

ADOPTED 2007 BUDGET**DEPT:** DEPARTMENT OF TRANSPORTATION AND 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	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Personal Services (w/o EFB)	\$ 8,847,431	\$ 9,439,486	\$ 10,062,441	\$ 622,955
Employee Fringe Benefits (EFB)	5,234,835	5,270,859	8,934,115	3,663,256
Services	12,199,513	13,317,785	15,174,230	1,856,445
Commodities	1,762,892	1,815,152	2,130,257	315,105
Other Charges	1,045,293	655,000	655,000	0
Debt & Depreciation	15,499,996	17,538,217	17,516,306	(21,911)
Capital Outlay	1,499,497	1,458,700	1,613,550	154,850
Capital Contra	(950,094)	(675,700)	(1,181,550)	(505,850)
County Service Charges	10,542,448	11,731,640	10,261,672	(1,469,968)
Abatements	(32,121)	(839,024)	(903,917)	(64,893)
Total Expenditures	\$ 55,649,690	\$ 59,712,115	\$ 64,262,104	\$ 4,549,989
Direct Revenue	60,407,212	62,022,031	66,591,100	4,569,069
State & Federal Revenue	311,890	100,000	120,000	20,000
Indirect Revenue	318,849	311,400	347,196	35,796
Total Revenue	\$ 61,037,951	\$ 62,433,431	\$ 67,058,296	\$ 4,624,865
Direct Total Tax Levy	(5,388,261)	(2,721,316)	(2,796,192)	(74,876)

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Central Service Allocation	\$ 485,012	\$ 403,888	\$ 485,492	\$ 81,604
Courthouse Space Rental	0	0	0	0
Tech Support & Infrastructure	41,128	91,100	100,442	9,342
Distribution Services	3,887	1,828	5,748	3,920
Telecommunications	1,098	2,096	6,261	4,165
Record Center	0	0	0	0
Radio	10,524	16,451	17,711	1,260
Computer Charges	1,726	0	0	0
Applications Charges	61,862	114,488	67,167	(47,321)
Total Charges	\$ 605,237	\$ 629,851	\$ 682,821	\$ 52,970
Direct Property Tax Levy	\$ (5,388,261)	\$ (2,721,316)	\$ (2,796,192)	\$ (74,876)
Total Property Tax Levy	\$ (4,783,024)	\$ (2,091,465)	\$ (2,113,371)	\$ (21,906)

* 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.

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PERSONNEL SUMMARY				
	2005 Actual	2006 Budget	2007 Budget	2006/2007 Change
Personal Services (w/o EFB)	\$ 8,847,431	\$ 9,439,486	\$ 10,062,441	\$ 622,955
Employee Fringe Benefits (EFB)	\$ 5,234,835	\$ 5,270,859	\$ 8,934,115	\$ 3,663,256
Position Equivalent (Funded)*	213.9	217.4	216.4	(1.0)
% of Gross Wages Funded	96.3	96.0	95.1	(0.9)
Overtime (Dollars)**	\$ 466,720	\$ 350,004	\$ 403,988	\$ 53,994
Overtime (Equivalent to Position)	9.8	8.8	9.5	0.7

* For 2005 Actuals, 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 Maintenance Worker	Create	1/1.0	Airport	42,812
			TOTAL	\$ 42,812

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ORGANIZATIONAL COST SUMMARY					
DIVISION		2005 Actual	2006 Budget	2007 Budget	2006/2007 Change
GMIA - Administration	Expenditure	\$ 13,447,199	\$ 16,951,583	\$ 17,166,775	\$ 215,192
	Abatement	(2,540)	(839,024)	(844,016)	(4,992)
	Revenue	60,560,217	39,189,950	42,710,736	3,520,786
	Tax Levy	\$ (47,115,558)	\$ (23,077,391)	\$ (26,387,977)	\$ (3,310,586)
GMIA - Parking Operations	Expenditure	\$ 15,565,797	\$ 15,658,399	\$ 15,564,973	\$ (93,426)
	Abatement	0	0	(591)	(591)
	Revenue	67,688	22,976,000	24,077,000	1,101,000
	Tax Levy	\$ 15,498,109	\$ (7,317,601)	\$ (8,512,618)	\$ (1,195,017)
GMIA - Maintenance	Expenditure	\$ 15,736,691	\$ 15,490,458	\$ 18,858,753	\$ 3,368,295
	Abatement	0	0	(40,406)	(40,406)
	Revenue	(15,069)	0	0	0
	Tax Levy	\$ 15,751,760	\$ 15,490,458	\$ 18,818,347	\$ 3,327,889
GMIA - Environmental / Safety	Expenditure	\$ 502,098	\$ 686,956	\$ 652,903	\$ (34,053)
	Abatement	0	0	(590)	(590)
	Revenue	0	0	0	0
	Tax Levy	\$ 502,098	\$ 686,956	\$ 652,313	\$ (34,643)
GMIA - Operations	Expenditure	\$ 8,131,801	\$ 1,719,819	\$ 1,916,728	\$ 196,909
	Abatement	0	0	(6,882)	(6,882)
	Revenue	0	0	0	0
	Tax Levy	\$ 8,131,801	\$ 1,719,819	\$ 1,909,846	\$ 190,027
GMIA - Fire Protection	Expenditure	\$ 1,843,028	\$ 1,898,369	\$ 2,666,308	\$ 767,939
	Abatement	0	0	(8,718)	(8,718)
	Revenue	0	0	0	0
	Tax Levy	\$ 1,843,028	\$ 1,898,369	\$ 2,657,590	\$ 759,221
GMIA - Security & Safety	Expenditure	\$ 3,774	\$ 7,740,234	\$ 7,889,536	\$ 149,302
	Abatement	0	0	(1,787)	(1,787)
	Revenue	0	0	0	0
	Tax Levy	\$ 3,774	\$ 7,740,234	\$ 7,887,749	\$ 147,515
Timmerman Field Airport	Expenditure	\$ 451,440	\$ 405,321	\$ 450,045	\$ 44,724
	Abatement	(29,582)	0	(927)	(927)
	Revenue	425,117	267,481	270,560	3,079
	Tax Levy	\$ (3,259)	\$ 137,840	\$ 178,558	\$ 40,718

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

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

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

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

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revenue fees are collected and accounted for by this section.

Maintenance is responsible for keeping the physical plants of the Airports in good condition, including custodial, HVAC, and maintaining the electrical power supply to the terminal and airfields. Snow plowing and grass cutting are also handled by the maintenance staff.

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

Operations is responsible for keeping the airfield and ramp areas open for business around the clock. This area oversees the day-to-day activities of the airport and ensures compliance with FAA, TSA, state and local regulations. Operations coordinates emergency responses, construction activities, special events, and snow removal.

Fire Protection - maintains round-the-clock staffing to deal with emergency situations on the airfield, within the parking structure and lots. They respond to emergency needs involving patrons, tenants, and Airport 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.

Timmerman (Lawrence J. Timmerman Airport)- is the general aviation reliever airport in the GMIA system. It is located on the Northwest side of Milwaukee. Costs and revenues of this facility are governed by the terms of the signatory airline long-term lease.

BUDGET HIGHLIGHTS

- Personal Services without fringe benefits increase \$622,955, from \$9,439,486 to \$10,062,441. Funded positions decrease from 217.4 to 216.4, primarily due to a decrease in the personal services lump sum.

- The Governmental Accounting Standards Board (GASB) statement number 45 (GASB-45), issued in 2004, will become effective for Milwaukee County in 2007. This statement establishes standards for the measurement, recognition, and display of Other Post Employment Benefits (OPEB) expenditures and related liabilities. For the County, this OPEB cost is for post retirement health insurance and life insurance benefits for eligible employees. Beginning in 2007, Milwaukee County is required to accrue for the annual cost of OPEB earned by an employee during the year (normal cost) plus the amortization of past service costs earned by an employee prior to the effective date of the new governmental accounting standard. In order to comply with Wisconsin state statutes, proprietary fund departments must follow governmental accounting rules and use accrual accounting. DTPW - Airport has a budgeted amount of \$1,223,900 included for OPEB liability.
- 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 includes staff dedicated to security, towing, maintenance of the perimeter and internal security system. Also included in this org. unit are Sheriff Department costs of \$6,587,570. Limited federal or state reimbursement for security costs in the event of a level orange declaration is anticipated in this budget at \$120,000.
- The Airport's operating budget is increased by \$60,000 for the purposes of travel so that airport staff can attend training and workshops.
- Appropriations for Contractual Services increase \$1,856,445, from \$13,517,785 to \$15,174,230. This increase is due to an anticipated increase of \$787,000 in utilities cost; a 5% increase in parking operator costs of \$245,500, reflecting a more realistic snow removal estimate; an increase of \$115,000 for cleaning the new area on the C hammerhead and an increase of \$581,250 for building repair and maintenance programs to address needs of the aging terminal as well as increased space coming on line mid-year at the C concourse. Included in this expenditure category is education and training of

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personnel in IT applications and hardware unique to the airport; ongoing fire, rescue; environmental and safety education.

- Commodities increase \$315,105 from \$1,815,152 to \$2,130,257. The majority of the increase is due to a \$240,877 increase as a result of a change in the methodology for the budgeting of fuel. (See Org. Unit 5300 – Fleet Maintenance for details). This increase is offset by a corresponding decrease in the Airport's crosscharge from Fleet Maintenance.
- Debt and Depreciation decreases \$21,911, from \$17,538,217 to \$17,516,306, due to a decrease in depreciation on existing assets of \$2,359,168 from \$5,033,600 to \$2,674,432. This is offset by an increase in debt related expenses of \$2,337,257 from \$12,489,617 to \$14,826,874.
- The appropriation for major maintenance items decreases \$351,000, from \$783,000 to \$432,000. This amount includes the major maintenance expense projects of \$60,000 to complete resurfacing a portion of the surface parking lot; \$70,000 for air cleaning equipment in the East Garage of the South Shop; \$92,000 for similar equipment in the Main Garage of the South Shop; \$80,000 to replace four escalators; \$50,000 for spill pollution control infrastructure; and \$80,000 to repair membranes and surfaces in the older section of the parking structure. The capitalized major maintenance costs are offset by the capital contra account that is explained below.
- The appropriation for items to be acquired and capitalized totals \$1,181,550. Some of the major items that make up this total are \$105,000 for Flight Information Display System (FIDS) replacement display screens; \$60,000 for the planned program replacement of PC's driving those displays; replacement of old IT infrastructure components aggregating to approximately \$96,000; \$65,000 for the addition of a Cisco core router; \$85,000 to replace overhead doors at the Firehouse; and \$100,000

for a boiler and chiller replacement at Timmerman

- Revenues increase \$4,555,781 primarily through adjustments to rates and charges to comply with the airport - airline lease directed residual methodology.
- The Airport budget has a Direct Tax Levy surplus of \$2,796,192. This consists of a contribution to the general fund of \$1,892,275 in accordance with the terms of the 25-year master lease agreement. The \$1,892,275 from the master lease agreement represents a repayment to the County for the payment of debt service on the terminal expansion net of terminal project depreciation expenses. In addition to the master lease contribution, there is additional revenue for the abated cross-charges of \$903,917.
- 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>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>
Passengers:				
Enplaned	3,331,255	3,629,554	3,500,000	3,650,000
Deplaned	<u>3,329,850</u>	<u>3,638,446</u>	<u>3,500,000</u>	<u>3,650,000</u>
Total	6,661,105	7,268,000	7,000,000	7,300,000
Revenue Landing Weight (1,000 lbs)	5,664,461	5,991,599	5,945,000	5,940,000
Air Freight (1,000 lbs)	190,722	193,281	195,000	195,000
Aircraft Operations (Takeoffs and Landings)				
Commercial	188,133	193,779	195,000	195,000
Military	3,057	2,518	4,000	3,500
General	24,040	22,817	30,000	28,000
Timmerman	<u>69,134</u>	<u>79,054</u>	<u>71,000</u>	<u>71,000</u>
Total	284,364	298,168	300,000	297,500