

COUNTY EXECUTIVE'S 2008 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	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Personal Services (w/o EFB)	\$ 9,382,711	\$ 10,062,441	\$ 11,301,448	\$ 1,239,007
Employee Fringe Benefits (EFB)	6,124,065	8,934,115	9,720,219	786,104
Services	13,745,287	15,174,230	17,335,450	2,161,220
Commodities	1,998,150	2,130,257	2,589,255	458,998
Other Charges	1,757,371	655,000	743,100	88,100
Debt & Depreciation	17,095,813	17,516,306	19,469,490	1,953,184
Capital Outlay	2,006,877	1,613,550	2,541,100	927,550
Capital Contra	(927,834)	(1,181,550)	(2,109,100)	(927,550)
County Service Charges	10,011,123	10,261,672	11,050,467	788,795
Abatements	(39,171)	(903,917)	(42,024)	861,893
Total Expenditures	\$ 61,154,392	\$ 64,262,104	\$ 72,599,405	\$ 8,337,301
Direct Revenue	63,126,452	66,591,100	74,192,101	7,601,001
State & Federal Revenue	215,926	120,000	102,500	(17,500)
Indirect Revenue	314,668	347,196	270,180	(77,016)
Total Revenue	\$ 63,657,046	\$ 67,058,296	\$ 74,564,781	\$ 7,506,485
Direct Total Tax Levy	(2,502,654)	(2,796,192)	(1,965,376)	830,816

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Central Service Allocation	\$ 403,888	\$ 485,492	\$ 0	\$ (485,492)
Courthouse Space Rental	0	0	0	0
Tech Support & Infrastructure	99,546	100,442	0	(100,442)
Distribution Services	410	5,748	0	(5,748)
Telecommunications	1,642	6,261	0	(6,261)
Record Center	0	0	0	0
Radio	19,361	17,711	0	(17,711)
Computer Charges	0	0	0	0
Applications Charges	125,679	67,167	0	(67,167)
Apps Charges - Network	0	0	0	0
Apps Charges - Mainframe	0	0	0	0
HRIS Allocation	54,485	64,072	0	(64,072)
Total Charges	\$ 705,011	\$ 746,893	\$ 0	\$ (746,893)
Direct Property Tax Levy	\$ (2,502,654)	\$ (2,796,192)	\$ (1,965,376)	\$ 830,816
Total Property Tax Levy	\$ (1,797,643)	\$ (2,049,299)	\$ (1,965,376)	\$ 83,923

* In 2006 and 2007, these costs were included in other charging departmental and non-departmental budgets. They were reflected here to show the "total" amount of tax levy support for this Department. In 2008, these costs are budgeted within the receiving department to show the tax levy cost in the department.

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PERSONNEL SUMMARY				
	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Personal Services (w/o EFB)	\$ 9,382,711	\$ 10,062,441	\$ 11,301,448	\$ 1,239,007
Employee Fringe Benefits (EFB)	\$ 6,124,065	\$ 8,934,115	\$ 9,720,219	\$ 786,104
Position Equivalent (Funded)*	217.4	216.4	229.0	12.6
% of Gross Wages Funded	96.0	95.3	97.0	1.7
Overtime (Dollars)**	\$ 483,510	\$ 403,988	\$ 300,008	\$ (103,980)
Overtime (Equivalent to Position)	12.2	9.5	6.7	(2.8)

* For 2006 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 Social Security & Fringe)
Electrical Mechanic	Create	1/1.0	Airport	59,630
			TOTAL	\$ 59,630

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ORGANIZATIONAL COST SUMMARY					
DIVISION		2006 Actual	2007 Budget	2008 Budget	2007/2008Change
GMIA - Administration	Expenditure	\$ 20,014,359	\$ 17,166,775	\$ 20,103,480	\$ 2,936,705
	Abatement	7,139	(844,016)	(42,024)	801,992
	Revenue	39,294,854	42,710,736	46,914,685	4,203,949
	Tax Levy	\$ (19,273,356)	\$ (26,387,977)	\$ (26,853,229)	\$ (465,252)
GMIA - Parking Operations	Expenditure	\$ 11,698,914	\$ 15,564,973	\$ 15,178,757	\$ (386,216)
	Abatement	(689)	(591)	0	591
	Revenue	23,876,527	24,077,000	27,225,800	3,148,800
	Tax Levy	\$ (12,178,302)	\$ (8,512,618)	\$ (12,047,043)	\$ (3,534,425)
GMIA - Maintenance	Expenditure	\$ 17,596,478	\$ 18,858,753	\$ 22,000,097	\$ 3,141,344
	Abatement	(29,703)	(40,406)	0	40,406
	Revenue	488	0	48,036	48,036
	Tax Levy	\$ 17,566,287	\$ 18,818,347	\$ 21,952,061	\$ 3,133,714
GMIA - Environmental / Safety	Expenditure	\$ 580,004	\$ 652,903	\$ 651,562	\$ (1,341)
	Abatement	(501)	(590)	0	590
	Revenue	0	0	0	0
	Tax Levy	\$ 579,503	\$ 652,313	\$ 651,562	\$ (751)
GMIA - Operations	Expenditure	\$ 1,694,284	\$ 1,916,728	\$ 2,620,301	\$ 703,573
	Abatement	(5,861)	(6,882)	0	6,882
	Revenue	0	0	0	0
	Tax Levy	\$ 1,688,423	\$ 1,909,846	\$ 2,620,301	\$ 710,455
GMIA - Fire Protection	Expenditure	\$ 2,052,990	\$ 2,666,308	\$ 3,019,472	\$ 353,164
	Abatement	(7,263)	(8,718)	0	8,718
	Revenue	0	0	0	0
	Tax Levy	\$ 2,045,727	\$ 2,657,590	\$ 3,019,472	\$ 361,882
GMIA - Security & Safety	Expenditure	\$ 7,033,540	\$ 7,889,536	\$ 8,471,587	\$ 582,051
	Abatement	(1,504)	(1,787)	0	1,787
	Revenue	0	0	0	0
	Tax Levy	\$ 7,032,036	\$ 7,887,749	\$ 8,471,587	\$ 583,838
Timmerman Field Airport	Expenditure	\$ 523,017	\$ 450,045	\$ 596,173	\$ 146,128
	Abatement	(790)	(927)	0	927
	Revenue	485,180	270,560	376,260	105,700
	Tax Levy	\$ 37,047	\$ 178,558	\$ 219,913	\$ 41,355

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.

- Provide an operating environment that meets or exceeds the needs of air carriers and the traveling public.
- Provide a level of quality service to all users and customers of the Airport at a reasonable price.

OBJECTIVES

- Operate within established budgets while minimizing the impact to the quality and timeliness of services provided.

- Increase the use of General Mitchell International Airport by all customers.
- Continue the implementation of the Capital Improvement Plan generated by the needs of the Airport.

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- Continue planning for the phased implementation of the revised Master Plan to meet anticipated growth; recognizing the needs of Milwaukee County, Southeastern Wisconsin, and the air transportation industry; while addressing the concerns of parties that may be affected by airport expansion.

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. Administration of the Noise Mitigation program and ongoing noise monitoring and abatement activities is handled in this area.

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.

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 by \$1,239,007, from \$10,062,441 to \$11,301,448.
- The increase in Personal Service expenditures over the 2007 Adopted Budget primarily results from staffing increases approved by the County Board mid-year 2007 for the purpose of improved airfield safety. The personnel actions related to the 2007 safety initiative included the following: the creation of 3.0 FTE positions of Airport Operations Coordinator II, the creation of 2.0 FTE positions of Airport Control Center Operator, the creation of 1.0 FTE position of Assistant Airport Operations Manager, the creation of 3.0 FTE positions of Airport Maintenance Worker – In Charge, and the creation of 8.0 FTE positions of Airport Maintenance Worker Assistant (Hourly). Increased costs related to the creation of these positions were partially offset by the following: the abolishment of 5.0 FTE positions of Airport Maintenance Worker (Temporary Appointment), the abolishment of 1.0 FTE position of Airport Assistant Maintenance Superintendent, and the abolishment of 7.0 FTE positions of Airport Maintenance Worker Assistant (Hourly). The 2008 salary, social security, and active fringe

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benefit cost for these position actions will be recovered through Airport rates and charges. There is no associated tax levy impact.

- In 2008, 1.0 FTE position of Electrical Mechanic is created in response to the growth of airfield demand for power. This results in an increased salary, social security, and fringe benefit cost of \$85,440.
- 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 \$7,077,369.
- Appropriations for Contractual Services increase \$2,161,220 to reflect the rising cost of utilities, increased bank service fees due to greater use of credit cards in the parking structure, increased parking structure operator costs for the replacement of revenue control equipment, and increased maintenance expenditures associated with the routine repair of older terminal areas.
- The appropriation for Capital Outlay is increased \$927,550, from \$1,613,550 in 2007 to \$2,541,100 in 2008. Major items include: \$110,000 for an improved exhaust system in the firehouse, \$100,000 to replace the corporate hangar power line, \$250,000 for the replacement of HVAC parts, \$134,000 for the replacement of a primary electrical transformer, \$85,000 for sliding door replacements, \$80,000 for overhead doors at the Combined Maintenance Facility serving the Highway Department, \$60,000 to replace several AWD riding lawnmowers, and \$75,000 for a new voice recorder system in operations.
- Passenger Facility revenue increases \$1,871,300, from \$5,353,700 to \$7,225,000.
- Interest on Investments increases \$405,000, from \$95,000 in 2007 to \$500,000 in 2008.
- Earnings on revenue bonds increase \$267,000, from \$583,000 in 2007 to \$850,000 in 2008.
- Parking revenue increases \$3,564,000, from \$22,750,000 in 2007 to \$26,314,000 in 2008.
- Car Rental Concessions increases \$600,000, from \$7,000,000 in 2007 to \$7,600,000 in 2008.
- Landing Fees increase \$812,753 in 2008.
- Expenditures of \$11,239,000 are budgeted for capital improvements in 2008 to the General Mitchell International Airport (GMIA) and Lawrence J. Timmerman Airport (LJT). GMIA improvements include runway and taxiway pavement rehabilitation, continuation of an ongoing HVAC replacement project, noise abatement projects and reconstruction of Air Cargo Way (a heavily traveled roadway owned by GMIA). For further detail, refer to the 2008 Recommended Capital Improvements Budget.
- Funding for Other Post Employment Benefits (OPEB) Liability increases \$967,690 from \$1,223,900 in 2007 to \$2,191,590 in 2008.
- Departments have the authority to fill unfunded positions provided they do not incur a salary deficit.
- ECP positions are not provided step increases or performance awards in 2008 as allowed in County Ordinance Section 17.265 (3).
- The abatement of Countywide crosscharges is discontinued in 2008. The tax levy previously held in the servicing department is redistributed to the recipient departments in an amount corresponding to the crosscharges. This results in a tax levy redistribution equal to the change in abatements. Due primarily to this change in methodology, direct tax levy for this department increased \$830,816. The actual change in tax levy for this department from 2007 is an increase of \$83,923.
- 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

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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 severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

ACTIVITY AND STATISTICAL SUMMARY				
	<u>2005 Actual</u>	<u>2006 Actual</u>	<u>2007 Budget</u>	<u>2008 Budget</u>
Passengers:				
Enplaned	3,629,554	3,641,503	3,650,000	3,715,000
Deplaned	<u>3,638,446</u>	<u>3,657,791</u>	<u>3,650,000</u>	<u>3,715,000</u>
Total	<u>7,268,000</u>	<u>7,299,294</u>	<u>7,300,000</u>	<u>7,430,000</u>
Revenue Landing Weight (1,000 lbs)	5,991,599	5,701,137	5,940,000	5,800,000
Air Freight (1,000 lbs)	193,281	194,110	195,000	195,000
Aircraft Operations (Takeoffs and Landings)				
Commercial	193,779	179,001	195,000	195,000
Military	2,518	2,559	3,500	1,700
General	22,817	20,945	28,000	25,000
Timmerman	<u>79,054</u>	<u>53,010</u>	<u>71,000</u>	<u>55,000</u>
Total	<u>298,168</u>	<u>255,515</u>	<u>297,500</u>	<u>276,700</u>