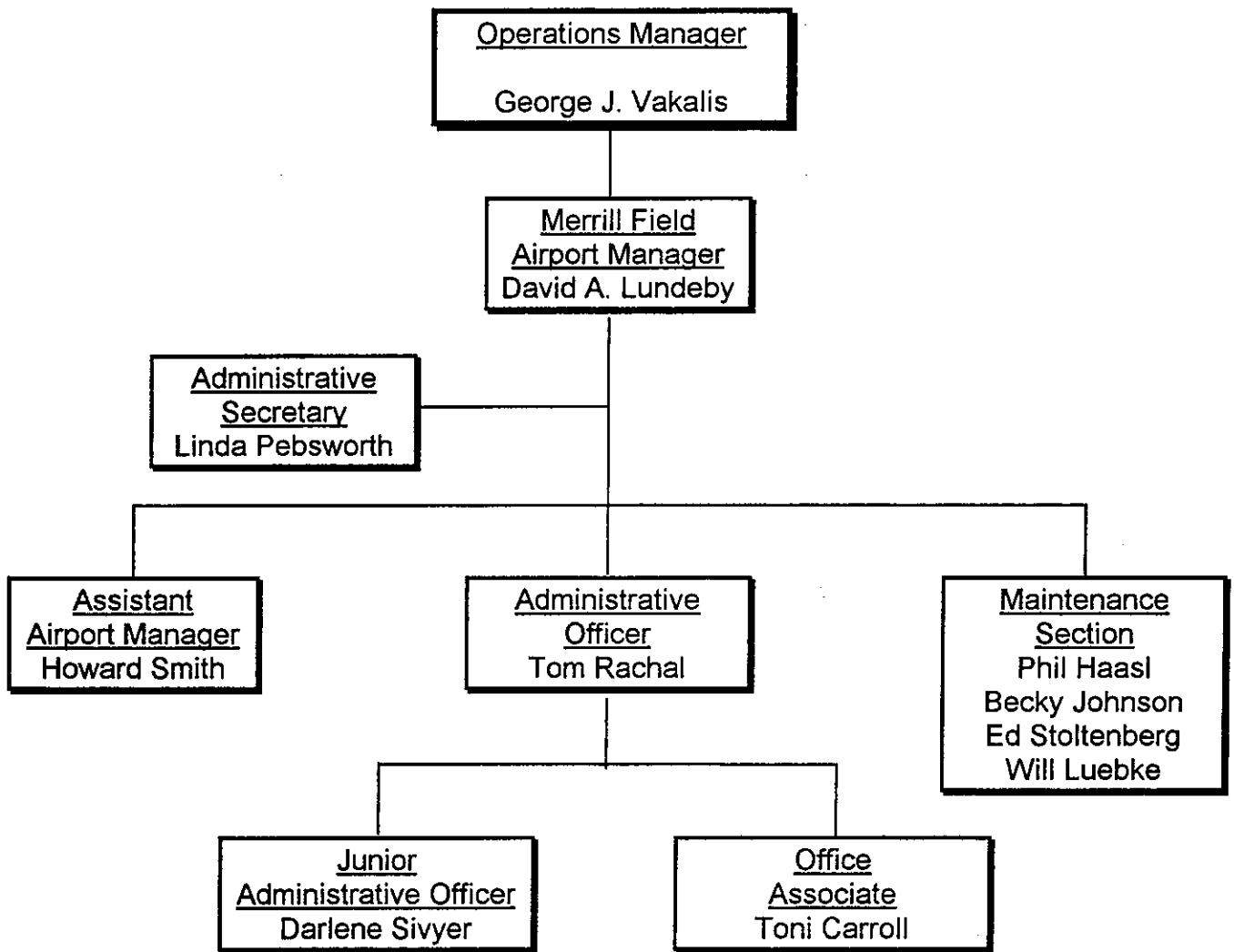


MERRILL FIELD AIRPORT

MERRILL FIELD AIRPORT ORGANIZATION CHART



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MERRILL FIELD AIRPORT

UTILITY PROFILE

ORGANIZATION

Six office staff manage the operational and financial affairs of Merrill Field, and four maintenance personnel provide maintenance for 19 airport buildings and property. The maintenance function includes all operating surfaces of the airport - runways, taxiways, roads and aircraft tiedown areas that are not on leased property. This includes snow removal, sanding, resurfacing, and maintenance of facilities and equipment.

HISTORY

Merrill Field, established in 1930 and located one mile east of downtown Anchorage on 436 acres of land, was the first real airport in the city. The airport bears the name of Russel Hyde Merrill, an early Alaskan aviator who disappeared in September 1929 on a flight to Bethel. The first aviation beacon in the Territory of Alaska was located at Merrill Field and was dedicated on September 25, 1932 to the honor of Russ Merrill. Merrill Field is a "General Aviation Airport" and is restricted to aircraft that weigh 12,500 pounds or less.

In 1984 Merrill Field experienced a record year with 384,314 aircraft operations, ranked as the 15th busiest airport in the nation and had 1,019 based aircraft. Merrill Field continues to be an integral part of Alaska's transportation network. Over the past six years aircraft operations have varied between 185,000 and 260,000 and based aircraft varied between 905 and 1,008.

SERVICE

Merrill Field serves as the general aviation link between Southcentral Alaskan communities, including the rural areas, and Anchorage. Intrastate air traffic to and from Anchorage is increasing with many passengers destined for the downtown/midtown areas which are conveniently reached from Merrill Field.

Some of the many services provided at Merrill Field are: sale of aircraft fuel; hangar rental; flightseeing; flight and ground school instruction; aircraft maintenance and repair; sale of parts, supplies, equipment and accessories; aerial photography; propeller repair; aviation electronics; aircraft sales, rentals and charters; power plant and airframe training; and college courses for aviation degree-seeking students.

REGULATION

Merrill Field, unlike most other Municipal utilities, is not regulated by the Alaska Public Utilities Commission. Rather, it is required to meet Federal Aviation Administration, Alaska Department of Transportation and Public Facilities, and Municipal regulations. Additionally, the Municipal Airports Aviation Advisory Commission advises and makes recommendations to the Administration and Assembly on all matters pertaining to the operating budget, rules, regulations and administrative guidelines at Merrill Field.

ENVIRONMENTAL MANDATES

In recent years there have been many federally mandated programs which have had a direct impact on the Airport's operating costs. The Clean Water Act, Americans With Disabilities Act, Community Right To Know, Underground Storage Tank Regulations and Clean Air Act are some of the current laws which have and will continue to impact the Airport.

PHYSICAL PLANT

General Aviation Airport

Restricted to aircraft weighing 12,500 pounds or less.
436 acre land area; elevation 136 feet; fee simple title.
1,441 tiedown spaces; leaseholders have 704; Municipality has 660 plus 77 for transient aircraft.
Runway 6/24 is 4,000 feet; Runway 15/33 is 2,650 feet.
Five taxiways; 102 acres of tiedown aprons.
Control Tower leased to Federal Aviation Administration.

One hundred eighth Busiest Airport in Nation

Hub for intra-Alaska travel.
Located one mile from downtown Anchorage.
Reliever airport to Anchorage International's general aviation aircraft.
177,959 flight operations in Federal Fiscal Year 1995.
9,755 general aviation aircraft in Alaska; 907 based at Merrill.
9,656 private pilots in Alaska; 4,517 reside in Anchorage.

Economic Stimulus

23 leaseholders lease 2,678,602 square feet.
32 fair market value rental properties.
62 aviation related businesses operate on the airport.
981 transient aircraft stayed a total of 4,138 days last year.
Approximately 771,000 gallons of fuel were sold in 1995.

Net Airport Plant is \$29,828,224

MERRILL FIELD AIRPORT WORK FORCE PROJECTIONS

<u>CATEGORY</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Airport Manager	1	1	1	1	1	1	1
Assistant Airport Manager	1	1	1	1	1	1	1
Financial Administration	1	1	1	1	1	1	1
Office Operations	3	3	3	3	3	3	3
Airport Maintenance Tech	2	2	2	2	2	2	2
Light Equipment Operator	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Subtotal	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Part-time/Temporary	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>

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Merrill Field Airport

1997

Operating Budget

MERRILL FIELD AIRPORT
RECONCILIATION OF 1996 BUDGET TO 1996 PRO FORMA

	<u>1996 Budget</u>	<u>1996 Pro Forma</u>	<u>Variance</u>
OPERATING REVENUE	<u>1,096,000</u>	<u>1,052,000</u>	<u>(44,000)</u>
OPERATING EXPENSE			
Labor	751,000	678,000	(73,000) ^(a)
Supplies	72,000	68,000	(4,000) ^(b)
Charges To Others	(274,000)	(230,000)	44,000 ^(c)
Charges From Others	95,000	85,000	(10,000) ^(d)
Other Services	244,000	243,000	(1,000)
Other Expenses	180,000	158,000	(22,000) ^(e)
SUBTOTAL	<u>1,068,000</u>	<u>1,002,000</u>	<u>(66,000)</u>
NON-OPERATING REVENUE	<u>65,000</u>	<u>58,000</u>	<u>(7,000)</u>
NON-OPERATING EXPENSE	0	93,000	93,000
NET INCOME (REGULATORY)	<u>93,000</u>	<u>108,000</u>	<u>15,000</u>
ADJUSTMENTS FOR GAAP	(910,000)	(883,000)	27,000
NET INCOME (LOSS) GAAP	<u>(817,000)</u>	<u>(775,000)</u>	<u>42,000</u>

Explanation of Significant Variances (5% or more):

- a) Reduction due to a combination of snow removal and maintenance savings.
- b) Orca Street operating supplies are lower than anticipated.
- c) Receipt of FAA grants are later in the year than expected.
- d) A slight reduction in Intragovernmental charges is anticipated.
- e) Non-Contributed Depreciation is lower than expected.

MERRILL FIELD AIRPORT
RECONCILIATION OF 1996 PRO FORMA TO 1997 BUDGET

	<u>1996</u> <u>Pro Forma</u>	<u>1997</u> <u>Budget</u>	<u>Variance</u>
OPERATING REVENUE	<u>1,052,000</u>	<u>1,083,000</u>	<u>31,000</u>
OPERATING EXPENSE			
Labor	678,000	753,000	75,000 (a)
Supplies	68,000	83,000	15,000 (b)
Charges To Others	(230,000)	(278,000)	(48,000) (c)
Charges From Others	85,000	98,000	13,000 (d)
Other Services	243,000	256,000	13,000 (e)
Other Expenses	158,000	160,000	2,000
SUBTOTAL	<u>1,002,000</u>	<u>1,072,000</u>	<u>70,000</u>
NON-OPERATING REVENUE	<u>58,000</u>	<u>62,000</u>	<u>4,000</u>
NON-OPERATING EXPENSE	0	0	0
NET INCOME (REGULATORY)	<u>108,000</u>	<u>73,000</u>	<u>(35,000)</u>
ADJUSTMENTS FOR GAAP	(883,000)	(895,000)	(12,000)
NET INCOME (LOSS) GAAP	<u>(775,000)</u>	<u>(822,000)</u>	<u>(47,000)</u>

Explanation of Significant Variances (5% or more):

- a) Savings in snow removal & maintenance costs in 1996 not anticipated for 1997.
- b) Orca Street operating expenses will increase as property is acquired.
- c) FAA grants increase dramatically.
- d) Increases in Intragovernmental charges are anticipated.
- e) Public Utility and Repair/Maintenance increases are expected.

MERRILL FIELD AIRPORT
1997 STATEMENT OF REVENUES AND EXPENSES

	<u>1995</u> <u>Actual</u>	<u>1996</u> <u>Pro Forma</u>	<u>1997</u> <u>Budget</u>
OPERATING REVENUE			
Airport Lease Fees	408,953	402,000	403,000
Airport Property Rental	311,004	320,000	334,000
Permanent Parking Fees	183,892	190,000	197,000
Transient Parking Fees	13,597	14,000	15,000
Parking Garages & Lots	22,195	24,000	26,000
MOA Aviation Fuel Fees	38,735	38,000	39,000
FAA Service Fees & Rent	18,587	19,000	22,000
SOA Aviation Fuel Fees	19,718	21,000	22,000
Medevac Taxiway Fees	15,750	18,000	19,000
Other Revenue	4,555	6,000	6,000
TTL OPERATING REVENUE	1,036,986	1,052,000	1,083,000
OPERATING EXPENSE			
Labor	602,825	678,000	753,000
Supplies	59,771	68,000	83,000
Charges To Others	(208,546)	(230,000)	(278,000)
Charges From Others	77,239	85,000	98,000
Other Services	200,684	243,000	256,000
Other Expenses	14,984	31,000	30,000
Depreciation (a)	126,607	127,000	130,000
TTL OPERATING EXPENSE	873,564	1,002,000	1,072,000
OPERATING INCOME (LOSS)	163,422	50,000	11,000
NON-OPERATING REVENUE			
Interest Income	42,929	47,000	48,000
Other Revenue	4,486	11,000	14,000
TTL NON-OPER REVENUE	47,415	58,000	62,000
NON-OPERATING EXPENSE	0	0	0
TTL NON-OPER EXPENSE	0	0	0
NON-OPERATING INCOME	47,415	58,000	62,000
NET INCOME (REGULATORY)	210,837	108,000	73,000
ADJUSTMENTS FOR GAAP	(878,084)	(883,000)	(895,000)
NET INCOME (LOSS) GAAP	(667,247)	(775,000)	(822,000)

(a) Excludes Contributed Plant

MERRILL FIELD AIRPORT
1997 STATEMENT OF SOURCES AND USES OF CASH

	<u>1995</u> <u>Actual</u>	<u>1996</u> <u>Pro Forma</u>	<u>1997</u> <u>Budget</u>
SOURCES OF CASH FUNDS:			
Net Income (Loss) GAAP	(667,247)	(775,000)	(822,000)
Total Depreciation	1,004,690	1,010,000	1,025,000
Grants	154,359	1,300,000	1,690,000
Net Effect of Changes In Balance Sheet Which Affect Cash	(430,058)	0	0
TOTAL SOURCES OF CASH	61,744	1,535,000	1,893,000
USES OF CASH FUNDS:			
Additions to Plant	85,214	1,710,000	1,768,000
Other	0	0	0
TOTAL USES OF CASH	85,214	1,710,000	1,768,000
NET INCREASE (DECREASE)	<u>(23,470)</u>	<u>(175,000)</u>	<u>125,000</u>
CASH BALANCE, JANUARY 1,	823,044	800,000	625,000
CASH BALANCE, DECEMBER 31,	<u>799,574</u>	<u>625,000</u>	<u>750,000</u>
DETAIL OF CASH BALANCE			
Equity In General Cash Pool	(656,099)	(548,000)	(475,000)
Equity In Construction Cash Pool	1,455,673	1,173,000	1,225,000
TOTAL CASH, DECEMBER 31,	<u>799,574</u>	<u>625,000</u>	<u>750,000</u>

MERRILL FIELD AIRPORT
1997 OPERATING BUDGET DETAIL

	<u>1995</u> <u>Actual</u>	<u>1996</u> <u>Pro Forma</u>	<u>1997</u> <u>Budget</u>
LABOR			
Wages	397,852	434,000	497,000
Overtime	9,893	20,000	27,000
Benefits	195,080	224,000	229,000
Subtotal	602,825	678,000	753,000
SUPPLIES			
Office Supplies	4,172	5,000	6,000
Operating Supplies	27,697	35,000	47,000
Repair & Maint Supplies	27,902	28,000	30,000
Subtotal	59,771	68,000	83,000
INTRAGOVERNMENTAL CHARGES			
Charges To Others	(208,546)	(230,000)	(278,000)
Charges From Others	77,239	85,000	98,000
Subtotal	(131,307)	(145,000)	(180,000)
OTHER SERVICES			
Professional Services	35,622	43,000	43,000
Other Contractual Services	41,027	60,000	68,000
Utilities	124,035	140,000	145,000
Subtotal	200,684	243,000	256,000
OTHER EXPENSES			
Depreciation/Amortization	1,004,691	1,010,000	1,025,000
Other	14,984	31,000	30,000
Subtotal	1,019,675	1,041,000	1,055,000
TOTAL EXPENSES	1,751,648	1,885,000	1,967,000

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Merrill Field Airport

1997-2002
Capital Improvement
Budget/Program

MERRILL FIELD AIRPORT
1997-2002 CAPITAL IMPROVEMENT BUDGET FINANCIAL SUMMARY
(000)

<u>PROJECT CATEGORY</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
Apron Improvements	---	---	---	---	1,200	---	1,200
Runways/Taxiways	800	2,000	2,500	1,200	---	1,000	7,500
Buildings & Equipment	340	265	240	150	---	---	995
Land Improvements	50	---	---	---	---	---	50
Land Acquisition	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>1,000</u>	---	<u>3,000</u>
TOTAL CIP PROGRAM	<u>1,690</u>	<u>2,765</u>	<u>3,240</u>	<u>1,850</u>	<u>2,200</u>	<u>1,000</u>	<u>12,745</u>

<u>SOURCE OF FUNDING</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>
Revenue Bonds	---	---	---	---	---	---	---
General Bonds	---	---	---	---	---	---	---
Operations	265	234	203	116	138	62	1,018
State Grants	---	---	---	---	---	---	---
Federal Grants	<u>1,425</u>	<u>2,531</u>	<u>3,037</u>	<u>1,734</u>	<u>2,062</u>	<u>938</u>	<u>11,727</u>
TOTAL FUNDING	<u>1,690</u>	<u>2,765</u>	<u>3,240</u>	<u>1,850</u>	<u>2,200</u>	<u>1,000</u>	<u>12,745</u>