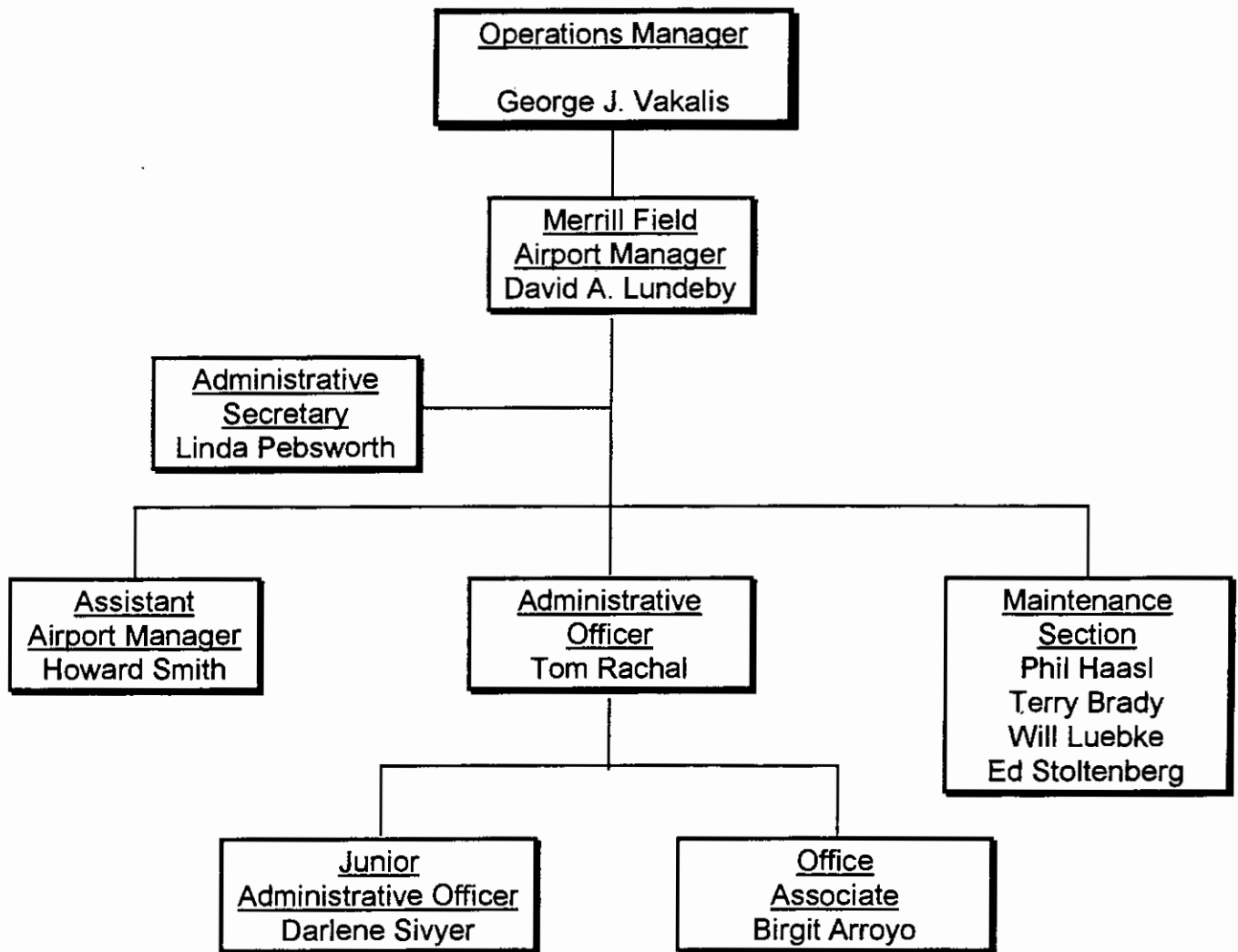


MERRILL FIELD AIRPORT

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 173,000 and 250,000 and based aircraft varied between 901 and 943.

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.
1,284 tiedown spaces; leaseholders have 724; Municipality has 498
plus 62 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.

Ninety-ninth Busiest Airport in Nation

Hub for intra-Alaska travel.
Located one mile from downtown Anchorage.
Reliever airport to Anchorage International's general aviation aircraft.
181,011 flight operations in Federal Fiscal Year 1996.
9,752 general aviation aircraft in Alaska; 901 based at Merrill.
9,399 private pilots in Alaska; 4,364 reside in Anchorage.

Economic Stimulus

23 leaseholders lease 2,841,950 square feet.
25 fair market value rental properties.
52 aviation related businesses operate on the airport.
927 transient aircraft stayed a total of 3,610 days last year.
Approximately 701,000 gallons of fuel were sold in 1996.

Net Airport Plant is \$29,197,533

MERRILL FIELD AIRPORT WORK FORCE PROJECTIONS

<u>CATEGORY</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</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

**1998
Operating Budget**

MERRILL FIELD AIRPORT
RECONCILIATION OF 1997 BUDGET TO 1997 PRO FORMA

	<u>1997 Budget</u>	<u>1997 Pro Forma</u>	<u>Variance</u>
OPERATING REVENUE	<u>1,083,000</u>	<u>994,000</u>	<u>(89,000)</u>
OPERATING EXPENSE			
Labor	753,000	708,000	(45,000) ^(a)
Supplies	83,000	72,000	(11,000) ^(b)
Charges To Others	(278,000)	(274,000)	4,000
Charges From Others	98,000	92,000	(6,000) ^(c)
Other Services	256,000	240,000	(16,000) ^(d)
Other Expenses	160,000	162,000	2,000
SUBTOTAL	<u>1,072,000</u>	<u>1,000,000</u>	<u>(72,000)</u>
NON-OPERATING REVENUE	<u>62,000</u>	<u>113,000</u>	<u>51,000</u>
NON-OPERATING EXPENSE	0	0	0
NET INCOME (REGULATORY)	<u>73,000</u>	<u>107,000</u>	<u>34,000</u>
ADJUSTMENTS FOR GAAP	(895,000)	(880,000)	15,000
NET INCOME (LOSS) GAAP	<u>(822,000)</u>	<u>(773,000)</u>	<u>49,000</u>

Explanation of Significant Variances (5% or more):

- a) Reduction due to a combination of snow removal and fringe benefit savings.
- b) Orca Street maintenance supplies are being postponed to 1998.
- c) A slight reduction in Intragovernmental charges is anticipated.
- d) Legal and computer programming services are higher than anticipated.

MERRILL FIELD AIRPORT

RECONCILIATION OF 1997 PRO FORMA TO 1998 BUDGET

	<u>1997 Pro Forma</u>	<u>1998 Budget</u>	<u>Variance</u>
OPERATING REVENUE	<u>994,000</u>	<u>1,025,000</u>	<u>31,000</u>
OPERATING EXPENSE			
Labor	708,000	738,000	30,000
Supplies	72,000	83,000	11,000 (a)
Charges To Others	(274,000)	(288,000)	(14,000) (b)
Charges From Others	92,000	105,000	13,000 (c)
Other Services	240,000	240,000	0
Other Expenses	162,000	170,000	8,000
SUBTOTAL	<u>1,000,000</u>	<u>1,048,000</u>	<u>48,000</u>
NON-OPERATING REVENUE	<u>113,000</u>	<u>102,000</u>	<u>(11,000)</u>
NON-OPERATING EXPENSE	0	0	0
NET INCOME (REGULATORY)	<u>107,000</u>	<u>79,000</u>	<u>(28,000)</u>
ADJUSTMENTS FOR GAAP	(880,000)	(895,000)	(15,000)
NET INCOME (LOSS) GAAP	<u>(773,000)</u>	<u>(816,000)</u>	<u>(43,000)</u>

Explanation of Significant Variances (5% or more):

- a) Orca Street maintenance expenses postponed from 1997.
- b) FAA grants increase substantially.
- c) Increases in Intragovernmental charges are anticipated.

MERRILL FIELD AIRPORT

1998 STATEMENT OF REVENUES AND EXPENSES

	1996 <u>Actual</u>	1997 <u>Pro Forma</u>	1998 <u>Budget</u>
OPERATING REVENUE			
Airport Lease Fees	401,791	409,000	427,000
Airport Property Rental	301,783	258,000	253,000
Permanent Parking Fees	189,539	194,000	200,000
Transient Parking Fees	12,442	12,000	13,000
Parking Garages & Lots	14,682	18,000	20,000
MOA Aviation Fuel Fees	35,865	37,000	39,000
FAA Service Fees & Rent	21,112	21,000	21,000
SOA Aviation Fuel Fees	19,728	20,000	22,000
Medevac Taxiway Fees	18,745	21,000	25,000
Other Revenue	3,060	4,000	5,000
TTL OPERATING REVENUE	1,018,747	994,000	1,025,000
OPERATING EXPENSE			
Labor	640,359	708,000	738,000
Supplies	54,433	72,000	83,000
Charges To Others	(251,539)	(274,000)	(288,000)
Charges From Others	71,800	92,000	105,000
Other Services	224,122	240,000	240,000
Other Expenses	17,690	32,000	40,000
Depreciation (a)	135,206	130,000	130,000
TTL OPERATING EXPENSE	892,071	1,000,000	1,048,000
OPERATING INCOME (LOSS)	126,676	(6,000)	(23,000)
NON-OPERATING REVENUE			
Interest Income	33,675	47,000	55,000
Other Revenue	11,650	66,000	47,000
TTL NON-OPER REVENUE	45,325	113,000	102,000
NON-OPERATING EXPENSE	0	0	0
TTL NON-OPER EXPENSE	0	0	0
NON-OPERATING INCOME	45,325	113,000	102,000
NET INCOME (REGULATORY)	172,001	107,000	79,000
ADJUSTMENTS FOR GAAP	(865,675)	(880,000)	(895,000)
NET INCOME (LOSS) GAAP	(693,674)	(773,000)	(816,000)

(a) Excludes Contributed Plant

MERRILL FIELD AIRPORT

1998 STATEMENT OF SOURCES AND USES OF CASH

	<u>1996</u> <u>Actual</u>	<u>1997</u> <u>Pro Forma</u>	<u>1998</u> <u>Budget</u>
SOURCES OF CASH FUNDS:			
Net Income (Loss) GAAP	(693,673)	(773,000)	(816,000)
Total Depreciation	1,000,881	1,010,000	1,025,000
Grants	1,326,493	1,044,000	2,940,000
Net Effect of Changes In Balance Sheet Which Affect Cash	(1,137,060)	1,791,000	(137,000)
TOTAL SOURCES OF CASH	496,641	3,072,000	3,012,000
USES OF CASH FUNDS:			
Additions to Plant	370,190	2,625,000	3,330,000
Other	0	0	0
TOTAL USES OF CASH	370,190	2,625,000	3,330,000
NET INCREASE (DECREASE)	<u>126,451</u>	<u>447,000</u>	<u>(318,000)</u>
CASH BALANCE, JANUARY 1,	799,574	926,000	1,373,000
CASH BALANCE, DECEMBER 31,	<u>926,025</u>	<u>1,373,000</u>	<u>1,055,000</u>
DETAIL OF CASH BALANCE			
Equity In General Cash Pool	(355,751)	(249,000)	(170,000)
Equity In Construction Cash Pool	1,281,776	1,622,000	1,225,000
TOTAL CASH, DECEMBER 31,	<u>926,025</u>	<u>1,373,000</u>	<u>1,055,000</u>

MERRILL FIELD AIRPORT

1998 OPERATING BUDGET DETAIL

	<u>1996</u> <u>Actual</u>	<u>1997</u> <u>Pro Forma</u>	<u>1998</u> <u>Budget</u>
LABOR			
Wages	417,790	472,000	492,000
Overtime	27,698	27,000	27,000
Benefits	194,871	209,000	219,000
Subtotal	640,359	708,000	738,000
SUPPLIES			
Office Supplies	4,614	5,000	6,000
Operating Supplies	34,696	42,000	47,000
Repair & Maint Supplies	15,123	25,000	30,000
Subtotal	54,433	72,000	83,000
INTRAGOVERNMENTAL CHARGES			
Charges To Others	(251,539)	(274,000)	(288,000)
Charges From Others	71,800	92,000	105,000
Subtotal	(179,739)	(182,000)	(183,000)
OTHER SERVICES			
Professional Services	68,132	55,000	43,000
Other Contractual Services	33,446	49,000	57,000
Utilities	122,544	136,000	140,000
Subtotal	224,122	240,000	240,000
OTHER EXPENSES			
Depreciation/Amortization	1,000,881	1,010,000	1,025,000
Other	17,690	32,000	40,000
Subtotal	1,018,571	1,042,000	1,065,000
TOTAL EXPENSES	1,757,746	1,880,000	1,943,000

Merrill Field Airport
1998-2003
Capital Improvement
Budget/Program

MERRILL FIELD AIRPORT
1998-2003 CAPITAL IMPROVEMENT BUDGET FINANCIAL SUMMARY
(000)

<u>PROJECT CATEGORY</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>TOTAL</u>
Apron Improvements	---	---	---	---	1,200	---	1,200
Runways/Taxiways	2,000	600	2,000	800	---	1,000	6,400
Buildings & Equipment	390	195	150	---	---	---	735
Land Improvements	50	200	---	---	---	---	250
Land Acquisition	<u>500</u>	<u>500</u>	<u>500</u>	<u>1,000</u>	<u>---</u>	<u>---</u>	<u>2,500</u>
TOTAL CIP PROGRAM	<u>2,940</u>	<u>1,495</u>	<u>2,650</u>	<u>1,800</u>	<u>1,200</u>	<u>1,000</u>	<u>11,085</u>

<u>SOURCE OF FUNDING</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>TOTAL</u>
Revenue Bonds	---	---	---	---	---	---	---
General Bonds	---	---	---	---	---	---	---
Operations	296	154	166	112	75	62	865
State Grants	---	---	---	---	---	---	---
Federal Grants	<u>2,644</u>	<u>1,341</u>	<u>2,484</u>	<u>1,688</u>	<u>1,125</u>	<u>938</u>	<u>10,220</u>
TOTAL FUNDING	<u>2,940</u>	<u>1,495</u>	<u>2,650</u>	<u>1,800</u>	<u>1,200</u>	<u>1,000</u>	<u>11,085</u>