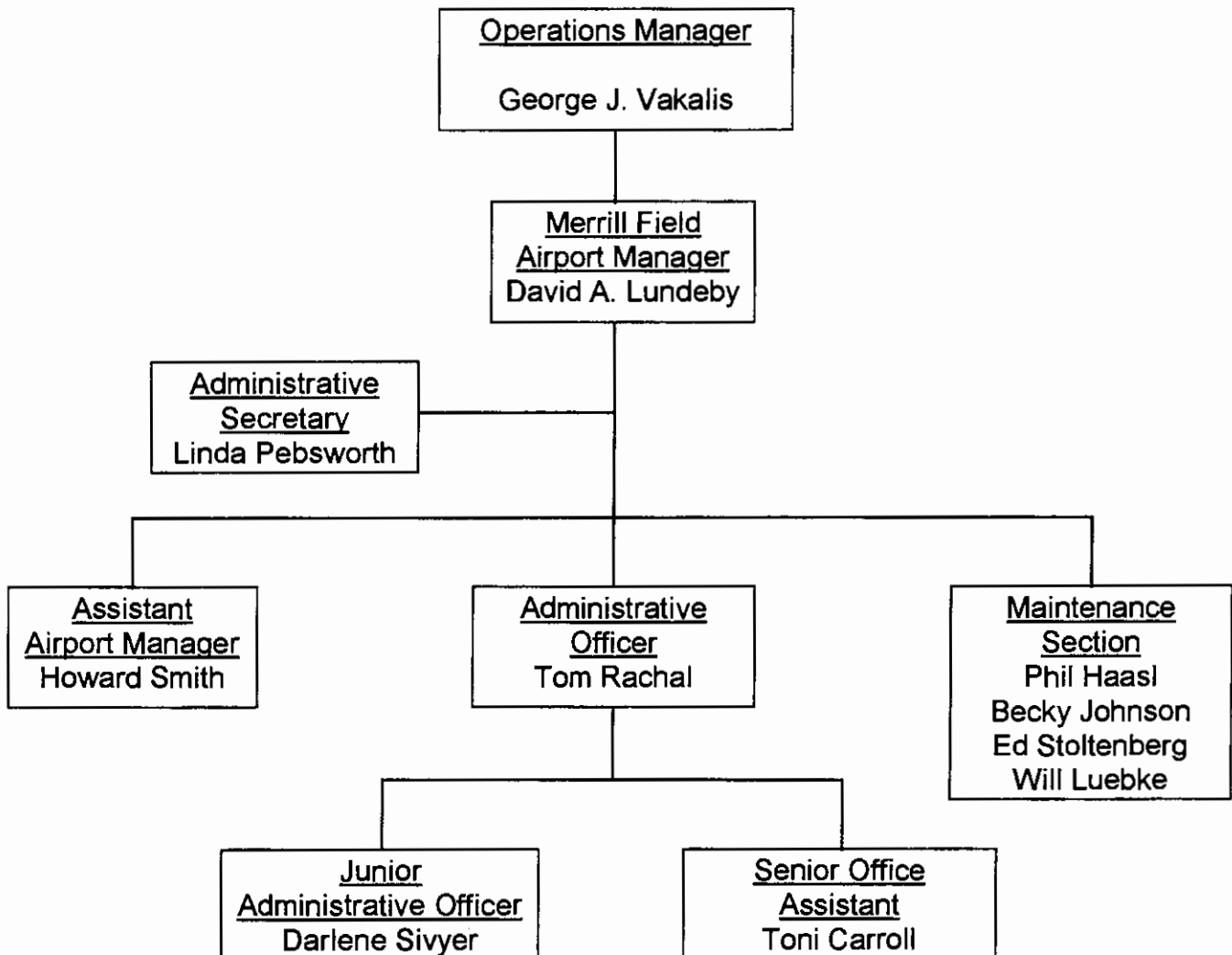


MERRILL FIELD AIRPORT

**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 Airport, originally known as "Aviation Field", was the first real airport in Anchorage. Located one mile east of the downtown area, it opened on July 4, 1930 and was dedicated in September 1932 to honor the late Russel Hyde Merrill, an early Alaskan aviator. Merrill Field is a "General Aviation Airport" and is restricted to aircraft that weigh 12,500 pounds or less.

In 1984 Merrill Field recorded 384,314 aircraft operations, ranked as the 15th busiest airport in the nation and had 1,019 based aircraft. In 1994, Merrill Field recorded 210,257 aircraft operations, ranked as the 74th busiest airport in the nation and had 905 based aircraft. While the states' economic slump and the decline in the manufacture of general aviation aircraft have taken their toll on Merrill Field's operations, the Airport continues to be an integral part of Alaska's transportation network.

SERVICE

Merrill Field serves as the general aviation link between all Southcentral Alaskan communities, including the rural areas, and Anchorage. Intrastate air traffic to and from Anchorage is increasing. Kenai alone sends 110,000 passengers a year to Anchorage; 38,500 are destined for the downtown/midtown areas that are more 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 732; Municipality has 632 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.

Seventy-fourth Busiest Airport in Nation

- Hub for intra-Alaska travel.
- Located one mile from downtown Anchorage.
- Reliever airport to Anchorage International's general aviation aircraft.
- 210,257 flight operations in Federal Year 1994.
- 9,743 general aviation aircraft in Alaska; 905 based at Merrill.
- 8,816 active pilots in Alaska; 4,151 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.
- 1,152 transient aircraft stayed a total of 4,077 days last year.
- Approximately 722,000 gallons of fuel were sold in 1994.

Net Airport Plant is \$30,747,700

MERRILL FIELD AIRPORT
WORK FORCE PROJECTIONS

<u>CATEGORY</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</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	2	2	2	2	2	2	2
Heavy Equip Operator (Temp)	2	2	2	2	2	2	2
Airport Maint Asstnts (Temp)	3	3	3	3	3	3	3
Public Aviation Facility	0	0	[To Be Determined]			-	-

Total (Permanent)	10	10	10	10	10	10	10
Total (Temporary)	5	5	5	5	5	5	5

Merrill Field Airport

**1996
Operating Budget**

MERRILL FIELD AIRPORT
RECONCILIATION OF 1995 BUDGET TO 1995 PRO FORMA

	<u>1995 Budget</u>	<u>1995 Pro Forma</u>	<u>Variance</u>
OPERATING REVENUE	<u>1,567,021</u>	<u>1,566,000</u>	<u>(1,021)</u>
OPERATING EXPENSE			
Labor	722,000	737,000	15,000
Supplies	105,000	63,000	(42,000) ^(a)
Charges To Others	(255,000)	(243,000)	12,000 ^(b)
Charges From Others	95,000	90,000	(5,000)
Other Services	242,900	211,000	(31,900) ^(c)
Other Expenses	1,052,100	1,068,000	15,900
SUBTOTAL	<u>1,962,000</u>	<u>1,926,000</u>	<u>(36,000)</u>
NON-OPERATING REVENUE	<u>467,979</u>	<u>479,000</u>	<u>11,021</u>
NON-OPERATING EXPENSE	0	0	0
NET INCOME (REGULATORY)	<u>73,000</u>	<u>119,000</u>	<u>46,000</u>
ADJUSTMENTS FOR GAAP	(900,000)	(902,000)	(2,000)
NET INCOME (LOSS) GAAP	<u>(827,000)</u>	<u>(783,000)</u>	<u>44,000</u>

Explanation of Significant Variances (5% or more):

- a) Orca Street repair costs reduced by expanding scope to a capital project.
- b) FAA grant administration less than anticipated; grant AIP-17 was delayed.
- c) Public utility services and contracted repair costs are less than anticipated.

MERRILL FIELD AIRPORT
RECONCILIATION OF 1995 PRO FORMA TO 1996 BUDGET

	<u>1995 Pro Forma</u>	<u>1996 Budget</u>	<u>Variance</u>
OPERATING REVENUE	<u>1,566,000</u>	<u>1,579,968</u>	<u>13,968</u>
OPERATING EXPENSE			
Labor	737,000	751,000	14,000 (a)
Supplies	63,000	72,000	9,000 (b)
Charges To Others	(243,000)	(274,000)	(31,000) (c)
Charges From Others	90,000	95,000	5,000 (d)
Other Services	211,000	244,000	33,000
Other Expenses	1,068,000	1,090,000	22,000
SUBTOTAL	<u>1,926,000</u>	<u>1,978,000</u>	<u>52,000</u>
NON-OPERATING REVENUE	<u>479,000</u>	<u>491,032</u>	<u>12,032</u>
NON-OPERATING EXPENSE	0	0	0
NET INCOME (REGULATORY)	<u>119,000</u>	<u>93,000</u>	<u>(26,000)</u>
ADJUSTMENTS FOR GAAP	(902,000)	(910,000)	(8,000)
NET INCOME (LOSS) GAAP	<u>(783,000)</u>	<u>(817,000)</u>	<u>(34,000)</u>

Explanation of Significant Variances (5% or more):

- a) Operating and Maintenance supplies increase to meet demand.
- b) FAA Grant Administration increases due to full year of grant activity.
- c) Full effect of labor agreements likely to increase IGC's.
- d) Additional expenses associated with providing full service use agreements.

MERRILL FIELD AIRPORT
1996 STATEMENT OF REVENUES AND EXPENSES

	<u>1994</u> <u>Actual</u>	<u>1995</u> <u>Pro Forma</u>	<u>1996</u> <u>Budget</u>
OPERATING REVENUE			
Lease Fees	420,545	403,000	403,070
MOA Aviation Fuel Fees	37,323	37,000	37,500
Transient Parking Fees	13,923	14,000	14,850
Permanent Parking Fees	180,311	210,000	214,548
Contributed Depreciation	885,400	902,000	910,000
TTL OPERATING REVENUE	1,537,502	1,566,000	1,579,968
OPERATING EXPENSE			
Labor	619,004	737,000	751,000
Supplies	52,535	63,000	72,000
Charges To Others	(118,292)	(243,000)	(274,000)
Charges From Others	62,509	90,000	95,000
Other Services	165,947	211,000	244,000
Other Expenses	1,041,497	1,068,000	1,090,000
TTL OPERATING EXPENSE	1,823,200	1,926,000	1,978,000
OPERATING INCOME (LOSS)	(285,698)	(360,000)	(398,032)
NON-OPERATING REVENUE			
Miscellaneous Permits	17,250	21,000	23,625
SOA Aviation Fuel Fees	17,986	20,000	20,948
Airport Property Rental	325,757	328,000	330,000
Interest Income	4,320	47,000	49,380
FAA Service Fees	16,369	16,000	16,326
Other Revenue	45,775	47,000	50,754
TTL NON-OPER REVENUE	427,457	479,000	491,032
NON-OPERATING EXPENSE			
TTL NON-OPER EXPENSE	0	0	0
NON-OPERATING INCOME	427,457	479,000	491,032
NET INCOME (REGULATORY)	141,759	119,000	93,000
ADJUSTMENTS FOR GAAP	(885,400)	(902,000)	(910,000)
NET INCOME (LOSS) GAAP	(743,641)	(783,000)	(817,000)

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MERRILL FIELD AIRPORT
1996 STATEMENT OF SOURCES AND USES OF CASH

	<u>1994</u> <u>Actual</u>	<u>1995</u> <u>Pro Forma</u>	<u>1996</u> <u>Budget</u>
SOURCES OF CASH FUNDS:			
Net Income (Loss) GAAP	(743,641)	(783,000)	(817,000)
Total Depreciation	1,019,959	1,040,000	1,055,000
Grants	2,024,083	300,000	1,546,000
Bonds	0	0	0
Net Effect of Changes In Balance Sheet Which Affect Cash	1,668,090	0	0
TOTAL SOURCES OF CASH	3,968,491	557,000	1,784,000
USES OF CASH FUNDS:			
Additions to Plant	2,124,186	519,044	2,021,000
Bond Principal Payment	0	0	0
Other	0	0	0
TOTAL USES OF CASH	2,124,186	519,044	2,021,000
NET INCREASE (DECREASE)	<u>1,844,305</u>	<u>37,956</u>	<u>(237,000)</u>
CASH BALANCE, JANUARY 1,	(1,021,261)	823,044	861,000
CASH BALANCE, DECEMBER 31,	<u>823,044</u>	<u>861,000</u>	<u>624,000</u>
DETAIL OF CASH BALANCE			
Equity In General Cash Pool	(984,206)	(910,000)	(817,000)
Equity In Construction Cash Pool	1,807,250	1,771,000	1,441,000
Bond Redemption Cash Pool	0	0	0
TOTAL CASH, DECEMBER 31,	<u>823,044</u>	<u>861,000</u>	<u>624,000</u>

MERRILL FIELD AIRPORT
1996 OPERATING BUDGET DETAIL

	<u>1994</u> <u>Actual</u>	<u>1995</u> <u>Pro Forma</u>	<u>1996</u> <u>Budget</u>
LABOR			
Wages	394,444	475,000	489,338
Overtime	28,678	26,000	26,401
Benefits	195,882	236,000	234,882
Other	0	0	379
Subtotal	619,004	737,000	751,000
SUPPLIES			
Office Supplies	3,383	5,000	6,000
Operating Supplies	32,480	36,000	41,000
Repair & Maint Supplies	16,672	22,000	25,000
Subtotal	52,535	63,000	72,000
INTRAGOVERNMENTAL CHARGES			
Charges To Others	(118,292)	(243,000)	(274,000)
Charges From Others	62,509	90,000	95,000
Subtotal	(55,783)	(153,000)	(179,000)
OTHER SERVICES			
Professional Services	11,804	24,000	40,000
Other Contractual Services	35,033	61,000	64,000
Utilities	119,110	126,000	140,000
Subtotal	165,947	211,000	244,000
OTHER EXPENSES			
Depreciation/Amortization	1,019,959	1,040,000	¥ 1,055,000
Other	21,538	28,000	35,000
Subtotal	1,041,497	1,068,000	1,090,000
TOTAL EXPENSES	1,823,200	1,926,000	1,978,000

* \$910,000 out of \$1,055,000
is contributed
depreciation

Merrill Field Airport
1996-2001
Capital Improvement
Budget/Program

MERRILL FIELD AIRPORT
1996-2001 CAPITAL IMPROVEMENT BUDGET FINANCIAL SUMMARY (000)

<u>PROJECT CATEGORY</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>TOTAL</u>
Apron Improvements	1,277	852	---	---	980	---	3,109
Runways/Taxiways	50	50	---	---	---	950	1,050
Buildings & Equipment	370	230	5,110	100	---	---	5,810
Land Improvements	50	240	---	---	---	---	290
Land Acquisition	<u>500</u>	<u>500</u>	<u>500</u>	<u>1,500</u>	---	---	<u>3,000</u>
TOTAL CIP PROGRAM	<u>2,247</u>	<u>1,872</u>	<u>5,610</u>	<u>1,600</u>	<u>980</u>	<u>950</u>	<u>13,259</u>

<u>SOURCE OF FUNDING</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>TOTAL</u>
Revenue Bonds	---	---	---	---	---	---	---
General Bonds	---	---	---	---	---	---	---
Operations	206	211	48	100	61	59	685
State Grants	---	---	4,850	---	---	---	4,850
Federal Grants	<u>2,041</u>	<u>1,661</u>	<u>712</u>	<u>1,500</u>	<u>919</u>	<u>891</u>	<u>7,724</u>
TOTAL FUNDING	<u>2,247</u>	<u>1,872</u>	<u>5,610</u>	<u>1,600</u>	<u>980</u>	<u>950</u>	<u>13,259</u>