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CITY COUNCIL

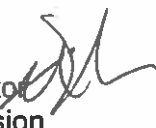
LEGISLATIVE POLICY DIVISION

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TO: Jason Watt, Director
Airport Department

FROM: David Whitaker, Director
Legislative Policy Division 

DATE: March 17, 2020

RE: 2020-2021 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2020-2021 Fiscal Year.

As you know, your scheduled budget hearing on Friday, March 20, 2020 at 2:00 pm has been CANCELLED in order for City Council to reduce the number of budget hearings due to the coronavirus crisis. However, we would still appreciate a written response to the issues/questions raised in this budget analysis as soon as possible. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office as well.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

Attachments
Issues and Questions

cc: Councilmembers
Auditor General's Office
David Massaron, Chief Financial Officer
John Wallace, Agency Chief Financial Officer
Tanya Stoudemire, Budget Director
Stephanie Washington, Mayor's Office

Airport (10)

FY 2020-21 Budget Analysis by the Legislative Policy Division

Issues and Questions

- 1) Please briefly explain new expense initiatives the Airport Department is planning to implement in FY 2021. Please provide which Appropriation/Cost Center the new initiatives will affect in FY 2021.
- 2) Please briefly explain the new capital funding requests the Airport Department is planning to implement in FY 2021. Please provide which Appropriation/Cost Center the new initiatives will affect in FY 2021.
- 3) Please briefly explain the new operational reform and savings proposals the Airport Department is planning to implement in FY 2021. Please provide which Appropriation/Cost Center the new initiatives will affect in FY 2021.
- 4) For FY 2021, revenues and expenditures for Appropriation 00223 – Airport Operations have increased by \$69,721 or 3.0%. Please explain the cause for the increase.
- 5) For FY 2021, one the of the Airport Department goals is to eliminate the general fund subsidy. Please explain the Airport Department's plans to eliminate the subsidy and the expected timetable for this to occur.
- 6) In June 2019, the Office of the Auditor General issued a report that contained a finding indicating the Airport Department did not maintain miscellaneous buildings at the airport. Please explain whether the FY 2021 budget will begin to rectify this problem.
- 7) Please briefly explain the marketing strategy to increase business at the airport.
- 8) For FY 2021, the Airport Department is to receive an increase in its operating subsidy from the City of \$69,721 or 4.3% (from \$1,605,747 to \$1,675,458). Please explain the reason for the increase.

AIRPORT (10)

AGENCY PLAN: MISSION, GOALS AND ACTIVITY SUMMARY

MISSION:

The Airport Department continues to evolve by bringing costs in line with revenue and improving services. The emerging strategy is to accelerate the growth of Detroit as a commercial and industrial transportation center and maximize the Coleman A. Young Airport's economic benefit to our community and region.

DESCRIPTION:

The Airport Department, by City Ordinance, Section 4-1-2, acquires and holds aviation facilities; develops and operates them; leases these facilities; represents the City in all aviation matters affecting the interest of the City; and manages all City properties and equipment devoted to aviation activities.

The Department's main holding is the Coleman A. Young Airport. The Airport covers 300 acres of land, which includes: two runways; the Air Carrier Terminal; Executive Terminal (including 14 large hangars); and 129 small aircraft hangars with 145 based aircraft. Coleman A. Young Airport handles 75,000 aircraft operations annually.

Currently, the Airport staff administers, operates, and maintains the Airport. In addition, there are more than 100 personnel employed at the Coleman A. Young Airport. The primary employers are the Airport Department, Midwest Air Traffic Control, FAA, AvFlight Corporation (Fixed Based Operator), Air Eagle, Certified Aircraft Rescue Firefighting (ARFF), City Aviation, Civil Air Patrol, Tuskegee Airmen, Friends of Detroit City Airport, the Detroit Fire Department and the Detroit Aircraft Corporation.

AGENCY GOALS:

1. Enhance the Airport's image as a premier gateway to Metropolitan Detroit.
2. Provide a safe and secure operating environment for our customers.
3. Eliminate subsidization of Coleman A. Young Airport by the General Fund.
4. Promote community development.
5. Increase local youth exposure to the aviation industry and potential career opportunities.

Department Name: Airport Department
 Department #: 10

Budget Summary:

	FY2019 Actual		FY2020 Adopted		FY2021 Mayor Recommended	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	2,004,030	-	2,347,737	-	2,417,458
Total Expenditures	-	5,008,394	-	2,347,737	-	2,417,458
Net Tax Cost	-	3,004,363	-	-	-	-

	FY2022 Forecast		FY2023 Forecast		FY2024 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	2,417,458	-	2,417,458	-	2,417,458
Total Expenditures	-	2,417,458	-	2,417,458	-	2,417,458
Net Tax Cost	-	-	-	-	-	-

Positions (by FTE):	1/1/2020 Actual	FY2020 Adopted	FY2021 Mayor Recommended	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
	General Fund	-	-	-	-	-
Non-General Fund	4	4	4	4	4	4
Total Positions	4	4	4	4	4	4

AIRPORT (10)

ACTIVITY DESCRIPTION:

The Airport Department acquires, develops, operates and leases aviation facilities; represents the City in all aviation matters affecting the City's interest, and manages all City properties and equipment devoted to aviation activities with the exception of the Detroit Police Department aircraft.

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS
 DEPARTMENT 10 - AIRPORT DEPARTMENT

Department # - Department Name Summary Category	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
10 - Airport Department	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
Salaries & Wages	343,378	372,386	379,834	387,431	395,180
Employee Benefits	120,939	125,828	126,630	127,448	128,283
Professional & Contractual Services	218,375	233,375	225,125	216,710	208,126
Operating Supplies	71,500	71,500	71,500	71,500	71,500
Operating Services	1,568,728	1,592,276	1,592,276	1,592,276	1,592,276
Fixed Charges	15,183	22,093	22,093	22,093	22,093
Other Expenses	9,634	-	-	-	-
Grand Total	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458

CITY OF DETROIT
 BUDGET DEVELOPMENT
 REVENUES BY SUMMARY CATEGORY - ALL FUNDS
 DEPARTMENT 10 - AIRPORT DEPARTMENT

Department # - Department Name Summary Category	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
10 - Airport Department	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
Revenues from Use of Assets	482,000	482,000	482,000	482,000	482,000
Sales & Charges for Services	226,000	226,000	226,000	226,000	226,000
Contributions & Transfers	1,605,737	1,675,458	1,675,458	1,675,458	1,675,458
Miscellaneous	34,000	34,000	34,000	34,000	34,000
Grand Total	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL
 DEPARTMENT 10 - AIRPORT DEPARTMENT

Department # - Department Name Fund # - Fund Name Summary Category	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
10 - Airport Department	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
5002 - Airport Operations & Maintenance	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
Salaries & Wages	343,378	372,386	379,834	387,431	395,180
Employee Benefits	120,939	125,828	126,630	127,448	128,283
Professional & Contractual Services	218,375	233,375	225,125	216,710	208,126
Operating Supplies	71,500	71,500	71,500	71,500	71,500
Operating Services	1,568,728	1,592,276	1,592,276	1,592,276	1,592,276
Fixed Charges	15,183	22,093	22,093	22,093	22,093
Other Expenses	9,634	-	-	-	-
Grand Total	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458

**CITY OF DETROIT
BUDGET DEVELOPMENT
REVENUES BY SUMMARY CATEGORY - FUND DETAIL
DEPARTMENT 10 - AIRPORT DEPARTMENT**

Department # - Department Name Fund # - Fund Name Summary Category	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
10 - Airport Department	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
5002 - Airport Operations & Maintenance	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
Revenues from Use of Assets	482,000	482,000	482,000	482,000	482,000
Sales & Charges for Services	226,000	226,000	226,000	226,000	226,000
Contributions & Transfers	1,605,737	1,675,458	1,675,458	1,675,458	1,675,458
Miscellaneous	34,000	34,000	34,000	34,000	34,000
Grand Total	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
 DEPARTMENT 10 - AIRPORT DEPARTMENT

Department # - Department Name	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
Fund # - Fund Name					
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
10 - Airport Department	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
5002 - Airport Operations & Maintenance	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
00223 - Airport Operations	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
100010 - Airport Administration	1,030,379	1,083,104	1,083,104	1,083,104	1,083,104
100020 - Airport Maintenance	1,317,358	1,334,354	1,334,354	1,334,354	1,334,354
Grand Total	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458

CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES
DEPARTMENT 10 - AIRPORT DEPARTMENT

Department # - Department Name	FY2020	FY2021	FY2022	FY2023	FY2024
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
10 - Airport Department	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
5002 - Airport Operations & Maintenance	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
00223 - Airport Operations	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
100010 - Airport Administration	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458
Grand Total	2,347,737	2,417,458	2,417,458	2,417,458	2,417,458

CITY OF DETROIT
 BUDGET DEVELOPMENT
 POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
 DEPARTMENT 10 - AIRPORT DEPARTMENT

Department # - Department Name	FY2020	FY2021	FY2022	FY2023	FY2024
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name	by FTE	by FTE	by FTE	by FTE	by FTE
Cost Center # - Cost Center Name					
Job Code - Job Title					
10 - Airport Department	4	4	4	4	4
5002 - Airport Operations & Maintenance	4	4	4	4	4
00223 - Airport Operations	4	4	4	4	4
100010 - Airport Administration	4	4	4	4	4
010179 - Airport Director	1	1	1	1	1
010710 - General Manager - Airport	1	1	1	1	1
43601104 - Administrative Assistant IV	1	1	1	1	1
544051 - Airport Operations Manager	1	1	1	1	1
Grand Total	4	4	4	4	4