

ADOPTED 2006 BUDGET

DEPT: DEPARTMENT OF PUBLIC WORKS – AIRPORT*

UNIT NO. 5040

FUND: Enterprise – 0076

OPERATING AUTHORITY & PURPOSE

Milwaukee County operates and maintains General Mitchell International and Lawrence J. Timmerman Field Airports by authority granted under Chapters 59 and 114 of the Wisconsin Statutes. General Mitchell International Airport provides commercial, military and general aviation services. Timmerman Airport is primarily for general aviation. Under the

terms of the negotiated agreement between Milwaukee County and the signatory airlines, all operating expenses and debt service costs are recovered through rates and charges assessed to users (terminal and land rentals, concession fees and landing fees).

BUDGET SUMMARY				
Account Summary	2004 Actual	2005 Budget	2006 Budget	2005/2006 Change
Personal Services	\$ 8,536,945	\$ 9,406,644	\$ 9,439,486	\$ 32,842
Employee Fringe Benefits	4,429,111	4,992,581	5,270,859	278,278
Services	10,668,078	12,715,402	13,317,785	602,383
Commodities	1,241,973	1,830,810	1,815,152	(15,658)
Other Charges	1,543,835	311,100	655,000	343,900
Debt & Depreciation	15,258,956	15,059,214	17,538,217	2,479,003
Capital Outlay	1,048,192	1,686,100	1,458,700	(227,400)
Capital Contra	(792,655)	(951,100)	(675,700)	275,400
County Service Charges	10,820,094	11,779,966	11,731,640	(48,326)
Abatements	(92,650)	(647,857)	(839,024)	(191,167)
Total Expenditures	\$ 52,661,879	\$ 56,182,860	\$ 59,712,115	\$ 3,529,255
Direct Revenue	52,485,179	56,821,132	62,022,031	5,200,899
State & Federal Revenue	1,158,088	106,714	100,000	(6,714)
Indirect Revenue	281,460	318,359	311,400	(6,959)
Total Revenue	\$ 53,924,727	\$ 57,246,205	\$ 62,433,431	\$ 5,187,226
Direct Total Tax Levy	\$ (1,262,848)	\$ (1,063,345)	\$ (2,721,316)	\$ (1,657,971)

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2004 Actual	2005 Budget	2006 Budget	2005/2006 Change
Central Service Allocation	\$ 411,156	\$ 485,012	\$ 403,888	\$ (81,124)
Courthouse Space Rental	0	0	0	0
Document Services	3,441	4,114	0	(4,114)
Tech Support & Infrastructure	49,355	43,602	91,100	47,498
Distribution Services	1,601	0	1,828	1,828
Emergency Mgmt Services	0	0	0	0
Telecommunications	2,743	0	2,096	2,096
Record Center	0	0	0	0
Radio	6,532	9,027	16,451	7,424
Administrative Services (DPW)	92,652	32,122	39,173	0
Administrative Services #1	0	0	170,000	170,000
Computer Charges	516	2,719	0	(2,719)
Applications Charges	77,131	71,261	114,488	43,227
Total Charges	\$ 645,127	\$ 647,857	\$ 839,024	\$ 181,184
Direct Property Tax Levy	\$ (1,262,848)	\$ (1,063,345)	\$ (2,721,316)	\$ (1,657,971)
Final Closing Entry	\$ 202,233	\$ 0	\$ 0	\$ 0
Total Property Tax Levy	\$ (415,488)	\$ (415,488)	\$ (1,882,292)	\$ (1,476,787)

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* These costs are included in other departmental and non-departmental budgets. They are reflected here to show the “total” amount of tax levy support for this Department

PERSONNEL SUMMARY				
	2004 Actual	2005 Budget	2006 Budget	2005/2006 Change
Personal Services (w/o EFB)	\$ 8,536,945	\$ 9,406,644	\$ 9,439,486	\$ 32,842
Employee Fringe Benefits (EFB)	\$ 4,429,111	\$ 4,992,581	\$ 5,270,859	\$ 278,278
Position Equivalent (Funded)*	212.7	213.9	217.4	3.5
% of Gross Wages Funded	94.8	96.3	96.0	(.3)
Overtime (Dollars)**	\$ 455,730	\$ 344,712	\$ 350,004	\$ 5,292.0
Overtime (Equivalent to Position)	12.5	9.8	8.8	(.9)

* For 2004, the Position Equivalent is the budgeted amount.

** Delineated for information. (Also included in personal services.)

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Fringe Benefits)
Airport Operations Coordinator 2	Create	3/3.0	Airport Operations	\$ 137,382
			TOTAL	\$ 137,382

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ORGANIZATIONAL COST SUMMARY					
DIVISION		2004 Actual	2005 Budget	2006 Budget	2005/2006 Changes
GMIA- ADMINISTRATION	Expenditure	\$ 17,148,670	\$ 13,883,204	\$ 169,515,583	3,068,3479
	Abatement	(90,488)	(614,515)	(839,024)	(224,509)
	Revenue	32,038,478	35,017,605	39,189,950	4,172,345
	Tax Levy	\$ (14,980,296)	\$ (21,748,916)	\$ (23,077,391)	(1,328,475)
GMIA-Parking Operations	Expenditure	\$ 11,228,829	\$ 15,587,440	\$ 15,658,399	70,959
	Abatement	0	(175)	0	175
	Revenue	21,620,839	21,966,000	22,976,000	1,010,000
	Tax Levy	\$ (10,392,010)	\$ (6,378,735)	\$ (7,317,601)	(938,866)
GMIA-Maintenance	Expenditure	\$ 14,037,739	\$ 15,375,001	\$ 15,490,458	115,457
	Abatement	0	0	0	0
	Revenue	63	0	0	0
	Tax Levy	\$ 14,037,676	\$ 15,375,001	\$ 15,490,458	115,457
GMIA- Environment/Safety	Expenditure	\$ 378,585	\$ 605,364	\$ 686,956	81,592
	Abatement	0	0	0	0
	Revenue	0	0	0	0
	Tax Levy	\$ 378,585	\$ 605,364	\$ 686,956	81,592
GMIA-Operations	Expenditure	\$ 1,881,983	\$ 2,043,713	\$ 1,719,819	(323,894)
	Abatement	(2,163)	(482)	0	482
	Revenue	0	0	0	0
	Tax Levy	\$ 1,879,820	\$ 2,043,231	\$ 1,719,819	(323,412)
GMIA-Fire Protection	Expenditure	1,646,350	1,708,629	1,898,369	189,740
	Abatement	0	0	0	0
	Revenue	0	0	0	0
	Tax Levy	1,646,350	1,708,629	1,898,369	189,740
GMIA-Security & Safety	Expenditure	6,059,460	7,115,116	7,740,234	625,118
	Abatement	0	0	0	0
	Revenue	0	0	0	0
	Tax Levy	6,059,460	7,115,116	7,740,234	625,118
Timmerman Field Airport	Expenditure	372,910	512,250	405,321	(106,929)
	Abatement	0	(32,685)	0	32,685
	Revenue	265,347	262,600	267,481	4,881
	Tax Levy	107,563	216,965	137,840	(79,125)

MISSION

The Airport's mission is to plan, provide, operate, maintain and enhance efficient, cost-effective air transportation facilities that meet the present and future socio-economic needs of the region, airlines and tenants, while maintaining sensitivity to the residents in the environs of the Airports.

DEPARTMENT DESCRIPTION

The Airport has essentially one program: Air Transportation. This program includes 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

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this program, operations are further divided into the following areas of responsibility:

Administration is responsible for marketing and public relations, accounting, payroll, budget, procurement, airside and landside business operations, including noise monitoring and abatement activities.

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

Maintenance is responsible for keeping the physical plants of the Airports in good condition, including custodial care of the entire GMIA terminal, generating the heating/cooling system needs and maintaining the electrical power supply to the terminal and airfields. Snow plowing and grass cutting are also handled by the maintenance staff.

Safety and Security is responsible for safety and security functions within the airfield perimeters, working closely with other agencies and taking actions necessary to keep the Airports in compliance with Transportation Security Administration (TSA) standards and regulations. Operations also includes the GMIA fire department, which provides emergency response to aircraft incidents and medical emergencies involving the public, tenants and Airport staff.

Parking Operations records the various expenses of operating the parking structure, debt service and associated interest expense on the parking structure addition. In addition, this group oversees all GMIA ground transportation activities including taxi, shuttle, limousine and bus operators. Parking revenue fees are collected and accounted for by this section.

BUDGET HIGHLIGHTS

- Personal Services without fringe benefits increased \$32,842 from \$9,406,644 to \$9,439,486. Funded positions increased by 3.5 from 213.9 to 217.4.
- Security measures put in place after the events of September 11, 2001 will continue for the foreseeable future, and the cost will be included in the rates charged to airlines using the Airport.

The cost of security to include staff dedicated to security, towing, maintenance of the perimeter and internal security system and others are collected for the first time in this budget as a distinct low org at a cost of \$7,740,234 which includes \$6,545,973 of sheriff department costs. Limited federal or state reimbursement for security costs in the event of a level orange declaration is anticipated in this budget at \$100,000.

- One of three created positions is designated (in the Operations area) as a dedicated employee responsible for developing consistent training programs and ensuring consistent training of County personnel, airport tenants and construction employees as required by Federal Aviation Administration (FAA) FAR Part 139 and CFR 49 Part 1542

Two created positions are designed in the Security area to enhance compliance with various FAA and Transportation Security Administration (TSA) directives; conduct random and periodic checks of the interior and exterior security system; maintain pertinent logs, records and databases; provide coverage for oversight inspections by federal agencies.

- Construction of a parking structure addition of 2,951 parking spaces began in 1999 with relocation and construction of infrastructure. This \$81 million project was financed with General Airport Revenue Bonds (GARBS) issued in mid 2000. Beginning in 2003, debt service of \$8,031,000 became part of the Operating Budget. An additional bond for \$7.125 million was issued in early 2003 to complete this project. Debt service costs in 2006 of \$8,612,481 are comprised of principal (\$4,050,000) and interest (\$4,562,481) covering both bond issues.
- Construction projects on the C and D concourses and other projects have been financed by two General Airport Revenue Bond (GARB) issues in 2004 and 2005. The 2006 budget anticipates principal payments of \$635,000 and interest estimated at \$3,748,620
- Appropriations for Services increase \$602,383 from \$12,715,402 to \$13,317,785. This increase is due to anticipated increases in utilities cost

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(\$183,200); a small (3.5%) increase in parking operator costs of \$165,500 reflecting a more realistic snow removal estimate; and \$153,000 general increase to building repair and maintenance programs. The increases are partially offset by decreases that include a \$33,600 reduction to travel expenses and an \$8,000 reduction to sundry services.

- Commodities decrease \$15,658, from \$1,830,810 to \$1,815,152. In spite of a general increase in the price of many commodities, savings are anticipated in the application of winter chemicals applied to the airfield. The budget for chemicals applied to the airfield fell from \$600,000 in 2005 to \$551,000 in 2006.
- Other Charges, is primarily the amount anticipated as increases to debt covenant reserves. A net increase of \$343,900, which includes a reduction of \$1,200 to the Airport Director expense account, is projected to accommodate the current year (2005) and budget year (2006) series of airport debt issues.
- Debt and Depreciation increases \$2,479,003, from \$15,059,214 to \$17,538,217 primarily due to the inclusion of increased principal and interest payments on outstanding and 2006 issues of GARB and debt. Depreciation on existing assets is projected to be \$5,033,600 compared to \$6,162,100 in 2005.
- The appropriation for capital items included in operations is \$783,000. This amount includes the major maintenance expense projects of \$200,000 to resurface one-third of the main employee parking lot; \$250,000 for an ongoing project to do crack filling on the asphalt shoulders of runways and taxiways; \$113,000 to upgrade the Precision Approach Path Indicator (PAPI) system; \$100,000 to demolish a vacant hangar; \$90,000 to repair membranes and surfaces in the older section of the parking structure; and \$30,000 to replace incandescent lighting with low cost LED on the airfield perimeter obstruction poles.
- The appropriation for items to be acquired and capitalized totals \$675,700. Some of the major items that make up this total are \$150,000 for Flight Information Display System (FIDS) replacement display screens; replacement of old HVAC units on D concourse for \$84,000, replacement of specific components in the video surveillance component of the security system for \$40,000, year round guard booths at two perimeter check points for \$32,000, and upgrading noise monitoring equipment for \$32,100.
- The Airport budget has a total tax levy surplus of \$1,892,275 in conformance with the terms of the 25-year agreement with the airlines with regard to operations. For 2005 this number was a surplus of \$415,488.
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

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ACTIVITY AND STATISTICAL SUMMARY				
	<u>2003</u> <u>Actual</u>	<u>2004</u> <u>Actual</u>	<u>2005</u> <u>Budget</u>	<u>2006</u> <u>Budget</u>
Passengers:				
Enplaned	3,074,422	3,331,255	3,250,000	3,500,000
Deplaned	<u>3,067,702</u>	<u>3,329,850</u>	<u>3,250,000</u>	<u>3,500,000</u>
Total	6,142,124	6,661,105	6,500,000	7,000,000
Revenue Landing Weight (1,000 lbs)	5,603,977	5,664,461	5,800,000	5,945,000
Air Freight (1,000 lbs)	184,605	190,722	195,000	195,000
Aircraft Operations (Takeoffs and Landings)				
Commercial	177,756	188,133	190,000	195,000
Military	4,318	3,057	4,500	4,000
General	29,344	24,040	32,000	30,000
Timmerman	<u>72,514</u>	<u>69,134</u>	<u>75,000</u>	<u>71,000</u>
Total	283,932	284,364	301,500	300,000

* In 2006 the Department of Parks and Public Infrastructure was restructured as the Department of Public Works and the Department of Parks, Recreation and Culture.