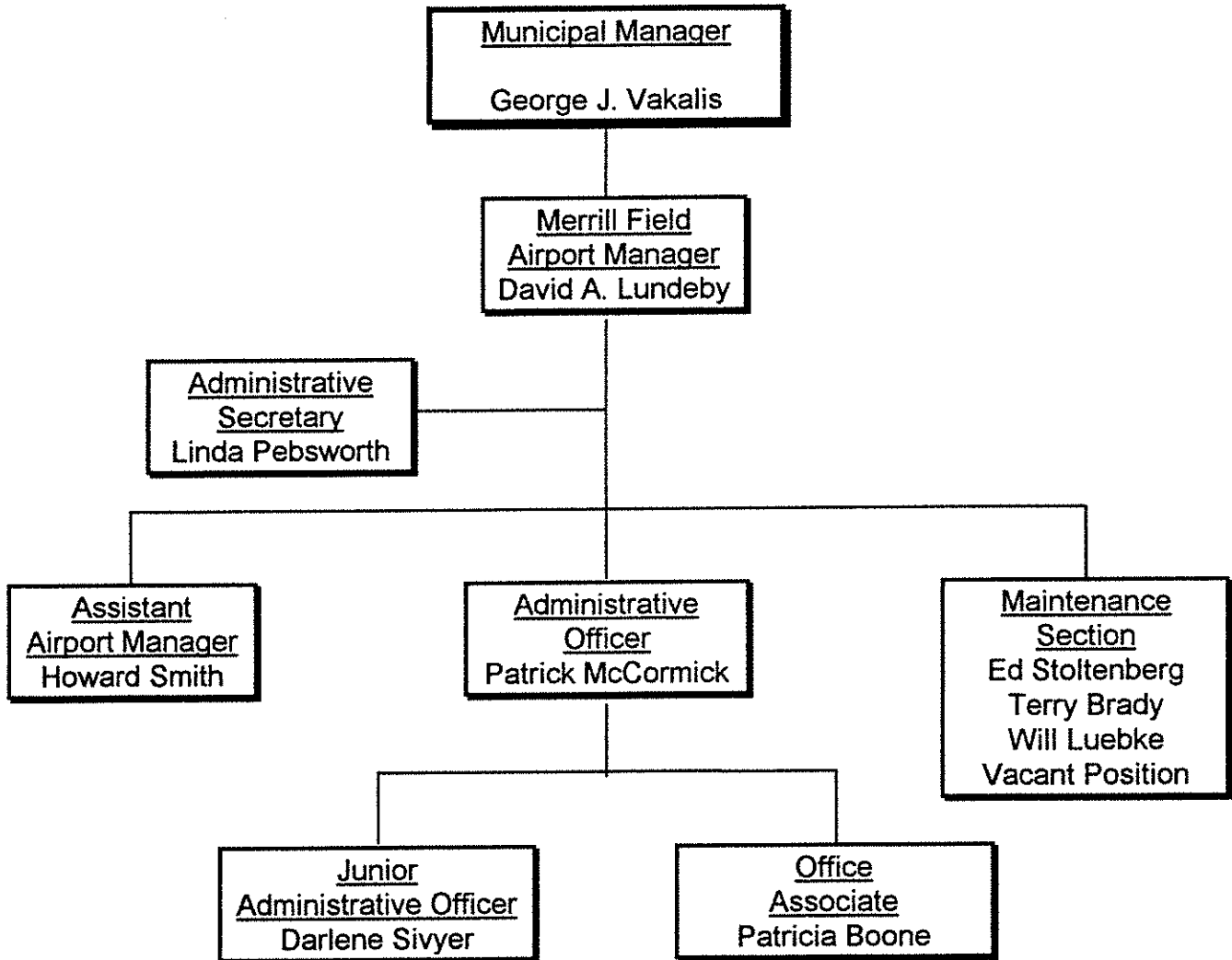


MERRILL FIELD AIRPORT

MERRILL FIELD AIRPORT ORGANIZATION CHART



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 honor 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 175,000 and 250,000 and based aircraft varied between 900 and 950.

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.
1,292 tiedown spaces; leaseholders manage 701;
Municipality manages 526, plus 65 for transient aircraft.
Runway 6/24 length is 4,000 feet; Runway 15/33 length is 2,650 feet.
Five taxiways; 102 acres of tiedown aprons.
New Control Tower owned and operated by Federal Aviation Administration.

Ninety-sixth Busiest Airport in the Nation

Hub for intra-Alaska travel.
Located one mile from downtown Anchorage.
Reliever airport to Anchorage International's general aviation aircraft.
187,190 flight operations in calendar year 1997.
9,806 general aviation aircraft in Alaska; 907 based at Merrill.
9,386 private pilots in Alaska; 4,432 reside in Anchorage.

Economic Stimulus

24 leaseholders lease 2,782,079 square feet.
18 fair market value rental properties.
Approximately 62 aviation related businesses operate on the airport.
980 transient aircraft stayed a total of 3,482 days last year.
Approximately 710,000 gallons of fuel were sold in 1997.

Airport Plant (net of accumulated depreciation) is \$28,218,571

MERRILL FIELD AIRPORT WORK FORCE PROJECTIONS

<u>CATEGORY</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</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>

Merrill Field Airport

1999

Operating Budget

MERRILL FIELD AIRPORT
RECONCILIATION OF 1998 BUDGET TO 1998 PRO FORMA

	<u>1998 Budget</u>	<u>1998 Pro Forma</u>	<u>Variance</u>
OPERATING REVENUE	<u>1,025,000</u>	<u>1,014,000</u>	<u>(11,000)</u>
OPERATING EXPENSE			
Labor	738,000	737,000	(1,000)
Supplies	83,000	87,000	4,000
Charges To Others	(288,000)	(295,000)	(7,000)
Charges From Others	105,000	106,000	1,000
Other Services	240,000	235,000	(5,000)
Other Expenses	170,000	154,000	(16,000) ^(a)
SUBTOTAL	<u>1,048,000</u>	<u>1,024,000</u>	<u>(24,000)</u>
NON-OPERATING REVENUE	<u>102,000</u>	<u>115,000</u>	<u>13,000</u> ^(b)
NON-OPERATING EXPENSE	0	0	0
NET INCOME (REGULATORY)	<u>79,000</u>	<u>105,000</u>	<u>26,000</u>
ADJUSTMENTS FOR GAAP	(895,000)	(908,000)	(13,000)
NET INCOME (LOSS) GAAP	<u>(816,000)</u>	<u>(803,000)</u>	<u>13,000</u>

Explanation of Significant Variances (5% or more):

- a) Advertising banners previously scheduled for 1998 have been deferred to 1999.
- b) The sale of surplus heavy equipment was not anticipated in the 1998 budget.

MERRILL FIELD AIRPORT
RECONCILIATION OF 1998 PRO FORMA TO 1999 BUDGET

	<u>1998</u> <u>Pro Forma</u>	<u>1999</u> <u>Budget</u>	<u>Variance</u>
OPERATING REVENUE	<u>1,014,000</u>	<u>1,069,000</u>	<u>55,000</u> ^(a)
OPERATING EXPENSE			
Labor	737,000	743,000	6,000
Supplies	87,000	73,000	(14,000) ^(b)
Charges To Others	(295,000)	(291,000)	4,000 ^(c)
Charges From Others	106,000	114,000	8,000 ^(c)
Other Services	235,000	192,000	(43,000) ^(d)
Other Expenses	154,000	202,000	48,000 ^(e)
SUBTOTAL	<u>1,024,000</u>	<u>1,033,000</u>	<u>9,000</u>
NON-OPERATING REVENUE	<u>115,000</u>	<u>86,000</u>	<u>(29,000)</u> ^(f)
NON-OPERATING EXPENSE	0	0	0
NET INCOME (REGULATORY)	<u>105,000</u>	<u>122,000</u>	<u>17,000</u>
ADJUSTMENTS FOR GAAP	(908,000)	(905,000)	3,000
NET INCOME (LOSS) GAAP	<u>(803,000)</u>	<u>(783,000)</u>	<u>20,000</u>

Explanation of Significant Variances (5% or more):

- a) In 1999 Merrill Field anticipates leasing property vacant in 1998.
- b) Orca Street repairs performed in 1998 will not need to be done in 1999.
- c) Increases in IGCs are anticipated in 1999.
- d) Contractual services and public utility services incurred in 1998 are expected to decrease in 1999.
- e) Non-contributed depreciation and advertising banners will increase other expenses in 1999.
- f) Merrill Field sold surplus heavy equipment in 1998, but does not anticipate selling any additional equipment in 1999.

MERRILL FIELD AIRPORT
1999 STATEMENT OF REVENUES AND EXPENSES

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Pro Forma</u>	<u>1999</u> <u>Budget</u>
OPERATING REVENUE			
Airport Lease Fees	400,597	428,000	431,000
Airport Property Rental	276,949	252,000	293,000
Permanent Parking Fees	196,747	204,000	208,000
Transient Parking Fees	11,220	11,000	12,000
Parking Garages & Lots	9,480	13,000	17,000
MOA Aviation Fuel Fees	35,834	37,000	37,000
FAA Service Fees & Rent	22,753	21,000	18,000
SOA Aviation Fuel Fees	16,756	21,000	21,000
Medevac Taxiway Fees	24,000	25,000	28,000
Other Revenue	(2,527)	2,000	4,000
TOTAL OPER REVENUE	991,809	1,014,000	1,069,000
OPERATING EXPENSE			
Labor	627,837	737,000	743,000
Supplies	59,961	87,000	73,000
Charges To Others	(262,751)	(295,000)	(291,000)
Charges From Others	63,702	106,000	114,000
Other Services	168,880	235,000	192,000
Other Expenses	14,775	22,000	32,000
Depreciation (a)	136,647	132,000	170,000
TOTAL OPER EXPENSE	809,051	1,024,000	1,033,000
OPERATING INCOME (LOSS)	182,758	(10,000)	36,000
NON-OPERATING REVENUE			
Interest Income	63,020	65,000	71,000
Other Revenue	80,791	50,000	15,000
TOTAL NON-OPER REVENUE	143,811	115,000	86,000
NON-OPERATING EXPENSE	0	0	0
TOTAL NON-OPER EXPENSE	0	0	0
NON-OPERATING INCOME	143,811	115,000	86,000
NET INCOME (REGULATORY)	326,569	105,000	122,000
ADJUSTMENTS FOR GAAP	(859,728)	(908,000)	(905,000)
NET INCOME (LOSS) GAAP	(533,159)	(803,000)	(783,000)

(a) Excludes Contributed Plant

MERRILL FIELD AIRPORT
1999 STATEMENT OF SOURCES AND USES OF CASH

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Pro Forma</u>	<u>1999</u> <u>Budget</u>
SOURCES OF CASH FUNDS:			
Net Income (Loss) GAAP	(533,158)	(803,000)	(783,000)
Total Depreciation	996,374	1,040,000	1,075,000
Grants	3,114,015	2,131,000	1,519,000
Net Effect of Changes In Balance Sheet Which Affect Cash	(3,307,882)	(344,000)	2,109,000
TOTAL SOURCES OF CASH	269,349	2,024,000	3,920,000
USES OF CASH FUNDS:			
Additions to Plant	17,413	1,952,000	3,879,000
Other	0	0	0
TOTAL USES OF CASH	17,413	1,952,000	3,879,000
NET INCREASE (DECREASE)	<u>251,936</u>	<u>72,000</u>	<u>41,000</u>
CASH BALANCE, JANUARY 1	926,025	1,178,000	1,250,000
CASH BALANCE, DECEMBER 31	<u>1,177,961</u>	<u>1,250,000</u>	<u>1,291,000</u>
DETAIL OF CASH BALANCE			
Equity In General Cash Pool	(114,861)	(10,000)	112,000
Equity In Construction Cash Pool	1,292,822	1,260,000	1,179,000
TOTAL CASH, DECEMBER 31	<u>1,177,961</u>	<u>1,250,000</u>	<u>1,291,000</u>

MERRILL FIELD AIRPORT
1999 OPERATING BUDGET DETAIL

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Pro Forma</u>	<u>1999</u> <u>Budget</u>
LABOR			
Wages	415,908	500,000	505,000
Overtime	23,838	28,000	26,000
Benefits	188,091	209,000	212,000
Subtotal	627,837	737,000	743,000
SUPPLIES			
Office Supplies	4,177	7,000	6,000
Operating Supplies	29,889	45,000	36,000
Repair & Maint Supplies	25,895	35,000	31,000
Subtotal	59,961	87,000	73,000
INTRAGOVERNMENTAL CHARGES			
Charges To Others	(262,751)	(295,000)	(291,000)
Charges From Others	63,702	106,000	114,000
Subtotal	(199,049)	(189,000)	(177,000)
OTHER SERVICES			
Professional Services	35,344	48,000	36,000
Other Contractual Services	20,465	49,000	36,000
Utilities	113,071	138,000	120,000
Subtotal	168,880	235,000	192,000
OTHER EXPENSES			
Depreciation/Amortization	996,375	1,040,000	1,075,000
Other	14,775	22,000	32,000
Subtotal	1,011,150	1,062,000	1,107,000
TOTAL EXPENSES	1,668,779	1,932,000	1,938,000

Merrill Field Airport

1999-2004

**Capital Improvement
Budget/Program**

MERRILL FIELD AIRPORT
1999-2004 CAPITAL IMPROVEMENT BUDGET FINANCIAL SUMMARY
(000's)

<u>PROJECT CATEGORY</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>TOTAL</u>
Apron Improvements	---	---	1,280	---	---	---	1,280
Runways/Taxiways	1,368	1,280	600	1,440	640	1,000	6,328
Buildings and Equipment	235	280	150	---	---	---	665
Land Improvements	200	---	---	---	---	---	200
Land Acquisition	---	<u>500</u>	<u>500</u>	---	<u>1,000</u>	---	<u>2,000</u>
TOTAL CIP PROGRAM	<u>1,803</u>	<u>2,060</u>	<u>2,530</u>	<u>1,440</u>	<u>1,640</u>	<u>1,000</u>	<u>10,473</u>

<u>SOURCE OF FUNDING</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>TOTAL</u>
Revenue Bonds	---	---	---	---	---	---	---
General Bonds	---	---	---	---	---	---	---
Operations	333	269	158	90	102	63	1,015
State Grants	---	---	---	---	---	---	---
Federal Grants	<u>1,470</u>	<u>1,791</u>	<u>2,372</u>	<u>1,350</u>	<u>1,538</u>	<u>937</u>	<u>9,458</u>
TOTAL FUNDING	<u>1,803</u>	<u>2,060</u>	<u>2,530</u>	<u>1,440</u>	<u>1,640</u>	<u>1,000</u>	<u>10,473</u>