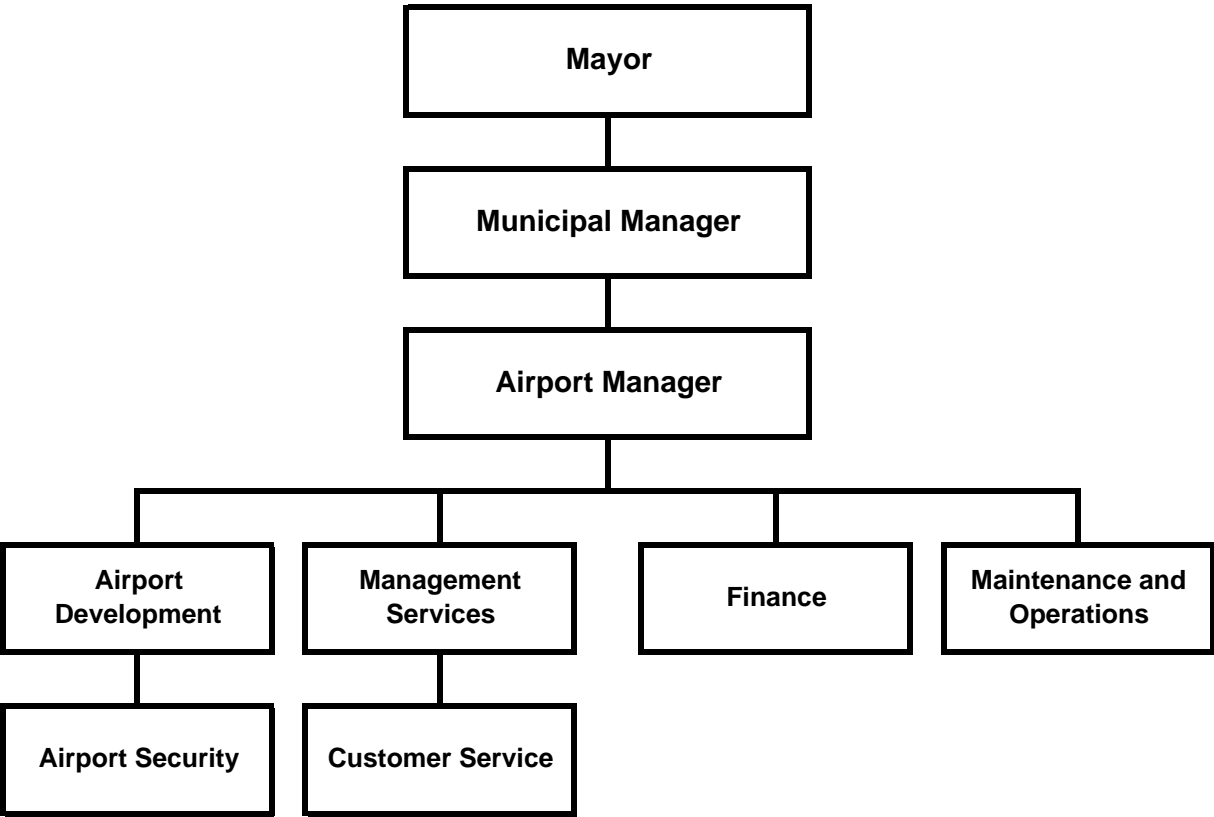


# Merrill Field Airport



## **Merrill Field Airport Organizational Overview**

Merrill Field Airport is functionally structured as a single division. Department personnel include the Airport Manager and four office staff, plus four maintenance personnel.

The Airport Manager is responsible for the overall management of the Airport. The Administrative staff conducts the day to day operation of the Airport, including property management and servicing of leasehold and tie-down customers. Other functions include the planning, design, and oversight of the construction of Airport infrastructure.

Maintenance personnel provide maintenance and operation of Airport facilities and equipment, as well as maintenance of all operating surfaces on the airport - runways, taxiways, roads, and aircraft tiedown areas that are not on leased property. Such responsibilities include snow removal, sanding, and resurfacing.

## **Merrill Field Airport Business Plan**

### **Background**

Merrill Field Airport is a municipally owned and operated enterprise, regulated by the Federal Aviation Administration.

### **Services**

Merrill Field is a primary commercial service airport and serves as a general aviation reliever for Anchorage International Airport. Home to almost 8% of all aircraft registered in Alaska, Merrill Field was the 104th busiest airport in the nation in 2011.

### **Mission**

Merrill Field Airport is committed to operating and maintaining a safe and efficient airport that meets the aviation and business needs of the community.

### **Business Goals**

- Enhance the Airport's role as the major general aviation transportation facility serving Anchorage and outlying areas within Alaska by providing services that promote and encourage use of the Airport by the general aviation community.
- Develop an overall Airport strategy, including leasing policies that attract aviation support services and related businesses to Merrill Field and encourage long and short term private sector investments.
- Practice sound fiscal management to enable Merrill Field to increase its value, both to its customers and to its owner, the Municipality of Anchorage.
- Take advantage of new technology.
- Understand and be responsive to our customers to better meet their needs by providing the services and facilities they desire. This includes maintaining those facilities in a fully functional, efficient and safe condition by continually improving their utility, quality, and appearance.
- Maximize the use of Federal Airport Improvement Program (AIP) grants to provide facilities that will safely and adequately meet the needs of general aviation.

### **Strategies to Achieve Goals**

Merrill Field's strategic plan provides a framework to achieve results for the customer.

1. Actively market Airport facilities and services.
2. Provide infrastructure to meet customer demand
3. Maintain revenues at a level adequate to cover inflation, fund MOA and FAA mandated costs, and meet airport objectives by:
  - a. increasing facility productivity
  - b. increasing user fees, when necessary.
4. Minimize expenses by:
  - a. Reducing services where the impact is minimal
  - b. Employing economies of scale whenever possible
  - c. Deferring expenses, within practical limits
  - d. Performing functions in-house when workloads permit
5. Take advantage of new technology
  - a. Continue refinement and enhancement of existing programs to facilitate better data resource management.

- b. Continue replacing computer hardware, as required, to ensure the efficient processing of data.
6. Maintenance of database and management reporting capabilities.
7. Maintain runways, taxiways, and tie-down aprons in a safe and secure condition.
8. Expediently remove snow from all surfaces.
9. Continue long term planning, development, and construction of quality airport facilities through the Airport Master Plan process.
10. Provide technical assistance to lessees on issues associated with federally mandated environmental programs.
11. Continue to reduce the number of runway incursions (Vehicle/Pedestrian Deviations or VPDs).
12. Promote pro-active leasing program for Municipal Airports.
13. Manage and develop Orca Street properties to provide lease space for aircraft hangar development.
14. Provide new lease lots to expand or develop commercial aviation facilities.
15. Work in close coordination with the Airport Commission, Fixed Based Operators, and Airport users.
16. Perform asphaltic crack sealing of runways/taxiways to extend the life expectancy of these surfaces.
17. Fund pre-grant expenses for engineering services on grant-eligible projects.
18. Implement recommendations of the FAA Runway Safety Action Team.
19. Enhance the utility of existing tiedown aprons, taxiways and roadways.
20. Expand aircraft aprons and taxiways as needed to meet demand.
21. Maintain positive relations with neighboring Community Councils by encouraging their comments and actively addressing their concerns.
22. Maintain a pro-active anti-noise policy, asking pilots to follow established noise-reducing practice.
23. Continue to aggressively seek and obtain both FAA and State grant funding for the Airport Capital Improvement Program.
24. Acquire additional land west of the Runway 16/34 safety area to ensure compatible land use.
25. Identify high priority projects to be included in the FAA 5-Year Airport Capital Improvement Plan (ACIP) allowing Merrill Field to more effectively compete nationally for AIP grant funds.
26. Secure engineering services for project preliminary design, final design, contract specifications, bid award, and construction supervision.
27. Secure funding allocations through the grant application process.

### **Performance Measures to Track Progress in Achieving Goals**

Merrill Field measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Number of surface incidents
2. Personnel cost per one inch of snowfall to remove snow from Airport operating surfaces
3. Number of unfulfilled requests for aircraft parking space – Electrical Drive Through
4. Percentage of lease spaces currently leased
5. Percent of runway pavement above the minimum PCI value of 70
6. Percent of apron pavement above the minimum PCI value of 60
7. Percent of taxiway pavement above the minimum PCI value of 60

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## Merrill Field Airport

*Anchorage: Performance. Value. Results.*

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**Mission**

Operate and maintain Merrill Field Airport to meet the aviation and business needs of our customers.

**Core Services**

- Maintain runways, taxiways, and aircraft parking aprons in a safe and secure condition.
- Provide space to operate and park aircraft.
- Provide lease space for private enterprises to support air transportation.

**Accomplishment Goals**

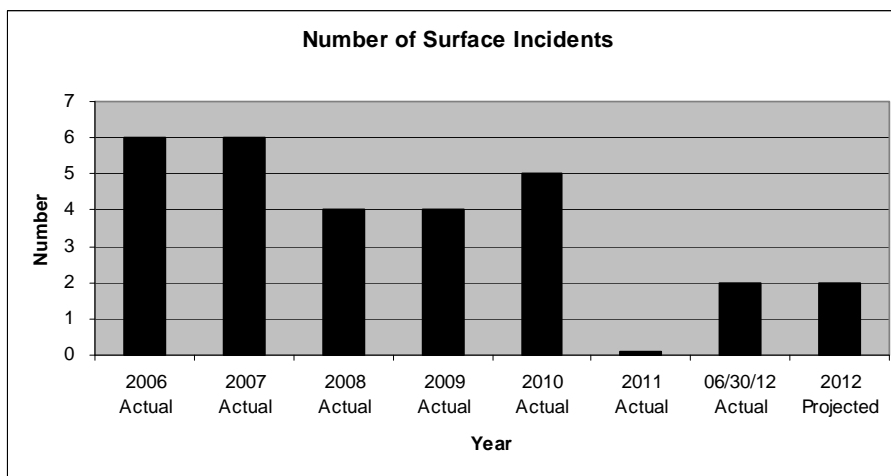
- Reduce the number of “surface incidents” (unauthorized entry into restricted areas).
- Expeditiously remove snow from all runways, taxiways, and aircraft parking aprons.
- Provide sufficient aircraft parking area and business lease space to meet public demand.
- Repair and improve surface conditions on all Runway operating surfaces with a Pavement Condition Index (PCI) below 70 and all Taxiway, Apron & Roadway operating surfaces with a PCI below 60 (on a scale of 1 – 100 with 100 being the best condition).

**Performance Measures**

Progress in achieving goals will be measured by:

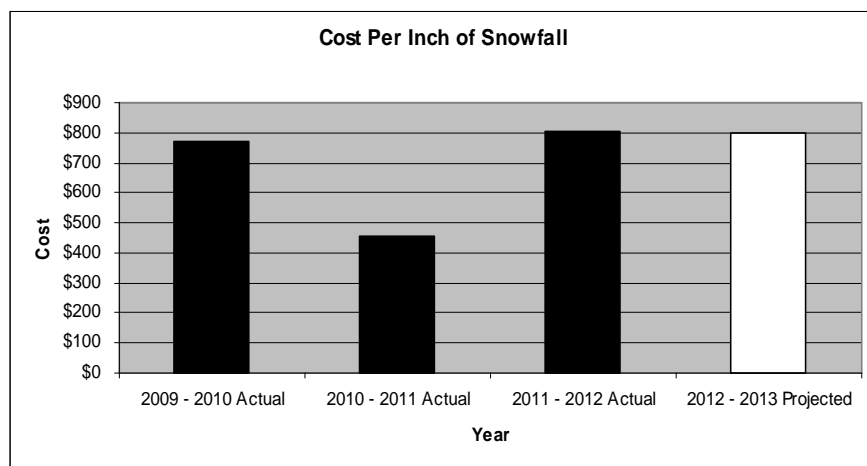
**Measure #1: Number of surface incidents (unauthorized entry into restricted areas)**

2011 Actual	06/30/12 Actual	12/31/12 Projected
0	2	2



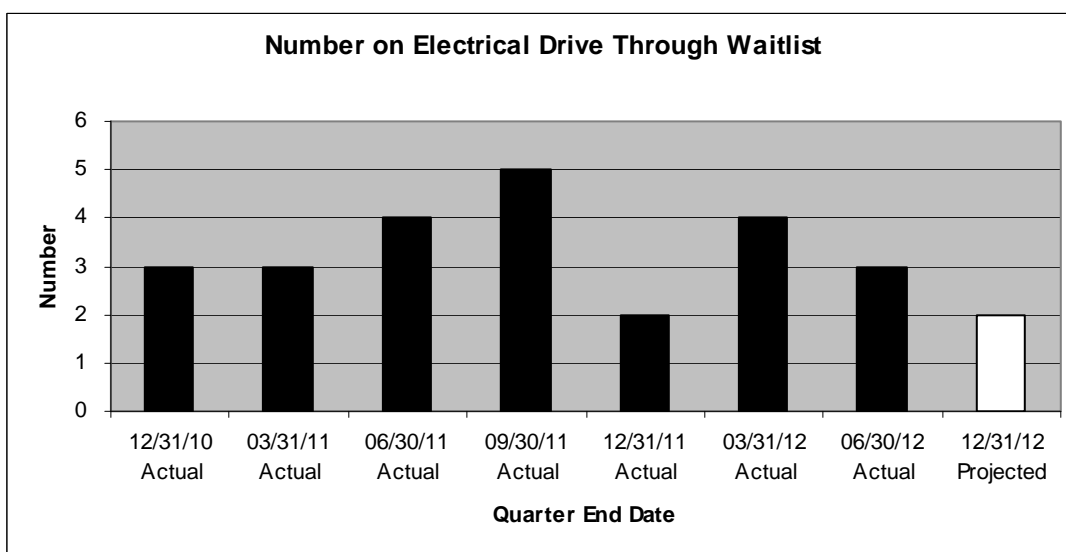
**Measure #2: Personnel cost per one inch of snowfall to remove snow from Airport operating surfaces**

<b>2010 – 2011 Actual</b>	<b>2011 – 2012 Actual</b>	<b>2012 – 2013 Projected</b>
\$454	\$806	\$800



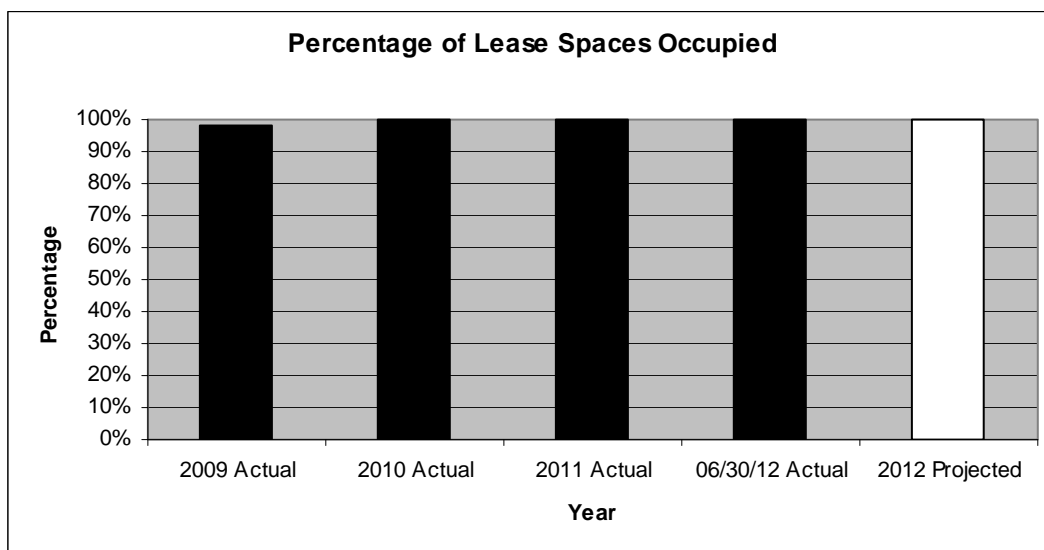
**Measure #3: Number of unfulfilled requests for aircraft parking space – Electrical Drive Through**

<b>03/31/12 Actual</b>	<b>06/30/12 Actual</b>	<b>12/31/12 Projected</b>
4	3	2

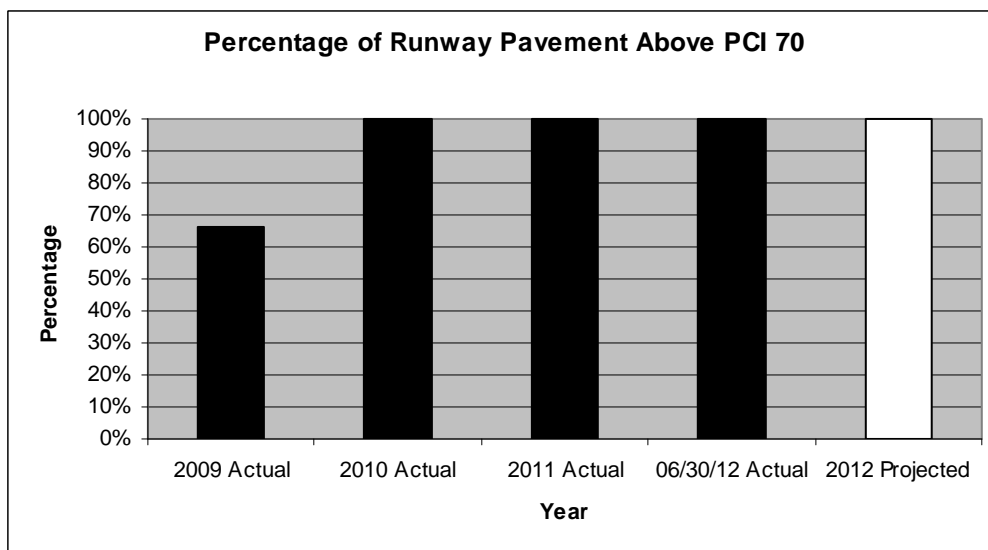


**Measure #4: Percentage of lease spaces currently leased**

2011 Actual	06/30/12 Actual	12/31/12 Projected
(51/51)	(51/51)	(51/51)
100.00%	100.00%	100.00%

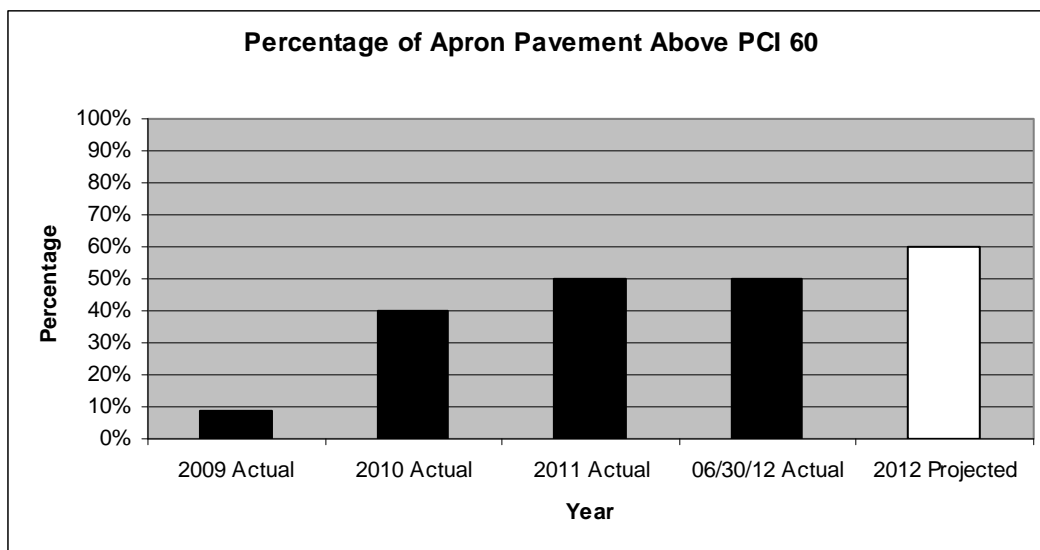
**Measure #5: Percent of runway pavement above the minimum PCI value of 70**

2011 Actual	06/30/12 Actual	12/31/12 Projected
100%	100%	100%

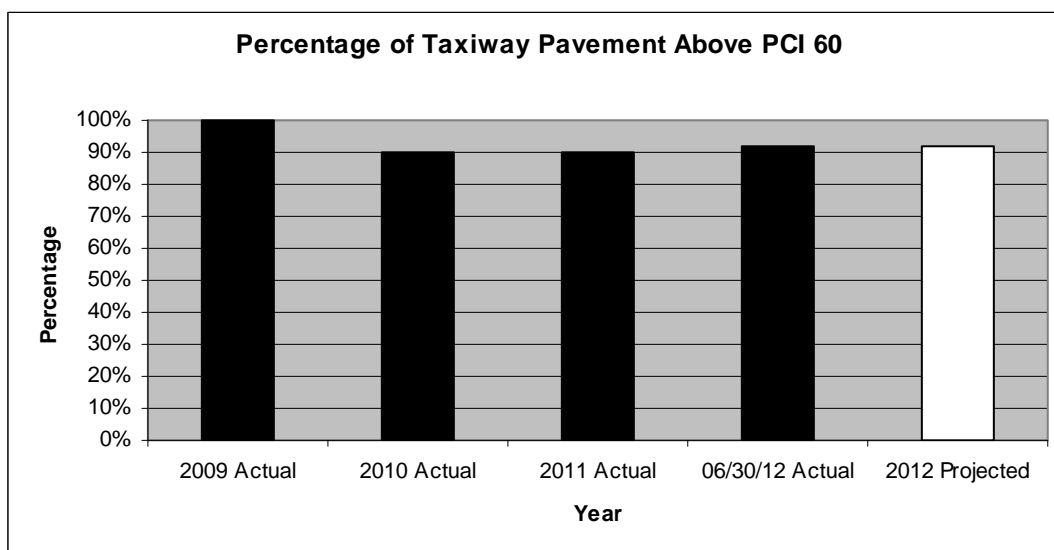


**Measure #6: Percent of apron pavement above the minimum PCI value of 60**

2011 Actual	06/30/12 Actual	12/31/12 Projected
50%	50%	60%

**Measure #7: Percent of taxiway pavement above the minimum PCI value of 60**

2011 Actual	06/30/12 Actual	12/31/12 Projected
90%	92%	92%

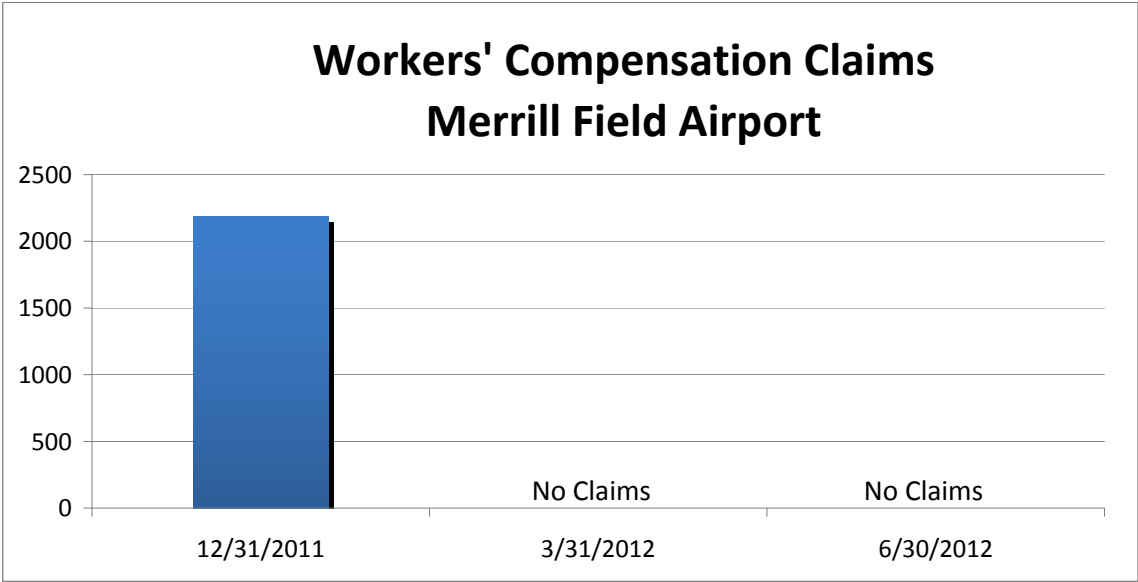




**PVR Measure WC: Managing Workers' Compensation Claims**

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.



## **Merrill Field Airport Highlights and Future Events**

Today, with approximately 130,000 take offs and landings per year, Merrill Field serves as a reliever airport to Ted Stevens Anchorage International Airport and also as the major general aviation link between Anchorage and our surrounding rural communities. With over 40 aviation businesses and 830 based aircraft, Merrill Field provides a positive economic impact to Anchorage.

Merrill Field is one of the few airports in the nation that has a taxiway link directly to a hospital. Medevac aircraft land and taxi directly to the hospital, the patient is transferred from the aircraft onto a gurney and wheeled into the hospital. This service saves valuable minutes in critical situations and is utilized almost daily.

Merrill Field continues to develop its economic revitalization program through cooperative efforts of the business owners, airport management, and surrounding communities. Over the past five years private development has invested approximately \$15 million in constructing over 150 new aircraft hangars and 3 new office/retail facilities on Municipal Airport leased property. The Administration recently updated Merrill Field's lease terms which resulted in more benefits to the airport leaseholders and makes Merrill Field's leases more competitive with State airport leases.

Federally funded capital improvement projects for 2013 include aircraft parking apron rehabilitation, reconstruction of a major taxiway located on the south side of the airport, and upgrades to the Airport's lighting systems.

Over the past 20 years, Merrill Field has had a Land Acquisition Program in place to prioritize land acquisitions and building demolitions along the west side of the airport. The primary purpose of this program is to eliminate deviations from Airport design standards within Runway and Taxiway Object Free Areas and Runway Protection Zones and to ensure airport compatible land use. The FAA and the State of Alaska have consistently supported these land purchases to provide the airport the authority to remove existing obstructions and to make available new property for aviation development.

The final steps to conclude the State's lengthy Glenn Highway expansion project are underway. The Land Exchange Agreement between the State and the Municipality has received the necessary Federal approvals and is currently being routed for Municipal signatures. Once approved, the State will release the funds to the Municipality in payment of the Municipal land the State acquired for the project. Of the \$7 million to be paid to the Municipality, the Airport's share will be \$4.5 million.

## **Merrill Field Airport External Impacts**

Merrill Field continues to remain debt free by pursuing federal airport grant funds for all grant-eligible capital improvement projects. By working with the federal and state grant managers, we will continue to secure a reasonable portion of the grant funding as it becomes available.

Merrill Field continues to develop its economic revitalization program through cooperative efforts of the business owners, airport management, and surrounding communities. New aircraft hangar projects have recently been constructed on the Airport which have provided business and employment opportunities to the local community and also expanded the existing tax base for General Government.

Since its beginning in the 1930s when it was built on the outskirts of town, Merrill Field has become surrounded by residential and commercial development. Individuals not associated with the airport occasionally enter restricted areas (trespass across runways) when transiting the airport because they are not familiar with the airport layout. Our Runway Safety Program has implemented operational procedures and provided numerous capital improvements in an effort to curb this trespass problem. Through cooperative efforts of Airport leaseholders and implementation of our Driver Training Program, there has been a dramatic decrease in trespass incidents, from a total of 19 incidents in 2004 down to 0 in 2011. The year to date total for 2012 is 2. Our goal is to increase Airport security through the continued support of the Airport leaseholders and businesses, the Municipality of Anchorage, and the Federal Aviation Administration.

The final steps to conclude the State's lengthy Glenn Highway expansion project are underway. The Land Exchange Agreement between the State and the Municipality has received the necessary Federal approvals and is currently being routed for Municipal signatures. Once approved, the State will release the funds to the Municipality in payment of the Municipal land the State acquired for the project. Of the \$7 million to be paid to the Municipality, the Airport's share will be \$4.5 million.

As a cost saving measure, the Airport did not hire its usual three summer temporary employees in 2012. The positions have been inactivated for the 2013 budget.

There are no proposed rate increases for the 2013 budget.

## Merrill Field Airport Workforce Projections

<b>Division</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Airport Manager	1	1	1	1	1	1	1	1
Airport Development	1	1	1	1	1	1	1	1
Finance	1	1	1	1	1	1	1	1
Management Services	2	2	2	2	2	2	2	2
Maintenance Technicians	7	7	4	4	4	4	4	4
<b>Total full time</b>	<b>12</b>	<b>12</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Part-time/Temporary	-	-	-	-	-	-	-	-
<b>Total FTE</b>	<b>12</b>	<b>12</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

## Merrill Field Airport 8 Year Summary

(\$ in thousands)

Financial Overview	2011 Actuals	2012 Proforma	2013 Budget	2014	2015	2016	2017	2018
				Forecast				
Total Revenues (2)	1,510	1,883	1,894	1,894	1,595	1,595	1,595	1,696
Total Expenses (3)	1,684	1,906	1,833	1,873	1,533	1,543	1,555	1,567
<b>Net Income (Loss) - Regulatory</b>	<b>(174)</b>	<b>(23)</b>	<b>61</b>	<b>21</b>	<b>62</b>	<b>52</b>	<b>40</b>	<b>129</b>

(2): Revenues shown are regulatory in nature. Capital grant revenue is not included.

(3): Expenses shown are regulatory in nature. Depreciation on assets purchased with funds contributed by other agencies is not included here, but is included in the annual budget appropriation. For 2013, the budgeted expense appropriation is \$4,114,000.

Budgeted Positions	12	9	9	9	9	9	9	9
Capital Program	2,687	3,088	4,910	4,600	4,580	5,050	5,300	6,330
Bond Sales	-	-	-	-	-	-	-	-
Net Plant (12/31)	56,456	56,578	59,053	60,364	61,582	63,202	64,982	67,693
Utility Revenue Distribution	-	-	-	-	-	-	-	-
Net Assets (12/31)	58,202	58,459	60,850	62,181	63,563	65,182	67,093	69,854
General Cash Pool	(1,158)	3,477	3,393	3,413	3,577	3,576	3,707	3,757
Construction Cash Pool	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951
Bond Redemption Cash	-	-	-	-	-	-	-	-
<b>Total Cash (12/31)</b>	<b>793</b>	<b>5,428</b>	<b>5,344</b>	<b>5,364</b>	<b>5,528</b>	<b>5,527</b>	<b>5,658</b>	<b>5,708</b>

IGCs from General Government	173	159	180	184	188	192	196	200
MESA	38	40	41	41	42	43	44	45
Total Debt	-	-	-	-	-	-	-	-
Debt/Equity Ratio	0/100	0/100	0/100	0/100	0/100	0/100	0/100	0/100
Rate Change Percent (4)	0.0%	11.8%	0.0%	0.0%	10.5%	0.0%	0.0%	9.5%

(4): Rate increases shown in future years are for purposes of projections only and have not been approved for implementation. It is intended that the need for rate increases be reviewed closely each year in conjunction with established operating budgets. Merrill Field Airport will continue to strive to find ways to avoid projected rate increases.

<b>Lease Rate/Square Foot/Year</b>	<b>\$0.17</b>	<b>\$0.19</b>	<b>\$0.19</b>	<b>\$0.19</b>	<b>\$0.21</b>	<b>\$0.21</b>	<b>\$0.21</b>	<b>\$0.23</b>
Tail-In Space Per Month	\$55	\$60	\$60	\$60	\$65	\$65	\$65	\$70
Drive-Through Space Per Month	\$65	\$70	\$70	\$70	\$75	\$75	\$75	\$80

### Statistical/Performance Trends (1)

Based Aircraft	880	827	830	830	830	830	830	830
Municipal Tiedowns	523	523	523	523	523	523	523	523
Flight Operations/Calendar Year	127,632	128,000	128,000	128,000	128,000	128,000	128,000	128,000
National Airport Ranking by Calendar Year	104th	104th	104th	104th	104th	104th	104th	104th

## Merrill Field Airport

### 2013 Statement of Revenues and Expenses

	2011 Actuals	2012 Proforma	2012 Revised	2013 Proposed	13 v 12 % Change
<b>Operating Revenue</b>					
Airport Lease Fees	557,006	650,315	629,000	629,000	0.0%
Airport Property Rental	400,614	429,571	419,000	424,000	1.2%
Permanent Parking Fees	254,432	292,436	258,000	260,000	0.8%
Transient Parking Fees	18,352	15,271	13,000	12,000	-7.7%
Vehicle Parking	28,677	40,764	27,000	35,000	29.6%
MOA Aviation Fuel Fees	46,617	55,005	48,000	45,000	-6.3%
SOA Aviation Fuel Fees	18,540	20,131	16,000	16,000	0.0%
Medevac Taxiway Fees	47,520	49,896	50,000	50,000	0.0%
Other Revenue	1,727	1,085	1,000	2,000	100.0%
<b>Total Operating Revenue</b>	<b>1,373,485</b>	<b>1,554,474</b>	<b>1,461,000</b>	<b>1,473,000</b>	<b>0.8%</b>
<b>Non Operating Revenue</b>					
Capital Grant Revenue	2,644,069	3,024,000	4,850,000	4,611,000	-4.9%
Operating Grant Revenue	-	687,000	-	678,000	100.0%
Interest Income	22,129	19,452	15,000	15,000	0.0%
Other Revenue	114,544	1,360	7,000	6,000	-14.3%
<b>Total Non Operating Revenue</b>	<b>2,780,742</b>	<b>3,731,812</b>	<b>4,872,000</b>	<b>5,310,000</b>	<b>9.0%</b>
<b>Total Revenue</b>	<b>4,154,227</b>	<b>5,286,286</b>	<b>6,333,000</b>	<b>6,783,000</b>	<b>7.1%</b>
<b>Operating Expenses</b>					
Labor					
Straight time	603,883	612,927	628,000	626,000	-0.3%
Overtime	24,730	33,079	40,000	27,000	-32.5%
Leave	84,252	81,967	78,000	79,000	1.3%
Benefits	338,720	363,424	367,000	373,924	1.9%
<b>Total Labor</b>	<b>1,051,585</b>	<b>1,091,397</b>	<b>1,113,000</b>	<b>1,105,924</b>	<b>-0.6%</b>
Non Labor					
Supplies	121,176	114,678	139,000	133,000	-4.3%
Travel	-	-	-	-	N/A
Other Services	348,290	126,898	130,000	105,000	-19.2%
Other Expenses	242,859	219,208	239,000	246,000	2.9%
Depreciation	2,643,062	2,917,159	2,966,000	2,435,000	-17.9%
Transfers (MESA and Gross Receipts)	37,918	40,158	40,000	41,000	2.5%
<b>Total Non Labor</b>	<b>3,393,305</b>	<b>3,418,101</b>	<b>3,514,000</b>	<b>2,960,000</b>	<b>-15.8%</b>
<b>Total Direct Cost</b>	<b>4,444,890</b>	<b>4,509,498</b>	<b>4,627,000</b>	<b>4,065,924</b>	<b>-12.1%</b>
Charges To Others	(483,155)	(535,728)	(536,000)	(541,000)	0.9%
Charges From Others	172,631	172,239	159,000	180,000	13.2%
<b>Total Operating Expense</b>	<b>4,134,366</b>	<b>4,146,009</b>	<b>4,250,000</b>	<b>3,704,924</b>	<b>-12.8%</b>
<b>Non-Operating Expense</b>					
Master Plan Development Costs	-	705,000	-	700,000	100.0%
<b>Total Non Operating Expense</b>	<b>-</b>	<b>705,000</b>	<b>-</b>	<b>700,000</b>	<b>100.0%</b>
<b>Total Expenses (Function Cost)</b>	<b>4,134,366</b>	<b>4,851,009</b>	<b>4,250,000</b>	<b>4,404,924</b>	<b>3.6%</b>
<b>Net Income</b>	<b>19,861</b>	<b>435,277</b>	<b>2,083,000</b>	<b>2,378,076</b>	<b>14.2%</b>
<b>Appropriation:</b>					
<b>Total Expenses</b>				<b>4,404,924</b>	
Less: Non Cash items					
Depreciation				2,435,000	
Total Non-Cash				2,435,000	
<b>Amount to be Appropriated (Cash Expenses)</b>				<b>1,969,924</b>	

## Merrill Field

### Reconciliation from 2012 Revised Budget to 2013 Proposed Budget

		Positions		
	Appropriation	FT	PT	T
<b>2012 Revised Budget</b>	4,250,000	9	3	-
<b>2012 One-Time Requirements</b>				
- None	-	-	-	-
<b>Transfers (to)/from Other Agencies</b>				
- Transfers (MESA)	1,000	-	-	-
- Charges to/from others	16,000	-	-	-
<b>Debt Service Charges</b>				
- None	-	-	-	-
<b>Changes in Existing Programs/Funding for 2013</b>				
- Salary and benefits adjustments	20,200	-	-	-
- Depreciation	(531,000)	-	-	-
<b>2013 Continuation Level</b>	<b>3,756,200</b>	<b>9</b>	<b>3</b>	<b>-</b>
<b>2013 One-Time Requirements</b>				
- Assessment	700,000	-	-	-
<b>Transfers (to)/from Other Agencies</b>				
- None	-	-	-	-
<b>2013 Budget Adjustment for Accounting Transactions</b>				
- In 2013, in-line with best practice, MOA will no longer include accounting entry transactions for items previously appropriated.	-	-	-	-
- Depreciation	(2,435,000)	-	-	-
<b>2013 Proposed Budget Changes</b>				
- Salary and benefits adjustments	(27,276)	-	(3)	-
- Reduce supplies	(6,000)	-	-	-
- Reduce professional services	(18,000)	-	-	-
<b>2013 Proposed Budget</b>	<b>1,969,924</b>	<b>9</b>	<b>-</b>	<b>-</b>

## Merrill Field Airport Department Summary

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Division</b>				
Merrill Field Ops	4,442,717	4,627,130	4,765,923	3.00%
<b>Direct Cost Total</b>	<b>4,442,717</b>	<b>4,627,130</b>	<b>4,765,923</b>	<b>3.00%</b>
<b>Intragovernmental Charges</b>				
Charges by Other Departments	172,631	158,870	180,000	13.30%
Charges to Other Departments	(483,155)	(536,000)	(541,000)	0.93%
<b>Function Cost Total</b>	<b>4,132,194</b>	<b>4,250,000</b>	<b>4,404,923</b>	<b>3.65%</b>
Program Generated Revenue	(4,154,227)	(6,333,000)	(6,783,000)	7.11%
<b>Net Cost Total</b>	<b>(22,033)</b>	<b>(2,083,000)</b>	<b>(2,378,077)</b>	<b>14.17%</b>
<b>Direct Cost by Category</b>				
Personnel	1,048,625	1,113,000	1,105,923	<0.64%>
Supplies	112,190	137,000	131,000	<4.38%>
Travel	-	-	-	-
Contractual/Other Services	510,147	409,000	1,092,000	166.99%
Debt Service/Depreciation	2,643,062	2,966,130	2,435,000	<17.91%>
Equipment, Furnishings	128,694	2,000	2,000	-
<b>Direct Cost Total</b>	<b>4,442,717</b>	<b>4,627,130</b>	<b>4,765,923</b>	<b>3.00%</b>
<b>Position Summary as Budgeted</b>				
Full-Time	-	-	9	
Part-Time	-	-	-	
<b>Position Total</b>	<b>-</b>	<b>-</b>	<b>9</b>	



**Merrill Field Airport**  
**Division Summary**  
**Merrill Field Ops**  
 (Dept ID # 8980)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	1,048,625	1,113,000	1,105,923	<0.64%>
Supplies	112,190	137,000	131,000	<4.38%>
Travel	-	-	-	
Contractual/Other Services	510,147	409,000	1,092,000	166.99%
Equipment, Furnishings	128,694	2,000	2,000	-
<b>Manageable Direct Cost Total</b>	<b>1,799,656</b>	<b>1,661,000</b>	<b>2,330,923</b>	<b>40.33%</b>
Debt Service, Depreciation	2,643,062	2,966,130	2,435,000	<17.91%>
<b>Direct Cost Total</b>	<b>4,442,717</b>	<b>4,627,130</b>	<b>4,765,923</b>	<b>3.00%</b>

<b>Revenue by Fund</b>				
Fund 580 - Merrill Field Airport	4,154,227	6,333,000	6,783,000	7.11%
<b>Revenue Total</b>	<b>4,154,227</b>	<b>6,333,000</b>	<b>6,783,000</b>	<b>7.11%</b>

**Positions as Budgeted**

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Administrative Officer	-	-	-	-	1	-
Airport Main Tech I	-	-	-	-	1	-
Airport Main Tech II	-	-	-	-	2	-
Airport Main Tech III	-	-	-	-	1	-
Airport Maintenance Assistant	-	-	-	-	-	-
Civil Engineer III	-	-	-	-	1	-
Junior Admin Officer	-	-	-	-	1	-
Merrill Field Manager	-	-	-	-	1	-
Principal Admin Officer	-	-	-	-	1	-
<b>Positions as Budgeted Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>

**Merrill Field Airport**  
**Division Detail**  
**Merrill Field Ops**  
(Dept ID # 8980)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Direct Cost by Category</b>				
<b>Salaries and Benefits</b>				
1101 - Straight Time Labor	603,883	628,000	626,000	<0.32%>
1201 - Overtime	24,730	40,000	27,000	<32.50%>
1301 - Leave/Holiday Accruals	81,292	78,000	79,000	1.28%
1401 - Benefits	338,557	367,000	373,924	1.89%
1501 - Allow Differentials/Premiums	163	-	-	-
<b>Salaries and Benefits Total</b>	<b>1,048,625</b>	<b>1,113,000</b>	<b>1,105,923</b>	<b>&lt;0.64%&gt;</b>
<b>Supplies</b>	112,190	137,000	131,000	<4.38%>
<b>Travel</b>	-	-	-	-
<b>Contractual/Other Services</b>	510,147	409,000	1,092,000	166.99%
<b>Equipment, Furnishings</b>	128,694	2,000	2,000	-
<b>Manageable Direct Cost Total</b>	<b>1,799,656</b>	<b>1,661,000</b>	<b>2,330,923</b>	<b>40.33%</b>
<b>Debt Service, Depreciation</b>	2,643,062	2,966,130	2,435,000	<17.91%>
<b>Direct Cost Total</b>	<b>4,442,717</b>	<b>4,627,130</b>	<b>4,765,923</b>	<b>3.00%</b>
<b>Intra-Governmental Charges</b>				
Charges By Other Departments	172,631	158,870	180,000	13.30%
Charges To Other Departments	(483,155)	(536,000)	(541,000)	0.93%
<b>Program Generated Revenue</b>				
9331 - Federal Grant Revenue-Direct	111,731	4,966,000	4,611,000	<7.15%>
9341 - State Aviation Fuel Fees	18,540	16,000	16,000	-
9601 - Contributions Other Funds	40,500	-	-	-
9731 - Lease & Rental Revenue	288,883	303,000	424,000	39.93%
9742 - Other Property Sales	70,115	-	-	-
9743 - Gain/Loss Sale Property	-	-	-	-
9752 - Parking Garages & Lots	28,677	27,000	35,000	29.63%
9761 - Cash Pools Short-Term Int	22,129	15,000	15,000	-
9767 - Unrealized Gains & Losses	(4,839)	-	-	-
9771 - Airport Lease Fees	557,006	629,000	629,000	-
9772 - Merrill Field Fuel Fees	46,617	48,000	45,000	<6.25%>
9773 - Transient Parking Fees	18,352	13,000	12,000	<7.69%>
9775 - Permanent Parking Fees	254,432	258,000	260,000	0.78%
9776 - Medivac Taxiway Fees	47,520	50,000	50,000	-
9778 - Airport Damage Recovery	717	-	-	-
9779 - Aircraft Impoundments	1,010	1,000	1,000	-
9795 - Sale Of Contractor Specs	780	1,000	1,000	-
9798 - Miscellaneous Revenues	7,928	6,000	6,000	-
9825 - State Grant Revenue-Direct	2,644,129	-	678,000	-
<b>Program Generated Revenue Total</b>	<b>4,154,227</b>	<b>6,333,000</b>	<b>6,783,000</b>	<b>7.11%</b>

**Merrill Field Airport****Division Detail****Merrill Field Ops**

(Dept ID # 8980)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
<b>Net Cost</b>				
Manageable Direct Cost	1,799,656	1,661,000	2,330,923	40.33%
Debt Service, Depreciation	2,643,062	2,966,130	2,435,000	<17.91%>
Charges By Other Departments	172,631	158,870	180,000	13.30%
Charges To Other Departments	(483,155)	(536,000)	(541,000)	0.93%
Program Generated Revenue	(4,154,227)	(6,333,000)	(6,783,000)	7.11%
<b>Net Cost Total</b>	<b>(22,033)</b>	<b>(2,083,000)</b>	<b>(2,378,077)</b>	<b>14.17%</b>

**Merrill Field Airport**  
**2013 - 2018 Capital Improvement Program**  
(in thousands)

<b>Project Category</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Apron Improvements	-	-	-	2,500	2,500	2,500	7,500
Runways and Taxiways	2,600	2,500	2,200	1,700	2,800	3,100	14,900
Buildings and Equipment	2,310	600	1,180	150	-	730	4,970
Land Improvements	-	1,200	1,200	700	-	-	3,100
Land Acquisition	-	300	-	-	-	-	300
<b>Total</b>	<b>4,910</b>	<b>4,600</b>	<b>4,580</b>	<b>5,050</b>	<b>5,300</b>	<b>6,330</b>	<b>30,770</b>

<b>Source of Funding</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Federal Grants	4,463	4,219	4,294	4,594	4,968	5,794	28,332
State Grants	149	140	143	153	166	193	944
Equity/Operations	298	241	143	303	166	343	1,494
<b>Total</b>	<b>4,910</b>	<b>4,600</b>	<b>4,580</b>	<b>5,050</b>	<b>5,300</b>	<b>6,330</b>	<b>30,770</b>

**Merrill Field Airport**  
**2013 Capital Improvement Budget**  
(in thousands)

<b>Project Title</b>	<b>Debt</b>	<b>State/Fed Grant</b>	<b>Equity/ Operations</b>	<b>Total</b>
Rehab TWY Quebec and Apron '(Phases 4, 5, and 6)	-	2,519	81	2,600
Security Upgrades (Phases 3 and 4)	-	756	24	780
Acquire Snow Removal Equipment	-	1,337	43	1,380
Building Upgrades (1)	-	-	100	100
Miscellaneous Equipment (2)	-	-	50	50
<b>Total</b>	<b>-</b>	<b>4,612</b>	<b>298</b>	<b>4,910</b>

## Merrill Field Airport Statement of Cash Sources and Uses

	2011 Actual	2012 Proforma	2013 Budget
<b>Sources of Cash Funds</b>			
Regulatory Net Income/(Loss)	(174,007)	(23,000)	61,000
Non-Contributed Depreciation	192,861	222,000	154,000
Grant Proceeds	3,364,399	3,024,000	4,611,000
Non-Grant Contributions	-	4,500,000	-
<b>Total Sources of Cash Funds</b>	<b>3,383,253</b>	<b>7,723,000</b>	<b>4,826,000</b>
<b>Uses of Cash Funds</b>			
Additions to Plant/CWIP	2,981,514	3,088,000	4,910,000
Transfers To/From Other Funds	175,854	-	-
<b>Total Uses of Cash Funds</b>	<b>3,157,368</b>	<b>3,088,000</b>	<b>4,910,000</b>
 Net Increase (Decrease) in Cash Funds	 225,885	 4,635,000	 (84,000)
 Cash Balance, January 1	 566,934	 792,819	 5,427,819
<b>Cash Balance, December 31</b>	<b>792,819</b>	<b>5,427,819</b>	<b>5,343,819</b>
 <b>Detail of Cash and Investment Funds</b>			
Equity in General Cash Pool	(1,158,141)	3,476,859	3,392,859
Equity in Construction Cash Pool	1,950,960	1,950,960	1,950,960
<b>Cash Balance, December 31</b>	<b>792,819</b>	<b>5,427,819</b>	<b>5,343,819</b>

## **About Merrill Field Airport**

### **Organization**

Five office staff manage the operational and financial affairs of Merrill Field, and four maintenance personnel provide maintenance for 8 airport buildings and property. The maintenance function includes all operating surfaces of the airport - runways, taxiways, roads and aircraft tie-down 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 "Primary Commercial Service Airport" and serves as a general aviation reliever airport to Ted Stevens Anchorage International Airport. Merrill Field is restricted to aircraft weighing 12,500 pounds or less.

Merrill Field continues to be an integral part of Alaska's transportation network. Over the past five years aircraft operations have varied between 130,000 and 170,000 and based aircraft varied between 880 and 910.

### **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, with many passengers destined for the downtown and midtown areas, are conveniently served by 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; college courses for aviation degree-seeking students; and direct taxiway connection to the local hospital.

### **Regulation**

Merrill Field 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**

There are 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 affect the Airport.

### **Physical Plant**

Primary Commercial Service Airport

Restricted to aircraft weighing 12,500 pounds or less  
436 acre land area; elevation 137 feet; fee simple title  
1,237 tiedown spaces; leaseholders manage 714;

Municipality manages 472, plus 51 for transient aircraft  
Runway 7/25 length is 4,000 feet; Runway 16/34 length is 2,640 feet;  
Gravel/Ski Runway 4/22 length is 2,000 feet  
Six taxiways; 102 acres of tiedown aprons  
Control Tower owned and operated by FAA

104<sup>th</sup> Busiest Airport in the Nation in 2011

Hub for intra-Alaska travel  
Located one mile from downtown Anchorage  
General Aviation reliever airport to Ted Stevens Anchorage International Airport  
819,603 flight operations in Alaska; 127,632 operations (16%) at Merrill Field  
10,884 registered aircraft in Alaska; 827 (7.6%) based at Merrill Field  
8,272 certificated pilots in Alaska

Economic Stimulus

48 leaseholders lease 3,311,861 square feet of airport property with tenant improvements assessed at \$25,377,707 (2011).  
12 rental properties  
Approximately 35 aviation related businesses operate on the airport  
494 transient aircraft stayed a total of 2,026 days last year  
Approximately 788,537 gallons of fuel were sold in 2011

Airport Plant (net of accumulated depreciation) at December 31, 2011 was \$56,455,887