

DOT-AIRPORT (5040) BUDGET

DEPT: DOT-Airport

UNIT NO. 5040
FUND: Enterprise - 0076

Budget Summary

Category	2013 Budget	2013 Actual	2014 Budget	2015 Budget	2015/2014 Variance
Expenditures					
Personnel Costs	\$26,090,206	\$26,223,773	\$26,496,078	\$26,578,044	\$81,966
Operation Costs	\$25,728,710	\$22,991,241	\$26,851,541	\$27,289,255	\$437,714
Debt & Depreciation	\$23,703,500	\$23,039,511	\$20,013,072	\$23,767,309	\$3,754,237
Capital Outlay	\$536,000	(\$367,968)	\$655,325	\$536,000	(\$119,325)
Interdept. Charges	\$10,939,400	\$10,209,672	\$10,181,652	\$11,103,932	\$922,280
Total Expenditures	\$86,997,816	\$82,096,229	\$84,197,668	\$89,274,540	\$5,076,872
<i>Legacy Healthcare/Pension</i>	<i>\$4,989,000</i>	<i>\$5,242,391</i>	<i>\$5,866,430</i>	<i>\$5,949,551</i>	<i>\$83,121</i>
Revenues					
Direct Revenue	\$86,475,596	\$81,395,660*	\$83,623,268	\$88,768,690	\$5,145,422
Intergov Revenue	\$125,000	\$235,412	\$175,000	\$145,000	(\$30,000)
Indirect Revenue	\$397,220	\$465,157	\$399,400	\$360,850	(\$38,550)
Total Revenues	\$86,997,816	\$82,096,229	\$84,197,668	\$89,274,540	\$5,076,872
Tax Levy	\$0	\$0	\$0	\$0	\$0
Personnel					
Full-Time Pos. (FTE)	272.3	272.3	273.6	269.6	-4
Seas/Hourly/Pool Pos.	5.7	5.7	5.7	5.7	0
Overtime \$	\$819,432	\$1,088,021	\$823,752	\$932,544	\$108,792

* 2013 Actual revenues have been restated to remove the year end entries made by the Comptroller's Office, for the annual CAFR

Department Mission: The Airport Division will plan, enhance, operate and maintain efficient, cost-effective air transportation facilities that meet the current and future needs of the region, airlines and tenants while remaining responsive to the concerns of the Airport's neighboring residents.

Department Description: The Airport Division provides the administrative services and manages all activities necessary for the efficient, day-to-day operation of General Mitchell International Airport (GMIA) and Lawrence J. Timmerman Field (LJT). In support of this program, operations are divided into the following service areas of responsibility: GMIA, MKE Regional Business Park (the former 440th Air Force Base), and Lawrence J. Timmerman Airport.

For purposes of presentation, a change in tax levy is identified for each Program Area; however, the Airport's actual tax levy is \$0 because as an enterprise fund its expenses are charged to all airport users.

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Strategic Program Area 1: General Mitchell International Airport

Service Provision: Discretionary

Strategic Outcome: Economic Opportunity

What We Do: Activity			
Item	2013 Actual	2014 Budget	2015 Budget
Enplanements	3,266,306	3,156,000	3,340,612
Total Passengers	6,525,181	6,312,000	6,681,224
Landed Weight (total) 000 lb unit	4,522,952	4,320,863	4,533,899

How We Do It: Program Budget Summary					
Category	2013 Budget	2013 Actual	2014 Budget	2015 Budget	2015/2014 Var
Expenditures	\$84,750,439	\$80,289,744	\$82,281,613	\$87,388,278	\$5,106,665
Revenues	\$85,982,066	\$88,084,394	\$83,126,590	\$88,167,492	\$5,040,902
Tax Levy	(\$1,231,627)	(\$7,794,650)	(\$844,977)	(\$779,214)	\$65,763
FTE Positions	277	277	276.3	272.3	-4

Although tax levy is shown in this program area, no tax levy is actually received. This amount reflects the subsidy paid by airport users to operate the Lawrence J. Timmerman Airport and the MKE Business Park. Any surplus or deficit is settled annually with the airlines per the terms of the airline lease agreements resulting in an overall \$0 property tax levy for the County's airport system.

How Well We Do It: Performance Measures				
Performance Measure	2013 Budget	2013 Actual	2014 Budget	2015 Budget
Airport Cost Per Enplanement	\$22.60	\$25.14	\$26.68	\$27.53
Customer Satisfaction Survey	4.02	4.02	4.02	4.00
Non-Airline revenue as a % of Airport Revenue	59.9%	63.3%	61.7%	61.3%

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General Mitchell International Airport is broken down into the following operating sections to fulfill its mission.

SECTION PROGRAM DESCRIPTION:

Administration is responsible for general administration, planning, accounting, payroll, budget, marketing, procurement, and airside and landside business development and operations. Administration of the noise mitigation program and ongoing noise monitoring and abatement activities is also handled in this section.

Parking Operations records the various expenses of operating the parking structure, debt service and associated interest expense on the parking structure addition. This group also oversees all GMIA ground transportation activities including taxi, shuttle, limousine and off-airport operators providing services to and from GMIA. Parking revenue fees are collected and accounted for by this section.

Maintenance is responsible for the Airport's structures and grounds. This includes custodial, HVAC and electrical services as well as snow plowing and grass cutting.

Environmental and Safety is responsible for activities related to workplace safety, compliance with governmental safety requirements, glycol recovery programs and wastewater treatment programs.



Photo courtesy of Harold Mester, GMIA

Airside Operations is responsible for keeping the airfield and ramp areas open for business at all times. This area oversees the day-to-day activities of the airport and ensures compliance with Federal Aviation Administration (FAA), state and local regulations. This section coordinates emergency responses, construction activities, special events and snow removal.

Landside Operations manages day-to-day terminal operations. This section addresses passenger safety issues and coordinates terminal construction activities, special events, snow removal (on the roadway) and signage issues. This section ensures that ground transportation operators are properly licensed and are in compliance with the standards set forth in Milwaukee County General Ordinances.

Fire Protection maintains 24/7 staffing to deal with emergency situations on the airfield and within the terminal, parking structure and parking lots. This section responds to emergency needs involving patrons, tenants and airport staff.

Safety and Security is responsible for the safety and security functions within the airfield perimeters, working closely with other agencies and taking necessary actions to keep the Airports in compliance with FAA and TSA standards and regulations.

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Strategic Implementation:

Mergers and consolidations within the airline industry have resulted in fewer airline carriers in the overall commercial air service marketplace. These reduced numbers of carriers are flying fuller aircraft but a decreased number of flights. While the results have been profitable for the air carriers, airports are experiencing relatively flat or decreased air service and revenues. Therefore, in this environment of decreased air service and stagnant airport revenues, the primary GMIA budget goal is to control expenditure growth to the extent possible to ensure GMIA remains attractive to air service carriers.

Overall expenditures are higher in 2015 when compared to the prior budget year reflecting the increased cost of continuing operations at GMIA. Expenditure increases occur in a few major areas for 2015. Costs for debt service increase by \$3,173,593 offset by an increase in Passenger Facility Charge (PFC) revenue of \$1,002,554 for a net cost increase of \$2,171,039. 2015 begins the debt service payments related to the 2013 General Airport Revenue Bonds that include a portion of the debt for the major remodeling of the Baggage Claim Building.

A combination of increased revenues and expenditure reduction initiatives are included in the 2015 Budget to cover overall increases in costs over the prior year budget.

Revenue enhancements:

Parking rates increase \$0.50 per day for all parking locations and a \$1.00 a day for the Train Station lot. Based upon expected utilization and the rate change, revenues increase \$1,615,000 from \$27,400,000 to \$29,015,000.

Revenue of \$122,000 is also included in 2015 to reflect the parking privilege fee assessed on a per space basis (\$38.51 per space for 3,168 parking spaces) enacted through an approved ordinance change by Milwaukee County in April 2013.

Concession revenues increase slightly by \$254,945 from \$14,873,735 to \$15,128,680 to better align with actual revenue experience. The concession revenues also reflect the five year rental car agreements which are \$9,164,000.

Expenditure reduction initiatives for 2015:

The Vacancy and Turnover rate was increased from 3 to 4 percent to more accurately reflect the amount of time needed to recruit and fill specialized positions.

Five (5) vacant funded positions are eliminated - 1.0 FTE Airport Marketing Research Analyst, 1.0 FTE Airport Operations Coordinator 2, 1.0 FTE Clerical Assistant 2, 1.0 FTE Contract Specialist Airport, and 1.0 FTE Airport Maintenance Worker. 1.0 FTE Airport Maintenance Assistant Superintendent is created.

The Airport will continue to coordinate with County Fleet Management for the lease-to-own or purchase of Airport specific vehicles and/or appropriate equipment.

In 2015 the Airport may issue a series of requests for information or requests for proposals related to the management and operations of the security, fire protection, and custodial functions of the Airport System.

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Strategic Program Area 2: MKE Regional Business Park

Service Provision: Committed

Strategic Outcome: Economic Opportunity

What We Do: Activity			
Item	2013 Actual	2014 Budget	2015 Budget
This Service does not have Activity Data			

How We Do It: Program Budget Summary					
Category	2013 Budget	2013 Actual	2014 Budget	2015 Budget	2015/2014 Var
Expenditures	\$1,792,703	\$1,223,929	\$1,430,153	\$1,338,010	(\$92,143)
Revenues	\$800,000	\$737,541	\$825,000	\$856,545	\$31,545
Tax Levy	\$992,703	\$486,388	\$605,153	\$481,465	(\$123,688)
FTE Positions	1	1	1	1	0

How Well We Do It: Performance Measures				
Performance Measure	2013 Budget	2013 Actual	2014 Budget	2015 Budget
Performance measures have not yet been created for this service				

Strategic Implementation: The MKE Regional Business Park service area is responsible for the rental of existing buildings for aviation and business purposes and maintains the buildings and property to that purpose. Overall tax levy in this service area is reduced by \$123,688 due to a reduction in costs of \$92,143 related to the repair, maintenance, and operation of MKE Regional Business Park facilities. The operating costs in this budget are for the oversight and management of the Business Park and one-time costs of bringing older vacant buildings up to standards so they are rentable. The expenditures are partially offset by an increase in building rental revenue of \$31,545. This revenue is expected to continue to increase over the next several years as more buildings become occupied.

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Strategic Program Area 3: LJ Timmerman General Aviation

Service Provision: Committed

Strategic Outcome: Economic Opportunity

What We Do: Activity			
Item	2013 Actual	2014 Budget	2015 Budget
This Service does not have Activity Data			

How We Do It: Program Budget Summary					
Category	2013 Budget	2013 Actual	2014 Budget	2015 Budget	2015/2014 Var
Expenditures	\$454,673	\$582,556	\$485,902	\$548,252	\$62,350
Revenues	\$215,750	\$244,243	\$246,078	\$250,503	\$4,425
Tax Levy	\$238,923	\$338,313	\$239,824	\$297,749	\$57,925
FTE Positions	2	2	2	2	0

Performance Measure	2013 Actual	2014 Budget	2015 Budget
Aircraft operations	30,494	30,500	30,500



Photo courtesy of Harold Mester, GMIA

Strategic Implementation: The Lawrence J. Timmerman Airport is located on the northwest side of Milwaukee and is the general aviation reliever airport in the County’s airport system. Revenues and expenditures associated with the operation of LJT are governed by the terms of the airline lease agreements. Revenue increases by \$4,425, which can be attributed to an increase in Fixed Base Operator revenue.

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