

DOT-AIRPORT (5040) BUDGET

DEPT: DOT-Airport

UNIT NO. 5040
FUND: Enterprise - 0076

Budget Summary

Category	2015 Budget	2015 Actual	2016 Budget	2017 Budget	2017/2016 Variance
Expenditures					
Personnel Costs	\$26,802,307	\$24,255,127	\$27,963,906	\$28,737,153	\$773,247
Operation Costs	\$27,289,255	\$25,182,186	\$26,519,126	\$25,718,739	(\$800,387)
Debt & Depreciation	\$23,767,309	\$23,887,360	\$25,819,512	\$25,529,975	(\$289,537)
Capital Outlay	\$536,000	\$907,234	\$486,000	\$430,000	(\$56,000)
Interdept. Charges	\$11,136,952	\$10,636,162	\$11,501,111	\$9,328,370	(\$2,172,741)
Total Expenditures	\$89,531,823	\$84,868,069	\$92,289,655	\$89,744,238	(\$2,545,417)
<i>Legacy Healthcare/Pension</i>	<i>\$5,949,551</i>	<i>\$6,035,106</i>	<i>\$6,793,680</i>	<i>\$7,267,646</i>	<i>\$473,966</i>
Revenues					
Direct Revenue	\$89,025,973	\$84,193,596	91,682,950	\$89,133,493	(\$2,549,457)
Intergov Revenue	\$145,000	\$182,520	\$195,000	\$195,000	\$0
Indirect Revenue	\$360,850	\$491,953	\$411,705	\$415,745	\$4,040
Total Revenues	\$89,531,823	\$84,868,069	\$92,289,655	\$89,744,238	(\$2,545,417)
Tax Levy	\$0	\$0	\$0	\$0	\$0
Personnel					
Full-Time Pos. (FTE)	269.6	269.6	268.6	269.4	0.8
Seas/Hourly/Pool Pos.	5.7	5.7	5.7	5.7	0
Overtime \$	\$932,544	\$1,055,222	\$922,392	\$952,068	\$29,676

* 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, and Lawrence J. Timmerman Airport.

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Strategic Program Area 1: General Mitchell International Airport

Service Provision: Discretionary

Strategic Outcome: Economic Opportunity

What We Do: Activity			
Item	2015 Actual	2016 Budget	2017 Budget
Enplanements	3,277,356	3,469,000	3,375,677
Total Passengers	6,549,353	6,938,000	6,745,834
Landed Weight (total) 000 lb. unit	4,429,448	4,691,703	4,862,331

How We Do It: Program Budget Summary					
Category	2015 Budget	2015 Actual	2016 Budget	2017 Budget	2017/2016 Var
Expenditures	\$87,643,078	\$83,446,234	\$90,366,851	\$88,033,979	(\$2,332,872)
Revenues	\$88,424,775	\$83,713,301	\$91,028,779	\$88,467,919	(\$2,560,860)
Tax Levy	(\$781,697)	(\$267,067)	(\$661,928)	(\$433,940)	\$227,988
FTE Positions	266.6	266.6	265.6	266.4	0.8

Although tax levy is shown in this service 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	2015 Budget	2015 Actual	2016 Budget	2017 Budget
Airport Cost Per Enplanement	\$27.08	\$25.89	\$26.52	\$26.40
Customer Satisfaction Survey	4.02	3.98	4.00	4.22
Non-Airline revenue as a % of Airport Revenue	61.9%	64.5%	61.9%%	63.5%

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

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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 and ongoing noise monitoring and abatement activities are 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. This group also oversees all GMIA ground transportation activities including taxi, shuttle, limousine, transportation network companies (TNCs) 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.

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), and 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. 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, 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.

Airport Information Technology is responsible for maintaining the complex airport network, voice communications, fire protection system, stand-alone security system, and the security surveillance network on a 24/7 basis.

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 with a decreased number of flights. While the results have been profitable for the air carriers, airports have been experiencing relatively flat air service and revenues. GMIA's goal is to be a cost effective airport that will attract additional air service from existing and new airlines, to attract additional international air service by developing a first class international arrival facility, to develop an industry-leading concession program, and to expand Timmerman's role as Milwaukee County's General Aviation airport.

The airport will move United Airlines and Air Canada from the E concourse in anticipation of closing the E concourse for potential future re-development to an international arrivals facility.

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Overall budget is lower in 2017 when compared to the 2016 budget reflecting airport cost-reduction efforts.

Revenue enhancements:

Parking revenue is up by \$753,403 from \$29,526,597 to \$30,280,000. Parking rates charged to the public are increased by \$1 per day. The additional parking revenue is needed to support major capital repairs and improvements to the parking garage and surface lots, and to support installation of security surveillance equipment.

Landing fees charged to signatory airlines are projected to decrease from \$20,244,376 to \$17,058,548 resulting in lower rates to airlines. Signatory airline terminal rent is projected to decrease from \$7,759,255 to \$7,153,400.

The airport is recommending a change to Rental Car Customer Facility Charge (CFC) ordinance 4.32(3)(c) from \$1 per contract to a per-day rate based on discussions with rental car companies. Additional net revenue is estimated at \$500,000. The ordinance change will allow CFCs to fund maintenance, operation, and construction of the rental car facility.

The airport is recommending a change to ordinance 4.33(3) to change the off-airport parking privilege fee from \$38.51 per space to 10% of gross revenue. The revenue will be used to support construction, maintenance, and operation of airport roadways, safety and security staff expenses, ground transportation management staff, salt and lighting. For budgeting purposes, the airport has projected revenue at \$125,000; future budgets will be based on actual results based on 10% of gross revenue.

Expense Management Initiatives:

Expense management controls initiated by the airport will continue in 2017 with special emphasis on review of travel, seminars, and memberships.

The airport is creating a new budgetary organizational unit for Airport Information Technology. Currently the Airport IT staff and expenses are split between the Administration and Airside Operations sections. The new unit is being established to more clearly identify and manage IT expenses.

The airport is requesting three additional staff positions—a Network Tech Specialist 2 Airport, a Landside Operations Coordinator, and a Service Technician in Airport Fleet Services. To offset two of the requested staff additions, the airport proposes elimination of two vacant positions—an Assistant Airport Noise Program Manager and Manager Marketing Airport. Expense reductions in commodities and services were made where possible to offset the net staff increase.

The Airport will continue to coordinate with Milwaukee County Fleet Management for the purchase or lease-to-own of Airport-specific vehicles and/or equipment. The airport will also continue to coordinate with Milwaukee County Highways for street and curb repairs. These partnerships have proven effective in managing costs.

Cross-charges from other Milwaukee County departments for services provided to the Airport decrease \$2,172,741 to \$9,328,370. Within this overall amount, the cross-charge for Sheriff services to the Airport is reduced \$2,098,055 due to the way Legacy Healthcare and Pension expenses are recorded. The level of Sheriff services provided to the airport does not change from the prior level.

Passenger Facility Charge (PFC) Amendment Authorization

In 2017, the Airport is authorized to continue the PFC Amendment process with the FAA to continue PFC collections at the current \$4.50 rate.

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Strategic Program Area 2: MKE Regional Business Park

Service Provision: Committed

Strategic Outcome: Economic Opportunity

What We Do: Activity			
Item	2015 Actual	2016 Budget	2017 Budget
This Service does not have Activity Data			

How We Do It: Program Budget Summary					
Category	2015 Budget	2015 Actual	2016 Budget	2017 Budget	2017/2016 Var
Expenditures	\$1,338,809	\$1,064,828	\$1,369,244	1,236,412	(\$132,832)
Revenues	\$856,545	\$901,922	\$1,010,494	1,035,000	\$24,506
Tax Levy	\$482,264	\$162,906	\$358,750	201,412	(\$157,338)
FTE Positions	1	1	1	1	0

How Well We Do It: Performance Measures				
Performance Measure	2015 Budget	2015 Actual	2016 Budget	2017 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 airline subsidy in this service area is reduced from \$358,750 to \$201,412. Operating costs are expected to decrease by \$132,832. Rental revenue is expected to increase from \$1,010,494 to \$1,035,000. Rental revenue is expected 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	2015 Actual	2016 Budget	2017 Budget
This Service does not have Activity Data			

How We Do It: Program Budget Summary					
Category	2015 Budget	2015 Actual	2016 Budget	2017 Budget	2017/2016 Var
Expenditures	\$549,936	\$357,007	\$553,560	\$473,847	(\$79,713)
Revenues	\$250,503	\$252,846	\$250,382	\$241,319	(\$9,063)
Tax Levy	\$299,433	\$104,161	\$303,178	\$232,528	(\$70,650)
FTE Positions	2	2	2	2	0

How Well We Do It: Performance Measures				
Performance Measure	2015 Budget	2015 Actual	2016 Budget	2017 Budget
Aircraft operations	30,500	26,957	30,500	30,500

Strategic Implementation: The Lawrence J. Timmerman (LJT) Airport is located on the northwest side of Milwaukee and is the general aviation reliever airport in Milwaukee County's airport system. Revenues and expenditures associated with the operation of LJT are governed by the terms of the airline lease agreements. Expenses at LJT have been reduced while revenues have been flat, resulting in a subsidy of \$232,528 from airlines serving GMIA.

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DOT-Airport Budgeted Positions				
Title Code	2016 Budget	2017 Budget	2016/2017 Variance	Explanation
Accountant 2	2	2	0	
Accountant 3	3	3	0	
Accountant 4-NR	2	2	0	
Accting Manager Airport	1	1	0	
Airport Business Mgr	1	1	0	
Airport Cont Ctr Op	9	9	0	
Airport Emerg Mgmt Coord	1	1	0	
Airport Maint Manager	1	1	0	
Airport Marketing & PR Coord	1	1	0	
Airport Mktg & Pub Rel Mgr	1	1	0	
Airport Mtce Asst Supt	2	2	0	
Airport Mtce Wkr	61	61	0	
Airport Mtce Wkr Asst	37	37	0	
Airport Mtce Wkr Asst IC	3	3	0	
Airport Mtce Wkr IC	5	5	0	
Airport Oper Coord	5	6	1	Create
Airport Oper Coord 2	11	11	0	
Airport Operations Manager	1	1	0	
Airport Opers Mgr Landside	1	1	0	
Airport Planner	1	1	0	
Airport Properties Mgr	1	1	0	
Airport Properties Mgr NR	1	1	0	
Airport Pub Saf & Sec Coord 2	2	2	0	
Airport Pub Saf & Secur Manage	1	1	0	
Airport Security Operator	2	2	0	
Asst Airport Noise Prog Mgr	1	0	-1	Abolish
Asst Airport Oper Mgr Landside	1	1	0	
Asst Airport Pub Safe/Sec Mgr	1	1	0	
Asst Airpt Maint Supv	6	6	0	
Asst Airpt Oper Mgr	2	2	0	
Asst Chief of Air Res & Firefg	6.6	6.5	-0.1	FTE equivalent change to 1.3 from 1.33
Asst Facilities Supv	3	3	0	
Auto And Eq Parts Tech	1	1	0	
Auto And Eq Serv Supv	1	1	0	
Auto And Eq Serv Tech	8	9	1	Create
Auto And Eq Serv Tech I-C	1	1	0	
Chief of Airpt Res & Fire Figh	1	1	0	
Clerical Asst 1	1	1	0	
Clerical Asst 1 Nr	1	1	0	
Contract Payment Spec	1	1	0	

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Electrical Mech	1	1	0	
Electrical Mech Dot	8	8	0	
Electrical Mech Supv	2	2	0	
Electronic Mechanic	1	1	0	
Exec Director Airport	1	1	0	
Director Bus Comm Dev	1	1	0	
Director Finance and Admin	1	1	0	
Director Maintenance Operation	1	1	0	
Director Marketing Commun	1	1	0	
Executive Assistant Airport	1	1	0	
Facilities Supv	1	1	0	
Firefighter Equip Oper	26	25.9	-0.1	18 @ 1.44 FTE = 25.92
Fiscal Asst 2	1	1	0	
GIS Specialist	1	1	0	
Heating And Vent Mech 1	8	8	0	
Heating And Vent Mech 2	2	2	0	
Maintenance Supv Airport	1	1	0	
Manager Environmental	1	1	0	
Manager GIS	1	1	0	
Manager Information Technology	1	1	0	
Manager Marketing Airport	1	0	-1	Abolish
Mgmt Asst - TPW	1	1	0	
Network Tech Spec 2 Airport	0	1	1	Create
Network Tech Spec IV Airport	3	3	0	
Noise Program Manager	1	1	0	
Operating and Mtce Supv	1	1	0	
Plumber	2	2	0	
Secretarial Asst	1	1	0	
Secretarial Asst Nr	1	1	0	
Secretary Nr	1	1	0	
Senior Exec Asst DPW NR	1	1	0	
Steamfitter Temp Contrl	2	2	0	
Stores Clerk 1	1	1	0	
TOTAL Full-Time	268.6	269.4	0.8	
Airport Ground Wrkr Sea	1.4	1.4	0	
Airport Intern	3.4	3.4	0	
Airport Worker - Seasonal	0.3	0.3	0	
Student Intern	0.6	0.6	0	
TOTAL Seas/Hourly/Pool	5.7	5.7	0	
GRAND TOTAL	274.3	275.1	0.8	

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