

DOT-AIRPORT (5040) BUDGET

DEPT: DOT-Airport

UNIT NO. 5040
FUND: Enterprise - 0076

Budget Summary

Category	2014 Budget	2014 Actual	2015 Budget	2016 Budget	2016/2015 Variance
Expenditures					
Personnel Costs	\$26,496,078	\$24,266,924	\$26,802,307	\$28,242,764	\$1,440,457
Operation Costs	\$26,851,541	\$24,695,484	\$27,289,255	\$26,519,126	(\$770,129)
Debt & Depreciation	\$20,013,072	\$23,891,392	\$23,767,309	\$25,819,512	\$2,052,203
Capital Outlay	\$655,325	\$249,600	\$536,000	\$486,000	(\$50,000)
Interdept. Charges	\$10,181,652	\$9,919,732	\$11,136,952	\$11,502,903	\$365,951
Total Expenditures	\$84,197,668	\$83,023,132	\$89,531,823	\$92,570,305	\$3,038,482
<i>Legacy Healthcare/Pension</i>	<i>\$5,866,430</i>	<i>\$4,882,985</i>	<i>\$5,949,551</i>	<i>\$6,886,466</i>	<i>\$936,915</i>
Revenues					
Direct Revenue	\$83,623,268	\$82,343,915	\$89,025,973	\$91,963,600	\$2,937,627
Intergov Revenue	\$175,000	\$193,095	\$145,000	\$195,000	\$50,000
Indirect Revenue	\$399,400	\$486,122	\$360,850	\$411,705	\$50,855
Total Revenues	\$84,197,668	\$83,023,132	\$89,531,823	\$92,570,305	\$3,038,482
Tax Levy	\$0	\$0	\$0	\$0	\$0
Personnel					
Full-Time Pos. (FTE)	273.6	273.6	269.6	268.6	(1)
Seas/Hourly/Pool Pos.	5.7	5.7	5.7	5.7	0
Overtime \$	\$823,752	\$1,392,349	\$932,544	\$922,392	(\$10,152)

* 2014 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 program areas of responsibility: GMIA, MKE Regional Business Park (the former 440th Air Force Base), and LJT.

For purposes of presentation, each program area lists an "Airport Contribution." This represents GMIA's contribution to (+) or from (-) each program area. 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.

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Strategic Program Area 1: General Mitchell International Airport

Service Provision: Discretionary

Strategic Outcome: Economic Opportunity

What We Do: Activity			
Item	2014 Actual	2015 Budget	2016 Budget
Enplanements	3,278,820	3,306,000	3,469,000
Total Passengers	6,554,152	6,612,000	6,938,000
Landed Weight (total) 000 lb unit	4,389,521	4,497,978	4,691,703

How We Do It: Program Budget Summary					
Category	2014 Budget	2014 Actual	2015 Budget	2016 Budget	2016/2015 Var
Expenditures	\$82,281,613	\$81,404,662	\$87,643,078	\$90,645,349	\$3,002,271
Revenues	\$83,126,590	\$81,732,948	\$88,424,775	\$91,309,429	\$2,884,654
Airport Contribution	(\$844,977)	(\$328,286)	(\$781,697)	(\$664,080)	\$117,617
FTE Positions	276.3	276.3	272.3	271.3	(1)

How Well We Do It: Performance Measures				
Performance Measure	2014 Budget	2014 Actual	2015 Budget	2016 Budget
Airport Cost Per Enplanement	\$26.68	\$25.32	\$27.08	\$26.52
Customer Satisfaction Survey	4.02	3.92	4.02	4.00
Non-Airline revenue as a % of Airport Revenue	61.7%	62.2%	61.9%	60.3%

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, airside and landside business development, and operations. Administration of the noise mitigation program, including ongoing noise monitoring and abatement activities, is also performed by this section.

Parking Operations records the various expenses of operating the parking structure, as well as debt service and associated interest expense on the parking structure. 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, snow plowing, and grass cutting.

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

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 oversees 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 airlines, 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.

Strategic Implementation:

Mergers and consolidations within the airline industry have resulted in fewer airline carriers in the overall commercial air service marketplace. A smaller number 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 air service and revenues. Therefore, in this environment of flat air service and stagnant airport revenues, the primary GMIA budget goal is to control expenditure growth to the extent possible to ensure that GMIA remains attractive to air service carriers.

Overall expenditures are higher in 2016 compared to the prior budget year reflecting the increased cost of continuing operations at GMIA. Expenditure increases occur in a few major areas for 2016. Personnel costs increase by \$1.4 million related to employee salary and benefits. Depreciation increases by \$2 million as a result of completion of the baggage claim building renovation, completed airfield safety and improvement projects, and the in-line baggage security screening building. Additionally, \$250,000 is included for consulting services related to Timmerman Airport.

A combination of increased revenues and expenditure reduction initiatives are included in the 2016 budget to cover overall increases in costs over the prior year budget.

Revenue Enhancements:

Car rental concession revenues increase slightly by \$301,288 from \$9,164,400 to \$9,465,688.

Parking revenue is up slightly by \$159,847 from \$29,366,750 to \$29,526,597. Parking rates charged to the public are unchanged.

Landing fees charged to airlines are projected to increase \$2,188,636 based on projected increases in air service from \$21,209,164 to \$23,397,800.

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Terminal rent increases modestly by \$118,680 from \$9,261,597 to \$9,380,277. However, due to the de-hubbing of Frontier Airlines and resulting decreased space rented by Frontier, the total rented terminal space is projected to decrease.

Expenditure Reduction Initiatives for 2016:

The Vacancy and Turnover rate is maintained at 4 percent to reflect the amount of time needed to recruit and fill specialized positions.

The Department of Administrative Services-Risk Management Division is centralizing the safety management function countywide. As a result of this initiative, a position of Emergency and Safety Program Manager is transferred from the Department of Transportation-Airport to DAS-Risk Management. While this position will report to Risk Management, it will serve the needs of the Department of Transportation-Airport.

Expense reductions in commodities and services are made where possible to offset increases.

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

Passenger Facility Charge (PFC) Amendment Authorization

In 2016, the Airport is authorized to continue the PFC Amendment process with the FAA to continue PFC collections at the current rate of \$4.50.

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Strategic Program Area 2: MKE Regional Business Park

Service Provision: Committed

Strategic Outcome: Economic Opportunity

What We Do: Activity			
Item	2014 Actual	2015 Budget	2016 Budget
This Program Area does not have Activity Data			

How We Do It: Program Budget Summary					
Category	2014 Budget	2014 Actual	2015 Budget	2016 Budget	2016/2015 Var
Expenditures	\$1,430,153	\$1,067,770	\$1,338,809	\$1,369,962	\$31,153
Revenues	\$825,000	\$1,040,110	\$856,545	\$1,010,494	\$153,949
Airport Contribution	\$605,153	\$27,660	\$482,264	\$359,468	(\$122,796)
FTE Positions	1	1	1	1	0

How Well We Do It: Performance Measures				
Performance Measure	2014 Budget	2014 Actual	2015 Budget	2016 Budget
Performance measures have not yet been created for this Program Area				

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 airport contribution to this program area decreases by \$122,796 from \$482,264 to \$359,468. Operating costs increase \$31,153 for the repair, maintenance, and operation of MKE Regional Business Park facilities. The expenditures are offset by an increase in building rental revenue of \$153,949 from \$856,545 to \$1,010,494. 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	2014 Actual	2015 Budget	2016 Budget
This Program Area does not have Activity Data			

How We Do It: Program Budget Summary					
Category	2014 Budget	2014 Actual	2015 Budget	2016 Budget	2016/2015 Var
Expenditures	\$485,902	\$550,700	\$549,936	\$554,994	\$5,058
Revenues	\$246,078	\$250,074	\$250,503	\$250,382	(\$121)
Airport Contribution	\$239,824	\$300,626	\$299,433	\$304,612	\$5,179
FTE Positions	2	2	2	2	0

How Well We Do It: Performance Measures				
Performance Measure	2014 Budget	2014 Actual	2015 Budget	2016 Budget
Aircraft operations	30,500	31,432	30,500	30,500

Strategic Implementation:

The Lawrence J. Timmerman Airport is located on the northwest side of Milwaukee County and is the general aviation reliever airport in Milwaukee County's airport system. Revenues and expenditures for the operation of LJT are governed by the terms of the airline lease agreements. Revenue at LJT has been flat, with a modest increase in expenses, resulting in an increased airport contribution of \$5,179 from airlines serving GMIA.

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