,938	26,716
Operating Services	29,191	35,592	34,365	40,290	41,902	43,159
Maintenance	47,930	53,106	56,390	67,035	69,716	71,807
Other	5,956	7,691	7,735	12,435	12,932	13,320
<b>Subtotal Operating Expenses</b>	<b>\$ 215,697</b>	<b>\$ 245,355</b>	<b>\$ 248,133</b>	<b>\$ 285,147</b>	<b>\$ 296,553</b>	<b>\$ 305,449</b>
<b>Non Operating Expenses</b>						
<b>Equipment</b>						
Equipment & Other Capital Expenditures	9,879	14,494	11,478	36,153	26,754	21,807
Transfers Out - Equipment Financing	4,680	4,223	4,821	7,814	5,044	4,736
<b>Subtotal Equipment</b>	<b>\$ 14,559</b>	<b>\$ 18,717</b>	<b>\$ 16,299</b>	<b>\$ 43,967</b>	<b>\$ 31,798</b>	<b>\$ 26,543</b>
<b>Debt Service</b>						
Transfers Out - Debt Service	103,826	123,803	125,700	134,331	135,410	136,183
<b>Subtotal Debt Service</b>	<b>\$ 103,826</b>	<b>\$ 123,803</b>	<b>\$ 125,700</b>	<b>\$ 134,331</b>	<b>\$ 135,410</b>	<b>\$ 136,183</b>
<b>Total Uses</b>	<b>\$ 334,082</b>	<b>\$ 387,875</b>	<b>\$ 390,132</b>	<b>\$ 463,445</b>	<b>\$ 463,761</b>	<b>\$ 468,175</b>
Unrestricted Net Transfer Out-Construction	79,574	85,108	91,734	87,000	86,128	67,000
<b>Operating Fund Balance</b>	<b>\$ 216,072</b>	<b>\$ 207,903</b>	<b>\$ 243,346</b>	<b>\$ 270,265</b>	<b>\$ 275,435</b>	<b>\$ 320,108</b>

<sup>1</sup> Interest Rate Assumed is 3%-4% for the period 2024 through 2026.

Numbers may not sum to totals due to rounding.

## SOURCES OF FUNDS

### Operating Reserve Transfer

The January 1 Balance reflects the Operating Reserve established by the Commission plus the amount to be transferred to the Construction Fund in the following year. In 2006, the Commission established a six-month reserve of operating expenses. The minimum operating reserve balance for 2024 is \$142.6 million.

### Operating Revenues

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

Airline Rates & Charges are projected to increase in 2024 from passenger growth as the travel industry recovers from COVID-19. Similarly, Concession sales are also expected to rise with the increase in passengers. The total Operating Revenues for 2024 is \$507.8 million.

### Other Non-Operating Revenues

Other Non-Operating Revenues consist of Interest Earnings, Self-Liquidating Revenue and Gain/Loss on Disposal of Assets and Other Sources. Interest Earnings is assumed to be 3-4% for the period 2024-2026. 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.



MSP Features More Than 100 Shops, Restaurants and Services

## 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 2024 is \$285.1 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 2024 is \$36.2 million and includes other capital expenditures. Equipment Financing of \$19.0 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 \$134.3 million in 2024.

### 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 \$87.0 million is budgeted for 2024, based on the 2023 Estimate. Based on the 2024 budget, a transfer of \$86.1 million is projected in 2025.

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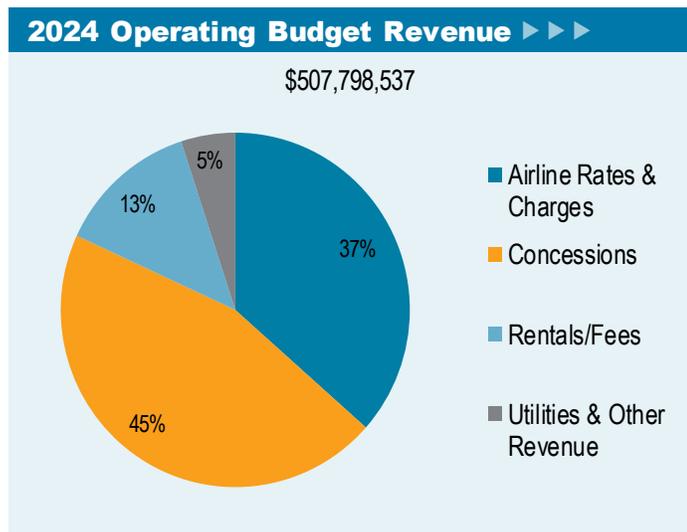
# OPERATING BUDGET REVENUE

The 2024 operating revenue budget is primarily based on projected enplaned passengers. The level of enplaned passengers in 2024 is projected to be 98% of the 2019 pre-COVID-19 passenger level, whereas 2023 reached 88% of the 2019 passenger level. This will be accomplished by airlines continuing to bring back suspended airline routes and growth in overall airline schedules.

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

Revenue Summary ▶▶▶						
	2024 Budget vs 2023 Estimate					
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
Airline Rates & Charges	\$125,612	\$158,255	\$165,696	\$185,587	\$19,891	12.0%
Concessions	173,398	207,092	217,095	230,205	13,110	6.0%
Rentals/Fees	56,947	59,476	62,421	66,535	4,113	6.6%
Utilities & Other Revenue	22,459	22,463	23,559	25,472	1,913	8.1%
<b>Total Operating Revenue</b>	<b>\$378,417</b>	<b>\$447,286</b>	<b>\$468,771</b>	<b>\$507,799</b>	<b>\$39,027</b>	<b>8.3%</b>

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



Total Operating Budget Revenue for 2024 is \$507.8 million, which is an increase of \$39.0 million or 8.3% over the 2023 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 45% and 37% of the total, respectively.

## 2024 Operating Revenue ►►►

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2024 Budget vs 2023 Estimate

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Airline Rates &amp; Charges</b>						
<b>Airline Agreement</b>						
Landing Fees	\$ 72,845	\$ 87,169	\$ 93,784	\$ 105,086	\$ 11,301	12.1%
Ramp Fees	6,655	8,158	8,803	9,669	866	9.8%
Airline R&R	5,512	5,632	5,632	5,801	169	3.0%
Terminal 1 Rentals	36,622	51,143	51,143	57,654	6,511	12.7%
Terminal 1 Other	7,898	9,070	8,730	9,936	1,206	13.8%
Concessions Rebate	(18,049)	(21,400)	(21,245)	(23,155)	(1,910)	9.0%
<b>Total Airline Agreement</b>	<b>\$ 111,482</b>	<b>\$ 139,772</b>	<b>\$ 146,848</b>	<b>\$ 164,991</b>	<b>\$ 18,144</b>	<b>12.4%</b>
Terminal 2 Lobby Fees	10,090	13,617	13,959	15,181	1,221	8.8%
Terminal 2 Other /Passenger Fees	4,040	4,866	4,889	5,415	526	10.8%
<b>Total Airline Rates &amp; Charges</b>	<b>\$ 125,612</b>	<b>\$ 158,255</b>	<b>\$ 165,696</b>	<b>\$ 185,587</b>	<b>\$ 19,891</b>	<b>12.0%</b>
<b>Concessions</b>						
<b>Terminal</b>						
Food & Beverage	\$ 17,046	\$ 31,137	\$ 30,343	\$ 33,432	\$ 3,089	10.2%
News	3,634	5,943	5,391	5,930	539	10.0%
Retail Stores	3,548	4,824	5,136	5,421	285	5.5%
Passenger Services	6,897	7,964	8,605	8,848	243	2.8%
<b>Total Terminal</b>	<b>\$ 31,125</b>	<b>\$ 49,867</b>	<b>\$ 49,476</b>	<b>\$ 53,631</b>	<b>\$ 4,155</b>	<b>8.4%</b>
<b>Parking/Ground Transportation</b>						
Parking	\$ 105,183	\$ 117,109	\$ 126,050	\$ 131,482	\$ 5,432	4.3%
Ground Transportation	12,409	14,383	15,160	16,720	1,560	10.3%
Auto Rental - On Airport	21,883	22,945	23,507	25,382	1,875	8.0%
<b>Total Parking/Ground Transport</b>	<b>\$ 139,475</b>	<b>\$ 154,437</b>	<b>\$ 164,717</b>	<b>\$ 173,585</b>	<b>\$ 8,867</b>	<b>5.4%</b>
Other Concessions	\$ 2,798	\$ 2,788	\$ 2,902	\$ 2,989	\$ 87	3.0%
<b>Total Concessions</b>	<b>\$ 173,398</b>	<b>\$ 207,092</b>	<b>\$ 217,095</b>	<b>\$ 230,205</b>	<b>\$ 13,110</b>	<b>6.0%</b>
<b>Rentals &amp; Fees</b>						
Buildings & Facilities	\$ 16,062	\$ 17,356	\$ 16,875	\$ 17,864	\$ 989	5.9%
Auto Rental CFC	17,033	19,072	19,344	21,085	1,741	9.0%
Ground Rentals	13,174	12,848	16,003	17,066	1,063	6.6%
Reliever Airports	10,678	10,200	10,200	10,520	320	3.1%
<b>Total Rentals &amp; Fees</b>	<b>\$ 56,947</b>	<b>\$ 59,476</b>	<b>\$ 62,421</b>	<b>\$ 66,535</b>	<b>\$ 4,113</b>	<b>6.6%</b>
<b>Utilities &amp; Other Revenues</b>						
Utilities	\$ 5,309	\$ 5,714	\$ 6,378	\$ 6,913	\$ 535	8.4%
General Aviation/Airside Fees	6,511	6,731	7,114	7,402	289	4.1%
Maintenance, Cleaning & Distribution Fees	3,839	4,488	4,511	4,943	432	9.6%
Other Revenues	2,424	2,361	2,388	2,427	39	1.6%
Reimbursed Expense	4,377	3,169	3,169	3,787	618	19.5%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$ 22,459</b>	<b>\$ 22,463</b>	<b>\$ 23,559</b>	<b>\$ 25,472</b>	<b>\$ 1,913</b>	<b>8.1%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 378,417</b>	<b>\$ 447,286</b>	<b>\$ 468,771</b>	<b>\$ 507,799</b>	<b>\$ 39,027</b>	<b>8.3%</b>

Numbers may not sum to totals due to rounding.

### REVENUE ASSUMPTIONS AND GUIDELINES

The revenue projections for 2024 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 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 budgets for all revenue categories are projected to increase in 2024 over 2023 primarily due to projected growth in passenger and flight activity.

### AIRLINE RATES & CHARGES

The Airline Rates & Charges category, which is approximately \$185.6 million or 37% of the MAC’s \$507.8 million in revenues, is generated from rates charged to the airlines. This category is projected to increase \$19.9 million or 12.0% from the 2023 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 \$23.2 million represents the revenue sharing found in the Airline Use Agreement.

## Airline Rates & Charges ▶▶▶

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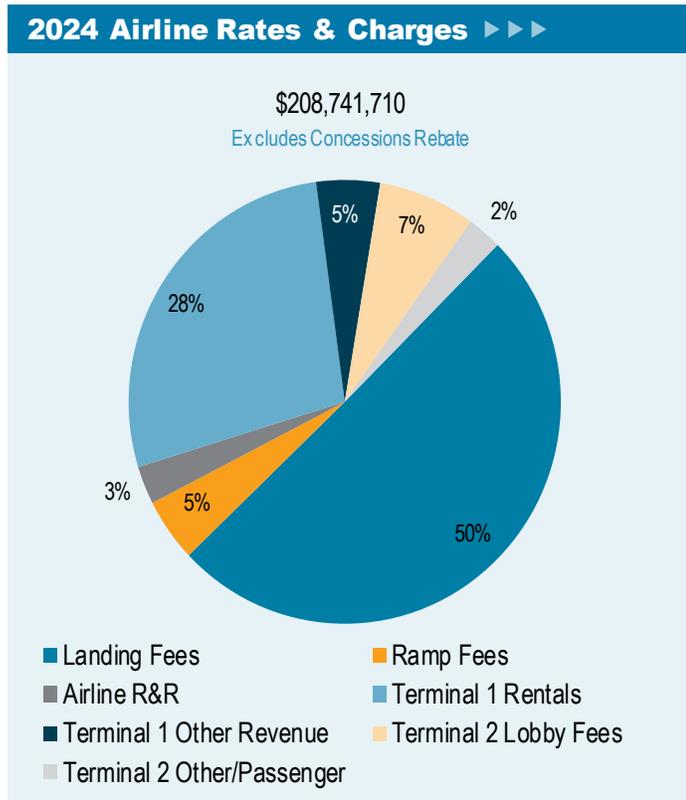
2024 Budget vs 2023 Estimate

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Landing Fees</b>	\$72,845	\$87,169	\$93,784	\$105,086	\$11,301	12.1%
<b>Ramp Fees</b>	6,655	8,158	8,803	9,669	866	9.8%
<b>Airline R&amp;R</b>	5,512	5,632	5,632	5,801	169	3.0%
<b>Terminal 1 Rentals</b>	36,622	51,143	51,143	57,654	6,511	12.7%
<b>Terminal 1 Other Revenue</b>	7,898	9,070	8,730	9,936	1,206	13.8%
<b>Concessions Rebate</b>	(18,049)	(21,400)	(21,245)	(23,155)	(1,910)	9.0%
<b>Terminal 2 Lobby Fees</b>	10,090	13,617	13,959	15,181	1,221	8.8%
<b>Terminal 2 Other/Passenger</b>	4,040	4,866	4,889	5,415	526	10.8%
<b>Total Airline Rates &amp; Charges</b>	<b>\$125,612</b>	<b>\$158,255</b>	<b>\$165,696</b>	<b>\$185,587</b>	<b>\$19,891</b>	<b>12.0%</b>

Numbers may not sum to totals due to rounding.

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 50% and 28% of the total, respectively.



LANDING FEES

Total landing fees are projected to increase \$11.3 million or 12.1% when compared to the 2023 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** ►►►

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Landing Fee	\$4.14	\$4.19	\$4.19	\$4.54
Landed Weight*	17,595	20,804	22,383	23,147
Revenue <sup>\$</sup>	\$72,845	\$87,169	\$93,784	\$105,086

\*lbs in 000,000  
\$ = 000

The landing fee rate will increase \$0.35 or 8.4% in 2024 over the 2023 estimate. The estimated landed weight for 2024 is projected to increase 764 million pounds or 3.4% over the 2023 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** ►►►

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
Ramp Fee*	\$621.95	\$741.61	\$749.18	\$908.53
Ramp Footage*	11,001	11,001	11,001	11,001
Revenue <sup>\$^</sup>	\$6,655	\$8,158	\$8,803	\$9,669

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

The 2024 ramp fee per lineal foot is \$908.53, which is \$159.35 higher than the 2023 estimated rate. The ramp fee rate increase results in Total Ramp Fees exceeding the 2023 estimate by \$866,201 or 9.8%. This increase is primarily due to the Winter Operations Field Maintenance Augmentation Plan that was put in place 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 2024 is \$8.72 per square foot and total R&R is projected to be \$5.8 million.

**OPERATING BUDGET REVENUE**

**TERMINAL 1 RENTALS**

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

<b>Terminal 1 Rental Rates ►►►</b>				
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
<b>Exclusive*</b>	\$69.24	\$74.55	\$74.55	\$81.23
<b>Exclusive Janitorial*</b>	\$81.75	\$87.19	\$87.19	\$95.75
<b>Total Revenue<sup>§</sup></b>	\$36,622	\$51,143	\$51,143	\$57,654
<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 2023 estimate of \$74.55 to \$81.23 per square foot in 2024. The janitorial rate is increasing from the 2023 estimate of \$87.19 to \$95.75 per square foot in 2024.

Total revenue from Terminal 1 Rentals is \$6.5 million or 12.7% higher than the 2023 estimate. The 2024 budget is increasing from a new janitorial contract and inflationary measures for other costs as well.

**TERMINAL 1 OTHER**

Revenue from Terminal 1 Other is expected to increase by \$1.2 million or 13.8% over the 2023 estimate. Revenues in this area are generated by International Arrival Fees, porter service fees, baggage claim maintenance fees, queue line management fees, flight information display maintenance, public address system maintenance and common use gates.

The largest components of 2024 Terminal 1 Other are IAF revenue at \$5.8 million and baggage handling system maintenance fees at \$1.2 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 2024 IAF fee will increase from \$6.14 to \$6.41 or 4.4% from the 2023 estimate. IAF costs are projected to increase by \$945,196.

<b>International Arrival Fees ►►►</b>				
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
<b>Total Cost<sup>§</sup></b>	\$3,900	\$4,824	\$4,824	\$5,769
<b>Passengers</b>	602,782	693,103	785,668	900,000
<b>Fee per Passenger</b>	\$6.47	\$6.96	\$6.14	\$6.41
<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 2024.

For the 2024 budget, the concessions rebate is projected to be \$23.2 million. The \$1.9 million increase over the 2023 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 \$1.2 million or 8.8% over the 2023 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 2024, the gate revenue cap is \$997,606 per airline using the gate. The MAC has a total of 14 gates at Terminal 2 and projects 12 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 2024 is predominately due to an increase in the revenue cap per gate.

**TERMINAL 2 OTHER / PASSENGER FEES**

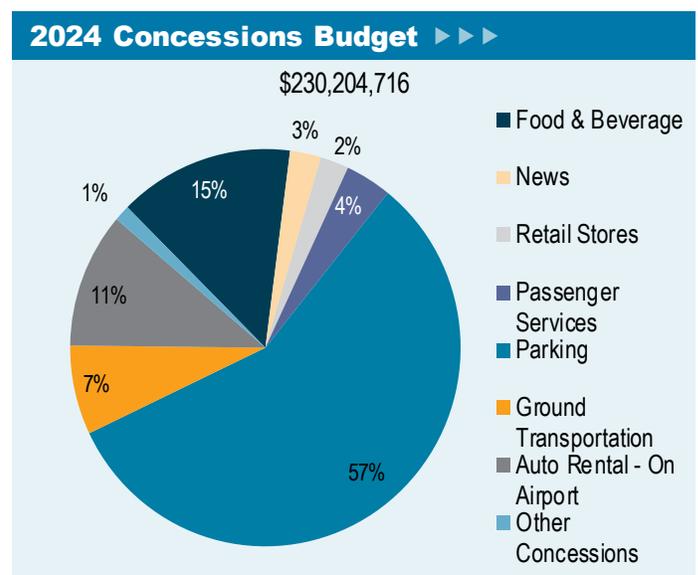
Terminal 2 Other/Passenger Fees include Federal Inspection Service (FIS) charges for international passengers, Terminal 2 building rentals, apron fees and non-signatory landing fees.

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 \$70,783 or 2.4% from the 2023 estimate as international flight schedules continue to increase and are projected to climb further in 2024 as well as a rate increase at Terminal 2.

**CONCESSIONS**

The Concessions revenue category is \$230.2 million or 45% of total operating revenue for 2024 and is projected to increase \$13.1 million or 6.0% from the 2023 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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2024 Budget vs 2023 Estimate

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Food &amp; Beverage</b>	\$17,046	\$31,137	\$30,343	\$33,432	\$3,089	10.2%
<b>News</b>	3,634	5,943	5,391	5,930	539	10.0%
<b>Retail Stores</b>	3,548	4,824	5,136	5,421	285	5.5%
<b>Passenger Services</b>	6,897	7,964	8,605	8,848	243	2.8%
<b>Parking</b>	105,183	117,109	126,050	131,482	5,432	4.3%
<b>Ground Transportation</b>	12,409	14,383	15,160	16,720	1,560	10.3%
<b>Auto Rental - On Airport</b>	21,883	22,945	23,507	25,382	1,875	8.0%
<b>Other Concessions</b>	2,798	2,788	2,902	2,989	87	3.0%
<b>Total Concessions</b>	<b>\$173,398</b>	<b>\$207,092</b>	<b>\$217,095</b>	<b>\$230,205</b>	<b>\$13,110</b>	<b>6.0%</b>

Numbers may not sum to totals due to rounding.

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

**FOOD & BEVERAGE**

Food & Beverage concession revenue is expected to increase \$3.1 million or 10.2% over the 2023 estimate. Food & Beverage revenue will increase in 2024 from an 11% increase in passengers.

**NEWS**

News concession revenue is expected to increase by \$539,135 or 10.0% over the 2023 estimate. News revenue will increase in 2024 from growth in passengers.

**RETAIL STORES**

Revenue from Retail Stores is projected to increase \$284,762 or 5.5% compared to the 2023 estimate. Revenue from Retail Stores will increase in 2024 from an increase in passengers.

**PASSENGER SERVICES**

Revenue from Passenger Services is budgeted to increase \$242,515 or 2.8% over the 2023 estimate. Similar to other concessions, Passenger Services revenue will increase in 2024 from passenger growth.



**PARKING**

Parking revenue is expected to increase over the 2023 estimate by \$5.4 million or 4.3%. Parking revenue exceeded the budget in 2023 from a greater number of passengers parking than expected, and travelers parked for longer periods of time. The increase in revenue in 2024 is based on a recovery level of 98% of enplaned passenger traffic compared to 2019.

**GROUND TRANSPORTATION FEES**

Ground Transportation fees are projected to increase \$1.6 million or 10.3% over the 2023 estimate. This increase in revenue is primarily based on the expected passenger projection for 2024 plus a Commercial Vehicle Per-Trip Fee and Taxicab Airport Use Fee adjustment.

**ON-AIRPORT AUTO RENTAL**

On-Airport Auto Rental revenue is projected to increase \$1.9 million or 8.0% from the 2023 estimate. The 2024 budget is based on the projected 11% 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 increase \$87,067 or 3.0% from the 2023 estimate based on passenger growth.



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

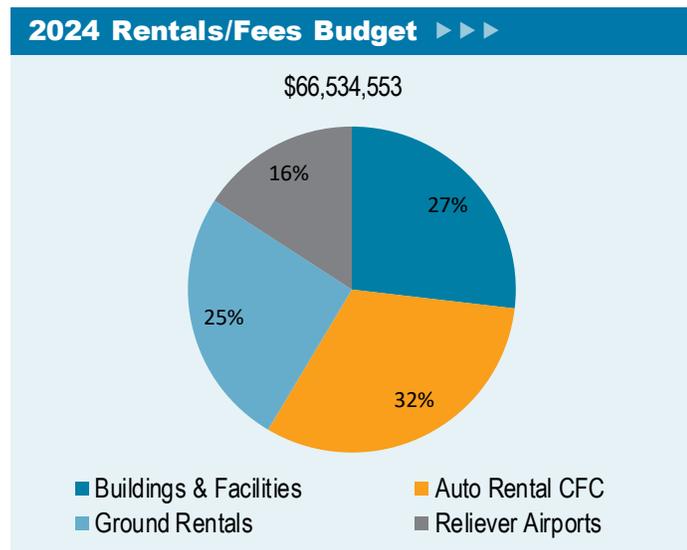
**RENTALS/FEES**

Rentals/Fees revenue is \$66.5 million or 13% of total operating revenue for 2024 and is projected to increase \$4.1 million or 6.6% from the 2023 estimate. These revenue sources consist of the non-airline building rentals, Auto Rental-Customer Facility Charges (CFCs), ground rental space and reliever airport revenue. Ground rental space revenue and a portion of reliever airport revenue are based on MAC Ordinances, while the remaining revenue items are based on leases and agreements.

<b>Rentals/Fees</b> ►►►						
(\$=000)	2024 Budget vs 2023 Estimate					
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Buildings &amp; Facilities</b>	\$16,062	\$17,356	\$16,875	\$17,864	\$989	5.9%
<b>Auto Rental CFC</b>	17,033	19,072	19,344	21,085	1,741	9.0%
<b>Ground Rentals</b>	13,174	12,848	16,003	17,066	1,063	6.6%
<b>Reliever Airports</b>	10,678	10,200	10,200	10,520	320	3.1%
<b>Total Rentals/Fees</b>	<b>\$56,947</b>	<b>\$59,476</b>	<b>\$62,421</b>	<b>\$66,535</b>	<b>\$4,113</b>	<b>6.6%</b>

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

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 27%.



**BUILDINGS & FACILITIES**

Buildings & Facilities revenue is projected to increase \$989,265 or 5.9% over the 2023 estimate. The 2024 budget reflects terminal rate increases and lease terms

and contract escalators generally ranging from 2.5% to 3.0%.

**AUTO RENTAL-CUSTOMER FACILITY CHARGE**

The revenue from Auto Rental CFCs is budgeted to increase \$1.7 million or 9.0% over the 2023 estimate. The CFC rate will remain at \$5.90 per auto rental transaction per day and is used to repay the debt obligation and maintenance for the auto rental facilities including the Terminal 1 Silver Ramp. The 2024 revenue projection stems from a greater number of projected passengers.

**GROUND RENTALS**

Compared to the 2023 estimate, Ground Rentals are budgeted to increase \$1.1 million or 6.6%. Ground rental rates are dictated in MAC Ordinance. The projected increase in 2024 is the result of new cargo facility leases.

**RELIEVER AIRPORTS**

Revenue from Reliever Airports is projected to increase \$320,217 or 3.1% from the 2023 estimate. This increase is based on ordinance escalators, historical trends and increasing activity at the reliever airports.

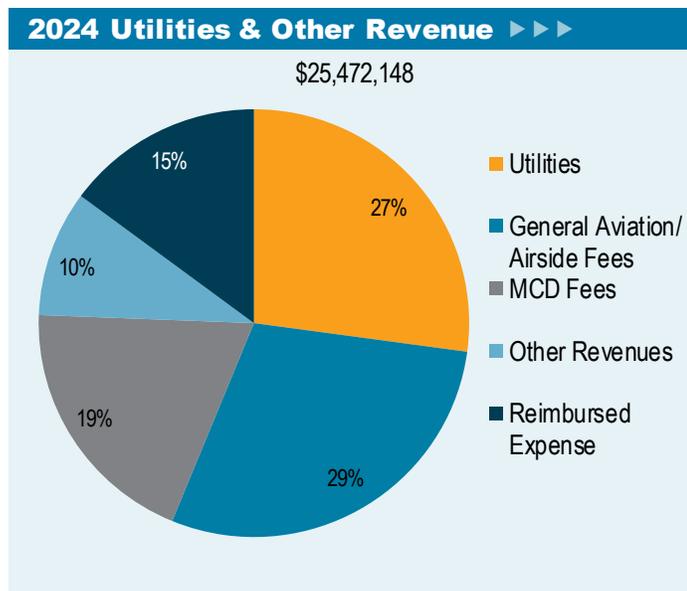
**UTILITIES & OTHER REVENUE**

Utilities & Other Revenue is \$25.5 million or 5% of total operating revenue for 2024 and is projected to increase \$1.9 million or 8.1% from the 2023 estimate.

<b>Utilities &amp; Other Revenue</b> ►►►						
(\$=000)	2024 Budget vs 2023 Estimate					
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Utilities</b>	\$5,309	\$5,714	\$6,378	\$6,913	\$535	8.4%
<b>General Aviation/ Airside Fees</b>	6,511	6,731	7,114	7,402	289	4.1%
<b>MCD Fees</b>	3,839	4,488	4,511	4,943	432	9.6%
<b>Other Revenues</b>	2,424	2,361	2,388	2,427	39	1.6%
<b>Reimbursed Expense</b>	4,377	3,169	3,169	3,787	618	19.5%
<b>Total Utilities &amp; Other Revenue</b>	<b>\$22,460</b>	<b>\$22,463</b>	<b>\$23,560</b>	<b>\$25,472</b>	<b>\$1,913</b>	<b>8.1%</b>

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

The pie chart illustrates General Aviation/Airside Fees and Utilities are projected to bring in over half of the revenue with 29% and 27% 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 2023 estimate, Utilities revenue is projected to increase \$535,318 or 8.4% 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 \$288,886 or 4.1% from the 2023 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 \$431,841 or 9.6% over the 2023 estimate. These fees are based on a percent of concession sales. As concession sales are projected to increase in 2024, MCD fees will increase as well.

**OTHER REVENUES**

The Other Revenues category is expected to remain stable from the 2023 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 \$617,940 or 19.5%. Certain expenses are reimbursed by others such as terminal cleaning, police patrolling, Reliever Airport expenses and canine training.

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# OPERATING BUDGET EXPENSE

Expenses that arise from daily operations are within the Operating Fund. In preparing the 2024 budget, the MAC analyzed data provided by partner airlines and consultants. This analysis resulted in a final expense budget based on a 100% recovery rate of 2019 enplaned passenger traffic. Each department was charged with examining all expenses and determining which resources would be necessary in 2024 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.

## Expense Summary ▶▶▶

(\$=000)

2024 Budget vs 2023 Estimate

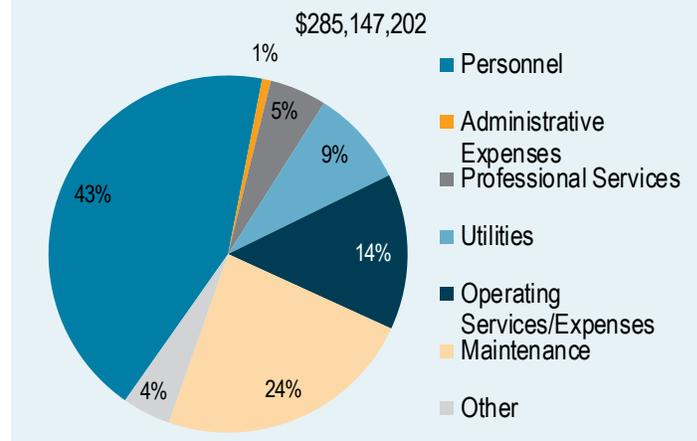
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Personnel</b>	\$97,837	\$ 113,373	\$111,189	\$ 123,532	\$12,342	11.1%
<b>Administrative Expenses</b>	1,207	1,892	1,741	2,277	536	30.8%
<b>Professional Services</b>	7,986	10,582	11,567	14,638	3,072	26.6%
<b>Utilities</b>	25,590	23,119	25,146	24,940	(206)	-0.8%
<b>Operating Services/Expenses</b>	29,191	35,592	34,365	40,290	5,926	17.2%
<b>Maintenance</b>	47,930	53,106	56,390	67,035	10,645	18.9%
<b>Other</b>	5,956	7,691	7,735	12,435	4,700	60.8%
<b>Total Operating Expense</b>	<b>\$215,696</b>	<b>\$245,354</b>	<b>\$248,133</b>	<b>\$285,147</b>	<b>\$37,014</b>	<b>14.9%</b>

Numbers may not sum to totals due to rounding.

Total Operating Budget Expense for 2024 is \$285.1 million, excluding depreciation and amortization, which is an increase of \$37.0 million or 14.9% from the 2023 estimate.

The pie chart illustrates the seven expense categories as percentages of the total. Personnel is the largest expense category with 43% of the total. Maintenance, Operating Services/Expenses and Utilities follow with 24%, 14% and 9%, respectively.

## 2024 Operating Budget Expense ▶▶▶



OPERATING BUDGET EXPENSE

## 2024 Operating Expense ►►►

(\$=000)

2024 Budget vs 2023 Estimate

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
<b>Personnel</b>						
Salaries & Wages	\$ 68,817	\$ 81,929	\$ 82,340	\$ 90,436	\$ 8,097	9.8%
Benefits	29,020	31,443	28,850	33,096	4,246	14.7%
<b>Total Personnel</b>	<b>\$ 97,837</b>	<b>\$ 113,373</b>	<b>\$ 111,189</b>	<b>\$ 123,532</b>	<b>\$ 12,342</b>	<b>11.1%</b>
<b>Administrative Expenses</b>	<b>\$ 1,207</b>	<b>\$ 1,892</b>	<b>\$ 1,741</b>	<b>\$ 2,277</b>	<b>\$ 536</b>	<b>30.8%</b>
<b>Professional Services</b>	<b>\$ 7,986</b>	<b>\$ 10,582</b>	<b>\$ 11,567</b>	<b>\$ 14,638</b>	<b>\$ 3,072</b>	<b>26.6%</b>
<b>Utilities</b>						
Electricity	\$ 16,297	\$ 14,891	\$ 15,741	\$ 16,598	\$ 857	5.4%
Heating Fuel	5,717	4,896	5,290	4,733	(557)	-10.5%
Water & Sewer	2,869	2,500	3,299	2,654	(645)	-19.6%
Telephones	707	832	815	954	139	17.1%
<b>Total Utilities</b>	<b>\$ 25,590</b>	<b>\$ 23,119</b>	<b>\$ 25,146</b>	<b>\$ 24,940</b>	<b>\$ (206)</b>	<b>-0.8%</b>
<b>Operating Services/Expenses</b>						
Storm Water Monitoring	\$ 2,026	\$ 1,835	\$ 2,314	\$ 2,035	\$ (279)	-12.1%
Shuttle Bus Services	1,099	2,306	2,336	2,366	30	1.3%
Parking Management	4,735	5,205	4,888	5,700	812	16.6%
Service Agreements	13,177	16,293	15,873	18,576	2,703	17.0%
Operating Services - Other	8,154	9,952	8,953	11,613	2,660	29.7%
<b>Total Operating Services/Expenses</b>	<b>\$ 29,191</b>	<b>\$ 35,592</b>	<b>\$ 34,365</b>	<b>\$ 40,290</b>	<b>\$ 5,926</b>	<b>17.2%</b>
<b>Maintenance</b>						
Trades	\$ 2,519	\$ 2,809	\$ 2,763	\$ 3,408	\$ 645	23.3%
Field	6,888	8,805	12,156	15,660	3,504	28.8%
Building	17,587	17,714	17,709	18,770	1,062	6.0%
Cleaning	18,217	19,920	19,700	24,092	4,392	22.3%
Equipment	2,718	3,858	4,063	5,105	1,042	25.6%
<b>Total Maintenance</b>	<b>\$ 47,930</b>	<b>\$ 53,106</b>	<b>\$ 56,390</b>	<b>\$ 67,035</b>	<b>\$ 10,645</b>	<b>18.9%</b>
<b>Other</b>						
General Insurance	\$ 2,675	\$ 4,011	\$ 4,011	\$ 5,414	\$ 1,403	35.0%
Minor Equipment	175	373	417	775	358	85.9%
Other - Other	3,105	3,307	3,307	6,246	2,939	88.9%
<b>Total Other</b>	<b>\$ 5,956</b>	<b>\$ 7,691</b>	<b>\$ 7,735</b>	<b>\$ 12,435</b>	<b>\$ 4,700</b>	<b>60.8%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 215,696</b>	<b>\$ 245,354</b>	<b>\$ 248,133</b>	<b>\$ 285,147</b>	<b>\$ 37,014</b>	<b>14.9%</b>

Numbers may not sum to totals due to rounding.

**OPERATING BUDGET EXPENSE**

**EXPENSE ASSUMPTIONS AND GUIDELINES**

The operating expense budget is compiled with information provided by the MAC’s service center staff, utility companies, vendors and historical analyses. The expense budget projections for 2024 are based on the following assumptions and guidelines:

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

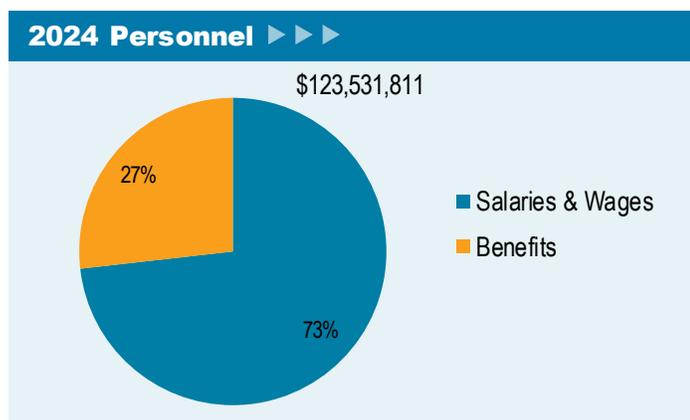
- ▶ There are 36 new full-time equivalent employees (FTEs) authorized for 2024. These employees will support new and increasing needs throughout the organization, providing the necessary staff resources to serve the traveling public.
- ▶ Cost increases, such as scheduled contract or step increases for the organized and non-organized workforce, utility rate changes and insurance rate adjustments are included.
- ▶ Service center staff budget what is necessary to meet the MAC’s objectives based on the level of enplaned passengers. The 2024 projection is 100% of the 2019 passenger level. 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 2024 over 2023.

**PERSONNEL**

The Personnel category, which is approximately \$123.5 million or 43% of the \$285.1 million Operating Expense budget, is projected to increase by \$12.3 million or 11.1% from the 2023 estimate.

<b>Personnel</b> ▶▶▶							2024 Budget vs 2023 Estimate		
(\$=000)		2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change		
<b>Salaries &amp; Wages</b>		\$68,817	\$81,929	\$82,340	\$90,436	\$8,097	9.8%		
<b>Benefits</b>		29,020	31,443	28,850	33,096	4,246	14.7%		
<b>Total Personnel</b>		<b>\$97,837</b>	<b>\$113,373</b>	<b>\$111,189</b>	<b>\$123,532</b>	<b>\$12,342</b>	<b>11.1%</b>		

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



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

Major differences between the 2024 budget and 2023 estimate are explained as follows.

**SALARIES & WAGES**

Salaries & Wages are projected to increase by \$8.1 million or 9.8% over the 2023 estimate. There are several factors contributing to the increase.

The 2024 budget includes 36 new FTEs, which accounts for \$2.3 million of the increase. One FTE is scheduled for the Executive division in the Governmental Affairs service center. Four FTEs will be added to the Strategy and Stakeholder Engagement division to drive the new strategic plan and sustainability efforts. In the Finance and Revenue Development division, three FTEs are necessary to support the growth of the airport. Two FTEs are scheduled for the Human Resources & Labor Relations division to handle the growth in headcount. Six new FTEs will be added to the Planning & Development division. The Management and Operations division will hire 17 new FTEs to support public safety and operations. Three new FTEs will be added to the Information Technology (IT) service center. The majority of these new FTEs are key parts of the MAC’s new strategic plan.

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

	Actual	Budget
2020	630	686.5
2021	634	690.5 <sup>a</sup>
2022	641.5	691.5 <sup>b</sup>
2023	715.5	754.5 <sup>c</sup>
2024	n/a	790.5 <sup>d</sup>

- <sup>a</sup> Four temporary positions became permanent in 2021.
- <sup>b</sup> One new FTE was authorized on 1/1/2022.
- <sup>c</sup> 28 new FTEs were authorized 1/1/2023. During 2023, 35 additional FTEs were approved for a total of 63 FTEs.
- <sup>d</sup> The 2024 budget includes 36 new FTEs to meet strategic plan initiatives and increased service levels.

The MAC expects all or most of the 2023 vacancies to be filled in 2024. The 2024 total salaries and wages increase is approximately \$10.5 million over the 2023 estimate. This increase includes wage adjustments, overtime and new FTEs. It is offset by a \$2.4 million vacancy factor for any open positions during 2024. After accounting for the vacancy factor, the overall net increase for salaries and wages is \$8.1 million over the 2023 estimate.

**BENEFITS**

Benefits include employee insurance, post-retirement healthcare, Social Security, Medicare, retirement plan contributions, severance, workers’ compensation and other miscellaneous items. An increase of \$4.3 million or 14.7% is projected over the 2023 estimate.

Several benefit categories increased in 2024, largely a result of projecting that most or all 2023 vacancies will be filled, and 36 new FTEs will be hired. Approximately \$2.4 million is attributable to employee insurance benefits, \$1.1 million for payroll taxes and expenses and \$772,979 for education and development benefits.

In 2024, the MAC expects to draw funds from its Other Post-Employment Benefits (OPEB) trust. Withdrawals are budgeted to be \$4.9 million, which is an offset of 100% of the MAC’s budgeted retiree insurance costs.



*The Airport Police Department Welcomes the Public to the Annual Night to Unite Event at Terminal 1*



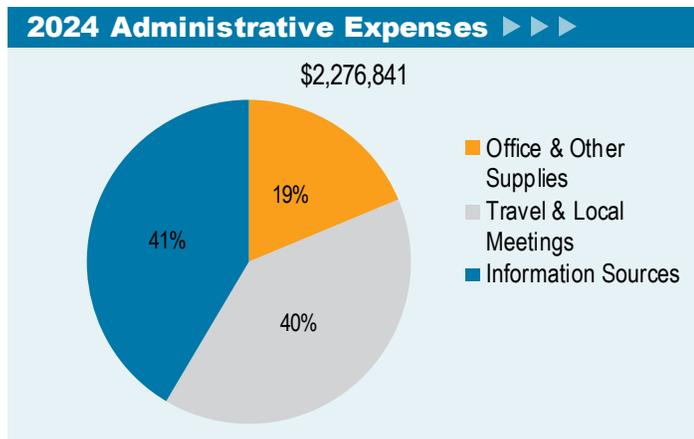
**ADMINISTRATIVE EXPENSES**

Administrative Expenses, which is approximately \$2.3 million or 1% of the \$285.1 million expense budget, is projected to increase in 2024 by \$535,621 or 30.8% over the 2023 estimate, as identified in the table below.

<b>Administrative Expenses</b> ►►►						
(\$=000)	2024 Budget vs 2023 Estimate					
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
Office & Other Supplies	\$261	\$398	\$349	\$426	\$77	22.1%
Travel & Local Meetings	233	616	605	906	301	49.8%
Information Sources	713	878	787	944	158	20.1%
<b>Total Administrative Expenses</b>	<b>\$1,207</b>	<b>\$1,892</b>	<b>\$1,741</b>	<b>\$2,277</b>	<b>\$536</b>	<b>30.8%</b>

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

As shown in the pie chart, Information Sources account for the largest portion of this budget category, at 41% of Administrative Expenses. Travel & Local Meetings account for 40% and Office & Other Supplies account for the remaining 19%.



**OFFICE & OTHER SUPPLIES**

The 2024 budget projects an increase of \$76,930 or 22.1% in Office & Other Supplies expenses over the 2023 estimate. The office supplies increase of \$20,009 is a result of office needs and supplies for new employees. A \$46,232 special supply increase is due to updated aerial photos, specialty needs at the conference center and Airport Police Community Outreach supplies. The remaining \$10,688 increase is due to increased costs for computer supplies.

**TRAVEL & LOCAL MEETINGS**

The Travel & Local Meetings budget for 2024 is expected to increase \$300,891 or 49.8% over the 2023 estimate. The increase results from out-of-state mandatory training requirements and additional travel following tight pandemic-era limits.



*MAC Employees Attend a Sustainability Learning Session*

**INFORMATION SOURCES**

Information Sources are projected to increase \$157,800 or 20.1% over the 2023 estimate. Printing and postage costs are projected to increase \$151,720 in 2024. Memberships, mailings and other information sources are projected to increase by \$73,669. Administrative expenses related to strategic planning are expected to decrease by \$67,589. This offsets the total increase as most of the strategic plan effort was completed in 2023.

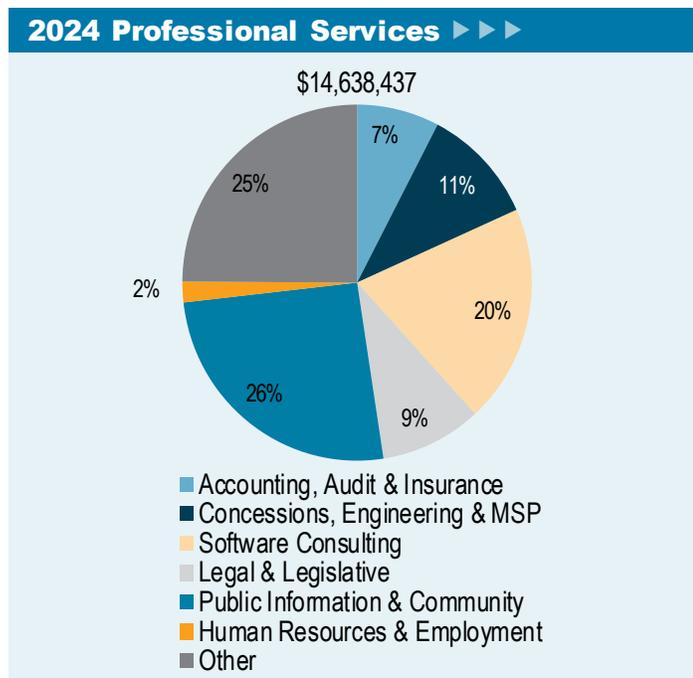
**PROFESSIONAL SERVICES**

Professional Services, which is approximately \$14.6 million or 5% of the \$285.1 million expense budget, is estimated to increase \$3.1 million or 26.6% over the 2023 estimate.

<b>Professional Services</b> ▶▶▶				2024 Budget vs 2023 Estimate		
(\$=000)						
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
Accounting, Audit & Insurance	\$759	\$1,019	\$1,031	\$1,116	\$84	8.1%
Concessions, Engineering & MSP	1,196	1,511	1,528	1,563	35	2.3%
Software Consulting	1,504	1,753	1,762	2,913	1,151	65.3%
Legal & Legislative	1,055	881	1,751	1,374	(377)	-21.5%
Public Information & Community	1,900	3,274	3,313	3,753	440	13.3%
Human Resources & Employment	142	265	268	275	7	2.6%
Other	1,431	1,879	1,913	3,646	1,733	90.6%
<b>Total Professional Services</b>	<b>\$7,986</b>	<b>\$10,582</b>	<b>\$11,567</b>	<b>\$14,638</b>	<b>\$3,072</b>	<b>26.6%</b>

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

MAC continues to evaluate opportunities for efficiencies. The pie chart shows the distribution of expenses for Professional Services. MAC The largest expense categories are Public Information & Community, Other expenses and Software Consulting at 26%, 25% and 20%, respectively.



**ACCOUNTING, AUDIT & INSURANCE**

The Accounting, Audit & Insurance budget is projected to increase \$84,312 or 8.1% over the 2023 estimate. Insurance costs increased by \$128,213 based in inflationary costs. Accounting, Audit, and Medical-related consulting fees offset this increase by \$43,901.

**CONCESSIONS, ENGINEERING & MSP**

The 2024 budget for Concessions, Engineering & MSP is projected to increase \$34,716 or 2.3% from the 2023 estimate. Building Information Modeling and Geographic Information System (GIS) development support are the main drivers of the increase.

**SOFTWARE CONSULTING**

Software Consulting is expected to increase by \$1.2 million or 65.3% over the 2023 estimate. Several IT improvements are scheduled in 2024 that align with MAC’s strategic initiatives. Enterprise system consulting accounts for \$992,998 of the increase followed by infrastructure & operations at \$121,152, and other IT project management consulting at \$36,350.

**LEGAL & LEGISLATIVE**

The Legal & Legislative budget projects a decrease of \$377,430 or 21.5% from the 2023 estimate. Legal fees are estimated to decrease \$376,946 and local and national legislative activity is expected to decrease \$484.

**PUBLIC INFORMATION & COMMUNITY**

The 2024 budget increase for Public Information & Community is \$439,841 or 13.3% over the 2023 estimate. Design resources, videography services, digital marketing support and survey expenses make up the overall increase.

**HUMAN RESOURCES & EMPLOYMENT**

Human Resources & Employment is projected to increase \$6,678 or 2.6% for planned recruiting activity, which includes hiring for 36 new FTEs.

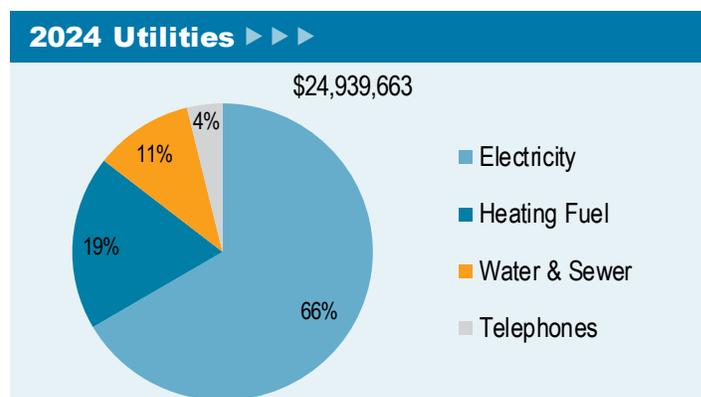
**UTILITIES**

Utilities, which is approximately \$24.9 million or 9% of the \$285.1 million expense budget, is budgeted to decrease \$205,879 or 0.8% from the 2023 estimate.

<b>Utilities</b> ▶▶▶						
(\$=000)						
2024 Budget vs 2023 Estimate						
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
Electricity	\$16,297	\$14,891	\$15,741	\$16,598	\$857	5.4%
Heating Fuel	5,717	4,896	5,290	4,733	(557)	-10.5%
Water & Sewer	2,869	2,500	3,299	2,654	(645)	-19.6%
Telephones	707	832	815	954	139	17.1%
<b>Total Utilities</b>	<b>\$25,590</b>	<b>\$23,119</b>	<b>\$25,146</b>	<b>\$24,940</b>	<b>(\$206)</b>	<b>-0.8%</b>

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

The pie chart shows the distribution of Utilities expenses. Electricity is the largest utility expense at 66% of the category, followed by Heating & Fuel at 19%, Water & Sewer at 11% and Telephones at 4%. Variances in the 2024 budget versus the 2023 estimate are explained as follows.



**OPERATING BUDGET EXPENSE**

**ELECTRICITY**

Electricity is expected to increase by \$856,963 or 5.4% over 2023 estimate. This is based on rate increases, average usage provided by the utility company and budget forecasts provided from the outside consultant. The new Energy Manager will assist with sustainability goals and efficiencies as the MAC is working proactively to reduce utility costs.

**HEATING FUEL**

Heating Fuel is estimated to decrease by \$556,944 or 10.5% from the 2023 estimate based upon the forecast provided by the outside consultant.

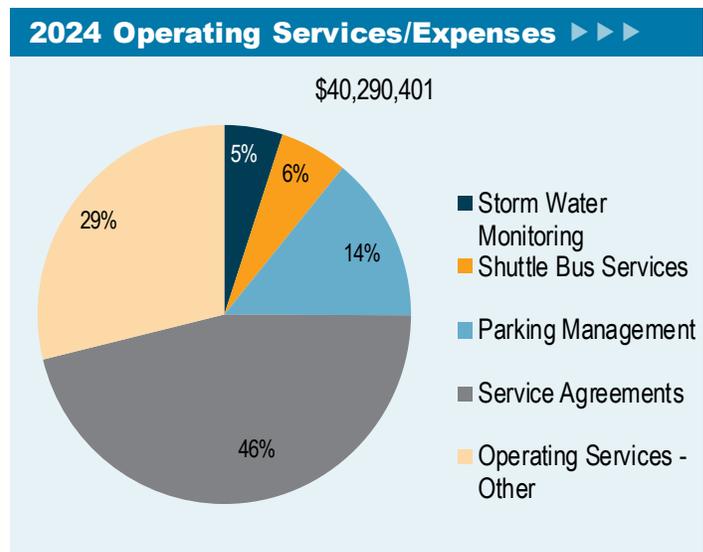
**OPERATING SERVICES/EXPENSES**

Operating Services/Expenses, which is approximately \$40.3 million or 14% of the \$285.1 million expense budget, is projected to increase \$6.0 million or 17.2% over the 2023 estimate. The following table lists the major components in this category.

<b>Operating Services/Expenses</b> ►►►						
(\$=000)	2024 Budget vs 2023 Estimate					
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
Storm Water Monitoring	\$2,026	\$1,835	\$2,314	\$2,035	(\$279)	-12.1%
Shuttle Bus Services	1,099	2,306	2,336	2,366	30	1.3%
Parking Management	4,735	5,205	4,888	5,700	812	16.6%
Service Agreements	13,177	16,293	15,873	18,576	2,703	17.0%
Operating Services - Other	8,154	9,952	8,953	11,613	2,660	29.7%
<b>Total Operating Services/Expenses</b>	<b>\$29,191</b>	<b>\$35,592</b>	<b>\$34,365</b>	<b>\$40,290</b>	<b>\$5,926</b>	<b>17.2%</b>

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

As the pie chart indicates, Service Agreements and Operating Services – Other make up 46% and 29% of the Operating Services/Expenses budget, respectively. Significant changes in the 2024 budget versus the 2023 estimate are as follows.



**OPERATING BUDGET EXPENSE**

**STORM WATER MONITORING**

Storm Water Monitoring expenses are projected to decrease \$278,892 or 12.1% from the 2023 estimate. The decrease is a reduction in miscellaneous environmental permit costs.

**SHUTTLE BUS SERVICES**

Shuttle Bus Services are projected to increase \$29,936 or 1.3% over the 2023 estimate. The increase is driven by the Quick Ride Ramp shuttle resuming service at a higher contract rate and escalated Metro Transit light rail transportation fees.

**PARKING MANAGEMENT**

Compared to the 2023 estimate, Parking Management costs are budgeted to increase \$811,569 or 16.6% in 2024. The increase is a result of a new three-year contract for parking management services.

**MAINTENANCE**

The Maintenance budget is approximately \$67.0 million or 24% of the \$285.1 million expense budget and includes a \$10.7 million or 18.9% increase over the 2023 estimate. The table lists the major components in this category.

**SERVICE AGREEMENTS**

A \$2.7 million or 17.0% increase in Service Agreements is projected over the 2023 estimate. Notable service increases include \$1.4 million for computers, \$645,610 for other equipment and \$366,906 for loading dock management. The remaining \$290,539 is used to fund services such as security and electrical switchgear equipment repairs.

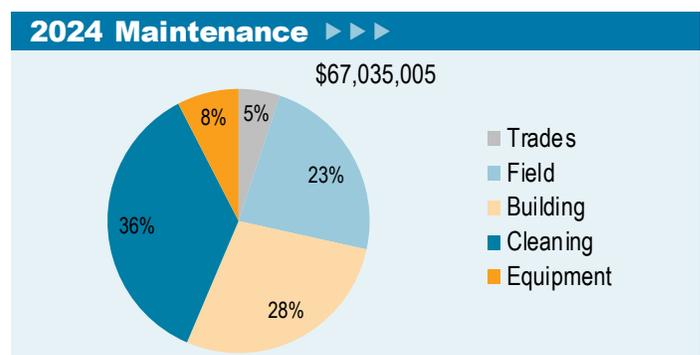
**OPERATING SERVICES – OTHER**

Operating Services – Other is projected to increase \$2.7 million or 29.7% over the 2023 estimate. Rising gate and vehicle security expenses contribute \$664,902 to the increase. Marketing and advertising of the MAC is expected to cost an additional \$390,590. Hazardous waste expense is expected to climb by \$270,050 for transportation and disposal of regulated materials, including regulated firefighting foam. The remaining variance is due to rising miscellaneous costs.

<b>Maintenance</b> ▶▶▶						
(\$=000)						
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	2024 Budget vs 2023 Estimate	
					Dollar Change	% Change
Trades	\$2,519	\$2,809	\$2,763	\$3,408	\$645	23.3%
Field	6,888	8,805	12,156	15,660	3,504	28.8%
Building	17,587	17,714	17,709	18,770	1,062	6.0%
Cleaning	18,217	19,920	19,700	24,092	4,392	22.3%
Equipment	2,718	3,858	4,063	5,105	1,042	25.6%
<b>Total Maintenance</b>	<b>\$47,930</b>	<b>\$53,106</b>	<b>\$56,390</b>	<b>\$67,035</b>	<b>\$10,645</b>	<b>18.9%</b>

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

The pie chart shows the distribution of Maintenance expenses in the 2024 budget. Cleaning and Building maintenance make up just under two-thirds of the total, covering 36% and 28%, respectively. Significant changes in the 2024 budget versus the 2023 estimate are as follows.



**OPERATING BUDGET EXPENSE**

**TRADES**

The projected increase in Trades expenses over the 2023 estimate is \$645,095 or 23.3%. Key drivers include a \$229,150 increase to cover fire protection system inspections and maintenance contracts, \$60,000 for seating replacements at both terminals and \$39,250 to cover the inflationary impact on paint and related materials. The remaining increase will cover additional repair and replacement of hardware, tug doors and other MAC-owned equipment throughout Terminal 1, Terminal 2 and the Reliever Airports.

**FIELD**

Field expenses include a \$3.5 million or 28.8% increase over the 2023 estimate. This increase is primarily due to the Winter Operations Field Maintenance Augmentation Plan that was put in place in 2023. This plan includes expanded contracting for snow and ice removal services, snow melting services and chemical applications to both, airside ramps and landside public roadways. The 2024 budget includes a full year of snow removal and melting services whereas the 2023 estimate includes only a portion of the year.

**BUILDING**

Building maintenance is projected to increase \$1.1 million or 6.0% over the 2023 estimate. Mechanical area maintenance costs account for \$884,907 of the increase. Oversized baggage maintenance costs increased \$63,608. The remaining amount will cover higher costs for fire alarm inspection, testing and maintenance contracts.

**OTHER**

The Other expense category, which is approximately \$12.4 million or 4% of the \$285.1 million expense budget, is projected to increase \$4.7 million or 68.2%. The following table lists the major components in this category.

**CLEANING**

The 2024 Cleaning budget includes a \$4.4 million or 22.3% increase compared to the 2023 estimate. The janitorial cleaning services contract accounts for \$4.2 million of this increase. Contractual increases and rising inflation contribute significantly to the variance. Additionally, the MAC campus is fully opened, with no further pandemic-related closures, and newly constructed space is included in the contracts. The remaining increase is a result of inflationary impacts to window cleaning, cleaning supplies and rubbish disposal costs.

**EQUIPMENT**

Equipment costs are budgeted to increase \$1.0 million or 25.6% over the 2023 estimate. Approximately \$431,821 or 41.4% of this variance is a result of higher projected gas and fuel pricing. The remaining increase is a result of inflation on parts and supplies, as well as additional special equipment and equipment repairs throughout all MAC-owned facilities.



*Terminal 1 Features the New Delta Sky Club Rotunda*

**Other ▶▶▶**

(\$=000)

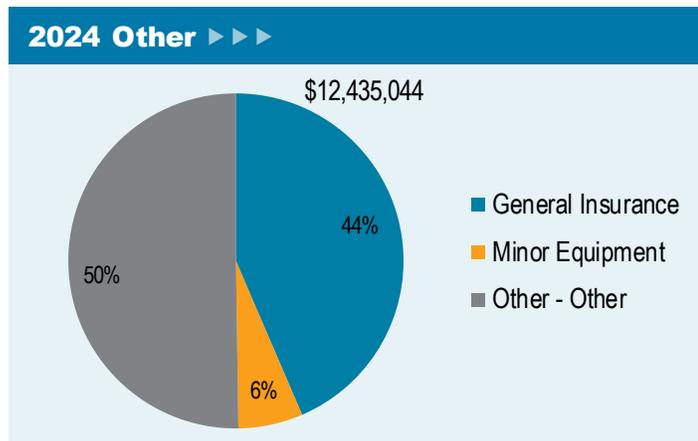
2024 Budget vs 2023 Estimate

	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	Dollar Change	% Change
General Insurance	\$2,675	\$4,011	\$4,011	\$5,414	\$1,403	35.0%
Minor Equipment	175	373	417	775	358	85.9%
Other	3,105	3,307	2,465	6,246	2,939	119.2%
<b>Total Other</b>	<b>\$5,956</b>	<b>\$7,691</b>	<b>\$6,893</b>	<b>\$12,435</b>	<b>\$ 4,700</b>	<b>68.2%</b>

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

**OPERATING BUDGET EXPENSE**

As the pie chart illustrates, Other expenses make up 50% of the budget followed by General Insurance and Minor Equipment expenses at 44% and 6%, respectively.



**GENERAL INSURANCE**

General Insurance includes property, liability, crime, auto, equipment and several other insurance products. The projected increase in General Insurance is \$1.4 million or 35.0% over the 2023 estimate. Increasing property values, higher insurance rates and large insurance claims directly drive premium increases. A storage facility property loss in 2023 was a big factor to the increase.

**MINOR EQUIPMENT**

Minor equipment is equipment that is less than \$10,000. Minor equipment is projected to increase \$357,790 or 85.9% over the 2023 estimate. The 2024 budget includes furniture for conference rooms, workstations for new employees and other equipment purchases that were delayed as a cost-saving measure.

**OTHER**

The Other category consists of expenses for safety, medical, other equipment, license fees and other miscellaneous expenses. The 2024 budget is projected to increase \$3.0 million or 119.2% over the 2023 estimate. This includes \$2.5 million for air service incentives. The remaining increase is driven by the purchase of approved firefighting foam, safety and medical supplies, contractual rate increases, licensing fees and other costs.

**SUBLEDGER REPORT**

The report on the following pages lists budgeted expenses by subledger. Subledgers are used to charge operating expenses back to the airlines.



*Students from the National Summer Transportation Institute with the University of Minnesota's Center for Transportation Studies Explore the MSP Airport Campus*

<b>2024 Budget Expenses by Subledger ▶▶▶</b>				
	Terminal 1	Terminal 1 FIS	EMC	Ramp Fees
<b>PERSONNEL</b>				
Wages	\$ 1,244,679	\$ 36,949	\$ 2,534,068	\$ -
Benefits	511,315	5,860	979,332	-
<b>TOTAL PERSONNEL</b>	<b>\$ 1,755,994</b>	<b>\$ 42,808</b>	<b>\$ 3,513,400</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	2,500	-	1,800	-
Travel	7,300	-	-	-
Other Administrative Expense	1,550	-	200	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 11,350</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	-	-	50,000	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Miscellaneous Expenses	534,624	-	-	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 534,624</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	11,469,236	-	-	-
Heating Fuel	299,375	-	2,683,231	-
Sewer	453,182	-	80,412	-
Water	281,594	-	126,740	-
Telephone	6,202	12,500	15,000	-
<b>TOTAL UTILITIES</b>	<b>\$ 12,509,589</b>	<b>\$ 12,500</b>	<b>\$ 2,905,383</b>	<b>\$ -</b>

<b>2024 Budget Expenses by Subledger ►►►</b>				
	Terminal 1	Terminal 1 FIS	EMC	Ramp Fees
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	-	650	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	948,600	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	-	-	-	-
Other Charges/Fees	1,647,978	-	-	-
Service Agreements	5,447,034	120,000	-	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 8,043,612</b>	<b>\$ 120,000</b>	<b>\$ 650</b>	<b>\$ -</b>
<b>MAINTENANCE</b>				
Trades - Painters	15,500	-	1,000	-
Trades - Carpenters	223,183	-	-	-
Trades - Plumbers	275,350	-	6,875	-
Trades - Electricians	619,000	-	17,500	-
Maintenance - Field	-	-	-	507,500
Maintenance Building	11,866,450	25,000	294,000	-
Maintenance-Cleaning	16,433,102	278,667	-	-
Maintenance-Equipment	298,570	1,800	322,910	-
<b>TOTAL MAINTENANCE</b>	<b>\$ 29,731,155</b>	<b>\$ 305,467</b>	<b>\$ 642,285</b>	<b>\$ 507,500</b>
<b>OTHER</b>				
General Insurance	1,620,842	-	239,705	154,349
Safety	2,500	-	3,500	-
Medical Information/Supply	250	-	126	-
Rentals	-	-	-	-
Licenses/Permits	-	-	900	-
Miscellaneous Expenses	-	14,750	-	-
Capital Assets	5,600	-	-	-
<b>TOTAL OTHER</b>	<b>\$ 1,629,192</b>	<b>\$ 14,750</b>	<b>\$ 244,231</b>	<b>\$ 154,349</b>
<b>GRAND TOTAL</b>	<b>\$ 54,215,516</b>	<b>\$ 495,525</b>	<b>\$ 7,357,949</b>	<b>\$ 661,849</b>

## 2024 Budget Expenses by Subledger ▶▶▶

	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>PERSONNEL</b>				
Wages	\$ 1,661,417	\$ -	\$ 1,503,743	\$ -
Benefits	199,694	-	778,715	-
<b>TOTAL PERSONNEL</b>	<b>\$ 1,861,111</b>	<b>\$ -</b>	<b>\$ 2,282,458</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	7,530	-	6,000	-
Travel	750	-	8,063	-
Other Administrative Expense	7,150	-	13,470	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 15,430</b>	<b>\$ -</b>	<b>\$ 27,533</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
Computer Services	-	-	-	-
Engineering Fees	540,000	-	-	-
Graphic Design	-	-	-	-
Insurance Consultants	-	-	-	-
Legal Fees	-	-	-	-
Legislative	-	-	-	-
Medical Fees	-	-	-	-
Planning	-	-	-	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	-	-
Recruiting Expenses	-	-	-	-
Safety Consultants	-	-	-	-
Miscellaneous Expenses	187,500	-	30,000	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 727,500</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	265,516	-	193,886	680,228
Heating Fuel	78,888	18,747	104,902	27,731
Sewer	35,398	-	2,491	8,112
Water	18,777	-	6,070	5,047
Telephone	32,544	-	6,600	-
<b>TOTAL UTILITIES</b>	<b>\$ 431,123</b>	<b>\$ 18,747</b>	<b>\$ 313,949</b>	<b>\$ 721,118</b>

<b>2024 Budget Expenses by Subledger ►►►</b>				
	Field & Runways	Control Tower	Terminal Roads/ Landside	Parking Facilities
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	265,000	-	-	-
GISW Management	2,000,000	-	-	-
Grd Transportation Services	-	-	50,000	-
Shuttle Services	-	-	911,400	505,951
Parking Lots	-	-	-	5,700,000
Met Council Fees	300,000	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	1,250	-	-	-
Other Charges/Fees	2,453,326	-	10,388	702,328
Service Agreements	358,014	-	485,995	1,019,320
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 5,377,590</b>	<b>\$ -</b>	<b>\$ 1,457,783</b>	<b>\$ 7,927,599</b>
<b>MAINTENANCE</b>				
Trades - Painters	421,750	-	-	-
Trades - Carpenters	-	-	-	-
Trades - Plumbers	6,350	-	1,550	-
Trades - Electricians	476,000	-	-	188,000
Maintenance - Field	7,889,000	-	247,470	2,852,500
Maintenance Building	50,572	-	1,749,332	570,727
Maintenance-Cleaning	66,064	-	282,939	899,779
Maintenance-Equipment	-	-	103,499	48,569
<b>TOTAL MAINTENANCE</b>	<b>\$ 8,909,736</b>	<b>\$ -</b>	<b>\$ 2,384,790</b>	<b>\$ 4,559,575</b>
<b>OTHER</b>				
General Insurance	260,039	-	89,790	312,846
Safety	24,000	-	-	-
Medical Information/Supply	-	-	-	-
Rentals	-	-	350	-
Licenses/Permits	12,000	-	-	-
Miscellaneous Expenses	454,200	-	-	-
Capital Assets	-	-	-	-
<b>TOTAL OTHER</b>	<b>\$ 750,239</b>	<b>\$ -</b>	<b>\$ 90,140</b>	<b>\$ 312,846</b>
<b>GRAND TOTAL</b>	<b>\$ 18,072,729</b>	<b>\$ 18,747</b>	<b>\$ 6,586,653</b>	<b>\$ 13,521,138</b>

<b>2024 Budget Expenses by Subledger ►►►</b>				
	Cargo Area	Terminal 2	Public Area/Roads	Hangars & Other Buildings
<b>PERSONNEL</b>				
Wages	\$ -	\$ 1,140,751	\$ -	\$ -
Benefits	-	292,044	-	-
<b>TOTAL PERSONNEL</b>	<b>\$ -</b>	<b>\$ 1,432,795</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	-	2,000	-	-
Travel	-	3,875	-	-
Other Administrative Expense	-	1,375	-	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ -</b>	<b>\$ 7,250</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	-
Appraisals	-	-	-	-
RFP/Leases	-	-	-	-
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	-	-	-	-
Miscellaneous Expenses	-	86,941	-	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ -</b>	<b>\$ 86,941</b>	<b>\$ 120,000</b>	<b>\$ -</b>
<b>UTILITIES</b>				
Electricity	205,052	1,729,860	374,833	-
Heating Fuel	284,269	549,749	28,712	482,044
Sewer	4,910	-	933,450	86,848
Water	3,582	112,443	494,419	2,228
Telephone	-	18,115	-	2,131
<b>TOTAL UTILITIES</b>	<b>\$ 497,813</b>	<b>\$ 2,410,168</b>	<b>\$ 1,831,414</b>	<b>\$ 573,251</b>

<b>2024 Budget Expenses by Subledger ►►►</b>				
	Cargo Area	Terminal 2	Public Area/Roads	Hangars & Other Buildings
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	-	40,000	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	-	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	-	-
Employee Programs	-	-	-	-
Conference Center	-	-	-	-
Events & Exercises	-	-	-	-
Other Charges/Fees	-	1,844,098	-	-
Service Agreements	-	1,419,008	-	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ -</b>	<b>\$ 3,263,106</b>	<b>\$ 40,000</b>	<b>\$ -</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	2,750	-	-
Trades - Carpenters	-	70,127	-	-
Trades - Plumbers	-	76,300	1,100	87,200
Trades - Electricians	-	101,000	-	24,000
Maintenance - Field	191,500	37,000	114,500	-
Maintenance Building	71,104	2,509,233	-	73,104
Maintenance-Cleaning	6,100	4,413,813	-	108,593
Maintenance-Equipment	-	61,300	-	18,600
<b>TOTAL MAINTENANCE</b>	<b>\$ 268,704</b>	<b>\$ 7,271,523</b>	<b>\$ 115,600</b>	<b>\$ 311,497</b>
<b>OTHER</b>				
General Insurance	-	158,404	88,603	80,801
Safety	-	-	-	-
Medical Information/Supply	-	250	-	-
Rentals	-	-	-	-
Licenses/Permits	-	-	-	-
Miscellaneous Expenses	-	12,500	-	-
Capital Assets	-	9,500	-	-
<b>TOTAL OTHER</b>	<b>\$ -</b>	<b>\$ 180,654</b>	<b>\$ 88,603</b>	<b>\$ 80,801</b>
<b>GRAND TOTAL</b>	<b>\$ 766,517</b>	<b>\$ 14,652,437</b>	<b>\$ 2,195,617</b>	<b>\$ 965,549</b>

<b>2024 Budget Expenses by Subledger ▶▶▶</b>					
	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Concourses A-D	
<b>PERSONNEL</b>					
Wages	\$ 20,931,570	\$ -	\$ -	\$ -	-
Benefits	8,351,677	-	14,361	-	-
<b>TOTAL PERSONNEL</b>	<b>\$ 29,283,247</b>	<b>\$ -</b>	<b>\$ 14,361</b>	<b>\$ -</b>	<b>-</b>
<b>ADMINISTRATIVE EXPENSES</b>					
Supplies	3,000	5,000	12,450	-	-
Travel	49,225	-	-	-	-
Other Administrative Expense	2,650	-	1,675	-	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 54,875</b>	<b>\$ 5,000</b>	<b>\$ 14,125</b>	<b>\$ -</b>	<b>-</b>
<b>PROFESSIONAL SERVICES</b>					
Accounting/Audit Fees	-	-	-	-	-
Appraisals	-	-	-	-	-
RFP/Leases	-	-	-	-	-
Computer Services	-	-	-	-	-
Engineering Fees	-	-	-	-	-
Graphic Design	-	-	-	-	-
Insurance Consultants	-	-	-	-	-
Legal Fees	-	-	-	-	-
Legislative	-	-	-	-	-
Medical Fees	-	-	-	-	-
Planning	-	-	-	-	-
Pollution/Environmental Fees	-	-	-	-	-
Public Information	-	-	-	-	-
Recruiting Expenses	-	-	-	-	-
Safety Consultants	-	-	-	-	-
Miscellaneous Expenses	640,000	-	441,000	-	-
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 640,000</b>	<b>\$ -</b>	<b>\$ 441,000</b>	<b>\$ -</b>	<b>-</b>
<b>UTILITIES</b>					
Electricity	-	-	387,925	-	-
Heating Fuel	-	-	263,083	-	-
Sewer	-	-	12,778	-	-
Water	-	-	9,529	-	-
Telephone	11,805	-	36,184	-	-
<b>TOTAL UTILITIES</b>	<b>\$ 11,805</b>	<b>\$ -</b>	<b>\$ 709,499</b>	<b>\$ -</b>	<b>-</b>

<b>2024 Budget Expenses by Subledger ▶▶▶</b>				
	Maintenance Employees	Equipment Maintenance	Inventory/ Trades	Concourses A-D
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ -	\$ -
Environmental Control	-	108,500	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	-	30,000	84,200	-
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ -</b>	<b>\$ 138,500</b>	<b>\$ 109,700</b>	<b>\$ -</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	49,700	-
Trades - Carpenters	-	-	80,372	-
Trades - Plumbers	-	6,250	108,850	-
Trades - Electricians	-	-	47,000	-
Maintenance - Field	-	3,562,661	-	-
Maintenance Building	-	17,000	130,389	-
Maintenance-Cleaning	-	5,000	11,008	-
Maintenance-Equipment	-	2,893,411	116,334	-
<b>TOTAL MAINTENANCE</b>	<b>\$ -</b>	<b>\$ 6,484,322</b>	<b>\$ 543,653</b>	<b>\$ -</b>
<b>OTHER</b>				
General Insurance	-	499,160	26,493	-
Safety	49,500	5,000	32,286	-
Medical Information/Supply	-	-	-	-
Rentals	-	-	20,000	-
Licenses/Permits	450	7,000	-	-
Miscellaneous Expenses	125,000	67,751	-	-
Capital Assets	4,000	338,300	51,000	-
<b>TOTAL OTHER</b>	<b>\$ 178,950</b>	<b>\$ 917,211</b>	<b>\$ 129,779</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>	<b>\$ 30,168,877</b>	<b>\$ 7,545,033</b>	<b>\$ 1,962,118</b>	<b>\$ -</b>

<b>2024 Budget Expenses by Subledger ►►►</b>				
	Police	Fire	Administration	Admin Other
<b>PERSONNEL</b>				
Wages	\$ 18,493,261	\$ 8,316,185	\$ 22,460,069	\$ 1,169,462
Benefits	7,068,387	3,100,958	7,742,234	348,076
<b>TOTAL PERSONNEL</b>	<b>\$ 25,561,648</b>	<b>\$ 11,417,142</b>	<b>\$ 30,202,303</b>	<b>\$ 1,517,538</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	195,230	2,750	125,600	8,300
Travel	75,891	102,533	469,986	-
Other Administrative Expense	25,895	9,650	882,167	2,430
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 297,016</b>	<b>\$ 114,933</b>	<b>\$ 1,477,753</b>	<b>\$ 10,730</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	247,100	-
Appraisals	-	-	35,000	-
RFP/Leases	-	-	-	35,000
Computer Services	-	-	2,912,600	-
Engineering Fees	-	125,000	150,000	-
Graphic Design	-	-	75,000	-
Insurance Consultants	-	-	668,500	-
Legal Fees	-	-	1,160,950	-
Legislative	-	-	213,000	-
Medical Fees	83,963	13,725	102,500	-
Planning	-	-	20,000	-
Pollution/Environmental Fees	-	-	-	-
Public Information	-	-	1,048,000	-
Recruiting Expenses	50,000	-	225,000	-
Safety Consultants	15,000	15,000	57,500	-
Miscellaneous Expenses	-	8,400	2,905,511	95,000
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 148,963</b>	<b>\$ 162,125</b>	<b>\$ 9,820,661</b>	<b>\$ 130,000</b>
<b>UTILITIES</b>				
Electricity	-	166,673	296,456	-
Heating Fuel	-	65,213	56,246	-
Sewer	-	1,614	1,313	-
Water	-	6,454	2,897	-
Telephone	90,590	27,350	551,378	5,700
<b>TOTAL UTILITIES</b>	<b>\$ 90,590</b>	<b>\$ 267,303</b>	<b>\$ 908,290</b>	<b>\$ 5,700</b>

<b>2024 Budget Expenses by Subledger ▶▶▶</b>				
	Police	Fire	Administration	Admin Other
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ -	\$ 480,440	\$ 2,000
Environmental Control	-	-	22,500	-
GISW Management	-	-	-	-
Grd Transportation Services	-	-	-	-
Shuttle Services	-	-	-	-
Parking Lots	-	-	-	-
Met Council Fees	-	-	20,000	-
Employee Programs	15,000	1,000	196,650	-
Conference Center	-	-	-	25,000
Events & Exercises	-	40,000	185,843	-
Other Charges/Fees	65,450	-	1,153,020	1,337,820
Service Agreements	1,021,451	63,200	7,607,187	3,840
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 1,101,901</b>	<b>\$ 104,200</b>	<b>\$ 9,665,640</b>	<b>\$ 1,368,660</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	-	-
Trades - Carpenters	-	-	1,000	-
Trades - Plumbers	-	39,350	5,950	-
Trades - Electricians	-	39,000	39,500	-
Maintenance - Field	20,000	-	-	-
Maintenance Building	-	45,997	11,497	1,200,000
Maintenance-Cleaning	-	92,516	25,977	1,261,851
Maintenance-Equipment	201,576	126,977	41,358	-
<b>TOTAL MAINTENANCE</b>	<b>\$ 221,576</b>	<b>\$ 343,840</b>	<b>\$ 125,282</b>	<b>\$ 2,461,851</b>
<b>OTHER</b>				
General Insurance	544,450	404,697	278,010	-
Safety	22,000	-	10,000	-
Medical Information/Supply	5,500	30,000	-	-
Rentals	-	-	8,000	-
Licenses/Permits	-	-	-	650
Miscellaneous Expenses	223,788	87,000	26,000	4,839,780
Capital Assets	19,800	198,980	117,000	1,000
<b>TOTAL OTHER</b>	<b>\$ 815,538</b>	<b>\$ 720,677</b>	<b>\$ 439,010</b>	<b>\$ 4,841,430</b>
<b>GRAND TOTAL</b>	<b>\$ 28,237,232</b>	<b>\$ 13,130,221</b>	<b>\$ 52,638,938</b>	<b>\$ 10,335,909</b>

## 2024 Budget Expenses by Subledger ►►►

	Communication/ Operations	Noise & Environment	Total Reliever Airports	TOTAL
<b>PERSONNEL</b>				
Wages	\$ 5,970,646	\$ 1,105,793	\$ 3,867,605	\$ 90,436,197
Benefits	1,905,373	442,209	1,355,379	33,095,614
<b>TOTAL PERSONNEL</b>	<b>\$ 7,876,019</b>	<b>\$ 1,548,002</b>	<b>\$ 5,222,984</b>	<b>\$ 123,531,811</b>
<b>ADMINISTRATIVE EXPENSES</b>				
Supplies	36,350	3,650	14,125	426,285
Travel	66,668	11,590	35,064	830,945
Other Administrative Expense	45,975	8,225	17,199	1,019,611
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 148,993</b>	<b>\$ 23,465</b>	<b>\$ 66,388</b>	<b>\$ 2,276,841</b>
<b>PROFESSIONAL SERVICES</b>				
Accounting/Audit Fees	-	-	-	247,100
Appraisals	-	-	-	35,000
RFP/Leases	-	-	-	35,000
Computer Services	-	-	-	2,912,600
Engineering Fees	-	80,000	178,000	1,243,000
Graphic Design	-	-	-	75,000
Insurance Consultants	-	-	-	668,500
Legal Fees	-	-	-	1,160,950
Legislative	-	-	-	213,000
Medical Fees	-	-	-	200,188
Planning	-	-	55,000	75,000
Pollution/Environmental Fees	-	7,000	18,000	25,000
Public Information	-	-	-	1,048,000
Recruiting Expenses	-	-	-	275,000
Safety Consultants	-	-	-	87,500
Miscellaneous Expenses	980,123	225,000	203,500	6,337,599
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 980,123</b>	<b>\$ 312,000</b>	<b>\$ 454,500</b>	<b>\$ 14,638,437</b>
<b>UTILITIES</b>				
Electricity	-	2,313	343,925	16,115,902
Heating Fuel	-	-	186,456	5,128,646
Sewer	-	-	43,959	1,664,467
Water	-	-	4,786	1,074,566
Telephone	40,125	27,100	72,757	956,081
<b>TOTAL UTILITIES</b>	<b>\$ 40,125</b>	<b>\$ 29,413</b>	<b>\$ 651,883</b>	<b>\$ 24,939,663</b>

<b>2024 Budget Expenses by Subledger ►►►</b>				
	Communication/ Operations	Noise & Environment	Total Reliever Airports	TOTAL
<b>OPERATING SERVICES/ EXPENSES</b>				
Advertising	\$ -	\$ 5,000	\$ -	\$ 487,440
Environmental Control	-	14,800	21,500	498,450
GISW Management	-	35,000	-	2,035,000
Grd Transportation Services	-	-	-	50,000
Shuttle Services	-	-	-	2,365,951
Parking Lots	-	-	-	5,700,000
Met Council Fees	-	-	-	320,000
Employee Programs	-	-	-	212,650
Conference Center	-	-	-	25,000
Events & Exercises	91,900	-	2,000	320,993
Other Charges/Fees	3,500	-	480,750	9,698,658
Service Agreements	641,135	271,075	4,800	18,576,259
<b>TOTAL OPERATING SERVICES/EXPENSES</b>	<b>\$ 736,535</b>	<b>\$ 325,875</b>	<b>\$ 509,050</b>	<b>\$ 40,290,401</b>
<b>MAINTENANCE</b>				
Trades - Painters	-	-	37,500	528,200
Trades - Carpenters	-	-	89,059	463,741
Trades - Plumbers	-	-	24,075	639,200
Trades - Electricians	-	-	226,300	1,777,300
Maintenance - Field	-	-	237,411	15,659,542
Maintenance Building	-	-	156,045	18,770,451
Maintenance-Cleaning	24,671	-	181,837	24,091,917
Maintenance-Equipment	94,272	34,651	740,827	5,104,654
<b>TOTAL MAINTENANCE</b>	<b>\$ 118,943</b>	<b>\$ 34,651</b>	<b>\$ 1,693,054</b>	<b>\$ 67,035,005</b>
<b>OTHER</b>				
General Insurance	23,636	16,892	615,174	5,413,891
Safety	102,675	-	7,550	259,011
Medical Information/Supply	-	-	750	36,876
Rentals	-	-	-	28,350
Licenses/Permits	-	3,000	4,403	28,403
Miscellaneous Expenses	24,900	-	18,014	5,893,683
Capital Assets	29,650	-	-	774,830
<b>TOTAL OTHER</b>	<b>\$ 180,861</b>	<b>\$ 19,892</b>	<b>\$ 645,891</b>	<b>\$ 12,435,044</b>
<b>GRAND TOTAL</b>	<b>\$ 10,081,599</b>	<b>\$ 2,293,298</b>	<b>\$ 9,243,750</b>	<b>\$ 285,147,202</b>

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# CONSTRUCTION FUND

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

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

Capital asset expenditures relate to the acquisition of assets in which the benefits extend over one or more accounting periods beyond the current period. It is the 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 2024 budget includes \$34.5 million for capital equipment and technology projects. Of this, \$19 million will be financed, with the remainder funded internally. Compared to the 2023 estimate of \$13.8 million, total 2024 budgeted Capital Equipment and Technology Projects increased by \$20.7 million or 150.0%.

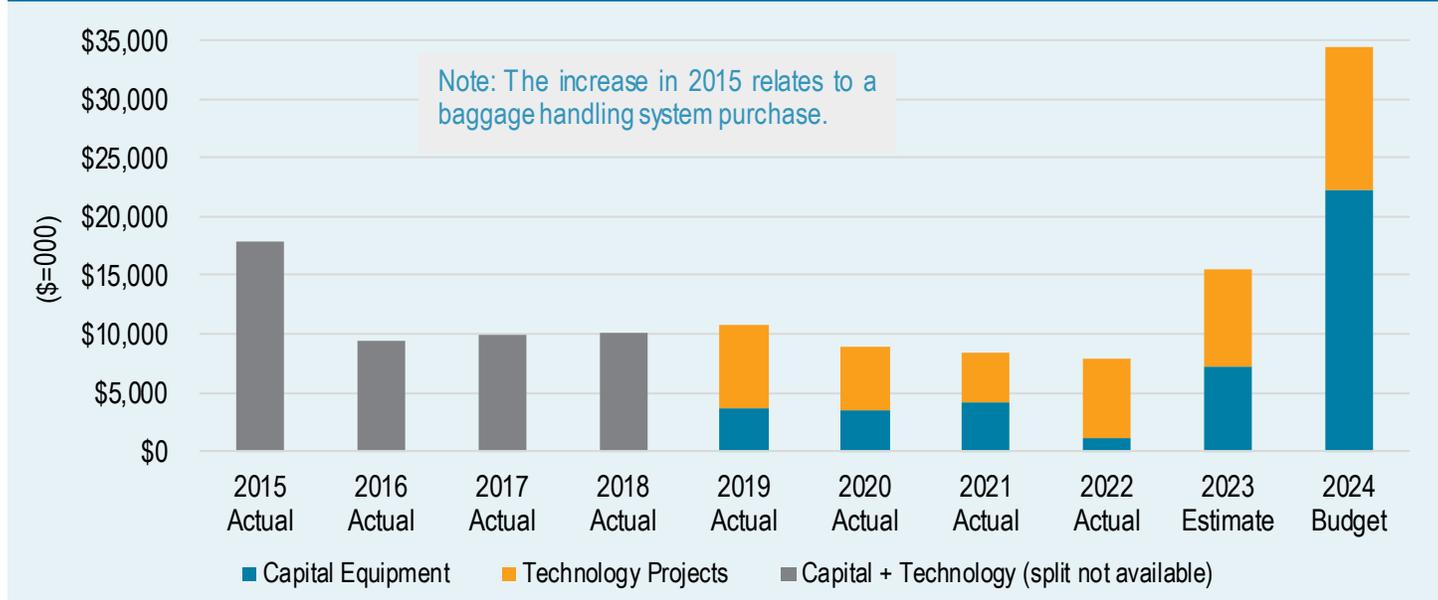
**EQUIPMENT & TECHNOLOGY BUDGET**

The 2024 capital equipment budget is \$22.2 million, which is approximately \$17.6 million greater than the 2023 estimate of \$4.7 million. The 2024 budget includes several large pieces of equipment that were due for replacement but were delayed. Technology projects in 2024 are budgeted at \$12.2 million, which is \$2.9 million greater than the 2023 estimate of \$9.3 million.

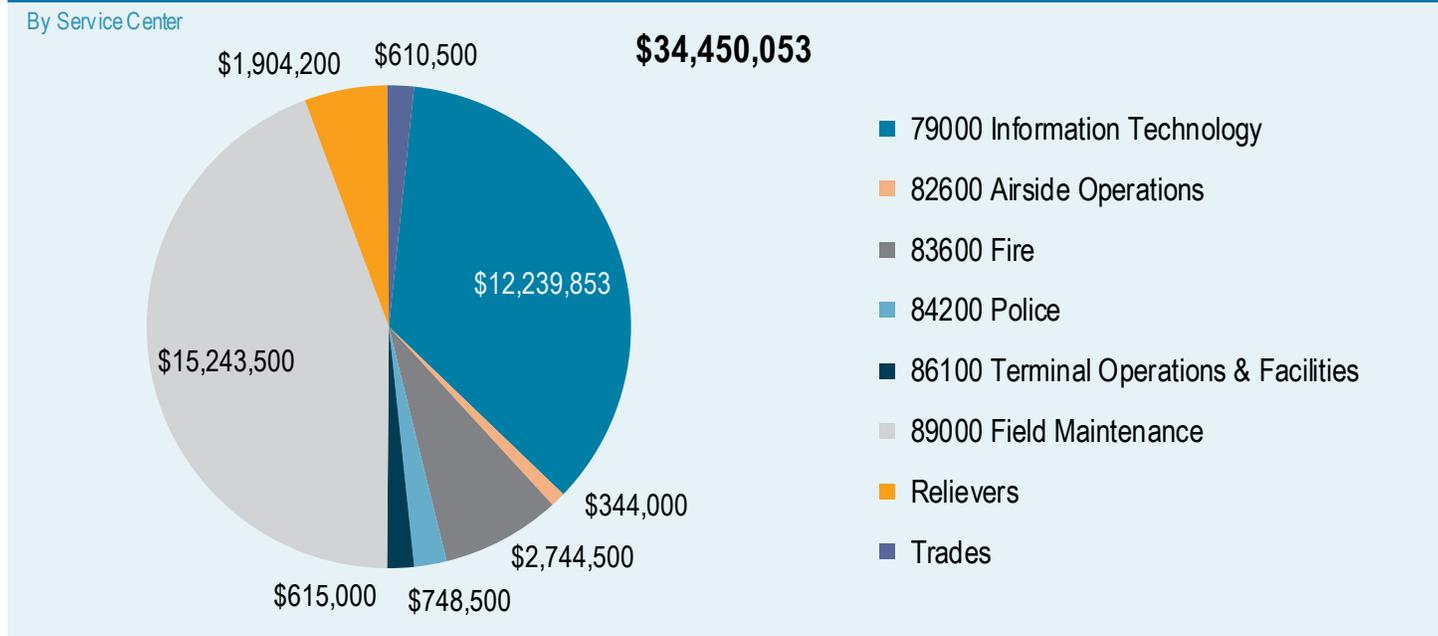
The Technology Refresh project accounts for \$6.2 million, or 50.9% of the technology budget total. Critical hardware will be replaced throughout MAC systems. A description of all projects and costs is found later in this chapter.

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

**Capital Equipment & Technology Projects by Year ▶▶▶**



**2024 Capital Equipment & Technology Projects ▶▶▶**



## 2024 Capital Equipment & Technology Projects ►►►

	Service Center	Acquisition	Individual Cost	Trade-in Value	Quantity	Total
<b>Capital Equipment Projects</b>						
Surface Friction Tester Vehicle	82600	Replacement	\$ 225,000	\$ 1,000	1	\$ 224,000
Tethered Unmanned Aircraft System	82600	New	30,000	-	1	30,000
Vehicle Mounted Reflectometer	82600	New	90,000	-	1	90,000
Airport Rescue and Firefighting Vehicle	83600	Replacement	2,300,000	80,000	1	2,220,000
Foam Tender	83600	Replacement	225,000	5,000	1	220,000
Spill Trailer	83600	Replacement	10,000	500	1	9,500
Ultra High Pressure Mini Pumper	83600	Replacement	300,000	5,000	1	295,000
Criminal Investigations Division Vehicle	84200	Replacement	60,000	2,000	1	58,000
Emergency Response Team Vehicle	84200	New	225,000	-	1	225,000
Handheld Explosive Trace Detectors	84200	New	35,000	-	3	105,000
K9 Police Vehicle	84200	Replacement	65,000	2,000	1	63,000
Narcotics K9 Police Vehicle	84200	Replacement	65,000	7,500	1	57,500
Patrol Vehicles	84200	Replacement	64,000	4,000	2	124,000
Special Operations & Investigation Vehicles	84200	Replacement	60,000	4,000	2	116,000
Blast Resistant Trash and Recycling Cans	86100	Replacement	250,000	25,000	1	225,000
Towable Dumpster Tipcart	86100	New	80,000	-	1	80,000
Switchback Ramps	86100	New	155,000	-	2	310,000
F250 Extended Cab Truck	88000	New	55,000	-	1	55,000
4 Wheel Drive Truck	88000	New	55,000	-	1	55,000
F250 Extended Cab Trucks	88100	New	55,000	-	2	110,000
Pavement Marking Line Stripers	88100	Replacement	28,000	500	2	55,500
F150 Crew Cab Truck	88200	Replacement	55,000	5,000	1	50,000
F250 Extended Cab Trucks	88300	New	55,000	-	2	110,000
Portable Trailer Mounted Air Compressor	88300	Replacement	90,000	5,000	1	85,000
Drop Deck Flatbed Trailer	88400	New	25,000	-	1	25,000
Flatbed Truck	88400	New	65,000	-	1	65,000
Heavy Duty Mowers	89000	Replacement	650,000	30,000	1	620,000
Airfield Liquid Deicer Trucks	89000	Replacement	800,000	10,000	2	1,590,000
Airfield Snow Removal Sanders	89000	Replacement	260,000	10,000	2	510,000
Field Maintenance Crew Cab Trucks	89000	New	60,000	-	6	360,000
Field Maintenance Operations Vehicles	89000	Replacement	65,000	7,500	3	187,500
Light Duty Finish Mowers	89000	Replacement	25,000	4,000	4	96,000
Medium Duty Mower	89000	Replacement	150,000	15,000	1	135,000
Multi-Function Equipment	89000	Replacement	1,250,000	30,000	5	6,220,000
Pull Behind Mower Decks	89000	New	85,000	-	2	170,000

## 2024 Capital Equipment & Technology Projects Cont. ►►►

	Service Center	Acquisition	Individual Cost	Trade-in Value	Quantity	Total
Runway Snow Blowers	89000	Replacement	\$ 990,000	\$ 30,000	5	\$ 4,920,000
Dump Trucks	89000	Replacement	225,000	15,000	2	435,000
Snow Pusher	90200	New	25,000	-	1	25,000
Boom Mower Mulching Head	90200	New	20,000	-	1	20,000
Light Duty Mower	90200	Replacement	50,000	500	1	49,500
Snow Pusher	90300	New	25,000	-	1	25,000
Light Duty Mower	90300	Replacement	50,000	1,000	1	49,000
Tractor with Broom	90300	Replacement	350,000	10,000	1	340,000
Snow Pusher	90400	New	25,000	-	1	25,000
Turf Sprayer	90400	Replacement	10,000	300	1	9,700
Snow Pusher	90500	Replacement	30,000	1,000	1	29,000
Runway Broom	90500	Replacement	850,000	20,000	1	830,000
Loader Forks	90600	New	10,000	-	1	10,000
Runway Broom - Tractor Mounted	90600	New	120,000	-	1	120,000
Pull Behind Mower	90700	Replacement	85,000	3,000	1	82,000
Tractor with Plow	90700	Replacement	300,000	10,000	1	290,000
<b>Subtotal Capital Equipment Projects</b>						<b>\$ 22,210,200</b>
<b>Technology Projects</b>						
Cybersecurity	79000	New	\$ 1,025,000	\$ -	1	\$ 1,025,000
Technology End of Life Refresh	79000	New	6,233,853	-	1	6,233,853
Technology Functionality Enhancements	79000	New	146,000	-	1	146,000
Technology Initiatives	79000	New	560,000	-	1	560,000
Technology Strategic Initiatives	79000	New	3,050,000	-	1	3,050,000
Unsupported/External Technology Compliance	79000	New	1,225,000	-	1	1,225,000
<b>Subtotal Technology Projects</b>						<b>\$ 12,239,853</b>
<b>GRAND TOTAL</b>						<b>\$ 34,450,053</b>

### CAPITAL EQUIPMENT NARRATIVES

#### Surface Friction Tester Vehicle

This vehicle will replace the existing surface friction tester and will meet the capabilities of the existing continuous friction meter. Friction measurement is a critical tool for winter and summer operations. This vehicle is a critical tool used during winter storm events to ascertain the objective values of decreasing friction and to utilize that data as a decision-making tool to assist in the safety and efficient closing of runway surfaces. During the summer, this vehicle provides mandated testing of runway surfaces to determine minimum friction standards as set by the FAA.

#### Tethered Unmanned Aircraft System (UAS)

This unmanned aircraft system will provide tethered data and power capability and will support the MAC's UAS Program with emergency response, mapping, aerial photography, inspections and wildlife management survey capabilities at MSP and the Reliever Airports. This tethered UAS will provide the ability for continuous long-term surveillance during emergency response and operational incidents and has the potential to be flown more frequently than a non-tethered UAS.

### Vehicle Mounted Reflectometer

This piece of equipment will be mounted on an Airside vehicle and will be used as part of the MSP Self-Inspection Program to assess airfield marking reflectivity to ensure compliance with federal regulation CFR 14 Part 139 and Advisory Circular 150-5370-10H Standard Specifications for Construction of Airports.

### Airport Rescue and Firefighting Vehicle (ARFF)

This airport rescue and firefighting vehicle will replace a 2014 Oshkosh ARFF vehicle, which has reached the 12-year life expectancy recommended by the FAA. The increased capacity of the replacement vehicle is part of the Airport Fire Department strategic plan to increase ARFF capability and has been calculated into the foam transition plan.

### Foam Tender

This 4,000-gallon foam tender will replace the existing 2014 1,000-gallon foam tender. Increasing the quantity of foam is necessary as the new foam requirement is 1.5 - 2 times the quantity of foam for the same extinguishment value. Replacement of the foam tender saves the cost associated with the replacement of just the foam tank and piping, which would be required as part of the foam transition.

### Spill Trailer

This spill trailer will replace the existing 1998 Avenger 6' x10' enclosed trailer, which serves as the mobile stockpile of corn cobs and other spill containment materials. The existing trailer is in poor condition and has exceeded its useful life.

### Ultra High Pressure Mini Pumper

This ultra high pressure mini pumper will replace the existing 2013 mini pumper. The existing vehicle has reached the end of its useful life. This mini pumper is outfitted with an ultra-high pressure firefighting system, which is ideal for car fire extinguishment. This small vehicle enables rapid response into parking ramps and valet parking.

### Criminal Investigations Division (CID) Vehicle

This Criminal Investigations Division vehicle will replace an existing vehicle used for investigative purposes. The current vehicle has reached the end of its useful life of 100,000 miles or 13 years old. The Airport Police Department and the MAC's equipment superintendent recommend the replacement.

### Emergency Response Team Vehicle

This vehicle will be used for emergency response purposes. The current vehicle has reached the end of its useful life of 100,000 miles or 13 years old. The Airport Police Department and the MAC's equipment superintendent recommend the replacement. This vehicle is reimbursable through the Transportation Security Administration (TSA).

### Handheld Explosive Trace Detectors (ETD)

These handheld explosive trace detectors will be used at the Terminal 2 employee portal and for random screening. This technology will be required by the TSA in April of 2026. The detectors will be in place and security staff will be trained prior to the requirement date.

### K9 Police Vehicle

This K9 police vehicle will replace and outfit an existing vehicle used for patrol purposes. The current vehicle has reached the end of its useful life of 100,000 miles or 13 years old. The Airport Police Department and the MAC's equipment superintendent recommend the replacement. This vehicle is reimbursable through the TSA.

### Narcotics K9 Police Vehicle

This narcotics K9 police vehicle will replace and outfit a vehicle used for patrol purposes. The current vehicle has reached the end of its useful life of 100,000 miles or 13 years old. The Airport Police Department and the MAC's equipment superintendent recommend the replacement.

### Patrol Vehicles

These two patrol vehicles will replace and outfit existing vehicles used for patrol purposes. With the Airport Police Department's increased staffing and shift minimum officers, mileage on patrol vehicles is increasing. The current vehicles have reached the end of useful life of 100,000 miles or 13 years old. The Airport Police Department and the MAC's equipment superintendent recommend the replacement.

### Special Operations and Investigation Vehicles

These vehicles will replace existing vehicles used for special operations and investigations. The current vehicles have reached the end of useful life of 100,000 miles or 13 years old. The Airport Police Department and the MAC's equipment superintendent recommend the replacement.

### Blast Resistant Trash and Recycling Cans

These trash and recycling cans replace the legacy blast mitigation trash and recycling cans located outside terminal security at MSP. This includes public terminal areas, parking ramps, curbside areas and other complimentary amenities. Blast resistant cans are required per MSP's Airport Security Plan and are designed to minimize the impact of an explosion inside the receptacle.

### Towable Dumpster Tipcarts

These towable dumpster tipcarts will replace existing tipcarts at both terminals. These are used by airlines at gate areas to bring trash from aircraft to compactable dumpsters. Current units are old, some with outdated airline logos on them and need replacing.

### Switchback Ramps

The ramps are needed to accommodate aircraft ground boarding operations at MSP during Irregular Operations. The ramps maintain operational continuity and ensure capabilities for aircraft boarding and deplaning exist during non-standard circumstances.

### F250 Extended Cab Truck

With the growth at MSP, an additional truck is needed for electricians to perform day to day operations efficiently.

### 4 Wheel Drive Truck

A 4 wheel drive truck is needed at the Reliever Airports for electricians to perform day to day operations efficiently.

### F250 Extended Cab Trucks

With the growth at MSP, an additional truck is needed for painters to perform day to day operations efficiently.

### Pavement Marking Line Stripers

These pavement marking line stripers will replace existing line stripers that have reached the end of their useful lives.

### F150 Crew Cab Truck

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

### F250 Extended Cab Trucks

With the growth at MSP, additional trucks are needed for plumbers to perform day to day operations efficiently.

### Portable Trailer Mounted Air Compressor

This portable air compressor will replace an existing air compressor that has reached the end of its useful life.

### Drop Deck Flatbed Trailer

This flatbed trailer is needed to assist with day to day operations by transporting materials throughout the airport system.

### Flatbed Truck

This flatbed truck is needed as an additional vehicle for day-to-day operations to assist with transporting materials throughout our airport system.

### Heavy Duty Mowers

These heavy duty mowers have attachments for year-round use. They will replace older, existing mowers.

### Airfield Deicer Trucks

These large capacity liquid deicer trucks are for snow removal operations. A part of the multi-year fleet replacement plan is to ensure all snow removal equipment is within a 15-year life.

### Airfield Snow Removal Sanders

These snow removal sanders are for snow removal operations. A part of the multi-year fleet replacement plan is to ensure all snow removal equipment is within a 15-year life.

### Field Maintenance Crew Cab Trucks

Additional crew cab trucks are needed for increased 24/7 field maintenance operations to support crew movement and daily duties.

### Field Maintenance Operations Vehicles

Additional 4 wheel drive SUVs are needed for increased field maintenance manager operations.

### Light Duty Finish Mowers

These light duty finish mowers will replace existing mowers and will be used for finish mowing around the campus.

### Medium Duty Mower

These medium duty mowers will replace existing mowers that have reached the end of their useful lives.

### Multi-Function Equipment

This replacement multi-function equipment is necessary for snow removal operations. A part of the multi-year fleet replacement plan is to ensure all snow removal equipment is within a 15-year life.

### Pull Behind Mower Decks

These 26-foot Pull Behind Mower Decks are needed for airfield operations. The current decks are 15 feet and six years in age. These larger mower decks will increase the efficiency of airfield turf maintenance.

### Runway Snow Blowers

These replacement runway snow blowers are needed for snow removal operations. A part of the multi-year fleet replacement plan is to ensure all snow removal equipment is within a 15-year life.

### Dump Trucks

These replacement tri-axle, 16-yard dump trucks are for snow removal operations and summer maintenance operations. A part of the multi-year fleet replacement plan is to ensure all snow removal equipment is within a 15-year life.

### Snow Pusher

This snow pusher will have individual floating sections that allow it to clear snow better than a traditional pusher. This is necessary to provide a safe airfield surface during winter operations.

### Boom Mower Mulching Head

This mulching head will be used on a boom mower purchased in 2023. This will allow the mower to mulch trees and shrubs that are hard to reach.

### Light Duty Mower

This light duty mower will replace an existing mower that is beyond its useful life.

### Snow Pusher

This snow pusher will have individual floating sections that allow it to clear the pavement better than a traditional snow pusher. This is necessary to provide a safe airfield surface during winter operations.

### Light Duty Mower

This light duty mower will replace an existing mower that is beyond its useful life.

### Tractor with Broom

This tractor will replace an existing tractor that is beyond its useful life. The new tractor will have a runway broom to provide a safe airfield surface during winter operations.

### Snow Pusher

This snow pusher will have individual floating sections that allow it to clear the pavement and in between hangars. This is necessary to provide a safe airfield surface during winter operations.

### Turf Sprayer

This turf sprayer will replace the existing 20 year old turf sprayer with booms.

### Snow Pusher

This snow pusher will have individual floating sections that allow it to clear the pavement better than a traditional snow pusher. This is necessary to provide a safe airfield surface during winter operations.

### Runway Broom

This runway broom will replace an existing broom that is beyond its useful life. This is necessary to provide a safe airfield surface during winter operations.

### Loader Forks

Additional loader forks are necessary for unloading heavy deliveries and moving items around the airport.

### Tractor Mounted Runway Broom

This runway broom will be attached to a tractor. This is necessary to provide a safe airfield surface during winter operations.

### Pull Behind Mower

This pull behind mower will replace a 15' mower deck with a 26' deck. This allows for increased efficiency while mowing the airfield.

### Tractor with Plow

This tractor will replace an existing tractor that is beyond its useful life. The new tractor will have a snow plow to enhance capabilities for winter use to provide a safe airfield surface during winter operations.

## TECHNOLOGY PROJECT NARRATIVES

### Cybersecurity

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

### Technology End-of-Life Refresh

This project will refresh end-of-life hardware and software components including virtual servers, storage, conference room technology, digital signage, end user devices, vehicle devices, passenger processing devices and hardware switches.

### Technology Functionality Enhancements

This project will upgrade or enhance existing technology or provide new functionality to digitize employee personnel files. The project will also upgrade or replace existing radios.

### Technology Initiatives

This project will upgrade or enhance existing technology or provide new functionality to support the MAC's strategic initiatives. The projects include Center of Excellence maturity, data analytics: dashboard for Strategy and Stakeholder Engagement, Data Maturation Program Phase 2 and Diversity related reports.

### Technology Strategic Initiatives

This project will upgrade or enhance existing technology or provide new functionality to support the MAC's new strategic plan initiatives. The projects include Cityworks work orders - phase 2, cross-functional implementation of Customer Relationship Management across the organization, plan/approach for terminal wide passenger flow tracking and analysis platform, digital sign management, telematics solution, Intelligent Cleaning Program, work orders - GIS data – interiors and utilities.

### Unsupported/External Technology Compliance

This project supports software and systems that are no longer supported or do not meet an external compliance requirement including identified pain points needing resolution within current enterprise resource planning system, redundancy for card access system, upgrade end-of-life Emergency Communications Center (ECC) telephone lines, track and report certified payroll to meet audit requirements, replace ticket writers and printers for eCitations for the Airport Police Department, upgrade/replace dispatch system component interfaces for the ECC, Interactive Digital Directories modernization.

## CAPITAL IMPROVEMENT PROGRAM EXPENDITURES

On December 18, 2023, the Commission adopted the 2024-2030 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 2024-2030 CIP, all deferred, paused and newly proposed projects were reviewed and categorized as follows:

### 2024 CIP Projects (Year 1):

Projects reasonably defined for implementation in the upcoming calendar year.

### 2025 CIP Projects (Year 2):

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

### 2026-2030 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 report summarizes the projects identified for the CIP by year in the 2024-2030 Capital Improvement Program.



Concourse A Heating System Upgrade is Scheduled for 2024

## 2024-2030 Capital Improvement Program ►►►

Funding by Year

(\$=000)

	2024	2025-2030
<b>MSP End of Life/Replacement Projects</b>		
<b>Terminal 1</b>		
Concourse & Hub Tram Replacement	\$ -	\$ 600,000
Cooling Unit Replacement	1,125	-
Passenger Boarding Bridge Replacements	4,000	60,000
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	5,000	1,800
Ground Transportation Center Dual-temperature Pump Improvements	2,300	-
Terminal 1 Boiler & Chiller Replacement & EMC Expansion	-	420,250
Variable Air Volume (VAV) Box Replacement	1,900	10,000
<b>Field and Runway</b>		
30L Deicing Pad Expansion	-	20,000
30L Deicing Pad Reconstruction	-	27,000
30L Engineered Material Arresting System (EMAS) Replacement	-	19,000
Airfield Snow Melter Replacement/Upgrades	1,800	7,600
Bituminous Shoulder Reconstruction	1,000	3,000
Concourse G Apron Pavement Reconstruction	11,600	58,500
Runway 12L-30R Reconstruction	-	40,000
Taxiway A Pavement Reconstruction	-	4,200
Taxiway B Pavement Reconstruction	2,400	26,500
Taxiway C Pavement Reconstruction	-	10,000
Taxiway D Pavement Reconstruction	2,500	-
Taxiway H Pavement Reconstruction	-	6,500
Taxiway J Pavement Reconstruction	-	7,500
Taxiway R Pavement Reconstruction	-	9,500
Terminal 2 Apron Reconstruction	-	22,500
<b>Terminal Roads/Landside</b>		
UPS Loop Pavement Reconstruction	2,000	-
Variable Message Signs Replacement, Phase 3	2,500	-
<b>Parking</b>		
Parking Ramp Snow Melter Replacement/Upgrades	1,350	5,550
Parking Revenue Control System	-	4,200
<b>Terminal 2</b>		
Terminal 2 Recarpeting Program	-	150

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ▶▶▶

Funding by Year

(\$=000)

	2024	2025- 2030
<b>MSP End of Life/Replacement Projects Continued</b>		
<b>Public Areas/Roads</b>		
East 62nd Street Reconstruction	\$ -	\$ 4,100
East 70th Street Reconstruction	2,400	-
Post Road Reconstruction Project	-	5,000
<b>Trades/Maintenance Buildings</b>		
MSP Liquid Deicer Storage Facility	17,700	-
<b>General Office/Administration</b>		
GO Building VAV Replacement and Upgrade	-	2,000
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 59,575</b>	<b>\$ 1,626,850</b>
<b>MSP Information Technology Projects</b>		
<b>Terminal 1</b>		
Concourses C and G Digital Directory Replacement	200	-
MAC Technology Upgrades	2,200	73,800
Telecom Room Equipment Continuity	1,510	10,500
<b>Federal Inspection Station</b>		
Customs and Border Protection Infrastructure	1,000	6,000
<b>Terminal 2</b>		
Upgrade and Modernize Terminal 2 Kiosks	-	1,000
<b>Hangars and Other Buildings</b>		
Multiple Points of Entry Facility	-	15,000
<b>Police</b>		
Badging and Door Access (Secured Area Access Control System/ProWatch) Modernization	-	2,100
Card Access Modifications	2,500	5,300
Public Safety Land Mobile Radio System Solutions	500	1,000
Public Safety Video (IVISN) Modernization	-	3,100
<b>MSP Information Technology Projects Subtotal</b>	<b>\$ 7,910</b>	<b>\$ 117,800</b>
<b>MSP Long Term Comprehensive Plan Projects</b>		
<b>Terminal 1</b>		
Baggage Claim/Ticket Lobby Operational Improvements	25,000	-
Checkpoint Expansion	-	11,000
Concourse G Infill - Pods 2-3	285,000	-
D-Pod Outbound Baggage System	-	15,000
Airport Layout Plan	-	1,000
Environmental Review	-	2,000
Long Term Plan	-	3,000

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025- 2030
<b>MSP Long Term Comprehensive Plan Projects Continued</b>		
<b>Field and Runway</b>		
Obstructions Removals	\$ -	\$ 2,000
Runway 30R Parallel Taxiway	-	36,000
<b>Terminal 2</b>		
Long Term Plan Projects (Fees)	1,000	-
Terminal 2 H1-H2 Apron and Building Modifications	30,000	-
Terminal 2 North Gate Expansion	240,000	-
Terminal 2 South Expansion Enabling Work	-	160,000
<b>MSP Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ 581,000</b>	<b>\$ 230,000</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>		
<b>Terminal 1</b>		
ADO Office Expansion	4,000	-
Art Display Areas	250	1,500
Arts Master Plan	860	4,640
Concourse A Heating System Upgrade	11,000	-
Delivery Node Redevelopment	2,300	19,820
F/G Connector & Skyclub Repairs and Improvements	-	1,100
Folded Plate Surface Reconstruction	-	43,400
Lavatory Buildings Rehabilitation	4,400	-
Lighting Infrastructure Technology and Equipment	1,500	13,300
Light-Rail Transit (LRT) Stations Updates	-	1,600
Main Mall Modernization	-	7,000
Restroom Upgrade Program	2,295	14,375
Steam System Upgrade Program	1,600	6,400
Terminal 1 Curbside Canopy Repairs and Lighting Upgrades	350	-
Terminal 1 Employee Breakroom	-	450
Terminal 1 Information Booth Replacements	-	850
Terminal 1 Sand Dump Station	-	300
Terminal 1 Tram Maintenance	1,000	-
Terminal 1 Tug Drive Heater Replacement	2,000	-
Terminal 1 Tug Drive Waterproofing	2,900	8,700
Wayfinding Sign Backlighting Replacement	1,000	7,000
<b>Federal Inspection Station (FIS)</b>		
FIS Facility Upgrades	2,175	845

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025- 2030
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>		
<b>Energy Management Center</b>		
Building Management Intelligent Monitoring and Control System (IMACS) Replacement	\$ -	\$ 4,200
Chiller Plant Optimization	4,000	-
Energy Savings Program	-	4,000
Indoor Air Quality Monitoring System	-	5,000
MAC Automation Infrastructure Program	5,300	11,900
Steam Trap Monitoring System	-	3,000
Victaulic Piping Replacement	-	29,850
<b>Field and Runway</b>		
Anti-Climb Fencing & Lighting	1,000	-
Apron Lighting LED Upgrade	5,000	6,000
Field Maintenance Building Efficiency Program	-	204,000
Ground Based Augmentation System SLS-4000 Installation	-	7,000
Runway 12L Deice Pad Reconfiguration	700	-
Runway LED Lighting Upgrade	-	3,000
Taxiways B & Q Islands	800	-
Terminal 2 Glycol Lift Station/Forcemain	-	1,500
Tunnel Lighting LED Upgrade	1,100	3,500
<b>Parking</b>		
Electric Vehicle Charging Network Expansion	-	7,700
Parking Guidance System	-	6,500
Red/Blue Parking Levels 2 & 3	-	10,000
Terminal 2 Landside Office Remodel	-	250
<b>Terminal 2</b>		
Ramp Information Display System	-	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 MUFIDS/EVIDS Millwork Upgrades	-	350
Terminal 2 Skyway to LRT Flooring Installation	-	1,000
Terminal Door Locks and Emergency Egress Upgrades	400	-

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025- 2030
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>		
<b>Public Areas/Roads</b>		
34th Avenue Bus Area Reconstruction	\$ 800	\$ -
34th Avenue Reconstruction	-	16,400
34th Avenue Sanitary Sewer Replacement	-	2,200
34th Avenue Traffic Control Improvements	200	-
Diverging Diamond Intersection Rehabilitation	-	380
Terminal 1 Inbound Roadway Median Improvements	-	3,300
Tunnel Fan Replacement	1,700	6,800
<b>Hangars and Other Buildings</b>		
Campus Out Building Study	-	300
MAC Storage Facility	34,000	-
Safety and Security Center	165,000	-
<b>Trades/Maintenance Buildings</b>		
Trades Building Rehabilitation & Addition	-	25,000
<b>Police</b>		
Emergency Communications Center Updates	150	-
Perimeter Fence Intrusion Detection System	-	1,000
Perimeter Gate Security Improvements	-	13,000
Police Department Improvements at Terminals 1 & 2	-	1,500
Police Department Remote Threat Isolation and Training Building	-	15,500
Public Safety Modifications	-	2,700
Squad Parking Modifications	-	140
<b>Fire</b>		
ARFF 1 Garage Door Replacement	-	1,500
Fire Protection Systems Upgrades	-	20,000
<b>General Office/Administration</b>		
Digital Signage in/at The GO	-	300
GO Workspace Improvements	250	-

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025-2030
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>		
<b>Environment</b>		
Firefighting Foam System Conversion	\$ 3,000	\$ -
Glycol Sewer & Storm Sewer Inspection/Rehabilitation	1,700	3,600
Glycol Tank Roof Repairs	-	700
Ground Service Equipment (GSE) Electrical Charging Stations	500	-
Infield Fueling Facility Secondary Containment	-	400
Lift Station at Ponds 1 and 2	-	2,300
Maintenance Campus Infiltration Pond	13,100	-
MSP Pond 3 / 494 Pond Sediment Removal & Repairs	-	19,500
Photovoltaic System Improvements	3,100	-
Runway 12R-30L Glycol Forcemain Environmental Improvements	1,700	-
<b>MSP Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ 281,130</b>	<b>\$ 582,410</b>
<b>MSP Noise Mitigation Consent Decree Amendment</b>	<b>\$ 1,000</b>	<b>\$ 500</b>
<b>MSP Ongoing Maintenance Programs</b>		
<b>Terminal 1</b>		
Air Handling Unit Replacement	5,100	78,000
Baggage System Upgrades	500	3,000
Concourse G Rehabilitation	10,000	-
Conveyance System Upgrades	-	3,000
Electrical Infrastructure Program	2,500	13,000
Electrical Substation Replacement	10,000	30,000
Emergency Power Upgrades	2,500	13,000
Ground Power Substation Replacement	9,000	60,000
Plumbing Infrastructure Upgrade Program	700	4,300
Terminal Building Remediation Program	3,000	18,500
Terminal Miscellaneous Modifications	2,600	17,100
<b>Energy Management Center</b>		
Life Safety Infrastructure Program	1,900	11,400
Plant Upgrades	2,100	11,550
<b>Field and Runway</b>		
Airside Electrical Construction	2,500	13,600
Airside Roadway Pavement Restoration	1,200	9,600
Miscellaneous Airfield Construction	3,500	10,500
Pavement Joint Sealing/Repair	800	7,600
<b>Terminal Roads/Landside</b>		
Tunnel/Bridge Inspections	120	810
Tunnel/Bridge Miscellaneous Modifications	-	3,000

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025-2030
<b>MSP Ongoing Maintenance Programs Continued</b>		
<b>Parking</b>		
Parking Structure Rehabilitation	\$ 5,900	\$ 32,925
Terminal 2 Parking Facility Watermain Improvements	670	-
<b>Public Areas/Roads</b>		
Concrete Joint Repair	1,000	5,550
Landside Pavement Rehabilitation	500	2,800
Landside Utility Rehabilitation	750	3,750
Roadway Fixture Refurbishment	150	950
<b>Hangars and Other Buildings</b>		
Campus Building Rehabilitation Program	1,500	4,500
Campus Parking Lot Reconstructions	3,075	3,075
End of Life Campus Building Demolition	-	4,100
MSP Campus Building Roof Replacements	6,100	27,700
<b>Trades/Maintenance Buildings</b>		
North Field Maintenance Mechanical Infrastructure Project	-	5,000
Sump Pump Controls	4,000	7,500
<b>General Office/Administration</b>		
GO Building Improvements	500	1,500
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 82,165</b>	<b>\$ 407,310</b>
<b>MSP Tenant Projects</b>		
<b>Terminal 1</b>		
Concessions Upgrades/Revenue Development and Strategic Partnerships	220	1,439
Concourse and Gatehold Modernization	85,600	73,100
Elevator and Concourse Improvements Related to Relocated United Club	-	1,000
Terminal 1 Pre-Conditioned Air	2,500	-
<b>Terminal 2</b>		
Terminal 2 Concessions Redevelopment	2,000	-
Terminal 2 Multipurpose Facility (Study)	300	-
<b>Public Areas/Roads</b>		
Tenant Parking Lot Reconstruction	-	2,900
<b>Hangars and Other Buildings</b>		
GSE Maintenance Facility	-	2,000
<b>MSP Tenant Projects Subtotal</b>	<b>\$ 90,620</b>	<b>\$ 80,439</b>

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025- 2030
<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	-	600
Long Term Comprehensive Plan	-	800
<b>Airlake Airport</b>		
Airport Layout Plan	-	600
Long Term Comprehensive Plan	-	800
Runway 12-30 Improvements	-	4,400
<b>Flying Cloud Airport</b>		
Environmental Review	-	800
Obstruction Removal (Hangars)	1,300	-
South Building Area Utilities	-	800
<b>Crystal Airport</b>		
Airport Layout Plan	100	500
Environmental Review	-	800
Long Term Comprehensive Plan	-	800
<b>Anoka County-Blaine Airport</b>		
Airport Layout Plan	-	500
Environmental Review	-	800
Long Term Comprehensive Plan Update	-	800
Building Area Development - Xylite St. Relocation	-	1,000
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ 2,700</b>	<b>\$ 14,800</b>
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>		
<b>Reliever Airports</b>		
Reliever Airports Security Fencing, Gates & Lighting	300	1,200
Relievers Building Miscellaneous Modifications	400	2,400
Relievers Indoor Air Quality Project	-	1,400
Relievers Obstruction Removal	-	900
Relievers Pavement Rehabilitation Miscellaneous Modifications	300	1,800
Relievers Used Oil Sheds & Tanks	-	550

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025-2030
<b>Reliever Airports Maintenance/Facility Upgrade Projects Continued</b>		
<b>St. Paul Airport</b>		
Runway 14-32 EMAS Replacement	\$ -	\$ 10,000
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	-
Equipment Storage Building and Employee Crew Rooms	-	4,000
Infrastructure Replacement	-	1,200
Intelligent Monitoring and Control System Expansion	-	2,500
LED Edge Lighting Upgrades	1,200	-
MAC Building Improvements	-	600
Pavement Rehabilitation-Taxilanes/Tower Road	-	750
Runway 13-31 Pavement Reconstruction	-	5,000
Runway 14-32 Reconstruction	10,000	-
Storm Sewer Improvements	-	2,000
Taxiway B Rehabilitation	-	1,100
Taxiway Lima Rehabilitation	-	200
<b>Lake Elmo Airport</b>		
Automated Weather Observing System (AWOS) Replacement	-	200
Equipment Storage Building	500	-
Intelligent Monitoring and Control System	-	3,800
North Building Area Pavement Rehabilitation	-	900
North Service Roads Rehabilitation	700	-
Northside Taxiway Reconstruction	-	1,200
Runway 04-22 Pavement Rehabilitation	-	4,000
Taxiway Echo Edge Lighting	-	600
<b>Airlake Airport</b>		
Intelligent Monitoring and Control System	-	1,300
AWOS Replacement	-	100
Existing Runway 12-30 Reconstruction	-	3,500
LED Edge Lighting	200	-
Maintenance Building Renovation	1,250	-
Perimeter Fencing and Gates	-	4,000
South Building Area Utilities and Taxilanes	-	1,300
Taxiway Bravo Pavement Rehabilitation	-	600
North Service Road Pavement Rehabilitation	-	500
North Taxilanes Pavement Rehabilitation	-	1,250

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025-2030
<b>Reliever Airports Maintenance/Facility Upgrade Projects Continued</b>		
<b>Flying Cloud Airport</b>		
Airport Access Roads and Tango Lane	\$ 600	\$ -
Airport Access Roads Pavement Rehabilitation	-	1,500
Electrical Vault Modifications	-	500
Executive Aviation/MAC Maintenance Apron	950	-
Gate Replacements	-	500
Infrastructure Replacement	-	1,750
Intelligent Monitoring and Control System	-	2,500
MAC Building Improvements	-	600
Northside Access Road from Bravo to November Lane	-	900
Runway 10R-28L Crack Sealing	200	-
Runway 10R-28L Pavement Rehabilitation	-	2,700
Runway 18-36 Pavement Rehabilitation	-	700
Spring Lane Extension and Taxilane Connector	-	700
Tower Equipment for Airfield Lighting and Utilities	-	1,000
Underground Fuel Storage Tank Replacement	500	-
<b>Crystal Airport</b>		
Existing Hangar Revitalization	-	800
Gate Replacement	-	800
Intelligent Monitoring and Control System	-	1,300
Runway 6L-24R and Taxiway Gulf Pavement Rehabilitation	-	250
Runway 6L-24R Pavement Rehabilitation	-	2,500
Service Road Pavement and Fencing	-	600
Stormwater Monitoring Location Drainage Repair	-	100
Taxilanes Pavement Rehabilitation	-	1,200
Taxiway Alpha Pavement Reconstruction	-	1,200
Tower Parking Lot Reconstruction	-	1,500
Underground Fuel Storage Tank Replacement	500	-

Numbers may not sum to totals due to rounding.

## 2024-2030 Capital Improvement Program Continued ►►►

Funding by Year

(\$=000)

	2024	2025- 2030
<b>Reliever Airports Maintenance/Facility Upgrade Projects Continued</b>		
<b>Anoka County-Blaine Airport</b>		
Airport Road and General Aviation Boulevard Pavement Reconstruction	\$ 2,100	\$ -
Electrical Vault Improvements	-	750
Equipment Storage and Maintenance Building	5,000	-
Gate Controller Upgrades	-	400
Intelligent Monitoring and Control System	-	1,300
Runway 18-36 Pavement Rehabilitation	-	3,800
Runway 9-27 Pavement Rehabilitation	-	3,750
Taxiway B Pavement Rehabilitation	-	1,400
Underground Fuel Storage Tank Replacement	500	-
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ 29,700</b>	<b>\$ 95,800</b>
<b>MSP SUBTOTAL</b>	<b>\$ 1,103,400</b>	<b>\$ 3,045,309</b>
<b>RELIEVERS SUBTOTAL</b>	<b>\$ 32,400</b>	<b>\$ 110,600</b>
<b>GRAND TOTAL</b>	<b>\$ 1,135,800</b>	<b>\$ 3,155,909</b>

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

### 2024 CAPITAL IMPROVEMENT PROJECTS

As stated previously, these are projects that have been reasonably defined for implementation in the upcoming calendar year, in this case 2024. The following narratives describe the 2024 Capital Improvement Projects, along with a table of their funding sources.

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

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

CIP Operating Cost Projections ►►►				
Category	Construction Project	Projected Operating Costs	Amount	Explanation
MSP End-of-Life/Replacement Projects	Cooling Unit Replacement	Utilities and Water	\$ 79,432	Estimated reduction
	Variable Air Volume Box Replacement	Utilities	\$ 7,800	Estimated increase
MSP Long Term Comprehensive Plan Projects	Concourse G Infill	Utilities and Janitorial	\$ 982,980	Estimated increase
	T2 North Gate Expansion	Utilities and Janitorial	\$ 1,714,500	Estimated increase upon completion
MSP Maintenance/Facility Upgrade Projects	ADO Office Expansion	Utilities and Janitorial	\$ 93,635	Estimated increase upon completion
	Lighting Infrastructure Technology and Equipment	Utilities	\$ 1,500	Estimated increase
	Apron Lighting LED Upgrade	Utilities	20%	Estimated reduction
	Tunnel Lighting LED Upgrade	Utilities	20%	Estimated reduction
	MAC Storage Facility	Utilities and Janitorial	\$ 80,524	Estimated increase upon completion
	Safety and Security Center	Utilities and Janitorial	\$ 3,391,764	Estimated increase upon completion
MSP Ongoing Maintenance Projects	Air Handling Unit Replacement	Utilities	\$ 10,000	Estimated reduction
	Concourse G Rehabilitation	Utilities	\$ 10,000	Estimated reduction
MSP Tenant Projects	T2 Concessions Redevelopment	Revenue	10%	Estimated increase in revenue upon completion
Reliever Airports Maintenance/Facility Upgrade Projects	St Paul Customs and Border Protection General Aviation Facility	Utilities and Janitorial	\$ 113,271	Estimated increase upon completion
	St. Paul LED Edge Lighting Upgrades	Utilities	90%	Estimated reduction over life of the bulbs
	Lake Elmo Equipment Storage Building	Utilities	\$ 64,200	Estimated increase upon completion
	Airlake LED Edge Lighting	Utilities	20%	Estimated reduction
	Anoka County-Blaine Equipment Storage and Maintenance Building	Utilities	\$ 64,200	Estimated increase upon completion

**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 Intelligent Monitoring and Control Systems (IMACS) for monitoring and control. This is a non-recurring project that ensures end-of-life equipment is replaced in a timely manner.

**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 areas. It is assumed fixed walkways may need to be replaced or added to meet Americans with Disabilities Act (ADA) slope requirements and all gate hold areas will be upgraded with security doors, card readers and cameras. This is a recurring project with rotating work that ensures end-of-life equipment is replaced in a timely manner.



*The Aurora Sculpture is Located at Terminal 1*

**ENERGY MANAGEMENT CENTER**

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

▶ \$5,000,000

This is the second 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, steam and condensate piping above grade through E Bridge connector, steam pressure reducing station in ground level, heat exchangers and water pumps in penthouse of E will be replaced. In the penthouse of the F Bridge, heat exchangers and water will be replaced. This is a multi-phase project that ensures end-of-life equipment is replaced in a timely manner.

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

▶ \$2,300,000

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

**Variable Air Volume Box Replacement**

▶ \$1,900,000

This program will replace variable air volume (VAV) 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.

**FIELD AND RUNWAYS**

**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.

**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.

**Concourse G Apron Pavement Reconstruction**

► \$11,600,000

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.

**Taxiway B Pavement Reconstruction**

► \$2,400,000

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.

**Taxiway D Pavement Reconstruction**

► \$2,500,000

This project provides for reconstruction of a 300' portion of Taxiway D between Runway 12R-30L and Taxiway W. Major items of work include pavement removal, excavation and backfill, concrete taxiway pavement, bituminous taxiway shoulder pavement, pavement markings and airfield lighting and signing. This is an important component of the airfield network as a primary taxiway for Runway 4-22 and provides access from Runway 17-35 to Terminal 1. The existing pavement was constructed in 1972. This is a non-recurring project with rotating work that ensures maintenance of the airfield over a period of years. This project has no impact on the current or future operating budget.

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

► \$2,000,000

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.

**Variable Message Signs Replacement, Phase 3**

► \$2,500,000

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

**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.

**PUBLIC AREAS/ROADS****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.

**TRADES/MAINTENANCE BUILDINGS****MSP Liquid Deicer Storage Facility**

► \$17,700,000

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.

**MSP IT PROJECTS**

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

**TERMINAL 1****Concourses C 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.

**MAC Technology Upgrades**

► \$2,200,000

IT projects that are beyond MAC staff's resources to accomplish are prioritized and completed as a series of contracts or as purchase orders. Work may include fiber optic cable upgrades, MAC Network (MACNet) maintenance and upgrades, digital signs, wireless system enhancements and MAC public address system maintenance or upgrades. Projects will be compiled and prioritized in early 2024. This series of recurring projects ensure that miscellaneous IT equipment maintenance, enhancement and replacements happen in a timely manner.

**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.

**FEDERAL INSPECTION STATION****Customs and Border Protection Infrastructure**

▶ \$1,000,000

MAC is responsible for supplying and maintaining Customs and Border Protection (CBP) infrastructure. In addition to the camera system, CBP has other infrastructure standards that need to be addressed. MAC and its project consultants will partner with CBP to create, schedule and implement the new system equipment and operating requirements consistent with MAC and CBP Policies and Standards. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.

**POLICE****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.

**Public Safety Land Mobile Radio System Solutions**

▶ \$500,000

MAC public safety, along with additional MAC departments, operates on the statewide 800 MHz Allied Radio Matrix for Emergency Response (ARMER) system. All MAC departments with radio equipment that operates on the ARMER system have access to regional and statewide talk groups which support the ability to communicate during large-scale incidents where interoperability is crucial. As the MAC continues to flourish and grow, there is a continuous need to identify and correct radio frequency and long-term evolution coverage deficiencies to ensure seamless communications during critical situations. This is a multi-phase project that ensures end-of-life equipment is replaced in a timely manner.

**MSP LONG TERM COMPREHENSIVE PLAN PROJECTS**

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

**TERMINAL 1****Baggage Claim/Ticket Lobby Operational Improvements**

▶ \$25,000,000

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.

**Concourse G Infill – Pods 2-3**

► \$285,000,000

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 is a non-recurring project to update the airport facilities.

**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 H1-H2 Apron and Building Modifications**

► \$30,000,000

This project includes a two-gate expansion at the south end of Terminal 2. It will construct additional concrete apron, passenger boarding bridges and supporting infrastructure to accommodate four aircraft in the vicinity of existing gates H1 and H2.

**Terminal 2 North Gate Expansion**

► \$240,000,000

This project will expand Terminal 2 to the north, adding passenger boarding bridges, gate hold seating, concessions and support spaces. This is a non-recurring project to expand the airport facility.

**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 (ADO) to function properly. This expansion and remodel will support increasing MAC staffing numbers and changes in workspace needs.

**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.

**Arts Master Plan**

► \$860,000

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.

**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.

**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.

**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. The project will provide new vapor proof light-emitting diode (LED) lighting, IVISN cameras, personnel doors, concrete floor waterproofing and new triturators. The project will also provide an exterior connection or removal of the Delta glycol tank located inside the G lavatory building. This project will replace the Terminal 1 lavatory building coiling garage doors at G1 and D1 with new high traffic breakaway rubber doors.

**Lighting Infrastructure Technology and Equipment**

▶ \$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 non-recurring upgrades will provide more energy efficient lighting systems.

**Restroom Upgrade Program**

▶ \$2,295,000

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

**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.

**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.

**Terminal 1 Tram Maintenance**

▶ \$1,000,000

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

**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.

**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.

**Wayfinding 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 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.

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

▶ \$2,175,000

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

**ENERGY MANAGEMENT CENTER****Chiller Plant Optimization**

▶ \$4,000,000

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.

**MAC Automation Infrastructure Program**

▶ \$5,300,000

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.

**FIELD AND RUNWAYS****Anti-Climb Fencing and Lighting**

▶ \$1,000,000

This project will add fencing, closed circuit television (CCTV) and lighting in the northeast area of the MSP campus. This project primarily provides a security improvement.

**Apron Lighting LED Upgrade**

▶ \$5,000,000

This project will replace the older apron lighting units with more efficient LED fixtures.

**Runway 12L Deice Pad Reconfiguration**

▶ \$700,000

This project will reconfigure the Runway 12L deice pad to allow the deicing of aircraft safely and more efficiently. The work scope includes the remarking of the deice pad slots and the relocation of the centerline lighting.

**Taxiways B and Q Islands**

▶ \$800,000

This project will construct a taxiway island at the intersection of created Taxiways C and D and P and Q.

**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.

**TERMINAL 2****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 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.

**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.

**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.

**Tunnel Fan Replacement**

▶ \$1,700,000

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 2024 phase will focus on the 4/22 tunnel.

**HANGARS AND OTHER BUILDINGS****MAC Storage Facility**

▶ \$34,000,000

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.

**Safety and Security Center**

▶ \$165,000,000

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.

**POLICE****Emergency Communications Center (ECC) Updates**

▶ \$150,000

This project will reconfigure the current ECC conference room, which serves as both a conference room and manager's office, to be two separate offices.

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

▶ \$250,000

This project includes an office renovation of the General Office (GO) south wing to add additional workspaces to accommodate new full-time employees and to pilot improvements for other areas in the building to reflect modern workspace needs.

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

▶ \$3,000,000

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

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

▶ \$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.

**Ground Service Equipment Electrical Charging Stations**

▶ \$500,000

This project will purchase and install charging stations for airline electric ground support equipment (GSE) at Terminal 2. These fast, energy-efficient charging stations allow for simultaneous charging, adjustable charging rates and automatic shut-off when the GSE are fully charged.

**Maintenance Campus Infiltration Pond**

▶ \$13,100,000

This project will prepare the site and install an infiltration pond to address stormwater management for the Field Maintenance and Trades campus north of the airfield, in support of several future building projects.

**Photovoltaic System Improvements**

▶ \$3,100,000

This project will address replacement of modules and inverters in the solar arrays on the Purple and Blue ramps in order to return these systems to anticipated power outputs.

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

▶ \$1,700,000

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.

**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**

▶ \$1,000,000

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

## MSP ONGOING MAINTENANCE PROJECTS

MSP 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

▶ \$5,100,000

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.

#### 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.

#### 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.

#### 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.

#### 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.

#### 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.

#### Ground Power Substation Replacement

▶ \$9,000,000

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

#### Plumbing Infrastructure 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.

**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.

**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 2024. This is a recurring project with rotating work that ensures maintenance of facilities over a period of years.

**ENERGY MANAGEMENT CENTER (EMC)****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 the MSP campus. Equipment includes gas detection sensors and life safety dampers. Additionally, all new equipment and devices will connect to IMACS for monitoring and control. This recurring project primarily provides a safety improvement.

**Plant Upgrades (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 heating water systems at both terminals as well as other facilities on the MSP campus. The pumping and piping systems are aging and need repair work beyond regular maintenance. This is a recurring project that ensures end-of-life equipment is replaced in a timely manner.

**FIELD AND RUNWAYS****Airside Electrical Construction**

► \$2,500,000

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.

**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 area's most in need of repair. This is a recurring project with rotating work that ensures roadways are appropriately maintained over a period of years.

**Miscellaneous Airfield Construction**

► \$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.

**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.

**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.

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

▶ \$5,900,000

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

**Terminal 2 Parking Facility Watermain Improvements**

▶ \$670,000

This project will provide for the replacement of three watermain valves that serve the snow-melter system in the Purple Parking Ramp and to provide for lowering and repair of a watermain segment at the northeast corner of the Orange Parking Ramp that is prone to freezing.

**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.

**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.

**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.

**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.

**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.

**Campus Parking Lot Reconstruction**

► \$3,075,000

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 planned 2024 project area will be assessed for need and adjacent project coordination early in the year. This is a recurring project with rotating work that ensures facilities are appropriately maintained and are replaced when reaching end-of-life.

**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.

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

**GENERAL OFFICE/ADMINISTRATION**

**GO 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.

**MSP TENANT PROJECTS**

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

**TERMINAL 1**

**Concessions Upgrades/Revenue Development and Strategic Partnerships**

► \$220,000

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. The budget will also provide leasehold improvements to the strategic partnerships activation sites in order to prepare space for the partners' construction.

**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, column wraps (excluding branding), paint (excluding branding), wayfinding information displays and flooring in the public area concourse corridors (including terrazzo, tile and carpet, where applicable). The program budget will also support MAC consultant fees for design collaboration and project oversight.

**Terminal 1 Pre-conditioned Air (PCA)**

► \$2,500,000

This program will provide or replace PCA 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.

**TERMINAL 2**

**Terminal 2 Concessions Redevelopment**

► \$2,000,000

This project will support concessions spaces at the central portion of Terminal 2 and be coordinated with lease rebidding.

**Terminal 2 Multipurpose Facility (Study)**

▶ \$300,000

This project will study the development of a multipurpose facility that would include a day care facility to be used by airport employees with children and contractor meeting space, with a goal to remove the temporary structures adjacent to the Terminal 2 parking structure.

**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.

**ST. PAUL**

**Airport Layout Plan**

▶ \$500,000

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

**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. This is part of the MAC's system of reliever airports designated by the FAA to reduce congestion at the Minneapolis-St. Paul International Airport and to provide improved general aviation facilities in the overall community. This is a recurring project to maintain compliance with FAA guidelines and requirements.

**FLYING CLOUD**

**Obstruction Removal (Hangars)**

▶ \$1,300,000

This budget covers the purchase and demo of all or portions of five hangars within the object free area (OFA) of Flying Cloud's Taxiway Alpha.

**CRYSTAL**

**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.

**RELIEVER AIRPORTS MAINTENANCE/FACILITY UPGRADE PROJECTS**

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

**RELIEVER AIRPORTS**

**Reliever Airports Security Fencing, Gates & Lighting**

▶ \$300,000

This program will address ongoing needs for repairs and modifications to the Reliever Airports' perimeter chain link fencing, gate vehicle access points and lighting to enhance safety and security in landside areas. In 2024, this program will also address wetland coordination associated with this work. This is a recurring project with rotating work that ensures the landside areas are maintained in a timely manner.

**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 2024. This is a recurring project with rotating work that ensures facilities are maintained in a timely manner.

**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.

**ST. PAUL****Customs and Border Protection General Aviation Facility**

▶ \$4,500,000

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

**LED Edge Lighting Upgrades**

▶ \$1,200,000

This project will replace taxiway edge lighting and signage with LED lighting. Airfield guidance signs along Taxiways A and L have reached the end of their useful life and have become costly to maintain and repair as parts are no longer available. The new signs will be LED and meet current standards for message, size and location.

**Runway 14-32 Reconstruction**

▶ \$10,000,000

This project will include reconstruction of the area of Runway 14-32 that was not previously reconstructed in 2016. The pavement has reached the end of its useful life and is experiencing large cracks and needs reconstruction to restore the surface to a smooth, even condition and improve the overall operating conditions. Storm sewer and drain tile systems associated with the project area would also be included in the reconstruction. The runway edge lighting system was replaced in 2022, so minimal electrical items would be included with the project focusing on the in-pavement lights located at the intersections of crossing runways and taxiways.

**LAKE ELMO****Equipment Storage Building**

▶ \$500,000

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

**North Service Roads Rehabilitation**

▶ \$700,000

This project will include reconstruction of the service road on the north side of the airport. The pavement has reached the end of its useful life and is in need of reconstruction to restore the surface to a smooth, even condition and improve the overall operating conditions. The project limits will include the service road from Manning Ave to Osprey Lane, approximately 3300' x 24'.

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

▶ \$200,000

This project will include installation of LED edge lighting on Taxiway B. Traffic in the South Building Area has significantly increased with recent hangar construction. The addition of taxiway edge lighting will improve safe operations during daytime and nighttime operations. The taxiway edge lighting will be added to areas of Taxiway B that are not intended to be impacted by the future runway improvements projects.

**Maintenance Building Renovation**

▶ \$1,250,000

This project will remove and replace the office portion of the maintenance building at Airlake Reliever Airport while leaving the maintenance garage in place.

**FLYING CLOUD****Access Roads and Tango Lane**

▶ \$600,000

This project includes pavement rehabilitation of Airport Access Roads and Tango Lane in the north building area of the airport. Work may consist of milling, pavement repairs, bituminous pavement, pavement marking and miscellaneous items.

**Executive Aviation/MAC Maintenance Apron**

▶ \$950,000

This project will provide a mill and overlay of the MAC-owned apron near the Executive Aviation facility and the taxilane connector at R-Q. This project will also include pavement marking.

**Runway 10R-28L Crack Sealing**

▶ \$200,000

This project will repair cracks to prolong usability until pavement rehabilitation is completed in a future year. This project maintains airfield pavement in compliance with FAA guidelines and requirements.

**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.

**CRYSTAL**

**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.

**ANOKA COUNTY-BLAINE**

**Airport Road and General Aviation Boulevard Pavement Rehabilitation**

► \$2,100,000

This project will restore the service roads on the west side of the airport, including Airport Road and General Aviation Blvd. The pavement has reached the end of its useful life and is in need of reconstruction.

**Equipment Storage and Maintenance Building**

► \$5,000,000

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 to support this function.

**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.



*Aerial View of Flying Cloud Reliever Airport*

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	Unfunded	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	-	-	-	5,000	-	5,000	
Ground Transportation Center Dual-temperature Pump Improvements	-	-	-	2,300	-	2,300	
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	420	580	-	-	-	1,000	
Concourse G Apron Pavement Reconstruction	6,126	5,474	-	-	-	11,600	
Taxiway B Pavement Reconstruction	914	1,486	-	-	-	2,400	
Taxiway D Pavement Reconstruction	-	1,375	-	1,125	-	2,500	
<b>Terminal Roads/Landside</b>							
UPS Loop Pavement Reconstruction	-	-	-	2,000	-	2,000	
Variable Message Signs Replacement, Phase 3	-	-	-	2,500	-	2,500	
<b>Parking</b>							
Parking Ramp Snow Melter Replacement/Upgrades	-	-	1,350	-	-	1,350	
<b>Public Areas/Roads</b>							
East 70th Street Reconstruction	-	-	-	2,400	-	2,400	
<b>Trades/Maintenance Buildings</b>							
MSP Liquid Deicer Storage Facility	-	-	17,700	-	-	17,700	
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 11,460</b>	<b>\$ 8,915</b>	<b>\$ 20,850</b>	<b>\$ 18,350</b>	<b>\$ -</b>	<b>\$ 59,575</b>	
<b>MSP IT Projects</b>							
<b>Terminal 1</b>							
Concourses C and G Digital Directory Replacement	-	-	-	200	-	200	
MAC Technology Upgrades	-	-	-	2,200	-	2,200	
Telecom Room Equipment Continuity	-	-	-	1,510	-	1,510	
<b>Federal Inspection Station</b>							
Customs and Border Protection Infrastructure	-	-	-	1,000	-	1,000	
<b>Police</b>							
Card Access Modifications	2,500	-	-	-	-	2,500	
Public Safety Land Mobile Radio System Solutions	-	-	-	500	-	500	
<b>MSP IT Projects Subtotal</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,410</b>	<b>\$ -</b>	<b>\$ 7,910</b>	
<b>MSP Long Term Comprehensive Plan Projects</b>							
<b>Terminal 1</b>							
Baggage Claim/Ticket Lobby Operational Improvements	10,000	-	15,000	-	-	25,000	
Concourse G Infill - Pods 2-3	-	106,080	178,920	-	-	285,000	

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

## 2024 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Long Term Comprehensive Plan Projects Continued</b>						
<b>Terminal 2</b>						
Long Term Plan Projects (Fees)	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
Terminal 2 H1-H2 Apron and Building Modifications	-	-	30,000	-	-	30,000
Terminal 2 North Gate Expansion	-	65,225	174,775	-	-	240,000
<b>MSP Long Term Comprehensive Plan Subtotal</b>	<b>\$ 10,000</b>	<b>\$ 171,305</b>	<b>\$ 398,695</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 581,000</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	-	-	-	860	-	860
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	2,295	-	-	-	-	2,295
Steam System Upgrade Program	-	-	-	1,600	-	1,600
Terminal 1 Curbside Canopy Repairs and Lighting Upgrades	-	-	-	350	-	350
Terminal 1 Tram Maintenance	-	-	-	1,000	-	1,000
Terminal 1 Tug Drive Heater Replacement	-	-	-	2,000	-	2,000
Terminal 1 Tug Drive Waterproofing	-	-	-	2,900	-	2,900
Wayfinding Sign Backlighting Replacement	-	-	-	1,000	-	1,000
<b>Federal Inspection Station (FIS)</b>						
FIS Facility Upgrades	-	-	-	2,175	-	2,175
<b>Energy Management Center</b>						
Chiller Plant Optimization	-	-	4,000	-	-	4,000
MAC Automation Infrastructure Program	-	-	5,300	-	-	5,300
<b>Field and Runways</b>						
Anti-Climb Fencing & Lighting	-	578	-	423	-	1,000
Apron Lighting LED Upgrade	1,913	3,088	-	-	-	5,000
Runway 12L Deice Pad Reconfiguration	-	-	-	700	-	700
Taxiways B & Q Islands	-	462	-	338	-	800
Tunnel Lighting LED Upgrade	-	654	-	447	-	1,100
<b>Terminal 2</b>						
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	-	-	1,700	-	-	1,700
<b>Hangars and Other Buildings</b>						
MAC Storage Facility	-	-	34,000	-	-	34,000
Safety and Security Center	-	4,000	161,000	-	-	165,000
<b>Police</b>						
Emergency Communications Center Updates	-	-	-	150	-	150
<b>General Office/Administration</b>						
GO Workspace Improvements	-	-	-	250	-	250

Numbers may not sum to totals due to rounding.

## 2024 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP Maintenance/Facility Upgrades Projects Continued</b>						
<b>Environment</b>						
Firefighting Foam System Conversion	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ 3,000
Glycol Sewer & Storm Sewer Inspection/Rehabilitation	-	-	-	1,700	-	1,700
Ground Service Equipment (GSE) Electrical Charging Stations	-	-	-	500	-	500
Maintenance Campus Infiltration Pond	-	-	13,100	-	-	13,100
Photovoltaic System Improvements	-	-	-	3,100	-	3,100
Runway 12R-30L Glycol Forcemain Environmental Improvements	-	-	-	1,700	-	1,700
<b>MSP Maintenance/Facility Upgrades Projects Subtotal</b>	<b>\$ 4,208</b>	<b>\$ 8,781</b>	<b>\$ 241,500</b>	<b>\$ 26,642</b>	<b>\$ -</b>	<b>\$ 281,130</b>
<b>MSP Noise Mitigation Projects</b>						
<b>Environment</b>						
MSP 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>\$ -</b>	<b>\$ 1,000</b>
<b>MSP Ongoing Maintenance Programs</b>						
<b>Terminal 1</b>						
Air Handling Unit Replacement	-	-	5,100	-	-	5,100
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
Ground Power Substation Replacement	-	-	9,000	-	-	9,000
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	-	1,450	1,050	-	-	2,500
Airside Roadway Pavement Restoration	-	-	1,200	-	-	1,200
Miscellaneous Airfield Construction	1,475	2,025	-	-	-	3,500
Pavement Joint Sealing/Repair	-	-	-	800	-	800
<b>Terminal Roads/Landside</b>						
Tunnel/Bridge Inspections	-	-	-	120	-	120
<b>Parking</b>						
Parking Structure Rehabilitation	-	-	5,900	-	-	5,900
Terminal 2 Parking Facility Watermain Improvements	-	-	-	670	-	670
<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

Numbers may not sum to totals due to rounding.

## 2024 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARs	MAC/Airline Funds	Unfunded	Total
<b>MSP Ongoing Maintenance Programs Continued</b>						
<b>Hangars &amp; Other Buildings</b>						
Campus Building Rehabilitation Program	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 1,500
Campus Parking Lot Reconstructions	-	-	-	3,075	-	3,075
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>						
GO Building Improvements	-	-	-	500	-	500
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 1,475</b>	<b>\$ 3,475</b>	<b>\$ 55,350</b>	<b>\$ 21,865</b>	<b>\$ -</b>	<b>\$ 82,165</b>
<b>MSP Tenant Projects</b>						
<b>Terminal 1</b>						
Concessions Upgrades/Revenue Development and Strategic Partnerships	-	-	-	220	-	220
Concourse and Gatehold Modernization	-	-	85,600	-	-	85,600
Terminal 1 Pre-Conditioned Air	-	-	2,500	-	-	2,500
<b>Terminal 2</b>						
Terminal 2 Concessions Redevelopment	-	-	-	2,000	-	2,000
Terminal 2 Multipurpose Facility (Study)	-	-	-	300	-	300
<b>MSP Tenant Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,100</b>	<b>\$ 2,520</b>	<b>\$ -</b>	<b>\$ 90,620</b>
<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>						
Obstruction Removal (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>\$ -</b>	<b>\$ 2,700</b>
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>						
<b>Reliever Airports</b>						
Reliever Airports Security Fencing, Gates & Lighting	-	-	-	300	-	300
Relievers Building Miscellaneous Modifications	-	-	-	400	-	400
Relievers Pavement Rehabilitation Miscellaneous Modifications	-	-	-	300	-	300
<b>St. Paul Airport</b>						
Customs and Border Protection General Aviation Facility	-	720	-	3,780	-	4,500
LED Edge Lighting Upgrades	-	1,080	-	120	-	1,200
Runway 14-32 Reconstruction	-	7,200	-	2,800	-	10,000
<b>Lake Elmo Airport</b>						
Equipment Storage Building	-	-	-	500	-	500
North Service Roads Rehabilitation	-	504	-	196	-	700
<b>Airlake Airport</b>						
LED Edge Lighting	-	144	-	56	-	200
Maintenance Building Renovation	-	-	-	1,250	-	1,250

Numbers may not sum to totals due to rounding.

## 2024 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>Flying Cloud Airport</b>						
Airport Access Roads and Tango Lane	\$ -	\$ 432	\$ -	\$ 168	\$ -	\$ 600
Executive Aviation/MAC Maintenance Apron	-	-	-	950	-	950
Runway 10R-28L Crack Sealing	-	-	-	200	-	200
Underground Fuel Storage Tank Replacement	-	-	-	500	-	500
<b>Crystal Airport</b>						
Underground Fuel Storage Tank Replacement	-	-	-	500	-	500
<b>Anoka County - Blaine Airport</b>						
Airport Road and General Aviation Boulevard Pavement Reconstruction	-	1,512	-	588	-	2,100
Equipment Storage and Maintenance Building	-	-	-	5,000	-	5,000
Underground Fuel Storage Tank Replacement	-	-	-	500	-	500
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 11,592</b>	<b>\$ -</b>	<b>\$ 18,108</b>	<b>\$ -</b>	<b>\$ 29,700</b>
<b>MSP SUBTOTAL</b>	<b>\$ 29,642</b>	<b>\$ 192,476</b>	<b>\$ 804,495</b>	<b>\$ 76,787</b>	<b>\$ -</b>	<b>\$ 1,103,400</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 12,112</b>	<b>\$ -</b>	<b>\$ 20,288</b>	<b>\$ -</b>	<b>\$ 32,400</b>
<b>GRAND TOTAL</b>	<b>\$ 29,642</b>	<b>\$ 204,588</b>	<b>\$ 804,495</b>	<b>\$ 97,075</b>	<b>\$ -</b>	<b>\$ 1,135,800</b>

Numbers may not sum to totals due to rounding.

The following table provides funding sources for each project in the 2025-2030 CIP.

## 2025-2030 CIP Funding by Source ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP End of Life/Replacement Projects</b>						
<b>Terminal 1</b>						
Concourse & Hub Tram Replacement	\$ -	\$ 26,900	\$ -	\$ -	\$ 573,100	\$ 600,000
Passenger Boarding Bridge Replacements	48,000	12,000	-	-	-	60,000
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
Terminal 1 Boiler & Chiller Replacement & EMC Expansion	-	-	420,000	250	-	420,250
Variable Air Volume (VAV) Box Replacement	-	-	-	10,000	-	10,000
<b>Field and Runways</b>						
30L Deicing Pad Expansion	9,000	11,000	-	-	-	20,000
30L Deicing Pad Reconstruction	11,370	15,630	-	-	-	27,000
30L EMAS Replacement	7,600	-	11,400	-	-	19,000
Airfield Snow Melter Replacement/Upgrades	-	-	-	7,600	-	7,600
Bituminous Shoulder Reconstruction	800	1,800	-	400	-	3,000
Concourse G Apron Pavement Reconstruction	22,950	20,550	15,000	-	-	58,500
Runway 12L-30R Reconstruction	15,000	25,000	-	-	-	40,000
Taxiway A Pavement Reconstruction	1,895	2,305	-	-	-	4,200
Taxiway B Pavement Reconstruction	10,600	11,900	4,000	-	-	26,500
Taxiway C Pavement Reconstruction	5,000	5,000	-	-	-	10,000
Taxiway H Pavement Reconstruction	2,900	3,600	-	-	-	6,500
Taxiway J Pavement Reconstruction	3,400	4,100	-	-	-	7,500
Taxiway R Pavement Reconstruction	4,025	5,475	-	-	-	9,500
Terminal 2 Apron Reconstruction	3,700	10,265	8,535	-	-	22,500
<b>Parking</b>						
Parking Ramp Snow Melter Replacement/Upgrades	-	-	-	5,550	-	5,550
Parking Revenue Control System	-	-	4,200	-	-	4,200
<b>Terminal 2</b>						
Terminal 2 Recarpeting Program	-	-	-	150	-	150
<b>Public Areas/Roads</b>						
East 62nd Street Reconstruction	-	-	-	4,100	-	4,100
Post Road Reconstruction Project	-	-	5,000	-	-	5,000
<b>General Office/Administration</b>						
GO Building VAV Replacement and Upgrade	-	-	-	2,000	-	2,000
<b>MSP End of Life/Replacement Projects Subtotal</b>	<b>\$ 146,240</b>	<b>\$ 155,525</b>	<b>\$ 718,135</b>	<b>\$ 33,850</b>	<b>\$ 573,100</b>	<b>\$ 1,626,850</b>
<b>MSP IT Projects</b>						
<b>Terminal 1</b>						
MAC Technology Upgrades	-	-	-	73,800	-	73,800
Telecom Room Equipment Continuity	-	-	-	10,500	-	10,500
<b>Federal Inspection Station</b>						
Customs and Border Protection Infrastructure	-	-	-	6,000	-	6,000
<b>Terminal 2</b>						
Upgrade and Modernize Terminal 2 Kiosks	-	-	-	1,000	-	1,000
<b>Hangars and Other Buildings</b>						
Multiple Points of Entry Facility	-	-	15,000	-	-	15,000

Numbers may not sum to totals due to rounding.

## 2025-2030 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>MSP IT Projects Continued</b>						
<b>Police</b>						
Badging and Door Access (Secured Area Access Control System/ProWatch) Modernization	\$ -	\$ -	\$ -	\$ 2,100	\$ -	\$ 2,100
Card Access Modifications	5,300	-	-	-	-	5,300
Public Safety Land Mobile Radio System Solutions	-	-	-	1,000	-	1,000
Public Safety Video (IVISN) Modernization	-	-	-	3,100	-	3,100
<b>MSP IT Projects Subtotal</b>	<b>\$ 5,300</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ 97,500</b>	<b>\$ -</b>	<b>\$ 117,800</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
Airport Layout Plan	-	-	-	1,000	-	1,000
Environmental Review	-	-	-	2,000	-	2,000
Long Term Plan	-	-	-	3,000	-	3,000
<b>Field and Runway</b>						
Obstructions Removals	-	-	-	2,000	-	2,000
Runway 30R Parallel Taxiway	9,500	17,500	9,000	-	-	36,000
<b>Terminal 2</b>						
Terminal 2 South Expansion Enabling Work	-	-	160,000	-	-	160,000
<b>MSP Long Term Comprehensive Plan Subtotal</b>	<b>\$ 35,500</b>	<b>\$ 17,500</b>	<b>\$ 169,000</b>	<b>\$ 8,000</b>	<b>\$ -</b>	<b>\$ 230,000</b>
<b>MSP Maintenance/Facility Upgrade Projects</b>						
<b>Terminal 1</b>						
Art Display Areas	-	-	-	1,500	-	1,500
Arts Master Plan	-	-	-	4,640	-	4,640
Delivery Node Redevelopment	-	-	7,800	12,020	-	19,820
F/G Connector & Skyclub Repairs and Improvements	-	-	-	1,100	-	1,100
Folded Plate Surface Reconstruction	-	19,750	23,650	-	-	43,400
Lighting Infrastructure Technology and Equipment	-	-	-	13,300	-	13,300
Light-Rail Transit (LRT) Stations Updates	-	-	1,600	-	-	1,600
Main Mall Modernization	-	-	-	7,000	-	7,000
Restroom Upgrade Program	14,375	-	-	-	-	14,375
Steam System Upgrade Program	-	-	-	6,400	-	6,400
Terminal 1 Employee Breakroom	-	-	-	450	-	450
Terminal 1 Information Booth Replacements	-	-	-	850	-	850
Terminal 1 Sand Dump Station	-	-	-	300	-	300
Terminal 1 Tug Drive Waterproofing	-	-	2,900	5,800	-	8,700
Wayfinding Sign Backlighting Replacement	-	-	-	7,000	-	7,000
<b>Federal Inspection Station (FIS)</b>						
FIS Facility Upgrades	-	-	-	845	-	845

Numbers may not sum to totals due to rounding.

## 2025-2030 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARs	MAC/Airline Funds	Unfunded	Total
<b>MSP Maintenance/Facility Upgrade Projects Continued</b>						
<b>Energy Management Center</b>						
Building Management IMACS Replacement	\$ -	\$ -	\$ 4,200	\$ -	\$ -	\$ 4,200
Energy Savings Program	-	-	-	4,000	-	4,000
Indoor Air Quality Monitoring System	-	-	-	5,000	-	5,000
MAC Automation Infrastructure Program	-	-	11,900	-	-	11,900
Steam Trap Monitoring System	-	-	-	3,000	-	3,000
Victaulic Piping Replacement	-	-	23,000	6,850	-	29,850
<b>Field and Runways</b>						
Apron Lighting LED Upgrade	1,675	3,525	-	800	-	6,000
Field Maintenance Building Efficiency Program	-	-	158,000	-	46,000	204,000
Ground Based Augmentation System SLS-4000 Installation	-	-	7,000	-	-	7,000
Runway LED Lighting Upgrade	1,250	1,750	-	-	-	3,000
Terminal 2 Glycol Lift Station/Forcemain	-	-	-	1,500	-	1,500
Tunnel Lighting LED Upgrade	-	1,925	-	1,575	-	3,500
<b>Parking</b>						
Electric Vehicle Charging Network Expansion	-	-	-	7,700	-	7,700
Parking Guidance System	-	-	6,500	-	-	6,500
Red/Blue Parking Levels 2 & 3	-	-	10,000	-	-	10,000
Terminal 2 Landside Office Remodel	-	-	-	250	-	250
<b>Terminal 2</b>						
Ramp Information Display System	-	-	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	-	-	-	1,000	-	1,000
<b>Public Areas/Roads</b>						
34th Avenue Reconstruction	-	-	8,200	8,200	-	16,400
34th Avenue Sanitary Sewer Replacement	-	-	-	2,200	-	2,200
Diverging Diamond Intersection Rehabilitation	-	-	-	380	-	380
Terminal 1 Inbound Roadway Median Improvements	-	-	-	3,300	-	3,300
Tunnel Fan Replacement	-	-	6,800	-	-	6,800
<b>Hangars and Other Buildings</b>						
Campus Out Building Study	-	-	-	300	-	300
<b>Trades/Maintenance Buildings</b>						
Trades Building Rehabilitation & Addition	-	-	25,000	-	-	25,000
<b>Police</b>						
Perimeter Fence Intrusion Detection System	1,000	-	-	-	-	1,000
Perimeter Gate Security Improvements	-	950	12,050	-	-	13,000
Police Department Improvements at Terminals 1 & 2	1,500	-	-	-	-	1,500
Police Department Remote Threat Isolation and Training Building	-	-	15,500	-	-	15,500
Public Safety Modifications	2,700	-	-	-	-	2,700
Squad Parking Modifications	-	-	-	140	-	140
<b>Fire</b>						
ARFF 1 Garage Door Replacement	-	-	-	1,500	-	1,500
Fire Protection Systems Upgrades	-	-	20,000	-	-	20,000

Numbers may not sum to totals due to rounding.

## 2025-2030 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>General Office/Administration</b>						
Digital Signage in/at The GO	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ 300
<b>Environment</b>						
Glycol Sewer & Storm Sewer Inspection/Rehabilitation	-	-	-	3,600	-	3,600
Glycol Tank Roof Repairs	-	-	-	700	-	700
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	-	-	19,500	-	-	19,500
<b>MSP Maintenance/Facility Upgrades Projects Subtotal</b>	<b>\$ 22,500</b>	<b>\$ 27,900</b>	<b>\$ 369,500</b>	<b>\$ 116,510</b>	<b>\$ 46,000</b>	<b>\$ 582,410</b>
<b>MSP Noise Mitigation Projects</b>						
<b>Environment</b>						
MSP Noise Mitigation Consent Decree Amendment	-	-	-	500	-	500
<b>MSP Noise Mitigation Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ 500</b>
<b>MSP Ongoing Maintenance Programs</b>						
<b>Terminal 1</b>						
Air Handling Unit Replacement	-	-	78,000	-	-	78,000
Baggage System Upgrades	-	-	-	3,000	-	3,000
Conveyance System Upgrades	-	-	-	3,000	-	3,000
Electrical Infrastructure Program	-	-	-	13,000	-	13,000
Electrical Substation Replacement	4,880	5,120	20,000	-	-	30,000
Emergency Power Upgrades	-	-	-	13,000	-	13,000
Ground Power Substation Replacement	-	-	60,000	-	-	60,000
Plumbing Infrastructure Upgrade Program	-	-	-	4,300	-	4,300
Terminal Building Remediation Program	-	-	-	18,500	-	18,500
Terminal Miscellaneous Modifications	-	-	-	17,100	-	17,100
<b>Energy Management Center</b>						
Life Safety Infrastructure Program	-	-	-	11,400	-	11,400
Plant Upgrades	-	-	-	11,550	-	11,550
<b>Field and Runways</b>						
Airside Electrical Construction	-	3,800	6,900	2,900	-	13,600
Airside Roadway Pavement Restoration	-	2,800	-	6,800	-	9,600
Miscellaneous Airfield Construction	-	3,600	-	6,900	-	10,500
Pavement Joint Sealing/Repair	-	-	-	7,600	-	7,600
<b>Terminal Roads/Landside</b>						
Tunnel/Bridge Inspections	-	-	-	810	-	810
Tunnel/Bridge Miscellaneous Modifications	-	-	-	3,000	-	3,000
<b>Parking</b>						
Parking Structure Rehabilitation	-	-	10,400	22,525	-	32,925
<b>Public Areas/Roads</b>						
Concrete Joint Repair	-	-	-	5,550	-	5,550
Landside Pavement Rehabilitation	-	-	-	2,800	-	2,800
Landside Utility Rehabilitation	-	-	-	3,750	-	3,750
Roadway Fixture Refurbishment	-	-	-	950	-	950

Numbers may not sum to totals due to rounding.

## 2025-2030 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARs	MAC/Airline Funds	Unfunded	Total
<b>MSP Ongoing Maintenance Programs Continued</b>						
<b>Hangars &amp; Other Buildings</b>						
Campus Building Rehabilitation Program	\$ -	\$ -	\$ -	\$ 4,500	\$ -	\$ 4,500
Campus Parking Lot Reconstructions	-	-	-	3,075	-	3,075
End of Life Campus Building Demolition	-	-	-	4,100	-	4,100
MSP Campus Building Roof Replacements	-	-	22,700	5,000	-	27,700
<b>Trades/Maintenance Buildings</b>						
North Field Maintenance Mechanical Infrastructure Project	-	-	5,000	-	-	5,000
Sump Pump Controls	-	-	7,500	-	-	7,500
<b>General Office/Administration</b>						
GO Building Improvements	-	-	-	1,500	-	1,500
<b>MSP Ongoing Maintenance Programs Subtotal</b>	<b>\$ 4,880</b>	<b>\$ 15,320</b>	<b>\$ 210,500</b>	<b>\$ 176,610</b>	<b>\$ -</b>	<b>\$ 407,310</b>
<b>MSP Tenant Projects</b>						
<b>Terminal 1</b>						
Concessions Upgrades/Revenue Development & Strategic Partnerships	-	-	-	1,439	-	1,439
Concourse and Gatehold Modernization	-	-	73,100	-	-	73,100
Elevator and Concourse Improvements Related to Relocated United Club	-	-	-	1,000	-	1,000
<b>Public Areas/Roads</b>						
Tenant Parking Lot Reconstruction	-	-	-	2,900	-	2,900
<b>Hangars and Other Buildings</b>						
GSE Maintenance Facility	-	-	-	2,000	-	2,000
<b>MSP Tenant Projects Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,100</b>	<b>\$ 7,339</b>	<b>\$ -</b>	<b>\$ 80,439</b>
<b>Reliever Airports Long Term Comprehensive Plan Projects</b>						
<b>St. Paul Airport</b>						
Environmental Review	-	-	-	800	-	800
<b>Lake Elmo Airport</b>						
Airport Layout Plan	-	-	-	600	-	600
Long Term Comprehensive Plan	-	-	-	800	-	800
<b>Airlake Airport</b>						
Airport Layout Plan	-	-	-	600	-	600
Long Term Comprehensive Plan	-	-	-	800	-	800
Runway 12-30 Improvements	-	3,168	-	1,232	-	4,400
<b>Flying Cloud Airport</b>						
Environmental Review	-	-	-	800	-	800
South Building Area Utilities	-	-	-	800	-	800
<b>Crystal Airport</b>						
Airport Layout Plan	-	-	-	500	-	500
Environmental Review	-	-	-	800	-	800
Long Term Comprehensive Plan	-	-	-	800	-	800
<b>Anoka County-Blaine Airport</b>						
Airport Layout Plan	-	-	-	500	-	500
Environmental Review	-	-	-	800	-	800
Long Term Comprehensive Plan Update	-	-	-	800	-	800
Building Area Development - Xylite St. Relocation	-	-	-	1,000	-	1,000
<b>Reliever Airports Long Term Comprehensive Plan Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 3,168</b>	<b>\$ -</b>	<b>\$ 11,632</b>	<b>\$ -</b>	<b>\$ 14,800</b>

Numbers may not sum to totals due to rounding.

## 2025-2030 CIP Funding by Source Continued ►►►

(\$=000)

	PFCs	Federal/State Grants	Line of Credit/ GARBs	MAC/Airline Funds	Unfunded	Total
<b>Reliever Airports Maintenance/Facility Upgrade Projects</b>						
<b>Reliever Airports</b>						
Reliever Airports Security Fencing, Gates & Lighting	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ 1,200
Relievers Building Miscellaneous Modifications	-	-	-	2,400	-	2,400
Relievers Indoor Air Quality Project	-	-	-	1,400	-	1,400
Relievers Obstruction Removal	-	432	-	468	-	900
Relievers Pavement Rehabilitation Miscellaneous Modifications	-	-	-	1,800	-	1,800
Relievers Used Oil Sheds & Tanks	-	-	-	550	-	550
<b>St. Paul Airport</b>						
Runway 14-32 EMAS Replacement	-	7,200	-	2,800	-	10,000
Airport Perimeter Roads	-	360	-	140	-	500
Airport Road and Eaton Street Retaining Wall	-	-	-	700	-	700
Cold Equipment Storage Building	-	-	-	750	-	750
Equipment Storage Building and Employee Crew Rooms	-	-	-	4,000	-	4,000
Infrastructure Replacement	-	-	-	1,200	-	1,200
IMACS Expansion	-	-	-	2,500	-	2,500
MAC Building Improvements	-	-	-	600	-	600
Pavement Rehabilitation-Taxilanes/Tower Road	-	270	-	480	-	750
Runway 13-31 Pavement Reconstruction	-	-	-	5,000	-	5,000
Storm Sewer Improvements	-	-	-	2,000	-	2,000
Taxiway B Rehabilitation	-	576	-	524	-	1,100
Taxiway Lima Rehabilitation	-	144	-	56	-	200
<b>Lake Elmo Airport</b>						
AWOS Replacement	-	-	-	200	-	200
Intelligent Monitoring and Control System	-	-	-	3,800	-	3,800
North Building Area Pavement Rehabilitation	-	-	-	900	-	900
Northside Taxiway Reconstruction	-	432	-	768	-	1,200
Runway 04-22 Pavement Rehabilitation	-	-	-	4,000	-	4,000
Taxiway Echo Edge Lighting	-	432	-	168	-	600
<b>Airlake Airport</b>						
Intelligent Monitoring and Control System	-	-	-	1,300	-	1,300
AWOS Replacement	-	-	-	100	-	100
Existing Runway 12-30 Reconstruction	-	2,520	-	980	-	3,500
Perimeter Fencing and Gates	-	2,880	-	1,120	-	4,000
South Building Area Utilities and Taxilanes	-	-	-	1,300	-	1,300
Taxiway Bravo Pavement Rehabilitation	-	432	-	168	-	600
North Service Road Pavement Rehabilitation	-	360	-	140	-	500
North Taxilanes Pavement Rehabilitation	-	900	-	350	-	1,250

Numbers may not sum to totals due to rounding.

## 2025-2030 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>Flying Cloud Airport</b>						
Airport Access Roads Pavement Rehabilitation	\$ -	\$ 720	\$ -	\$ 780	\$ -	\$ 1,500
Electrical Vault Modifications	-	360	-	140	-	500
Gate Replacements	-	360	-	140	-	500
Infrastructure Replacement	-	-	-	1,750	-	1,750
Intelligent Monitoring and Control System	-	-	-	2,500	-	2,500
MAC Building Improvements	-	-	-	600	-	600
Northside Access Road from Bravo to November Lane	-	648	-	252	-	900
Runway 10R-28L Pavement Rehabilitation	-	1,944	-	756	-	2,700
Runway 18-36 Pavement Rehabilitation	-	-	-	700	-	700
Spring Lane Extension and Taxilane Connector	-	-	-	700	-	700
Tower Equipment for Airfield Lighting and Utilities	-	720	-	280	-	1,000
<b>Crystal Airport</b>						
Existing Hangar Revitalization	-	-	-	800	-	800
Gate Replacement	-	576	-	224	-	800
Intelligent Monitoring and Control System	-	-	-	1,300	-	1,300
Runway 6L-24R and Taxiway Gulf Pavement Rehabilitation	-	-	-	250	-	250
Runway 6L-24R Pavement Rehabilitation	-	-	-	2,500	-	2,500
Service Road Pavement and Fencing	-	432	-	168	-	600
Stormwater Monitoring Location Drainage Repair	-	-	-	100	-	100
Taxilanes Pavement Rehabilitation	-	-	-	1,200	-	1,200
Taxiway Alpha Pavement Reconstruction	-	800	-	400	-	1,200
Tower Parking Lot Reconstruction	-	1,080	-	420	-	1,500
<b>Anoka County - Blaine Airport</b>						
Electrical Vault Improvements	-	540	-	210	-	750
Gate Controller Upgrades	-	288	-	112	-	400
Intelligent Monitoring and Control System	-	-	-	1,300	-	1,300
Runway 18-36 Pavement Rehabilitation	-	2,736	-	1,064	-	3,800
Runway 9-27 Pavement Rehabilitation	-	2,700	-	1,050	-	3,750
Taxiway B Pavement Rehabilitation	-	1,000	-	400	-	1,400
<b>Reliever Airports Maintenance/Facility Upgrade Projects Subtotal</b>	<b>\$ -</b>	<b>\$ 31,842</b>	<b>\$ -</b>	<b>\$ 63,958</b>	<b>\$ -</b>	<b>\$ 95,800</b>
<b>MSP SUBTOTAL</b>	<b>\$ 214,420</b>	<b>\$ 216,245</b>	<b>\$ 1,555,235</b>	<b>\$ 440,309</b>	<b>\$ 619,100</b>	<b>\$ 3,045,309</b>
<b>RELIEVER SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 35,010</b>	<b>\$ -</b>	<b>\$ 75,590</b>	<b>\$ -</b>	<b>\$ 110,600</b>
<b>GRAND TOTAL</b>	<b>\$ 214,420</b>	<b>\$ 251,255</b>	<b>\$ 1,555,235</b>	<b>\$ 515,899</b>	<b>\$ 619,100</b>	<b>\$ 3,155,909</b>

Numbers may not sum to totals due to rounding.

**SOURCES AND USES OF FUNDS**

From December 31, 2021 through December 31, 2026, the MAC has identified multiple funding sources totaling \$2.8 billion, in addition to a beginning balance of \$190.1 million in funds. During this period, the MAC will expend \$2.6 billion, leaving a net balance of \$395.7 million at the end of 2026. This balance represents a portion of the 2024, 2025 and 2026 CIP projects that were started but not completed by December 31, 2026 and PFCs to pay future debt service.

The Construction Fund Budget below represents anticipated sources and uses of funds during the years 2022-2026. The information for the 2023 estimate includes expected transactions during the fourth quarter.

<b>Construction Fund Budget</b> ►►►							
(\$=000)							
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	2025 Projected	2026 Projected	Total Projected
Balance 12/31/21	\$ 190,146						\$ 190,146
Balance Carried Forward January 1		\$ 401,524	\$ 401,524	\$ 405,062	\$ 1,039,195	\$ 399,343	
<b>Sources of Funds</b>							
Transfer From Operating Fund	79,574	85,108	91,734	87,000	86,128	67,000	411,436
PFC Funding	60,985	67,606	66,834	75,332	77,264	79,196	359,611
Federal/State Grants	22,656	80,590	27,895	204,588	53,723	32,036	340,898
Interest Income <sup>1</sup>	4,249	13,150	20,295	25,000	22,200	12,600	84,344
Short-Term Line of Credit	-	25,276	46,400	23,500	7,500	6,800	84,200
Principal Amount of Bonds/Notes	255,310	-	-	705,045	-	565,580	1,525,935
Other Receipts	-	-	3,867	-	-	-	3,867
<b>Total Sources of Funds</b>	<b>\$ 422,774</b>	<b>\$ 271,730</b>	<b>\$ 257,025</b>	<b>\$ 1,120,465</b>	<b>\$ 246,815</b>	<b>\$ 763,212</b>	<b>\$ 2,810,291</b>
<b>Uses of Funds</b>							
CIP Project Costs	(184,529)	(405,602)	(226,673)	(461,149)	(861,738)	(741,136)	(2,475,224)
Debt Service PFC Transfer	(26,867)	(26,874)	(26,814)	(25,183)	(24,929)	(25,730)	(129,523)
<b>Total Uses of Funds</b>	<b>\$ (211,396)</b>	<b>\$ (432,476)</b>	<b>\$ (253,487)</b>	<b>\$ (486,332)</b>	<b>\$ (886,667)</b>	<b>\$ (766,866)</b>	<b>\$ (2,604,747)</b>
<b>Ending Balance December 31</b>	<b>\$ 401,524</b>	<b>\$ 240,778</b>	<b>\$ 405,062</b>	<b>\$ 1,039,195</b>	<b>\$ 399,343</b>	<b>\$ 395,689</b>	<b>\$ 395,689</b>

<sup>1</sup> Interest Rate Assumed is 3%-4% for the period 2024 through 2026.

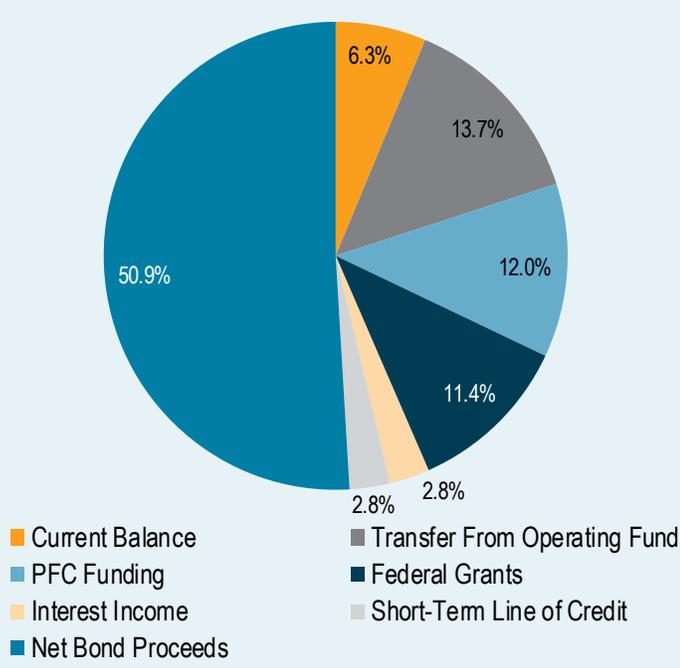
**SOURCES OF FUNDS**

At the end of each year, the Operating Fund transfer is made after debt service and working capital obligations are funded. The 2024 budget includes a \$87.0 million transfer, based on estimated 2023 net revenues.

Operating fund transfers are generated from net revenues available at year-end and are based on projects scheduled in the Capital Improvement Program. The balance to be transferred for the 2022-2026 period is estimated at \$411.4 million or 13.7% of all funding sources.

Excluding the current balance, the pie chart illustrates that Net Bond Proceeds, Transfer from Operating Fund, PFC Funding and Federal Grants are the four main funding sources for 2022-2026 construction projects.

### 2022-2026 Total Projected Funding Sources ►►►



#### 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 \$340.9 million or 11.4% 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 2024 through 2026. This figure can vary significantly depending upon approval of projects and their starting dates. Interest Income of \$84.3 million or 2.8% of sources is projected.

#### Passenger Facility Charges

PFCs provide a significant funding source of \$359.6 million or 12.0% 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 12/31/2023	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	604,014	Open
7	14,479	14,479	Open
8	147,986	100,737	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	34,452	Open
14	126,557	125,962	Open
15	334,177	275,999	Open
	<b>\$ 2,075,669</b>	<b>\$ 1,783,166</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 \$84.2 million from its line of credit from 2022-2026.

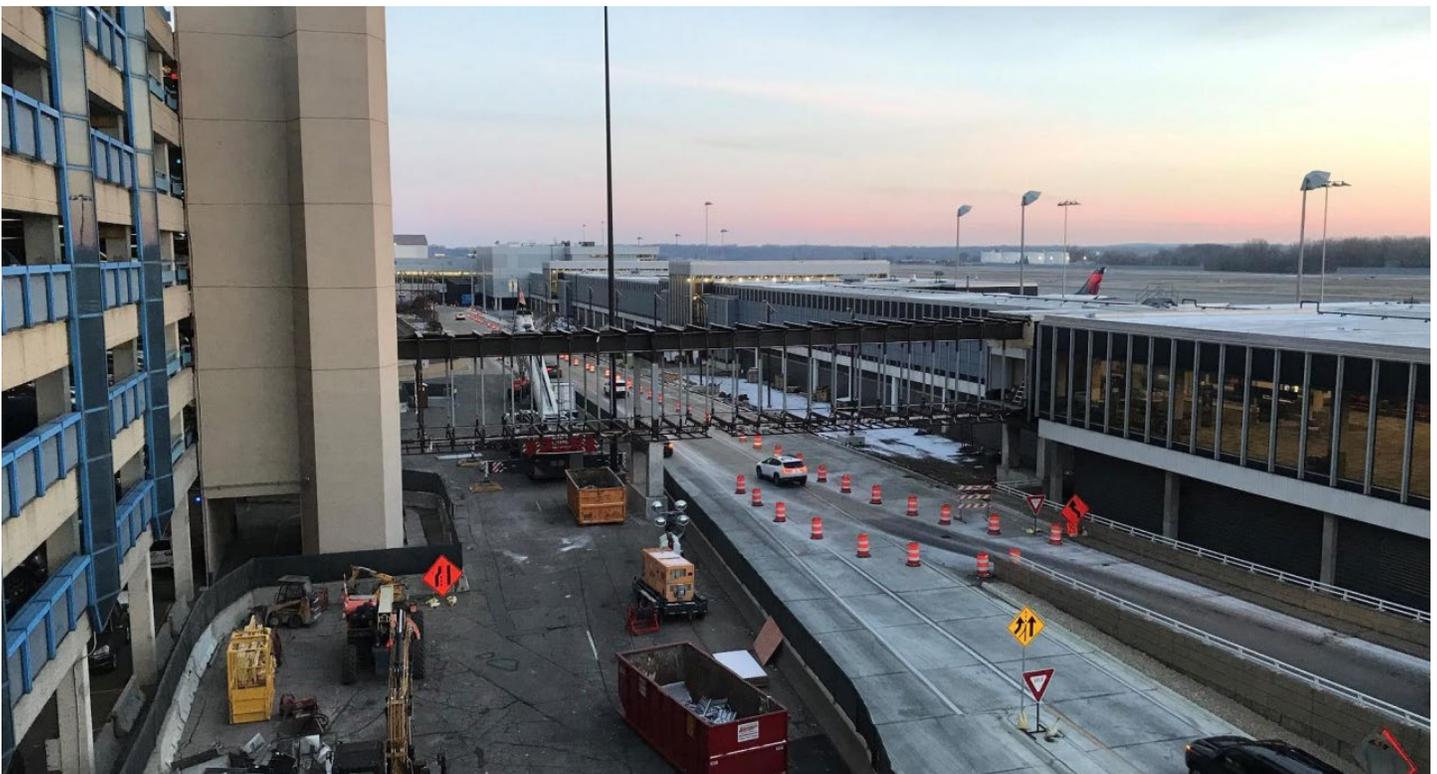
### Long-Term Debt

In 2024, the Commission expects to issue General Airport Revenue Bonds with an anticipated net of approximately \$705.0 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 \$2.5 billion account for 95.0% of the total, while a Debt Service PFC Transfer total of \$129.5 million accounts for the remaining 5.0%. 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.



*Concourse G Infill Pods 2 and 3 Construction*

The table lists capital projects currently in process with project costs in excess of \$2 million.

<b>Projects in Process</b> ▶▶▶			
(\$ = 000)	As of November 30, 2023		
	Estimated Project Cost	Payments to Date	% Completion
2021 MAC Technology Upgrades - IVISN & Telecommunications Room	\$4,785	\$4,375	91.4%
2022 Campus Fire Protection	2,800	1,797	64.2%
2022 Conveyance System Upgrades	3,400	2,440	71.8%
2022 EMC Roof Replacement & Break Room Remodel	9,800	8,371	85.4%
2022 Perimeter Gate Security Improvements	8,500	7,774	91.5%
2022 Terminal 1 Folded Plate Repairs	15,400	6,046	39.3%
2022 TSA Recapitalization	22,500	11,991	53.3%
2023 30L Deicing Pad Reconstruction	10,400	9,464	91.0%
2023 Concourse G Infill - Pods 2-3	14,500	6,807	46.9%
2023 Concourses E and F Bridge Heating and Cooling System Replacement	2,500	1,794	71.8%
2024 Terminal 2 North Gate Expansion	240,000	8,159	3.4%
Air Handling Unit Replacements	20,900	6,932	33.2%
Baggage Claim-Ticket Lobby Improvements	161,675	95,544	59.1%
Baggage Handling Systems	41,300	18,963	45.9%
Concourse and Gatehold Modernizations	284,750	2,737	1.0%
Concourse B Heating System Upgrades	7,750	6,221	80.3%
Concourse G Apron Pavement Reconstructions	29,950	10,330	34.5%
Concourse G Rehabilitations	9,600	4,036	42.0%
Electrical Infrastructure Programs	7,000	2,115	30.2%
Electrical Substation Replacements	22,200	1,743	7.9%
Emergency Power Upgrades	8,300	2,145	25.8%
IT Technology Functionality Enhancements	\$5,407	\$3,943	72.9%
IT Technology Refresh	14,393	9,526	66.2%
Lake Elmo Reliever Airport - 2022 Runway 14-32 Replacement Phase 4	5,055	4,458	88.2%
MAC Technology Upgrades	15,350	3,824	24.9%
MAC Technology Upgrades – Fiber Infrastructures	4,200	3,056	72.8%
Miscellaneous Airfield Construction	5,000	2,842	56.8%
MSP Long Term Comprehensive Plan	3,850	3,582	93.0%
Noise Mitigation Consent Decree Amendment	31,795	12,155	38.2%
Parking Structure Rehabilitations	11,900	5,193	43.6%
Passenger Boarding Bridges	15,085	11,783	78.1%
Safety and Security Center Phase 1 & 2	209,010	40,939	19.6%
Taxiway B Pavement Reconstructions	7,150	4,352	60.9%
All Other Projects in Process	608,491	58,884	9.7%
<b>Total</b>	<b>\$1,864,696</b>	<b>\$ 384,321</b>	

# DEBT SERVICE FUND

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

## LONG-TERM DEBT

### GENERAL OBLIGATION REVENUE BONDS

The Commission has existing legislative authorization to issue up to approximately \$55 million of GORBs. The MAC began issuing GORBs in 1976. When issued, they become general obligations of the Commission, payments of which are secured by the pledge of all operating revenues of the Commission. To pay outstanding debt service on GORBs, the Commission has the power to levy ad valorem property taxes upon all taxable property in the seven-county metropolitan area. An ad valorem tax is a tax in which the amount is based on the assessed valuation of property. If levied, the Commission must repay the taxes.

The Commission has not levied taxes for the payment of debt service since 1969. Since then, Commission revenues have been sufficient to pay principal and interest requirements of GORBs, as well as Airport Improvement Bonds. 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 2024 on Senior Debt Obligations is 4.40 times. With the optional coverage transfer, this figure is 4.65 times. The overall projected coverage ratio is expected to be 2.46 times and 2.60 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, 2023, the Commission has \$43.6 million 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, 2023, the Commission has utilized \$87.7 million of the line of credit and will have utilized \$70.0 million at December 31, 2024.

### 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	2023	2024
<b>General Airport Revenue Bonds</b>					
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	37,250	0
2016 Series C - 2.00-5.00%	12/20/16	207,250	2046	187,445	182,920
2016 Series D - 2.00-5.00%	12/20/16	23,410	2041	19,855	19,150
2016 Series E - 2.00-5.00%	12/20/16	171,690	2034	126,935	117,295
2019 Series A - 4.00-5.00%	10/04/19	96,615	2049	91,205	90,280
2019 Series B - 5.00%	10/04/19	164,320	2049	130,730	127,420
2019 Series C - 5.00%	10/04/19	31,035	2028	19,665	15,355
2022 Series A - 4.125-5.00%	09/07/22	145,900	2052	139,510	134,550
2022 Series B - 4.25-5.00%	09/07/22	226,785	2047	225,160	219,955
2023 Series A - 5.00%	10/04/23	154,490	2035	154,490	154,490
2023 Series B - 5.00%	10/04/23	8,290	2026	8,290	8,290
<b>Total General Airports Revenue Bonds</b>				<b>\$1,471,225</b>	<b>\$1,400,395</b>
<b>Total Bonds Outstanding</b>				<b>1,471,225</b>	<b>1,400,395</b>
<b>Notes Payable and Revolving Line of Credit</b>				<b>131,389</b>	<b>111,637</b>
<b>Total Long-Term Debt</b>				<b>\$1,602,614</b>	<b>\$1,512,032</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.

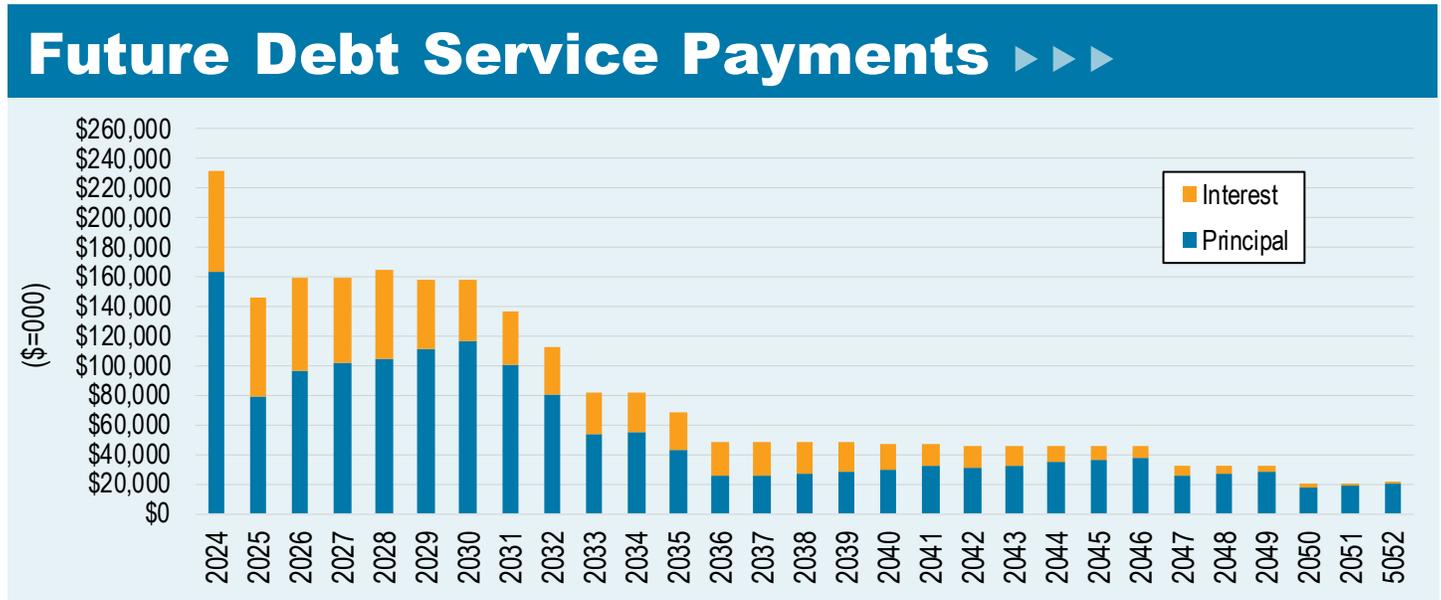
The table to the right presents the annual debt service funding requirements for the next five years for the GARBs issues. This excludes any future bond issues.

<b>GARB Debt Service Requirement</b> ►►►	
Date	Funding Requirement
January 1, 2024	138,361,418
January 1, 2025	155,642,432
January 1, 2026	154,272,528
January 1, 2027	155,538,488
January 1, 2028	160,796,847

The following table shows future debt requirements for current long-term debt on an annual calendar year basis after December 31, 2023 for the remaining terms. The table does not take into consideration any future bond issues or notes payable issued after 2023.

<b>Debt Service Requirements ►►►</b>					
(\$=000)					
	Notes / Line of Credit Principal	GARBs Principal	Total Outstanding Principal	Total All Interest	Total Principal & Interest
2024	\$92,506	\$70,830	\$163,336	\$68,248	\$231,584
2025	(10,571)	89,785	79,214	66,477	145,691
2026	4,212	92,750	96,962	62,052	159,014
2027	3,849	98,590	102,439	57,392	159,831
2028	3,563	101,550	105,113	59,613	164,726
2029	3,419	107,720	111,139	47,300	158,439
2030	3,216	112,965	116,181	41,860	158,041
2031	3,385	96,470	99,855	36,698	136,553
2032	3,256	76,970	80,226	32,426	112,652
2033	2,988	50,005	52,993	29,308	82,301
2034	2,703	52,385	55,088	26,824	81,912
2035	2,866	40,445	43,311	24,533	67,844
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>\$116,389</b>	<b>\$1,471,225</b>	<b>\$1,587,614</b>	<b>\$743,717</b>	<b>\$2,331,331</b>

The following chart shows expected future debt principal and interest.



**NEW BOND ISSUES AND REFUNDINGS**

On October 4, 2023, the Commission issued Subordinate Airport Revenue Refunding Bonds to refund the Commission’s outstanding Subordinate Airport Revenue Bonds, Series 2014A and 2014B. As a result of the refunding, the Commission reduced its total debt service requirement, which resulted in an estimated economic gain (present value savings) of approximately \$15.4 million or 7.82%.

The 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.

Staff anticipates issuing approximately \$700 million of new debt in 2024, which will be used for various Terminal 1, Terminal 2, parking, field and runway and other building projects.

**CAPITAL IMPROVEMENT PROGRAM**

The Capital Improvement Program approved by the Commission in December 2023 for the period 2024-2030 does include funding of projects with a new long-term debt issue. Some of the projects to be funded with the 2024 bond proceeds include the following:

**Concourse and Gatehold Modernization**

This is the second phase of the Concourse and Gatehold Modernization program and will complete work in Concourse C. Work will include ceiling and lighting improvements, window tint, wainscoting, column wraps,

paint, wayfinding information displays and flooring in the public area concourse corridors, including terrazzo, tile and carpet, where applicable.

**Concourse G Infill Pods 2-3**

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 relocations of tenant space within the project footprint.

**Terminal 2 North Gate Expansion**

This project will expand Terminal 2 to the north, adding passenger boarding bridges, gate hold seating, concessions and support spaces.

**Safety and Security Center**

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.

**SOURCES AND USES OF FUNDS**

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

<b>Debt Service Budget</b> ►►►						
(\$=000)						
	2022 Actual	2023 Budget	2023 Estimate	2024 Budget	2025 Projected	2026 Projected
<b>Beginning Balance January 1</b>	\$176,444	\$161,462	\$161,462	\$127,784	\$125,903	\$127,198
<b>SOURCES OF FUNDS</b>						
Transfer from Operating Fund	\$100,882	\$121,163	\$120,793	\$129,519	\$131,530	\$132,196
Transfer from PFCs <sup>1</sup>	26,867	26,874	26,814	25,183	24,929	25,730
Interest Earnings <sup>2</sup>	254	1,009	987	1,208	1,295	1,315
Bond Proceeds <sup>3</sup>	56,228	-	176,897	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$184,231</b>	<b>\$149,046</b>	<b>\$325,491</b>	<b>\$155,910</b>	<b>\$157,754</b>	<b>\$159,241</b>
<b>USES OF FUNDS</b>						
Bond Refundings	(\$55,958)	-	(\$198,781)	-	-	-
Principal & Interest Paid	(143,255)	(158,421)	(160,388)	(157,791)	(156,459)	(157,926)
<b>TOTAL USES OF FUNDS</b>	<b>(\$199,213)</b>	<b>(\$158,421)</b>	<b>(\$359,169)</b>	<b>(\$157,791)</b>	<b>(\$156,459)</b>	<b>(\$157,926)</b>
<b>Ending Balance December 31</b>	<b>\$161,462</b>	<b>\$152,087</b>	<b>\$127,784</b>	<b>\$125,903</b>	<b>\$127,198</b>	<b>\$128,513</b>

<sup>1</sup> Used to pay existing debt, which was formerly paid for with operating funds.  
<sup>2</sup> Interest rate assumed 3%-4% for the period 2024 through 2026.  
<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 2022-2026.

In 2021, the federal government awarded funds to airports through the American Rescue Plan Act (ARPA) to assist in reimbursing eligible expenses during the COVID-19 recovery. The MAC received total grant reimbursements of approximately \$32.6 million in 2022 and approximately \$40.6 million in 2023. A portion of these grants reimbursed the required debt service payments in 2022 and 2023.

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

amounts, bond refundings and new issues.

Interest earnings are assumed at 3%-4% for the period 2024 through 2026. 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 2023 represent required debt service reserve and capitalized interest from new bond issues.

**USES OF FUNDS**

Disbursements represent bond refundings and principal and interest payments made during the year by bond series. Series 2011A and 2012B Bonds were refunded in 2022 and Series 2014A and 2014B Bonds were refunded in 2023.

The principal and interest paid on debt is reflected in the current year due. Interest is a cost of carrying debt and reduces available funds for operations. The increase in the principal and interest payments in 2023 is primarily due to principal payments starting from the new money bond issue.

**BOND RATINGS**

The Commission has maintained excellent ratings for many years. The MAC is one of the few airport authorities with an AA- rating from Fitch Ratings. Most airports are in the A+ rating category. The Commission’s bond ratings as of December 31, 2023 are as follows:

**SENIOR DEBT**

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

**SUBORDINATE DEBT**

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

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

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



*Rendering of the Terminal 2 North Gate Expansion*

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.



*Rendering of the New Safety and Security Building*

# DIVISION SUMMARIES

The Division Summaries show each division responsibility, the related budget and the service centers that are under each division umbrella. The MAC has a total of six divisions:

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

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

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

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

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

The infographic also features the Minneapolis Saint Paul Metropolitan Airports Commission (MAC) logo and an image of an airplane flying over a green field under a blue sky.

# EXECUTIVE DIVISION

The Executive Division 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 ►►►

	2024 Budget vs 2023 Budget				
	2022 Actual	2023 Budget	2024 Budget	Dollar Change	% Change
Personnel	\$ 9,396,301	\$ 10,919,921	\$ 11,799,422	\$ 879,501	8.1%
Administrative Expenses	449,689	619,294	666,746	47,452	7.7%
Professional Services	2,763,773	2,753,926	4,372,550	1,618,624	58.8%
Utilities	419,342	509,670	543,635	33,965	6.7%
Operating Services/Expenses	10,706,163	13,282,760	15,159,882	1,877,122	14.1%
Maintenance	-	-	-	-	-
Other	5,660	15,046	14,600	(446)	-3.0%
<b>Total Budget</b>	<b>\$ 23,740,928</b>	<b>\$ 28,100,617</b>	<b>\$ 32,556,835</b>	<b>\$ 4,456,218</b>	<b>15.9%</b>
Full-Time Equivalent (FTE)	71	76	79		

### BUDGET EXPLANATIONS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases. Three new FTEs will be hired for Information Technology and one new FTE for Governmental Affairs. In addition, one FTE moved from Executive – Operations to Integrated Operations.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased for additional travel and organizational memberships for staff to attend industry-related conferences and seminars.

#### PROFESSIONAL SERVICES

The increase in Professional Services mainly arises from technology-related support, maintenance and consulting services. Legal Affairs added to the 2024 budget implementation of a records management system.

#### UTILITES

Utilities increased for additional staff phones and higher internet costs.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is attributable to inflation and rising service agreement costs as information technology projects progress from implementation to production and become operational. In addition, minor dollars are budgeted for strategic plan initiatives.

## SERVICE CENTER SUMMARIES

The following service centers are within the Executive Division and work collectively towards the Division Goals, Objectives and Key Performance Indicators.

### EXECUTIVE – COMMISSIONER

The 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.

### FINANCE & ADMINISTRATION

Finance & Administration is responsible for overseeing and providing strategic guidance to the Finance & Revenue Development and Human Resources & Labor Relations divisions. The service center also oversees the management and strategic implementation of the organization's Live Well, Stay Well service center and maintains financial-related policies.

### 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.

### 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 responsible for the strategic coordination and implementation of the Commission policies related to the planning and development, public safety, 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.

### INTERNAL AUDIT

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

### INFORMATION TECHNOLOGY

Information Technology (IT) provides leadership and direction to the MAC in the areas of information systems 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, architecture and design, selection, acquisition, installation, documentation, support and life-cycling of hardware, applications, infrastructure systems and technologies.

### GOVERNMENTAL AFFAIRS

Governmental Affairs provides oversight and management of all MAC state and federal legislative issues. This service center monitors and assists in the development of legislative policies that may have an impact on the MAC's goals and objectives. Governmental Affairs 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.

### LEGAL AFFAIRS

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

<b>Goals, Objectives and Key Performance Indicators ►►►</b>	
<b>Focus Area</b>	Operate the airports in a friendly, efficient, safe and secure manner
<b>Division Goal</b>	Identify and improve 10 processes
<b>Division Objective</b>	Establish Executive Process Improvement Committee and begin improving identified projects
<b>2023 Key Performance Indicator</b>	Executive Process Improvement Committee established
<b>2023 Target</b>	Committee is established
<b>2023 Results</b>	100%
<b>2024 Key Performance Indicator</b>	Number of processes identified and improved
<b>2024 Target</b>	2

# STRATEGY & STAKEHOLDER ENGAGEMENT DIVISION

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

## Budget Summary ►►►

	2024 Budget vs 2023 Budget				
	2022 Actual	2023 Budget	2024 Budget	Dollar Change	% Change
Personnel	\$ 2,394,536	\$ 3,168,243	\$ 3,531,379	\$ 363,136	11.5%
Administrative Expenses	278,210	417,950	509,425	91,475	21.9%
Professional Services	1,914,525	2,654,700	3,412,565	757,865	28.5%
Utilities	25,029	32,700	34,500	1,800	5.5%
Operating Services/Expenses	907,468	721,400	1,117,490	396,090	54.9%
Maintenance	5,043	12,500	12,500	-	0.0%
Other	359	2,000	15,500	13,500	675.0%
<b>Total Budget</b>	<b>\$ 5,525,170</b>	<b>\$ 7,009,493</b>	<b>\$ 8,633,359</b>	<b>\$ 1,623,866</b>	<b>23.2%</b>
Full-Time Equivalent (FTE)	19	24	28		

### BUDGET EXPLANATIONS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases. In addition, four new FTEs are scheduled to be hired, two in Strategy & Stakeholder Engagement and two in Strategic Marketing.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased for division staff to attend air service industry and sustainability conferences. The budget also includes print items for Strategic Marketing to support strategic campaigns. The media monitoring and management budget was reduced slightly from 2023 to coincide with actual costs in the Strategic Communications service center.

#### PROFESSIONAL SERVICES

Professional Service increased for a variety of reasons. Air Service Development’s budget increased to use an air cargo consultant to help recruit new international

cargo air service. Strategic Marketing increased the budget to market revenue driving initiatives such as prebook parking and concessions and customer relationship management programs. In addition, Stakeholder Engagement’s budget increased to achieve their strategic plan goals. Offsetting this increase is a reduction in Strategy and Stakeholder Engagement’s budget as the strategic plan progresses and the scope is narrower than years past.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is due to additional brand building advertising plans and revenue driving initiatives to support the concessions program. In addition, the MAC-wide employee event budget was moved to Stakeholder Engagement from Human Resources & Labor Relations.

#### OTHER

Other expenses increased for sustainability initiatives priorities as part of the MAC’s strategic plan.

## SERVICE CENTER SUMMARIES

The following service centers are within the Strategy & Stakeholder Engagement Division and work collectively towards the Division Goals, Objectives and Key Performance Indicators.

### STRATEGIC COMMUNICATIONS

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.

### 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.

### 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.

## 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.

## 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.

## Goals, Objectives and Key Performance Indicators ►►►

<b>Focus Area</b>	Actively manage sustainability and stakeholder & community relations
<b>Division Goal #1</b>	Implement a stakeholder management survey
<b>Division Objective</b>	Implement a stakeholder management survey by quarter 3 of 2024
<b>Key Performance Indicator</b>	Survey implemented by quarter 3
<b>2024 Target</b>	100%
<b>Notes</b>	This key performance indicator begins in 2024.
<b>Division Goal #2</b>	Achieve ACI Airport Carbon Accreditation (ACA) level 3
<b>Division Objective</b>	Develop ACA tenant engagement plan by end of 2024
<b>Key Performance Indicator</b>	Tenant engagement plan developed
<b>2024 Target</b>	100%
<b>Notes</b>	This key performance indicator begins in 2024.
<b>Focus Area</b>	Operate the airports in a friendly, efficient, safe and secure manner
<b>Division Goal</b>	Establish relationships with 1 million customers by 2027
<b>Division Objective</b>	Increase number of active customer relationship management records
<b>Key Performance Indicator</b>	Number of customer relationship management records
<b>2023 Target</b>	350,000
<b>2023 Results</b>	265,000
<b>2024 Target</b>	400,000
<b>Notes</b>	Several planned integrations were postponed or canceled in 2023 due to competing priorities, which reduced customer record intake.
<b>Focus Area</b>	Optimize financial performance while investing to sustain growth
<b>Division Goal</b>	Add 25 net new nonstop destinations by 2027
<b>Division Objective</b>	Achieve total of 155 nonstop destinations by end of 2024
<b>Key Performance Indicator</b>	Total nonstop destinations
<b>2023 Target</b>	150
<b>2023 Results</b>	156
<b>2024 Target</b>	161

# FINANCE & REVENUE DEVELOPMENT DIVISION

The Finance & Revenue Development Division 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 & Revenue Development is the staff liaison to the Commission’s Operations, Finance & Administration Committee.

## Budget Summary ►►►

2024 Budget vs 2023 Budget

	2022 Actual	2023 Budget	2024 Budget	Dollar Change	% Change
Personnel	\$ 31,134,486	\$ 33,327,986	\$ 33,267,840	\$ (60,146)	-0.2%
Administrative Expenses	89,004	101,357	127,438	26,081	25.7%
Professional Services	863,806	969,500	1,323,200	353,700	36.5%
Utilities	24,894,602	22,300,811	24,001,014	1,700,203	7.6%
Operating Services/Expenses	1,353,721	1,603,620	1,873,285	269,665	16.8%
Maintenance	2,342,010	2,949,395	3,255,520	306,125	10.4%
Other	5,349,832	6,492,943	10,398,986	3,906,043	60.2%
<b>Total Budget</b>	<b>\$ 66,027,461</b>	<b>\$ 67,745,612</b>	<b>\$ 74,247,283</b>	<b>\$ 6,501,671</b>	<b>9.6%</b>
Full-Time Equivalent (FTE)	39	41	44		

### BUDGET EXPLANATIONS

#### PERSONNEL

A portion of the increase in Personnel is attributable to wage structure adjustments and step increases. Three new FTEs are scheduled to be hired in 2024, one in Insurance/Risk Management, one in Finance and one in Revenue & Business Development. The Personnel budget also includes an additional temporary employee for Finance due to the growth in the Organization. The staff vacancy factor was increased to 2.5% of base salaries. However, the Other Post-Employee Benefits trust will reduce the Personnel budget by reimbursing retiree medical payments.

#### PROFESSIONAL SERVICES

Professional Services increased for anticipated consulting fees related to the new airline agreement and for the Terminal 2 concessions rebid RFPs scheduled for 2024. Also, consultants are requested for the Enterprise Risk Management process, Job Hazard Analysis and a Workers’ Compensation claims audit.

#### UTILITIES

Utilities are expected to be higher than 2023 based on the consultant’s estimate of usage and cost.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses arises from costs associated with the new strategic plan initiatives, higher MSP Airport Foundation contractual funding rates and higher costs for the General Office Service Center for printing and copying. Also, the Concessions & Business Development’s Secret Shopper program is expanding, which will include passenger services.

#### MAINTENANCE

Maintenance expenses are increased for rising fuel prices and usage for the Winter Operations Field Maintenance Augmentation Plan.

#### OTHER

Other expenses mainly increased for airline incentive payments as new routes are expected in 2024. Also, a portion of the Other expenses budget increase is due to higher property and cyber liability insurance.

## SERVICE CENTER SUMMARIES

The following service centers are within the Finance & Revenue Development Division and work collectively towards the Division Goals, Objectives and Key Performance Indicators.

### INSURANCE/RISK MANAGEMENT

Insurance/Risk Management is responsible for the planning, organizing and administering risk, safety 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; safety policies and training; claims administration; purchase of insurance coverage and evaluation of risk financing alternatives. Areas of additional responsibility 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 working environment.

### FINANCE

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

### MAC GENERAL

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

## PURCHASING

Purchasing oversees the acquisition of materials, equipment, and supplies; coordination of minor construction; and repair/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. 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.

### REVENUE & BUSINESS DEVELOPMENT

Revenue & Business Development oversees revenue generation from airline and airport concession agreements, MSP leases and system-wide non-aeronautical leases. Revenue & Business Development also manages MAC property and real estate.

### CONCESSIONS & BUSINESS DEVELOPMENT

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

### 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

<b>Goals, Objectives and Key Performance Indicators ►►►</b>	
<b>Focus Area</b>	Optimize financial performance while investing to sustain growth
<b>Division Goal #1</b>	Increase non-aeronautical revenue
<b>Division Objective</b>	Increase non-aeronautical revenue to \$15 per enplaned passenger by 2027
<b>Key Performance Indicator</b>	Non-aeronautical revenue per enplaned passenger
<b>2023 Target</b>	\$14.60
<b>2023 Results</b>	\$16.25
<b>2024 Target</b>	\$14.50
<b>Notes</b>	2023 results are an estimate at time of publishing
<b>Division Goal #2</b>	Maintain cost per enplaned passenger below the median of US large hub airports
<b>Division Objective</b>	Maintain cost per enplaned passenger below the median for 2024
<b>Key Performance Indicator</b>	Cost per enplaned passenger
<b>2023 Target</b>	\$8.89
<b>2023 Results</b>	\$9.51
<b>2024 Target</b>	\$9.57
<b>Notes</b>	2023 results are an estimate at time of publishing. Field and runway expenses were higher in 2023 from the many weather events that occurred plus additional expenses were added for the airline requested winter augmentation plan.
<b>Division Goal #3</b>	Achieve Net Designated Revenue margin of at least 20% by 2027
<b>Division Objective</b>	Achieve margin of 14% by end of 2024
<b>Key Performance Indicator</b>	Net Designated Revenue percentage
<b>2023 Target</b>	19.0%
<b>2023 Results</b>	22.6%
<b>2024 Target</b>	14.0%
<b>Notes</b>	2023 results are an estimate at time of publishing. The 2023 results exceeded the target as total revenue, interest and grants were higher than projected.
<b>Division Goal #4</b>	Increase air cargo tonnage to 300,000 metric tons by 2027
<b>Division Objective</b>	Grow cargo tonnage to 267,000 metric tons by end of 2024
<b>Key Performance Indicator</b>	Air cargo tonnage in metric tons
<b>2023 Target</b>	235,990
<b>2023 Results</b>	203,643
<b>2024 Target</b>	205,000
<b>Notes</b>	Air cargo volumes in 2023 were less than the target due to: 1) reduction in mail volume being flown by the US Postal Service and 2) air cargo demand throughout the US shrinking from pandemic era peaks in 2021 and 2022 due to supply chain disruptions that stabilized in 2023. This resulted in a shift away from air cargo in 2023 causing demand and subsequent volumes to fall.

# HUMAN RESOURCES & LABOR RELATIONS DIVISION

The Human Resources & Labor Relations Division manages employee services, human resources development, labor negotiations and diversity efforts. The division works on organizational policies, strategic planning, staff development, compliance with the federal Disadvantaged Business Enterprise (DBE) Program and affirmative action. One service center resides in this division.

## Budget Summary ►►►

	2024 Budget vs 2023 Budget				
	2022 Actual	2023 Budget	2024 Budget	Dollar Change	% Change
Personnel	\$ 1,379,113	\$ 1,964,981	\$ 2,316,831	\$ 351,850	17.9%
Administrative Expenses	29,275	48,188	64,915	16,727	34.7%
Professional Services	243,672	320,200	445,000	124,800	39.0%
Utilities	5,172	5,880	9,240	3,360	57.1%
Operating Services/Expenses	43,312	68,740	56,100	(12,640)	-18.4%
Maintenance	-	-	-	-	-
Other	24,382	20,000	25,000	5,000	25.0%
<b>Total Budget</b>	<b>\$ 1,724,926</b>	<b>\$ 2,427,989</b>	<b>\$ 2,917,086</b>	<b>\$ 489,097</b>	<b>20.1%</b>
Full-Time Equivalent (FTE)	13	14	16		

### BUDGET EXPLANATIONS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases. Two new FTEs are scheduled to be hired in 2024 for the growing workforce. Additional budget dollars are included for internship and employee development strategic plan goals.

#### ADMINISTRATIVE EXPENSES

The increase in Administrative Expenses arises from additional costs for staff training and to attend conferences after COVID-era reductions.

#### PROFESSIONAL SERVICES

The increase in Professional Services is related to consultant fees for recruiting services, including those needed for a strategic plan goal. The cost of the biennial employee engagement survey has also been added.

#### OPERATING SERVICES/EXPENSES

The decrease in Operating Services/Expense is a result of moving the MAC-wide employee event expenses to the Stakeholder Engagement service center.

#### OTHER

Other expenses increased to include office furniture and equipment redesign of space for three new employees.

## Goals, Objectives and Key Performance Indicators ▶▶▶

<b>Focus Area</b>	Invest in our workforce and partnerships
<b>Division Goal</b>	Increase employee Net Promoter Score (NPS)
<b>Division Objective</b>	Achieve a MAC NPS of 27 by end of 2024
<b>Key Performance Indicator</b>	MAC NPS
<b>2024 Target</b>	27
<b>Notes</b>	The employee NPS is calculated every two years as part of a broader employee engagement survey. In the last survey in 2022, MAC NPS was 2.

# PLANNING & DEVELOPMENT DIVISION

The Planning & Development Division 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 ►►►

	2024 Budget vs 2023 Budget				
	2022 Actual	2023 Budget	2024 Budget	Dollar Change	% Change
<b>Personnel</b>	\$ 1,285,086	\$ 1,804,088	\$ 2,409,033	\$ 604,945	33.5%
<b>Administrative Expenses</b>	22,243	54,725	61,815	7,090	13.0%
<b>Professional Services</b>	957,378	1,317,500	1,397,000	79,500	6.0%
<b>Utilities</b>	13,161	13,020	13,592	572	4.4%
<b>Operating Services/Expenses</b>	2,365,844	2,303,800	2,699,840	396,040	17.2%
<b>Maintenance</b>	-	30,000	32,000	2,000	6.7%
<b>Other</b>	14,346	21,200	25,700	4,500	21.2%
<b>Total Budget</b>	<b>\$ 4,658,058</b>	<b>\$ 5,544,333</b>	<b>\$ 6,638,980</b>	<b>\$ 1,094,647</b>	<b>19.7%</b>
<b>Full-Time Equivalent (FTE)</b>	<b>23</b>	<b>28</b>	<b>34</b>		

### BUDGET EXPLANATIONS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases. Six new FTEs are scheduled to be hired in 2024, five in Airport Development and one in Building Official.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased for additional staff training and conference attendance.

#### PROFESSIONAL SERVICES

The increase in Professional Services is due to a strategic plan initiative to study tenant utility metering and gain consultant support for Building Information Modeling/Geographic Information System development.

#### OPERATING SERVICES/EXPENSES

The Operating Services/Expenses increase is due to the alignment of recent, actual expenses related to glycol-impacted storm water management and the National Pollutant Discharge Elimination System permit. Additionally, costs previously in the Fire budget associated with the disposal of regulated firefighting foam and wastewater moved to Environmental Affairs.

#### OTHER

Other expenses increased due to the alignment of actual costs for regulatory fees and permits.

**SERVICE CENTER SUMMARIES**

The following service centers are within the Planning & Development Division and work collectively towards the Division Goals, Objectives and Key Performance Indicators.

**AIRPORT DEVELOPMENT**

Airport Development develops and implements the Commission's 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.

**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, retention of inspection history and building construction plans. In addition, the service center provides construction coordination for retail, food and beverage construction buildouts and remodeling of existing tenant spaces at Terminal 1 and Terminal 2.

**ENVIRONMENTAL AFFAIRS**

Environmental Affairs facilitates compliance with local, state and federal environmental regulations at MAC-owned facilities. 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.

<b>Goals, Objectives and Key Performance Indicators ►►►</b>	
<b>Focus Area</b>	Optimize financial performance while investing to sustain growth
<b>Division Goal</b>	Ensure facilities meet passenger and cargo demand through 2027 and beyond
<b>Division Objective</b>	Finalize an enabling project phasing/timing plan to address future Terminal 1 passenger and cargo capacity needs, including gate expansion, curbside congestion and tram replacement study by the end of 2024
<b>Key Performance Indicator</b>	Comprehensive phasing and timing plan completed
<b>2023 Results</b>	N/A
<b>2024 Target</b>	100%
<b>Notes</b>	This key performance indicator begins in 2024
<b>Focus Area</b>	Actively manage sustainability and stakeholder & community relations
<b>Division Goal</b>	Achieve ACI Airport Carbon Accreditation Level 3
<b>Division Objective</b>	Collect and analyze electric billing data to identify gaps and areas for improved metering
<b>Key Performance Indicator</b>	Obtain Scope 3 emissions data from all tenants
<b>2023 Target</b>	100%
<b>2023 Results</b>	100%
<b>Key Performance Indicator</b>	Engage third party verification vendor
<b>2024 Target</b>	100%

# MANAGEMENT & OPERATIONS DIVISION

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

## Budget Summary ►►►

	2022 Actual	2023 Budget	2024 Budget	2024 Budget vs 2023 Budget	
				Dollar Change	% Change
<b>Personnel</b>	\$ 52,247,501	\$ 62,187,352	\$ 70,207,306	\$ 8,019,954	12.9%
<b>Administrative Expenses</b>	338,244	650,368	846,502	196,134	30.2%
<b>Professional Services</b>	1,243,277	2,565,765	3,688,122	1,122,357	43.7%
<b>Utilities</b>	232,321	257,349	337,683	80,334	31.2%
<b>Operating Services/Expenses</b>	13,814,234	17,619,321	19,383,804	1,764,483	10.0%
<b>Maintenance</b>	45,582,581	50,114,269	63,734,985	13,620,716	27.2%
<b>Other</b>	561,119	1,131,545	1,955,258	823,713	72.8%
<b>Total Budget</b>	<b>\$114,019,277</b>	<b>\$134,525,969</b>	<b>\$160,153,660</b>	<b>\$ 25,627,691</b>	<b>19.1%</b>
<b>Full-Time Equivalent (FTE)</b>	<b>476.5</b>	<b>571.5</b>	<b>589.5</b>		

### BUDGET EXPLANATIONS

#### PERSONNEL

The increase in Personnel is attributable to wage structure adjustments and step increases. Eighteen new FTEs are scheduled to be hired in 2024, three new fire fighters, three in Terminal Operations & Facilities, one in Facilities – Energy Management Center, four in Operations Optimization and six in Police. In addition, one FTE moved from Executive – Operations to Integrated Operations. The 2024 budget includes a full year of salaries for the Winter Operations Field Maintenance Augmentation Plan that began in 2023 to clear the runways more efficiently. In addition, employee overtime, training and temporary employee salaries were added to the budget.

#### ADMINISTRATIVE EXPENSES

Administrative Expenses increased mainly for deferred training for field maintenance staff best practices and core competencies as well as additional offsite training for the new regulated firefighter foam. Additional expenses are budgeted for the Winter Operations Field Maintenance Augmentation Plan staff.

#### PROFESSIONAL SERVICES

The increase in Professional Services results largely from professional service agreements for emergency management program support and North STAR center project services. The budget also includes consultant fees for phase 1 of fleet management and phase 2 of asset management projects. In addition, the cost of a complete inspection of all MSP and Reliever roofs were added to the 2024 budget.

#### UTILITIES

Utilities increased for additional cellular services, iPads, police vehicle routers and phones for Customs and Border Protection.

#### OPERATING SERVICES/EXPENSES

The increase in Operating Services/Expenses is attributable to contract increases for parking management, passenger shuttle services, banking services, vehicle inspections, security services and porter and queue line management. Also, materials such as recycling material, glycol-impacted airfield sand and Trades materials have increased due to inflation.

## MAINTENANCE

Maintenance increased largely due to inflation in snow removal materials, trucking costs, oil prices, and vendor costs. A new snow removal contract for airside ramps and public roads is also included in this budget. Field Maintenance doubled the number of snow removal vehicles and added 30 employees in 2023.

Other large budget increases are attributable to the new terminal cleaning contract; elevator, escalator and moving walk maintenance contract; and the jet bridge bag/handling maintenance contract.

Smaller additions to the 2024 maintenance budget are higher costs for replacement parts and repairs to aging equipment at Reliever airports, billboard maintenance, airport seating replacements and a new RFP for fire protection testing and inspection.

## OTHER

The increase in Other expenses is mainly the result of firefighting foam and other firefighting equipment necessary for the new foam regulation. Also, new tables and chairs are budgeted for the large field maintenance crew room as well as other equipment for the Winter Operations Field Maintenance Augmentation Plan.

## SERVICE CENTER SUMMARIES

The following service centers are within the Management & Operations Division and work collectively towards the Division Goals, Objectives and Key Performance Indicators.

### CUSTOMER EXPERIENCE

Customer Experience develops, implements and enhances customer experience programs at MSP. This service center 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.

### INTEGRATED OPERATIONS

Integrated Operations is responsible for management of MSP Airside Operations and is support to 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. Finally, the service center manages the Safety Management System, which systematically mitigates operational risk elements for the MAC airports.

### AIRSIDE OPERATIONS

Airside Operations is responsible for regulatory compliance, safety and operational efficiency. Additional responsibilities include ensuring that MSP is in compliance with federal and state regulations, particularly Federal Aviation Regulations Part 139-Airport Certification; conducting airfield safety inspections to determine the operating status of MSP; and coordinating airfield activities with Federal Aviation Administration Air Traffic Control facilities and air carrier tenants. Airside Operations is also 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.

### 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.

### OPERATIONS OPTIMIZATION

Operations Optimization is a new service center. Staff is responsible for onboarding new technologies, providing system administration, delivering data/analytics, providing planning support and fostering the business-centric application and configuration of a Geographic Information System (GIS) for the Management & Operations Division.

### TERMINAL OPERATIONS & FACILITIES

Terminal Operations & Facilities 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 schedules, allocates, and manages MAC's common use infrastructure and provides management oversight for various service, operation and maintenance contracts and responds to both immediate and long-term tenant

and public needs. Terminal Operations & Facilities 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.

### 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 544 indoor air quality 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.

### 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.

### 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 group. 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.

### 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.

### 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.

### 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

**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.

**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.

<b>Goals, Objectives and Key Performance Indicators ►►►</b>	
<b>Focus Area</b>	Operate the airports in a friendly, efficient, safe and secure manner
<b>Division Goal</b>	Be in the top 5 among peer hubs in operations performance by 2027
<b>Division Objective</b>	Deliver operations performance and achieve strong performance vs. peer hubs
<b>Key Performance Indicator</b>	Composive operations performance score
<b>2023 Results</b>	N/A
<b>2024 Target</b>	85
<b>Notes</b>	This key performance indicator begins in 2024

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# STATISTICS & INFORMATIVE FACTS

## HISTORICAL OPERATING REVENUE AND OPERATING EXPENSE

The table below compares operating revenue and operating expense for the years 2014 and estimated 2023 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 2023 indicates revenue growth of \$170.4 million or 5.1% and increase in expense of \$94.0 million or 5.4% over 2014.

### Historical Operating Revenue and Expense ►►►

(\$=000)

	2014		2023		2023 vs 2014	
	Actual	% of Total	Estimate	% of Total	Dollar Change	Average % Change
<b>Operating Revenue</b>						
Airline Rates & Charges	\$ 111,005	37.2%	\$ 165,696	35.3%	\$ 54,691	4.6%
Concessions	136,445	45.7%	217,095	46.3%	80,650	5.3%
Rentals/Fees	34,117	11.4%	62,421	13.3%	28,304	6.9%
Utilities & Other Revenue	16,768	5.6%	23,559	5.0%	6,791	3.9%
<b>Total Operating Revenue</b>	<b>\$ 298,335</b>		<b>\$ 468,771</b>		<b>\$ 170,436</b>	<b>5.1%</b>
<b>Operating Expense<sup>1</sup></b>						
Personnel	\$ 72,358	47.0%	\$ 111,189	44.8%	\$ 38,831	4.9%
Administrative Expenses	1,610	1.0%	1,741	0.7%	132	0.9%
Professional Services	4,972	3.2%	11,567	4.7%	6,595	9.8%
Utilities	20,873	13.5%	25,146	10.1%	4,273	2.1%
Operating Services/Expenses	19,583	12.7%	34,365	13.8%	14,782	6.4%
Maintenance	31,377	20.4%	56,390	22.7%	25,013	6.7%
Other	3,325	2.2%	7,735	3.1%	4,410	9.8%
<b>Total Operating Expense</b>	<b>\$ 154,097</b>		<b>\$ 248,133</b>		<b>\$ 94,036</b>	<b>5.4%</b>
<b>Operating Net Income (Loss)<sup>2</sup></b>	<b>\$ 144,238</b>		<b>\$ 220,638</b>		<b>\$ 76,401</b>	<b>4.8%</b>

Numbers may not foot due to rounding

<sup>1</sup> Excludes Depreciation and Noise Amortization

<sup>2</sup> Excludes Non-Operating Revenue and Expense

## OPERATING REVENUE

The following are high level explanations of changes in revenue in the categories presented:

- ▶ The average annual percentage increase for Airline Rates & Charges was 4.6% between the years of 2014 and 2023. This is mainly due to the growth in landing fees and international flights. It also included higher rent from terminal facility expansion to accommodate the growth in passenger activity and changes to the 2019 Amendment to the Airline Use Agreement.
- ▶ The increase in the Concessions category of 5.3% resulted from the growth in passengers from 2014 to 2023. In addition, new and improved concessions, parking rate increases and revenue from transportation network companies were factors in this increase.
- ▶ The average annual percentage increase for Rentals/Fees was 6.9% between the years of 2014 and 2023. 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 3.9%. Concession Utility revenue and Maintenance Cleaning Distribution Fees grew with the expansion of facilities and concession stores. General Aviation brought in additional revenue, especially during the COVID-19 pandemic.



*The Bar Area at Mill City Tavern in Terminal 1*

## OPERATING EXPENSE

Expense changes are as follows:

- ▶ Personnel expenses increased from 2014 to 2023 by 4.9%. Actual headcount in 2014 was 576 while staff positions in 2023 rose to 732.5. Information Technology staff doubled in size due to the expanding airport and to keep up with new and emerging technology. Additional Firefighters and Police were hired for emergencies and safety throughout the MSP campus. Also, a new division was established to champion the MAC's robust strategic plan. Finally, additional field maintenance staff were hired to clear the runways and roads efficiently.
- ▶ Professional Services increased 9.8% when comparing 2014 actual expenses to the estimated expenses for 2023. The major increases relate to consulting services for technology requirements and new strategic initiatives.
- ▶ The average annual increase in Utilities is 2.1% between 2014 and 2023, reflecting expansion and improvements in the terminals.
- ▶ Operating Services/Expenses increased 6.4% between the years 2014 and 2023 due to additional service agreements. This also includes rising parking management and shuttle service costs and increases in security and other services requested by airlines.
- ▶ Maintenance increased 6.7% between 2014 and 2023 due to additional facilities and runway surfaces. Contracted maintenance costs rose for building mechanical areas including automated people movers, elevators, escalators and moving walks.
- ▶ Other Expenses increased 9.8%, 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 2014 through 2024 budget, which grew 68.7%. The drop in revenue in 2020 is from the effects of the pandemic on the airline industry. All revenue sources rebounded in later years. Parking is the highest revenue source followed by Rental Car & Ground Transportation.

## Historical Concessions Revenue ►►►

(\$=000)

Year	Parking	Rental Car & Ground Transport	Food & Beverage	News & Retail	Other	Total
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	105,183	34,292	17,046	7,182	9,695	173,398
2023 Estimate	126,050	38,667	30,343	10,527	11,507	217,095
2024 Budget	131,482	42,102	33,432	11,351	11,837	230,205

Numbers may not foot due to rounding

### FACILITY EXPANSION

The following chart compares the expansion of the major facilities at MSP between 2014 and 2023. Both terminals expanded as needed for growth. The main mall food court and south security exit were both expanded at Terminal 1. Gates were reconfigured in Terminal 1 to accommodate larger aircraft, reducing the total number of gates. Four gates were constructed at Terminal 2 in 2016 to make room for additional airline service.

The Silver Ramp opened for public parking at Terminal 1 in 2022 to accommodate the increase in passengers and auto rental facilities. Parking spaces were reduced at Terminal 2 to make room for an auto rental facility. The significance of this growth affects both revenue and expenses. New facilities occupied by tenants will continue to generate additional income. Expenses include utilities, security, administrative costs and maintenance, both labor and materials.

## Facility Expansion ►►►

	2014	2023	Increase (Decrease)	% Change
<b>Terminal 1</b>				
Terminal Square Footage	2,841,143	3,012,562	171,419	6.0%
Number of Gates	114	104	(10)	-8.8%
Ramp Lineal Footage	11,179	11,001	(178)	-1.6%
Parking Spaces	13,447	18,366	4,919	36.6%
<b>Terminal 2</b>				
Terminal Square Footage	594,483	626,165	31,682	5.3%
Number of Gates	10	14	4	40.0%
Parking Spaces	8,911	8,670	(241)	-2.7%

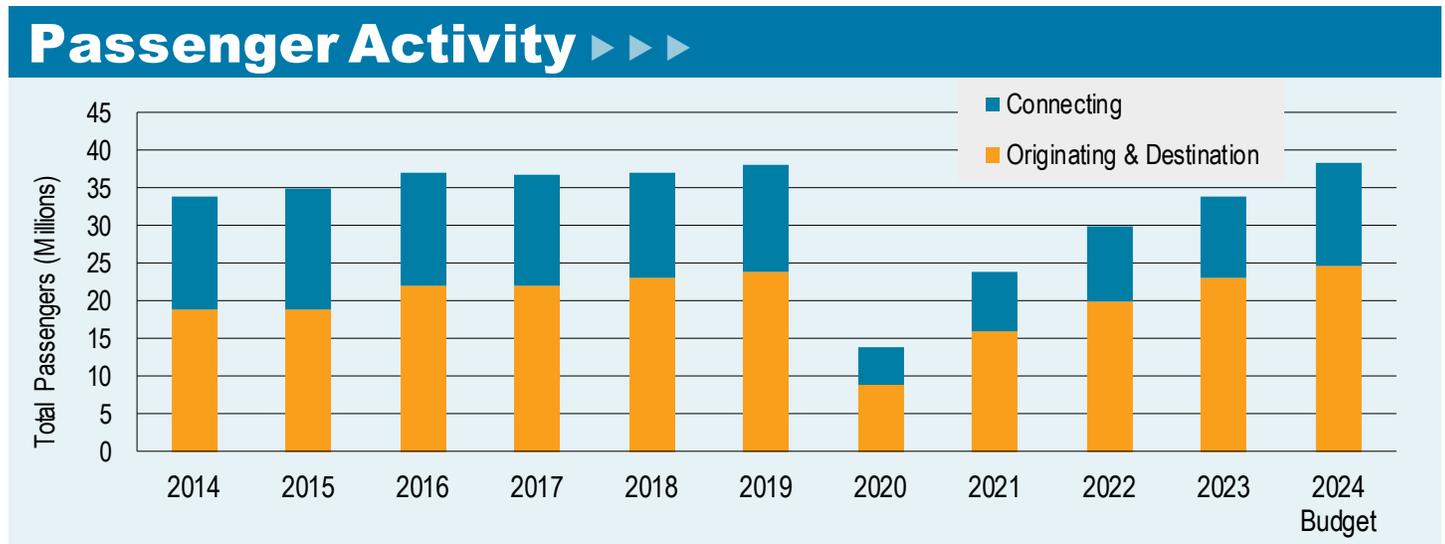
The following table identifies major new facilities completed since 2014.

## Major New Facilities Completed ►►►

New Facilities	Closing Date	New Facilities	Closing Date
2014 Pavement Rehabilitation-Aprons	2014	2018 Mezzanine HVAC/AHU Replacements & Penthouses	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) 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	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 Sky Club	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
2017 Automated Security Lanes	2017	2020 Baggage Claim-Ticket Lobby Improvement Phase 2	2023
2017 Parking Structure Rehabilitation	2017	2022 Baggage Claim Ticket Lobby Improvement Phase 1	2023
2016 Vertical Circulation Improvements	2018	2023 Concourse G Apron Pavement Reconstruction	2023
2016 Concourse A-G Connector Bridge – Phase 1	2018	2023 Concourse G Infill - Pod 2-3 Phase 1	2023
2016 Mezzanine HVAC/AHU Replacements & Penthouses	2018	2023 30L Deicing Pad Reconstruction	2023
2018 Taxiway S Reconstruction	2018	2022 EMC Roof Replacement & Break Room Remodel	2023
2017 Concourse G Rehabilitation	2018	2022 Perimeter Gate Security Improvements	2023
2018 Terminal 1 Main Mall Food Court Expansion	2019	2022 Air Handling Unit Replacement	2023

**ACTIVITY/OPERATIONS STATISTICS**

The chart below illustrates the trend in passenger activity at MSP from 2014 through budgeted 2024.



The following highlights recent activity affecting passenger revenue:

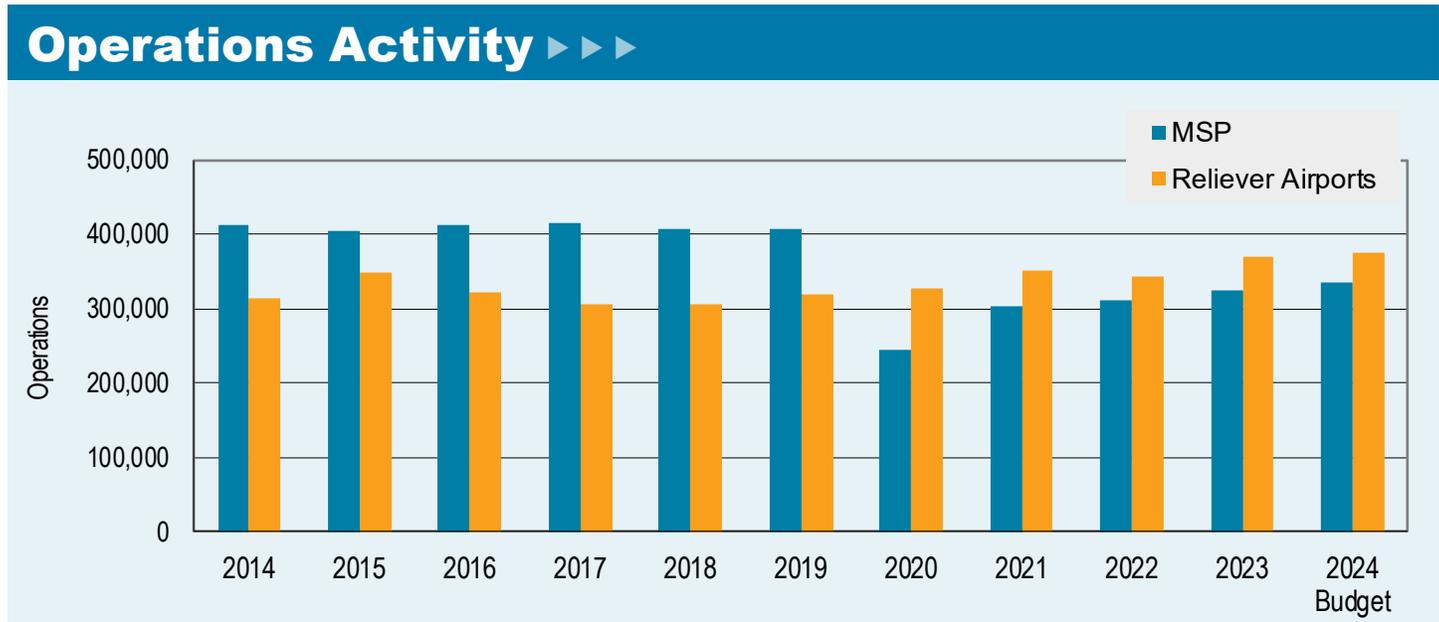
- Through 2019, the increase in passengers was due to the continued strengthening of the economy.
- In 2020, activity declined sharply as passengers stopped flying because of the COVID-19 pandemic.
- Passenger activity from 2021 through 2023 improved with the return of passengers using air transportation for business and leisure during the COVID-19 recovery.

- Passenger activity is projected to increase 11% in 2024 over 2023

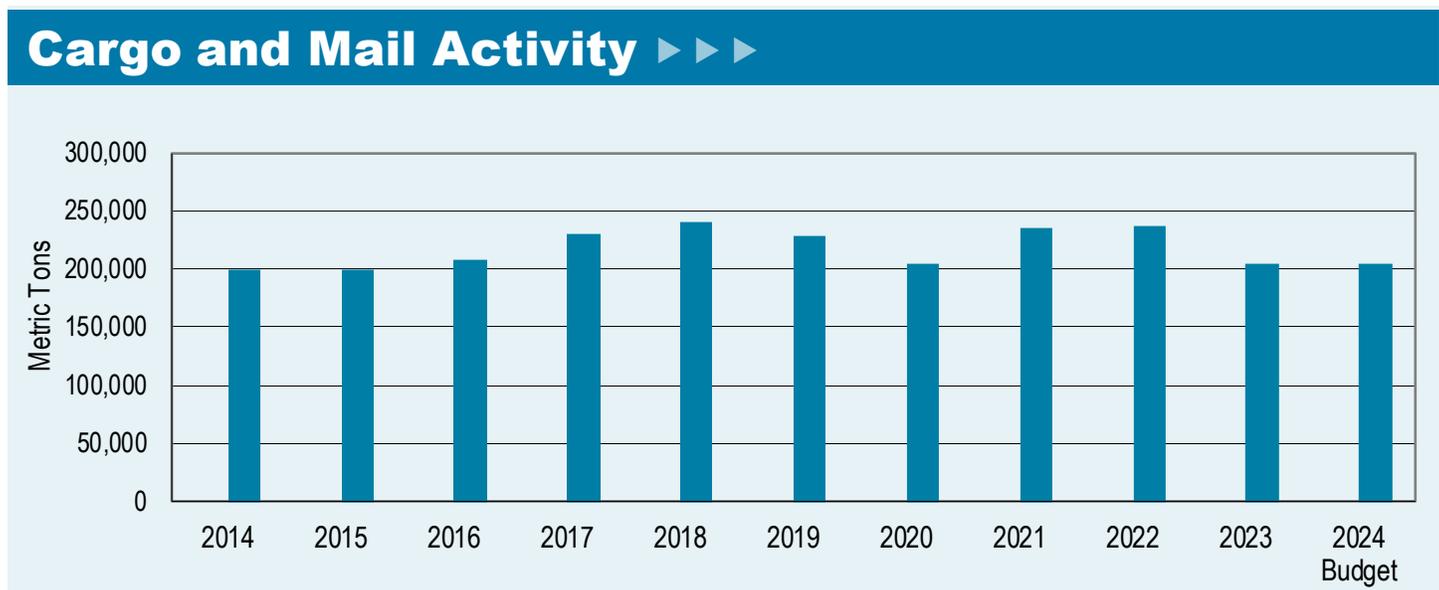
Passenger activity is an important element in forecasting revenue sources such as concession revenue and auto rental revenue. Passenger counts are also used for common use, carousel and conveyor, porter services and queue line management percentages for airline billing. The following table shows actual passenger statistics for 2014 through budgeted 2024.

<b>Revenue Passenger Activity</b>											
(Thousands)											
	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget
Enplaned Originating Passengers	9,299	9,791	10,501	11,032	11,528	12,110	4,614	8,143	10,456	11,492	12,602
Enplaned Connecting Passengers	15,818	15,878	7,660	7,353	6,859	7,072	2,497	4,055	4,713	5,395	6,786
<b>Total Enplaned Passengers</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>16,887</b>	<b>19,388</b>
Total Deplaned Passengers	8,973	9,825	18,186	18,415	18,400	19,172	7,141	12,229	15,184	16,914	18,888
<b>Total Passengers</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>33,801</b>	<b>38,275</b>

The chart below depicts the total operations activity for both MSP and the Reliever Airports. MSP operations declined in 2020 from the COVID-19 pandemic and passengers' concern about the close proximity to others while flying. Air transportation slowly recovered from the pandemic in 2021 and continued through 2023. General Aviation grew faster than commercial flying during the COVID-19 recovery as people found flying as a hobby while unemployed. The expectation for 2024 is that the number of operations will rise approximately 3.4% over 2023 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 dipped 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 people ordered online during the COVID-19 recovery. Cargo and mail activity fell in 2023 and leveled out from the shrinkage in cargo and mail after the earlier pandemic era peaks.



**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 6.7% in population since 2012. As indicated in the population table, approximately two-thirds of Minnesota residents are concentrated in the MSA.

The pie chart illustrates Minnesota’s population by race.

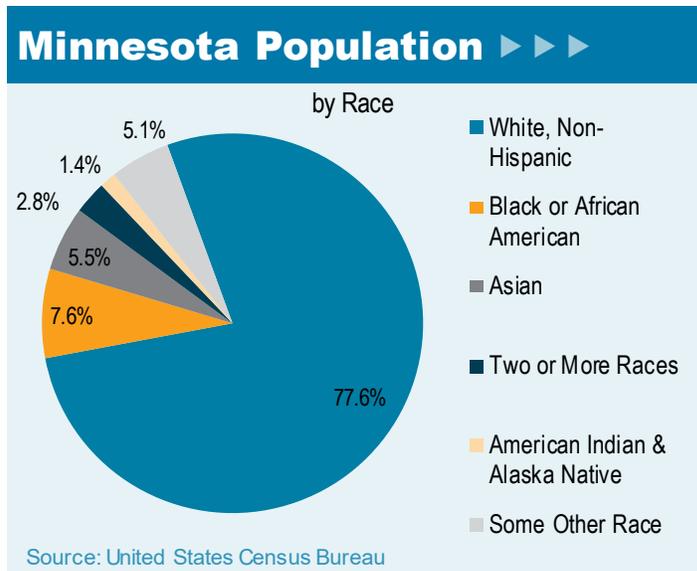
<b>Population Comparison</b> ▶▶▶				
(000)				
Year	United States	Minnesota	MSA	MSA as % of MN
2012	313,874	5,380	3,422	63.6%
2013	316,129	5,420	3,459	63.8%
2014	318,857	5,457	3,428	62.8%
2015	322,871	5,490	3,495	63.7%
2016	324,304	5,520	3,551	64.3%
2017	326,971	5,577	3,601	64.6%
2018	328,227	5,611	3,629	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	5,714	3,694	64.6%
2023	334,915	5,738	*	*

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
- 15** ▶ **# of Fortune 500 companies**  
Source: Fortune.com
- \$726.6B** ▶ **Revenue generated by Fortune 500 companies**  
Source: Fortune.com
- 525K** ▶ **# of small businesses**  
Source: U.S. Small Business Administration
- 67,400** ▶ **# of farms**  
Source: U.S. Department of Agriculture
- \$68,840** ▶ **Per capita income**  
Source: Bureau of Economic Analysis
- 38.20%** ▶ **% of adults who hold a bachelors degree or higher**  
Source: U.S. Census Bureau
- 93.70%** ▶ **% of adults with a high school degree or higher**  
Source: U.S. Census Bureau



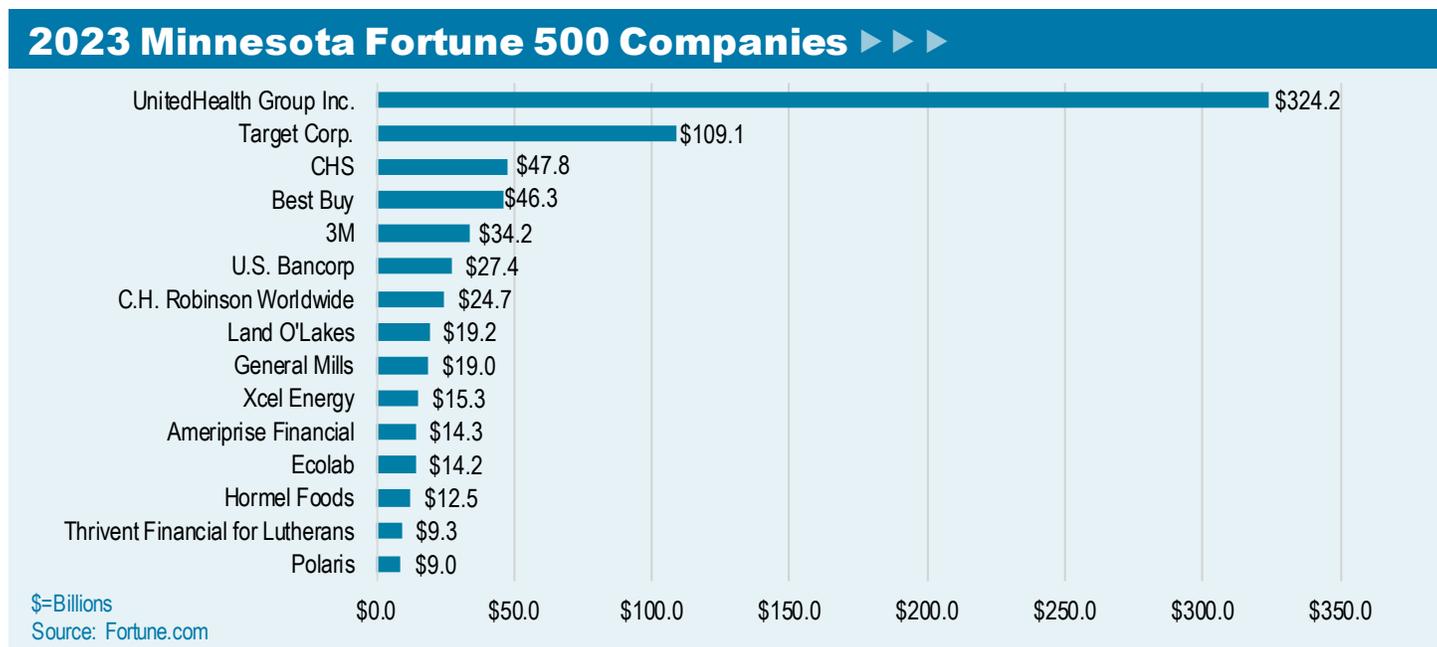
**EMPLOYERS**

Minnesota’s talent and innovation are highlighted by the large, prominent companies based within the state. The table below lists the 20 largest employers in the state for 2023. The world-renowned Mayo Clinic tops the list with 49,200 in-state employees. Seven additional health services employers are on the top 20 list. The remainder of the top 20 employers are from a variety of industries, including governmental services, education, financial services, retail and more. Walmart Inc. is not based in Minnesota; however, it does employ 24,000 in-state employees, ranking at number 9 on the list of top 20.

<b>Top 20 Largest Employers for 2023</b> ▶▶▶							
Rank	Minnesota Employer	# In-state Employees	Industry	Rank	Minnesota Employer	# In-state Employees	Industry
1	Mayo Clinic	49,200	Health Services	11	Wells Fargo Minnesota	16,000	Financial Services
2	State of Minnesota	38,000	Governmental Services	12	Minnesota State	15,047	Education
3	Fairview Health Services	37,689	Health Services	13	U.S. Bancorp	13,000	Financial Services
4	Target Corp.	35,000	Retail	14	3M Company	12,635	Manufacturing
5	US Federal Government	34,427	Governmental Services	15	CentraCare	11,887	Health Services
6	Allina Health System	29,220	Health Services	16	Essentia Health	11,657	Health Services
7	University of Minnesota	27,064	Education	17	United States Postal Service	11,355	Postal Service
8	HealthPartners Inc.	25,447	Health Services	18	Boston Scientific Corp.	8,500	Manufacturing
9	Walmart Inc.	24,000	Retail	19	Hennepin County	8,401	Governmental Services
10	UnitedHealth Group Inc.	19,000	Health Services	20	Hennepin Healthcare System	7,166	Health Services

Source: Minneapolis/St. Paul Business Journal

Minnesota is home to 15 Fortune 500 companies, representing a wide variety. These companies brought in \$726.5 billion in revenue during 2023 and employed 1.3 million people worldwide. The following chart recognizes the 2023 Minnesota Fortune 500 Companies ranked by revenue. UnitedHealth Group Inc. tops the chart with \$324.2 billion in revenue, followed by Target Corporation with \$109.1 billion. In addition, Minnesota is home to more than 525,000 small businesses and 67,400 farms.



**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 2023, state unemployment was 3.0%, which is a drop of 1.4% from the initial pandemic spike of 4.4% in 2020. Although the state and MSA’s unemployment rate increased in 2023 compared to 2022, the rates were still lower than the country’s unemployment rate, which declined. As the table below illustrates, the country, Minnesota and MSA experienced similar 2020 increases and 2021 and 2022 decreases.

<b>Civilian Unemployment Rate</b> ►►►			
	United States	Minnesota	Minneapolis-St Paul MSA
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%
2023	3.6%	3.0%	2.8%

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.

**INCOME**

In 2022, Minnesota ranked 13th in the U.S. for per capita personal income. Minnesota’s \$68,840 per capita personal income was 105.1% of the national average of \$65,470.

<b>Per Capita Personal Income</b> ►►►			
	United States	Minnesota	Minneapolis-St Paul MSA
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	65,470	68,840	75,164
2023	68,717	72,044	*

\*Data not available at time of publication  
Sources: U.S. Bureau of Economic Analysis

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.



*Delta Resumes Service from MSP to Japan in 2023*

**EDUCATION**

Education is important to Minnesotans. As depicted in the bar graph, the state has a well-educated workforce. For adults 25 years of age and over, the percentage of Minnesotans with a bachelor’s and advanced degrees was 39.1%, which is 3.5% greater than the United States at 35.6%. Minnesota also exceeds the nation by 4.4% when it comes to high school graduates, those with some college education, bachelor’s and advanced degrees.

Post-secondary education opportunities in the MSA include a variety of institutions: public universities, private colleges and universities, community colleges, technical colleges and post-graduate schools. In addition, several proprietary schools offer trade and technical training in the MSA. These educational opportunities help situate Minnesota in a competitive economic position.

**MSP AIRPORT ACTIVITY**

The region’s economic profile affects passenger traffic at MSP. For example, the amount and type of commerce in the region may affect the level of business travel to and from MSP or the average regional personal income may affect the level of discretionary travel from MSP.

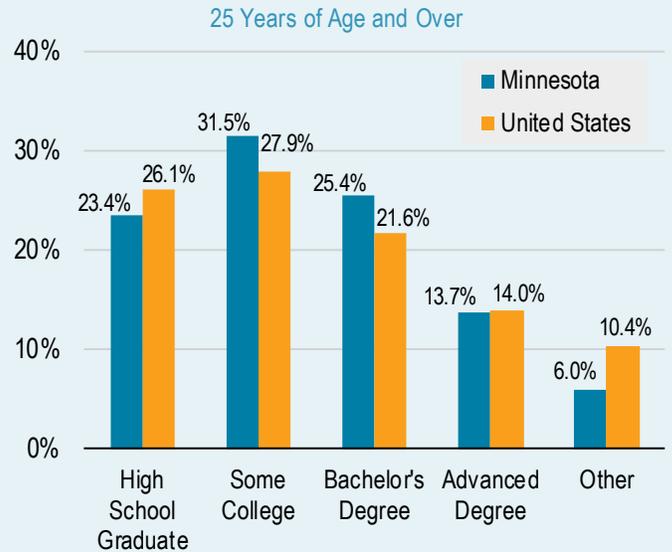
MSP is a high-activity large hub airport. Approximately 32% of its passengers were connecting in 2022, while the other 68% were origin-destination. MSP ranked 19<sup>th</sup> in the 2022 ACI-NA traffic report with 31.2 million passengers, moving down three spots over its 2021 rank at 16<sup>th</sup> place.

At the end of 2023, MSP served 34.8 million passengers, which was an increase of 10.3 million or 134.0% from 2020 passenger total of 14.9 million. As a direct result of the COVID-19 pandemic, passenger traffic in 2020 was drastically low compared to recent years at all major airports. The upward trend is expected to continue into 2024 as more carriers continue to announce new and expanded routes from MSP.



WestJet Airlines Becomes the 16<sup>th</sup> Airline to Operate at MSP

**Highest Education Level ►►►**



Source: US Census Bureau

**North American Airport Rankings: Total Passengers\* ►►►**

Year Ended December 31, 2022 In thousands

Rank	Airport	Passengers
1	Atlanta (ATL)	93,700
2	Dallas/Fort Worth (DFW)	73,363
3	Denver (DEN)	69,286
4	Chicago (ORD)	68,341
5	Los Angeles (LAX)	65,924
---		
17	Toronto (YYZ)	35,627
18	Fort Lauderdale (FLL)	31,686
19	<b>Minneapolis (MSP)</b>	<b>31,242</b>
20	New York (LGA)	28,998
21	Detroit (DTW)	28,161

\*Arriving, departing and direct transit passengers counted once  
Source: Airports Council International-North America



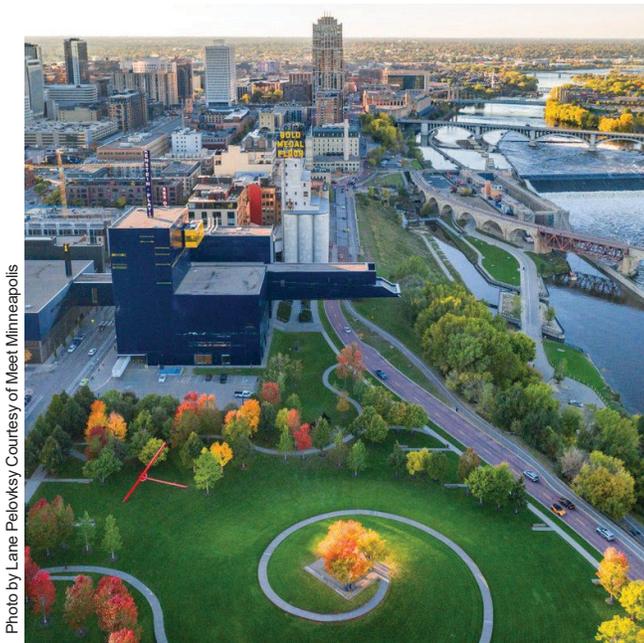


Photo by Lane Pelovsky Courtesy of Meet Minneapolis

## TOURISM AND ATTRACTIONS

The Minneapolis-St Paul area has numerous tourist attractions and local activities:

- ▶ The Mall of America is the nation's largest shopping center and entertainment complex. It receives 40 million visitors per year, 40% of whom are tourists. The 4.2 million square foot facility generates \$2 billion of annual economic activity.
- ▶ Nationally renowned cultural organizations include the Guthrie Theater, Children's Theater Company, Minnesota Orchestra, St. Paul Chamber Orchestra, Minnesota Opera, Walker Art Center and Minneapolis Institute of Art.
- ▶ Broadway shows and other cultural events are hosted by the State Theater, Orpheum Theatre and Ordway Theatre.
- ▶ 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 million providing mitigation to 19 schools, more than 15,000 single-family homes and more than 3,300 multi-family units.
- ▶ There are approximately 18.3 acres of parking lots at MSP and 28,419 parking stalls.
- ▶ MSP has 20 miles of airport security fencing, 50.5 acres of trees, shrubs and perennials, 119 acres of landside grass and 1,000 acres of airside turf.
- ▶ The four runways at MSP could fit just under 127 football fields.

# MAC FACTS



1917

A landing strip for airmail service is built on the site of the bankrupt Twin Cities Motor Speedway. It is later renamed Wold-Chamberlain Field.

*Photo: Aerial view of the speedway*

Northwest Airways wins the contract for airmail service to Chicago and bases operations at Wold-Chamberlain Field.

St. Paul develops Holman Field in an effort to give its businesses a competitive edge.

1926

1927

Northwest Airways' first passenger flight occurs. The \$50 flight to Chicago includes stops in La Crosse, Madison and Milwaukee.

The Minneapolis Park Board buys Wold-Chamberlain Field.

*Photo: The first U.S. Air Mail building at Wold-Chamberlain Field*

1928



1943

Minnesota passes legislation to form the Minneapolis-St. Paul Metropolitan Airports Commission.

Wold-Chamberlain gets a new name, becoming the Minneapolis-St. Paul International Airport. The MAC acquires Crystal Airport and Flying Cloud Airport.

1948

FACTS Continued on next page

**1949** > The MAC acquires 160 acres for the Lake Elmo Airport.

The MAC acquires 1,200 acres of farmland in Anoka County, which later becomes the Anoka County-Blaine Airport.

< **1950**

**1955** > MSP reaches the 1 million annual passenger milestone.

The MAC breaks ground on a \$47 million expansion at MSP that includes a new terminal, control tower, access roads and upgrades to runways and taxiways.

< **1958**



**1962** > The MAC begins construction of its first fire station at MSP.  
*Photo: The new terminal, including its iconic sawtooth roof, opens at MSP in 1962*

Flying Cloud Airport is second only to Chicago's O'Hare Airport as the busiest airfield in the central United States.

< **1966**



**1969** > Community activism leads to the formation of the Metropolitan Aircraft Sound Abatement Council. The council is comprised of public and airline representatives who work collaboratively to reduce aircraft noise near MSP.  
*Photo: The blockbuster movie "Airport" is filmed at MSP in 1969*

**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

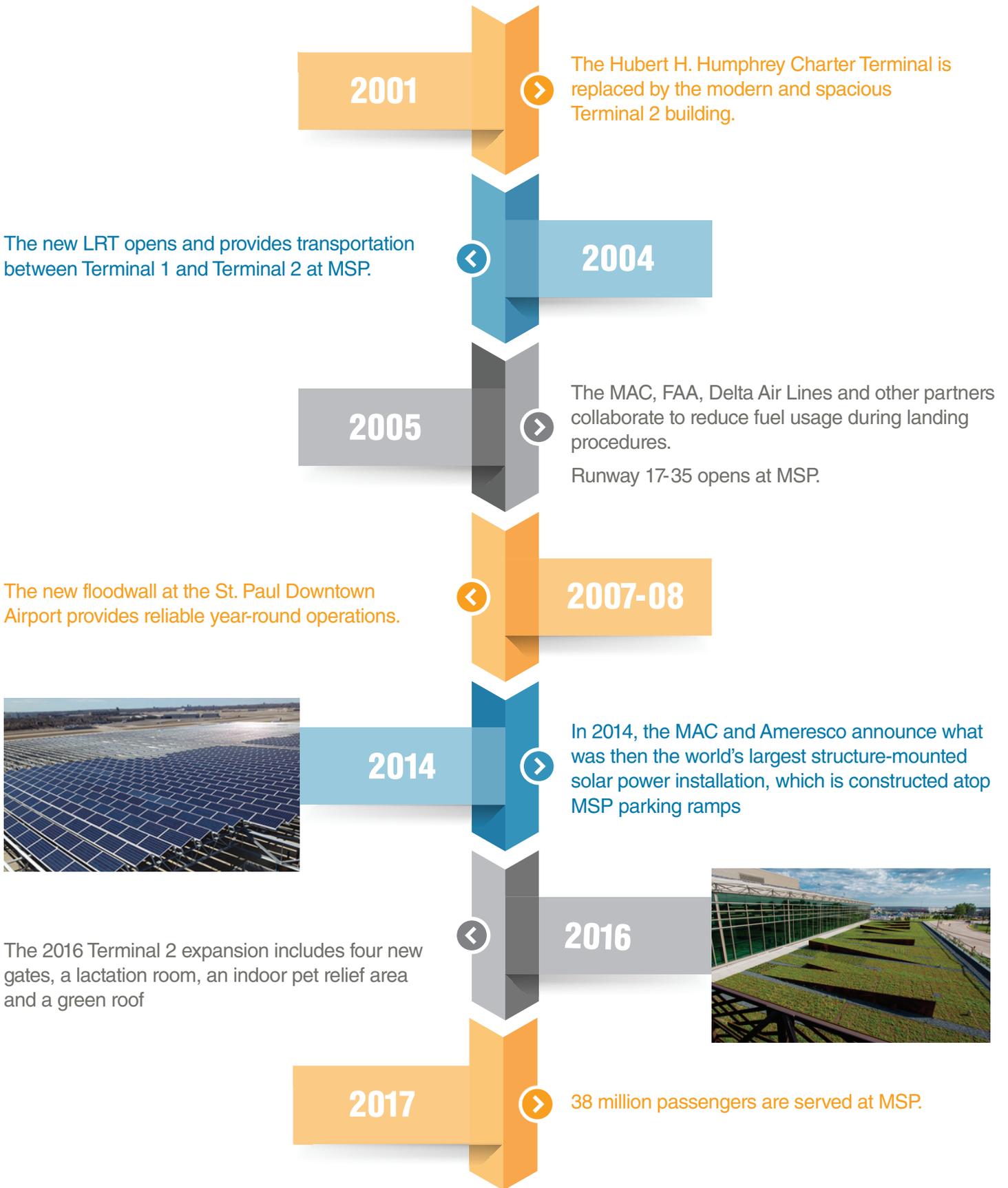
1991



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

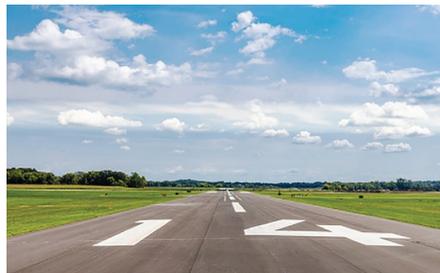
STATISTICS & INFORMATIVE FACTS

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 8% in 2021, over 2020, and experienced double-digit growth between 2019 and 2021.



2022



2018



MSP is named the best airport in North America by Airports Council International for the 4th consecutive year.

2021



Lake Elmo Airport debuts new runway. The latest investment in Twin Cities Reliever Airport System improves operations and safety.

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# GLOSSARY

**ACA**

Airport Carbon Accreditation

**ACCRUAL BASIS**

The accrual basis of accounting attempts to record financial transactions during the period in which they occur rather than recording them during the period in which they are paid.

**ACI**

Airports Council International

ACI represents the collective interests of airports around the world to promote excellence in the aviation industry.

**ACI-NA**

Airports Council International-North America

ACI-NA represents local, regional and state governing bodies that own and operate commercial airports in the United States and Canada.

**AD VALOREM**

An ad valorem tax is a tax in which the amount is based on the value of property. The MAC has the power to levy an ad valorem tax on the seven-county metropolitan area for payment of General Obligation Revenue Bonds.

**ADA**

Americans with Disabilities Act

The ADA prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications and governmental activities. The ADA also establishes requirements for telecommunications relay services.

**ADO**

Airport Director's Office

**AFFF**

Aqueous Film Forming Foam

**AGIS**

Airports Geographic Information System

**AIR OPERATIONS AREA/AOA**

Any area of the airport used or intended to be used for landing, taking off, or surface maneuvering of aircraft. It is intended for use by persons for the operation of aircraft, ground support vehicles and other authorized vehicles related to airport operations and includes all exclusive leasehold areas.

**AIRLINE R & R**

Airline Repair and Replacement Surcharges

Repair and Replacement Surcharges are a component of airline rates and charges.

**AIRLINE USE AGREEMENT**

Rates and charges revenue collected from the airlines are governed by the Airline Use Agreement and corresponding amendments.

**AIRPORT FOUNDATION MSP**

The Airport Foundation MSP is a 501 (c) (3) public charity, a non-profit organization serving the Minneapolis-St. Paul International Airport community and traveling public. Its mission is to elevate the travel experience and support the aviation community.

**AIRSIDE**

Airports are divided into landside and airside areas. Airside is the area at the airport where aircraft movement and related activity is conducted. This area is not open to the public and is tightly controlled.

**ALP**

Airport Layout Plan

An Airport Layout Plan is a graphical representation of the existing and proposed airport land, terminal and other facilities and structures owned by the airport. The ALP includes drawings and a narrative that includes basic aeronautical forecasts, basis for proposed items of development, environmental factors and other specifications.

**AMORTIZATION**

Amortization is the systematic allocation of a balance sheet item to an expense or revenue on the income statement.

**AOA**

Air Operations Area (see Air Operations Area for definition)

<p><b>APD</b> Airport Police Department</p> <p><b>ARFF</b> Aircraft Rescue and Fire Fighting</p> <p><b>ARMER</b> Allied Radio Matrix for Emergency Response</p> <p><b>ARPA</b> 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.</p> <p><b>AWOS</b> Automated Weather Observing System</p> <p><b>AUDIT</b> A formal examination of an organization's accounts or financial situation.</p> <p><b>BALANCED BUDGET</b> In a balanced budget, operating revenue is equal to budgeted operating expense plus depreciation.</p> <p><b>BCA</b> Bureau of Criminal Apprehension</p> <p><b>BHS</b> Baggage Handling System</p> <p><b>BOND</b> A bond is a formal promise to pay a specified principal at a future date along with specified periodic interest on that principal.</p> <p><b>BREAKEVEN</b> 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.</p> <p><b>BUDGET</b> A budget is an itemized summary of projected income and expenditure over a specified period.</p> <p><b>CAPITAL EQUIPMENT</b> Equipment with a cost of at least \$10,000 will be capitalized and depreciated.</p>	<p><b>CAPITAL EXPENDITURE</b> A capital expenditure is money spent by the MAC to acquire or maintain fixed assets, such as land, buildings and equipment.</p> <p><b>CBP</b> Customs and Border Protection</p> <p><b>CCTV</b> Closed Circuit Television</p> <p><b>CEO</b> Chief Executive Officer</p> <p><b>CFC</b> 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.</p> <p><b>CID</b> Criminal Investigations Division</p> <p><b>CIP</b> 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.</p> <p><b>CPE</b> Cost Per Enplanement</p> <p><b>COMMISSION</b> Metropolitan Airports Commission or the Board of Commissioners</p> <p><b>CONCOURSE</b> A concourse is the long hallway-like structure where loading and unloading of passengers takes place.</p> <p><b>CONNECTING PASSENGERS</b> Connecting passengers fly to MSP and transfer to another flight enroute to their final destination.</p>
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**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.

**DBE****Disadvantaged Business Enterprise****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 with the State of Minnesota****DEFEASE**

Defeased bonds are refunded or paid off prior to the maturity date.

**DEPARTMENT**

Departments are usually combinations of service centers. The term is sometimes used interchangeably with the term "service center."

**DEPRECIATION**

This accounting process allocates the cost expiration of tangible plant, property and equipment. The cost is allocated against periodic revenue over the useful life of the asset.

**DERIVATIVE DEBT**

A derivative is a financial contract whose value is derived from the performance of some underlying market factors.

**DESTINATION PASSENGERS**

Destination passengers arrive at MSP and do not transfer to another flight.

**ECC****Emergency Communications Center****ECONOMIC GAIN**

In terms of bond refunding's, economic gain is the difference between the present values of the debt service payments on the old and new debt.

**EMAS****Engineered Material Arresting System**

EMAS is a soft ground arrester system that is an alternative solution for runways that have less than the required Safety Area. It is designed not to deform under normal ground vehicle loads.

**EMC****Energy Management Center****ENPLANED PASSENGERS**

Enplaned passengers are the number of passengers boarding an aircraft, including originating and connecting passengers.

**ENTERPRISE FUND**

"Enterprise fund" is a governmental accounting term referring to a fund that provides goods or services to the public for a fee, similar to a commercial enterprise. The MAC uses enterprise fund accounting. The MAC's cost of providing goods or services to the general public on a continuing basis includes expenses and depreciation. These costs are to be financed or recovered primarily through user charges so operating and capital expenses are paid from revenues generated by users.

**ESSENTIAL AIR SERVICE FLIGHTS**

The Essential Air Service program was put into place to guarantee that small communities that were served by certificated air carriers before airline deregulation maintained a minimal level of scheduled air service after deregulation was enacted. The U.S Department of Transportation is mandated to provide eligible communities with access to the National Air Transportation System. This is generally accomplished by subsidizing two round trips a day with 30 to 50 seat aircraft, or additional frequencies with 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.

**ETD****Explosive Trace Detectors****EVIDS****Electronic Visual Information Displays**

EVIDs include various kinds of electronic displays operated by the Commission. Displays include MUFIDS displays, digital directories, LED signs over the ticket counters and the variable message displays which are programmed to show a message.

**F3****Fluorine-Free Foam****FAA****Federal Aviation Administration**

The FAA's mission is to provide the safest, most efficient aerospace system in the world. This translates into a variety of roles, including regulating civil aviation; developing and operating a system of air traffic control and navigation; and developing and carrying out programs to control environmental effects of civil aviation.

**FICA****Federal Insurance Contributions Act****FIS****Federal Inspection Station or Federal Inspection Services****FREQUENT FLYERS**

Frequent Flyers are passengers who travel by air regularly and can be part of an airline program in which they earn points for free flights.

**FTE****Full-Time Equivalent Employee**

The MAC allocates employee headcount in terms of the equivalent number of full-time employees.

**FUND BALANCE**

In a fund at a given point in time, the fund's assets less its liabilities is equal to the fund balance. The fund balance is positive when its assets exceed liabilities. The balance is negative when its liabilities exceed assets. Additionally, a fund balance may be designated as unreserved or reserved. Unreserved fund balances are free to be authorized for future expenditures, while reserved balances may not be designated for future expenditures. Fund balances are residual amounts and may not be a cash amount.

**FUNDS**

The Commission segregates its accounting into three funds: Operating, Debt and Construction.

**GAAP****Generally Accepted Accounting Principles**

Generally Accepted Accounting Principles are a set of rules that encompass the details, complexities and legalities of accounting. The Financial Accounting Standards Board uses GAAP as the foundation for its comprehensive set of approved accounting methods and practices.

**GARBS****General Airport Revenue Bonds**

GARBs are bonds secured by the pledge of all operating revenues of the Commission.

**GASB****Governmental Accounting Standards Board****GASB 34**

GASB 34 established comprehensive, new financial reporting requirements for governmental units. Under GASB Statement No. 34, the Commission is a special purpose government unit engaged primarily in business type activities. As a result, the Commission prepares its financial statements using the accrual basis of accounting.

**GASB 68**

GASB 68 revised and established new financial reporting requirements for most state and local governments that provide their employees with pension benefits. In compliance with GASB 68, the MAC recognizes its long-term obligation for pension benefits as a liability and takes a more comprehensive measurement of the MAC's annual costs of pension benefits.

**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****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

**GO**

MAC General Office

**GORBS**

General Obligation Revenue Bonds

GORBs are general obligations of the Commission. Payments of these bonds are secured by the pledge of all operating revenues of the Commission. The Commission has the power to levy property taxes upon all taxable property in the seven-county Metropolitan Area in order to pay debt service on outstanding GORBs. The Commission does not currently have any outstanding GORBs.

**GSE**

Ground Service Equipment

**GRD TRANSPORTATION**

Ground Transportation

**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

**JPA**

Joint Powers Agreements

A joint powers agreement is a contract between two or more public agencies (such as cities, counties, school districts, or special districts), which allows the agencies to cooperatively provide services or exercise shared powers outside of each agency's normal jurisdiction.

**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

**LRT**

Light-Rail Transit

**LTCP**

Long-Term Comprehensive Plan

LTCP include projects that enhance or expand the airport facilities in order to meet existing or forecasted operational needs.

**LWSW**

Live Well, Stay Well

**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****MAC Network**

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.

**MNDOT****Minnesota Department of Transportation****MSA****Metropolitan Statistical Area**

A Metropolitan Statistical Area is a core area delineated by the United States Office of Management and Budget and contains substantial population centers. In conjunction with adjacent communities, they have high degrees of economic and social integration with those population centers.

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

MSP refers to the total airport facility.

**MSP FOUNDATION**

The Airport Foundation MSP was incorporated in 1982 as the Metropolitan Public Airport Foundation as a non-profit organization by leaders of Minnesota aviation, business, hospitality, airline and travel communities. In 2006, the name was officially changed to Airport Foundation MSP who dedicates itself to enhancing the experience and exceeding the expectations of travelers at MSP as well as supporting the airport and broader aviation community.

**MUFIDS****Multi-User Flight Information Display Systems****N/A****Not Applicable****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.

**NPS****Net Promoter Score****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 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.

**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.

**PFAS****Per- and Polyfluoroalkyl Substances****PFC****Passenger Facility Charge**

A PFC is an authorization by Congress which allows proprietors of commercial service airports, such as the MAC, to impose a passenger facility charge upon revenue passengers enplaning at those airports. The basis for the PFC is to provide needed supplemental revenues to expedite the improvement of airport facilities used by passengers, to mitigate noise impacts and to expand airport system capacity.

**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.

**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.

**STP****St. Paul Reliever Airport****SUBLEDGER**

A subledger is a term used by the MAC to group expenses from various service centers to determine rates and charges for tenants and users of the MAC facilities.

**SUBORDINATE LIEN**

A subordinate lien bond ranks below senior lien bonds in terms of claims on payments.

**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****VAV****Variable Air Volume****WORKING CAPITAL**

Working capital is the change in current assets minus the change in current liabilities.

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