BUDGET SUMMARY

Category	2024 Actual	2025 Actual	2026 Budget	2027 Requested Budget	2026/2027 Variance
Expenditures					
Personnel Costs	24,254,733	24,835,195	28,640,663	28,363,123	(277,540)
Operations Costs	29,453,634	32,704,591	37,649,644	41,844,671	4,195,027
Debt & Depreciation	19,118,304	19,468,045	19,522,644	21,338,533	1,815,889
Capital Outlay	1,640,098	930,450	1,489,750	1,257,325	(232,425)
Interdepartmental Charges	17,553,967	18,714,774	20,305,815	20,737,045	431,230
Total Expenditures	**$92,020,735**	**$96,653,055**	**$107,608,516**	**$113,540,697**	**$5,932,181**
Revenues					
Other Direct Revenue	82,322,604	96,114,252	107,154,116	113,073,267	5,919,151
State & Federal Revenue	9,337,322	188,582	0	0	0
Indirect Revenue	360,810	350,220	454,400	467,430	13,030
Total Revenues	**$92,020,735**	**$96,653,054**	**$107,608,516**	**$113,540,697**	**$5,932,181**
Tax Levy	**$0**	**$1**	**$0**	**$0**	**$0**
Personnel					
Full Time Pos (FTE)	234.00	234.00	236.00	236.00	0.00
Overtime $	958,613	1,249,039	901,713	1,050,269	148,556
Seasonal/Hourly/Pool	10,763	297,880	328,253	371,508	43,255

Department Mission:

DOT - AIRPORT

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's airlines and tenants while remaining responsive to the concerns of the airport's neighboring residences.

Department Description:

The Airport Division administers and manages all activities necessary for the efficient day-to-day operation of Milwaukee Mitchell International Airport (MKE or the Airport) and Lawrence J. Timmerman Field (LJT or Timmerman). Airport operations are divided into two strategic program areas: MKE and LJT.

Major Changes

- Passenger traffic for 2026 is projected in June 2026 based on actual activity levels from January through May 2026. This is incorporated into a statistical demand model prepared by the airport's financial consultant, Unison Consulting, to arrive at the 2027 budgeted enplanements. The following shows the passenger traffic trend from 2025 to 2027.Year Passengers2025 Actual 5,874,3722026 Budget 5,990,3142027 Budget 5,830,159The 2027 Budget assumes passengers at 5.8 million, which is a 2.7% reduction from the FY2026 adopted budget. Some of the drivers of consumers' demand to fly less include broader macroeconomic factors, stubborn inflation, diminished consumer confidence, higher airfares, higher fuel prices and widespread global tensions, all of which are creating headwinds. Alleviating these conditions in 2027 and beyond will help increase demand for air service. Airline service level changes have been well documented throughout the country. While Milwaukee has experienced a decline in service, many other cities have seen a loss of service to certain destinations. It should be noted that airlines provide 7,785,769 available seats in 2025, of which only 6,072,900 were filled, or a load factor of 78% filled, with 22% unfilled. This is an indicator of market demand. As load factor increases, airlines consider service expansion.The 2027 expense budget grows by $5,932,181, from the 2026 adopted budget of $107,608,516 to $113,540,697, a 5.5% increase. This increase can be broken into two parts: First, to support the cost of operation increase, of $3.5 million or 3.2% over the prior budget, which is below the CPI May 2026 of 4.1%, and second, initiatives that are cost neutral in nature, and are funded by equal and offsetting revenues of $2,430,000 or an increase of 2.3% over the prior budget. Overall, the airport focuses on enplanement and controllable expenditures to produce a 2027 budget that maintains competitive rates and charges.

- Costs of Operations increase by $3.5 million or 3.2% over the prior budgetThe major changes in the cost of operations over the prior budget are ($3.5 million increase): A $0.3 million decrease in personnel expenses, including fringe benefits. A $0.6 million increase in depreciation expense. A $1.2 million increase in debt service tied to capital improvements funded with the 2025 and 2026 bonds. A $1.7 million increase in contractual and service costs. A $0.4 million increase in cross-charges, primarily from the Sheriff and Fleet departments.
- Focus on Recruitment and RetentionThe 2027 budget reflects the airport's difficulties in hiring and retaining staff. This is evident in the high vacancy rates over the last few years. For Quarter 1 of 2026, the vacancy rate was 10.49%. $475,000 is included for a 2% modification to address various salary adjustments. Included within this salary increase is a trade classification adjustment to match the market, as part of a specific supplemental countywide budget request initiative of which the airport is a part. Additional personnel are needed within the Maintenance area to ensure adequate staffing support. The 2027 budget creates one full-time equivalent position (FTE): Plumber, and abolishes one full-time equivalent position (FTE): Carpenter. Overall, the 2027 personnel budget decreases by $0.3 million, from $28,640,663 in the previous budget to $28,363,123, due to a decrease in active and retiree fringe benefits. Separately, similar to prior years, funds are included in the budget to host an annual airport employee appreciation event to improve staff morale and promote retention. This celebration is on or around the National Airport Workers Day, an event coordinated by the Airports Council International (ACI) at airports across America every year on June 25th. The event is coordinated and promoted to both County and non-County aviation workers.
- Focus on Passenger Wayfinding in the TerminalsTo help passengers find their way more easily and improve the customer experience at the airport, new wayfinding signs will be created and installed throughout the terminal. This will assist customers in navigating the airport. The 2027 Budget includes $400,000 for this purpose.
- Cost Neutral Programs increase by $2.4 million or 2.3% over the prior budgetAir Carrier Incentive Plan (ACIP) Resolution File 18-83 provides authorization for the airport to implement and maintain an airport incentive program. The ACIP incentivizes new nonstop service to underserved markets, improving regional connectivity, and supporting sustainable airline growth. The program was suspended during the pandemic years to preserve funds for capital initiatives. The FY27 budget authorizes expenses up to $2.0 million, which will be fully funded by Airport Development Fund (ADF) reserves. The airport has budgeted sufficient funds from the ADF within its cash-flow projections. ADF funds are traditionally used for capital costs; however, they can be used for incentive program costs, which are recognized in the operating budget. This is a cost-neutral program that was offered to airlines starting in mid-2026. While it doesn't seem likely, should a carrier partake in the program in 2026, a fund transfer would be initiated in 2026. Funds will be used only if a new route is initiated. The budget authority is required for the possible expenditure of funds. Glycol Recovery ServicesIn November 2025, the airlines requested that the airport take over the glycol recovery service previously provided by an external vendor and charge the airlines directly. Initially the airport had roughly $200,000 in funding source to support this initiative. However, based on actual operating experience during the winter season from October 2025 to April 2026, a budget transfer increased the FY26 budget from $0.2 million (adopted) to $0.6 million (amended). Now that better program cost information is available, in FY27, $0.63 million is budgeted to ensure consistent and uninterrupted recovery services. This is fully offset by airline revenues.
- Revenue Strategy and GrowthIn 2025, the airport contracted with Crow Holdings Industrial, to construct a 337,000 square-foot cargo development facility. Construction of the MKE Air Cargo Center (MACC) is expected to be completed as early as September 2026. Once the facility and all built-to-suit improvements for each tenant are complete, operations will commence. Beginning in 2027, MACC will generate substantial ground rent revenue. Initial rent is projected at approximately $562,000 for 2027 as first year rents are discounted to attract tenants, with increased anticipation between late 2027 and 2028, rising to an estimated $1.2-$1.9 million annually to reflect the market-based pricing.Parking remains the Airport's largest non-aeronautical revenue source, generating approximately $34 million annually. FY27 budget proposes the following rate adjustments:Daily rate: $18 to $19Valet rate: $28 to $29Hourly rate: $2 to $4Even with this increase, the MKE parking rates remain below medium-hub averages ($23/day for daily parking, $33/day for valet). The last parking increase was in 2025. Expected revenues will grow from $33.8 million (FY26) to $38.1 million (FY27), a $4.3 million increase.The car rental agreements were revised in 2025. The FY27 budget reflects a full-year implementation of 2025 contractual changes, increasing concession revenue from $14.0 million in the prior adopted budget to $15.4 million in the 2027 Budget. This increase is driven by contractual increases that took effect in 2025, after the 2026 Budget was developed. The new contract increased the Minimum Annual Guarantees (MAG) and the share as a percentage of sales. Revenue from Customer Facility Charges (CFC) is generated when customers rent vehicles at the Airport and helps fund both capital projects and general operating

expenses related to the parking structure associated with rental car operations. The current fee of $0.50 per day, which is the lowest among similarly situated mid-sized hub airports nationwide, is not sufficient to cover future capital and operating needs. Therefore, an amendment to Chapter 4 of the Milwaukee County General Ordinances is required to maintain business flexibility and ensure timely adjustments to meet the evolving requirements of rental car services within the parking structure. The rental car companies have requested that the ordinance be changed such that the Airport Director has the authority to adjust the CFC rate as needed, based on capital and operational demands, to sustain safe, efficient, and convenient operations for rental car customers. The 2027 budget includes an increase from $0.50 to $2.00 per contract day, generating $2.1 million in additional reserves. On the supply side, additional air service operations were added in FY2026: the twice-daily service to Chicago Midway on Southwest Airlines, which started on March 5, 2026.

The following contracts are included in the 2027 Budget in lieu of separate review and approval from the County Board during the fiscal year:

Vendor	Contract Description	Contract Amount
Snow Systems Inc.	Amendment 2 to the 2023 expense contract for airport snow removal with Snow Systems, Inc. The original contract was awarded in 2022 by RFP-2022-022. The contract's final option year expires 12/31/2027, and Amendment 2 is to extend the final year by six months (through June 2028) so that the expiration date does not occur during the winter season. The not to exceed amount for the final 18 months of the contract (January 2027 through June 2028) is $2,500,000, provided, however, that if required to keep the airport continuously operational, per the federal regulatory mandate, the airport may exceed the limit.	$2,500,000
Menzies Aviation	Multi-year expense contract with Menzies Aviation to provide aircraft deicing fluid recovery and deicing pad coordination. The contract is a sole source agreement with the airport's established partner for the services. The airport operates under a Wisconsin Pollutant Discharge Elimination System (WPDES) permit which requires the airport to capture a percentage of the aircraft deicing fluid used by airlines. The term of the contract is from January 2027 through June 2030 at an annual cost not to exceed $1,500,000, provided, however, that, if required to keep the airport continuously operational, per the federal regulatory mandate, the airport may exceed the limit.	$6,000,000
Campbell Hill	Multi-year professional service expense contract with Campbell-Hill Aviation Group, LLC to provide air service development consulting and related market research. The contract was awarded in 2026 by RFP-2026-002. The term of the contract is from January 2027 through December 2029, plus three option years, at an annual cost not to exceed $150,000. $900,000	$900,000
Wisconsin Department of Transportation	Multi-year inter-governmental expense contract with the Wisconsin Department of Transportation (WisDOT) to define the roles, responsibilities, and non-aeronautical revenue generation for the airport associated with the Milwaukee Airport Rail Station (MARS) and the MARS Parking Lot. WisDOT owns MARS, and the County owns the MARS Parking Lot. The County retains the revenue generated from MARS passengers parking in the MARS lot and pays WisDOT an access fee based on that revenue. The term of the contract is from approximately January 2027 through December 31, 2036 at an annual cost not to exceed $125,000.	$1,250,000

Strategic Program Area: General Mitchell International Airport

Service Provision: Discretionary

How We Do It: Program Budget Summary

Category	2024 Actual	2025 Actual	2026 Budget	2027 Budget	2026/2027 Variance
Expenditures	91,251,766	95,403,115	106,141,372	112,130,531	5,989,159
Revenues	91,740,554	96,374,588	107,313,095	113,253,230	5,940,135
Tax Levy	(488,788)	(971,474)	(1,171,723)	(1,122,699)	49,024
Full Time Pos (FTE)	249.00	235.00	233.00	233.00	0.00

What We Do With It: Activity Data

Activity	2024 Actual	2025 Actual	2026 Target	2027 Target
Airport Cost Per Enplanement	$29	$33	$35	$38
Enplanements	3,154,811	2,931,657	2,995,157	2,915,080
Landed Weight (total) 000 lb. unit	4,269,617	3,992,208	4,033,017	4,113,142
Total Passengers	6,316,245	5,874,372	5,990,314	5,830,159

How Well We Do It: Performance Measures

Performance Measure	2024 Actual	2025 Actual	2026 Target	2027 Target
Customer Satisfaction Survey	4.5	4.5	4.5	4.5
Non-Airline Revenue as a Percent of Airport Revenue	67.80%	62.50%	59.90%	63.80%

Strategic Overview:

Milwaukee Mitchell International Airport (MKE) fulfills its mission through operational sections, each providing critical expertise that supports safe, efficient, and customer-focused airport operations. These include:

Administration directs the Airport's support functions, including general administration, contracts, procurement, purchasing, Information Technology (IT), and Geographic Information Systems (GIS). The division drives business intelligence and performance management to support data-driven decision making. Administration also guides airport planning activities and serves as MKE's liaison to countywide functions such as risk management and human resources, ensuring organizational alignment and regulatory compliance.

Finance oversees accounting, budgeting, financial forecasting, cash flow analysis, auditing, grants management, the Passenger Facility Charge (PFC) program, and compliance with all financial regulations.

Airport IT delivers vital technology services to all Airport departments and tenants. The team ensures reliable internet and network connectivity, supports systems, fire protection, and security systems, and maintains the technology infrastructure required for daily operations. As technology becomes increasingly central to airport operations, IT plays a key role in maintaining operational continuity and enabling innovation.

Airport Planning provides three core functions: compliance, project coordination, and long-term planning. Compliance activities ensure alignment with Federal Aviation Administration (FAA) and State Bureau of Aeronautics (BOA) regulations. Project coordination ensures that initiatives align with the Airport's master plan objectives. Planning responsibilities include developing airport projects and facilitating coordination with regulatory agencies to advance long-range goals.

Project Management coordinates airport-wide implementation of capital projects within the Capital Improvement Plan and manages major operating project-based initiatives.

Air Service Development works to maintain and expand commercial airline service at the airport by cultivating relationships with existing carriers and attracting new air service opportunities.

Marketing and Public Relations leads branding, marketing, and communications efforts designed to attract and retain passengers. This team manages community outreach, media relations, and social media engagement, ensuring positive public presence at the Airport.

MKE Business Park is located on the former 440th Air Reserve Base. The Business Park oversees the leasing and maintenance of facilities used for aviation, airport operations, and related business services.

Parking manages the public parking structure and all Airport parking facilities. The division oversees all ground transportation services, including taxis, shuttles, limousines, transportation network companies (TNCs), and off-airport operators. Responsibilities include ensuring that the transportation operations are properly licensed and compliant with ordinances. It collects and accounts for the parking revenues.

Operations ensure that the airfield and ramp areas remain open at all times. This division coordinates aircraft activity and ensures compliance with FAA, state, and local regulations. It also leads emergency response coordination, construction and special event management, snow removal, and day-to-day terminal operations, including addressing passenger safety issues, terminal construction activities, special events, and signage.

Maintenance oversees the Airport's buildings and grounds, including custodial services, HVAC, electrical systems, and landscape maintenance.

Safety and Security is responsible for Airport safety and security within the perimeter, working closely with partner agencies to maintain compliance with FAA and TSA requirements.

Fire Protection provides 24/7 emergency response coverage across the airfield, terminal, parking structures, and lots. The division responds to incidents involving airlines, passengers, tenants, and airport staff.

Environmental oversees workplace safety, environmental compliance, glycol recovery, and wastewater treatment programs.

Strategic Implementation:
The Airport continues to operate under its long-term Airline Use and Lease Agreement (AULA) and Capital Improvement Plan (CIP) with the signatory airlines. The current agreement, which took effect on January 1, 2024, provides financial and operational stability through 2028. This framework supports the Airport's strategic direction, capital investment planning, and resource allocation over the next several years. The overall revenue grew by 5.5%, or $5.9 million, from $107,608,516 in the prior budget to $113,540,697 in the 2027 budget.

The increase in non-aeronautical revenue provides an important offset to rising operating costs. As non-aeronautical revenues grow, they strengthen our ability to maintain competitive rates and charges for carriers while supporting critical infrastructure needs. Non-aeronautical revenue increased $8,196,433 or 13.0%, rising from $63,017,500 in the 2026 Budget to $71,213,933 in the 2027 Budget.

Parking revenue increases by $2,725,000, rising from $33,775,000 in the 2026 Budget to $36,500,000 in the 2027 Budget. This growth reflects increases of $1.0 from the prior budget to $19 per day in the daily structure and surface lots, and to $29 per day in valet parking. The per-hour parking rate is increased by $2.0 per hour to $4.0 per hour over the prior adopted budget.

Retail (non-Food & Beverage) revenue increased by $100,000, from $2,200,000 in the prior budget to $2,300,000 in the 2027 Budget, reflecting sustained demand from higher passengers.

Restaurant revenue also increases by $80,000, rising from $3,646,422 in the 2026 budget to $3,726,422 in the 2027 budget. This is due to an increase in dining options for customers within the airport, and a conservative estimate of additional revenues due to it.

Car rental revenue increased significantly by $1,432,620, rising from $14,001,205 to $15,433,825. This change is driven by increases in the Minimum Annual Guarantee (MAG) and share in percentage of sales.

The overall expenses grew by $5.9 m, comprised of a general cost-of-operations increase of 3.2% or $3.5 million and cost recovery initiatives of $2,430,000 or 2.3%.

Cost Recovery initiatives of $2.4m include the air carrier incentive program (ACIP) and glycol recovery. These are cost-neutral programs and have equal offsetting revenues to support programmatic expenses.

Personnel costs decreased by $277,540, from $28,640,663 in the 2026 Budget to $28,363,123 in the 2027 Budget. This decrease is primarily due to the removal of its Other Post Employment Benefits (OPEB) funding contribution as the account is overfunded, resulting in a $1,341,300 expenditure reduction. Offsetting this decrease are increases in fringe benefit costs in the healthcare and pension categories, of $554,589 for active staff and retirees, and salary, social security, and overtime increases of $509,171. The total Full Time Equivalent (FTE) remains unchanged at 236.0 from the prior budget. Staffing changes include the creation of 1.0 FTE Plumber and the abolishment of 1.0 FTE Carpenter to better support facility maintenance needs. The vacancies and turnover rates remain flat at 7%, reflecting current vacancy trends.

The services costs increased by $1,491,694 or 1.82% over the prior budget. This excludes the cost recovery programs for the air incentive program. The cost recovery incentive program, with fees up to $2,000,000, is being offered to airlines to encourage increased frequency or capacity on routes out of Milwaukee Mitchell International Airport, subject to specific eligibility criteria. This cost will be fully offset by the Airport Development Fund (ADF), which is included within the airport's planned Capital Improvement Program.

Housekeeping Service Fees increase by $344,472, from $3,441,230 in the 2026 Budget to $3,785,702 in the 2027 Budget, due to a new contract.

Banking Service Fees increase by $115,883, from $1,176,611 in the 2026 Budget to $1,292,494 in the 2027 Budget, due to the monthly fee incurred based on an estimate of the number of transactions processed.

Chemical and Industrial gases increase $46,714 from $1,611,736 in the 2026 Budget to $1,658,450 in the 2027 Budget. The increase is in line with prior years' utilization.

Parking Garage expenses increase by $543,861, or 8.25%, from $6,589,777 in the 2026 Budget to $7,133,638 in the 2027 Budget. This includes $260,080 for the Hybrid Baggage check-in Service (SP+) to promote customer convenience during the ticketing remodel construction, and a $283,781, or 5.5% increase in the SP+ contract due to contractual terms. The latter covers increases in vendor salary and wages, management fees, and insurance.

Utility expenses, including water, electricity, gas, storm water, and sewage, increase by $326,224 from $5,524,264 in the 2026 Budget to $5,850,488 in the 2027 budget. In the FY27 budget, $175,000 is budgeted for a comparative market analysis to examine positions and organizational structure relative to peer airports.

DP Software Lease expenses increased by $348,382 from $1,465,184 in the 2026 budget to $1,813,566 in the 2027 Budget. Of this increase, $124,838 is for the airport to pay for our own Cityworks Enterprise License.

Repairs and Maintenance of Computer Equipment decreased by $199,188, from $1,031,162 in the FY2026 Budget to $831,974 in the 2027 Budget.

Depreciation expenses increased by $592,352, from $3,895,727 in the 2026 Budget to $4,488,079 in the 2027 Budget. The debt service costs increase by $1,223,537 from $15,626,917 in the 2026 budget to $16,850,454 in the 2027 budget. This increase is driven by new debt, which will be issued in late 2026, with principal and interest payments beginning in 2027. The Airport anticipates continued issuance of Airport Revenue Bond debt over the next several years, consistent with the long-term need to renew and replace critical infrastructure.

Capital Outlays, net of contra accounts, decreased by $232,425 or 15.33%, from $1,489,750 in the 2026 Budget to $1,257,325 in the 2027 Budget.

Cross-charge expenses increased by $431,230 from $20,305,815 in the 2026 budget to $20,737,045 in the 2027 Budget. A few changes decreased: Engineering Services by $2,750, DAS Services by $19,734, and Radio Communications Services by $147,143. These decreases are offset by increases in the Central Service Charge of $262,320, the Fleet management Services of $13,800, and Sheriff Services of $190,419. Cross-charges from other County departments represent 18.15% of the Airport's total budget and support essential shared services that enable airport operations.

Together, these operational, financial, and capital strategies position the Airport to meet growing passenger demand, maintain strong airline partnerships, and sustain the infrastructure required for safe and efficient operations throughout the AULA and CIP planning horizon.

Strategic Program Area: LJ Timmerman General Aviation

Service Provision: Committed

How We Do It: Program Budget Summary

Category	2024 Actual	2025 Actual	2026 Budget	2027 Budget	2026/2027 Variance
Expenditures	768,970	1,249,940	1,467,144	1,410,166	(56,978)
Revenues	280,182	278,466	295,421	287,467	(7,954)
Tax Levy	488,788	971,475	1,171,723	1,122,699	(49,024)
Full Time Pos (FTE)	3.00	3.00	3.00	3.00	0.00

What We Do With It: Activity Data

Activity	2024 Actual	2025 Actual	2026 Target	2027 Target
Number of Based Aircraft	101	97	103	107

How Well We Do It: Performance Measures

Performance Measure	2024 Actual	2025 Actual	2026 Target	2027 Target
Aircraft Takeoffs/Landings	25,001	28,842	27,548	27,594

Strategic Overview:
Timmerman is located on the northwest side of Milwaukee and is the General Aviation (GA) reliever airport in Milwaukee County's airport system. The Airline Use and Lease Agreement (AULA) governs the treatment of revenues and expenditures associated with the operation of LJT.

Strategic Implementation:
After the Timmerman Master Plan, future qualifying Timmerman-based projects will be eligible for federal and state funding.

The 2027 Budget includes a $1,122,699 subsidy from the airlines serving MKE to support LJT's operations. The increase in the required subsidy for 2027 is attributable to higher expenditures, while revenues are projected to remain relatively stable. The rise in expenditures results from Airport staff's continued efforts to allocate operating costs to LJT more accurately. A significant component of LJT's 2027 Budget is a comprehensive mechanical rehabilitation of the Airport Control Tower. This initiative represents a substantial, coordinated investment across multiple interdependent systems, including dual-boiler replacement, hydronic heating infrastructure, condensing units, rooftop HVAC, cabinet and baseboard heaters, pressurization fans, booster pumps, and fresh-air supply systems totaling approximately $791,000.