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City of Detroit

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TO: Jason Watt, Director
Airport Department

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 11, 2021

RE: 2021-2022 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2021-2022 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Friday, March 19, 2021 at 10:00 am**. We would then appreciate a written response to the issues/questions prior to your budget hearing. 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
Jay Rising, Acting Chief Financial Officer
Tanya Stoudemire, Chief Deputy Chief Financial Officer
Steve Watson, Budget Director
Justin Buss, Budget Analyst
Avery Peebles, Mayor's Office
James George, Agency CFO

Airport (10)

FY 2021-22 Budget Analysis by the Legislative Policy Division

Issues and Questions

- 1) Please briefly explain the Airport Department's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2022. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2022.
- 2) According to the Office of the Chief Financial Officer (OCFO), the Airport Department had no vacancies through December 2020. Please indicate your number of vacancies as of February 28, 2021. If applicable, please briefly describe the difficulty of filling the vacancies. Also, please briefly explain the Airport Department's strategy to fill the vacant positions or why they will remain vacant.
- 3) Please explain the status of bringing Davis Aerospace back to City Airport.
- 4) For FY 2022, Salaries and Wages will decrease by \$14,033, from \$365,084 in FY 2021 to \$351,051. Please explain the cause for the decrease.
- 5) For FY 2022, Professional and Contractual Services will decrease by \$53,372, from \$241,747 in FY 2021 to \$188,375. Please explain the cause for the decrease.
- 6) For FY 2022, Operating Services will increase by \$41,435, from \$1,592,276 in FY 2021 to \$1,633,711. Please explain the cause for the increase.
- 7) For FY 2022, the Airport Department revenues will decrease by \$35,747, from \$2,417,458 in FY 2021 to \$2,381,711. Please briefly explain the cause for the decrease.
- 8) Please briefly explain the marketing strategy to increase business at the airport.
- 9) For FY 2022, the Airport Department is to receive an increase in its operating subsidy from the City of \$193,830 (from \$1,675,458 to \$1,869,288). Please explain the reason for the increase.

AIRPORT (10)**AGENCY PLAN****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.

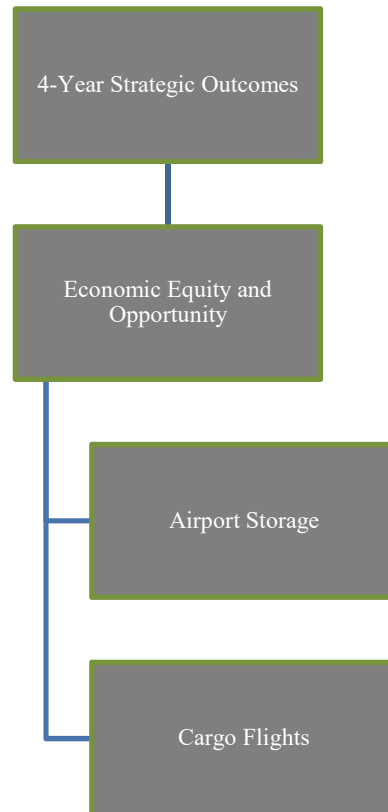
The Airport Department, by City Ordinance, Section 4-1-2, acquires and holds aviation facilities; develops and operates them; leases these facilities; represents the City in all aviation matters affecting the interest of the City; and manages all City properties and equipment devoted to aviation activities. The main holding is the Coleman A. Young Airport, 300 acres of land with 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. There are more than 100 personnel of primary employers, 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.

STRATEGIC PRIORITIES:

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

AIRPORT (10)



Department Name: Airport Department

Department #: 10

Budget Summary:

	FY2020 Actual		FY2021 Adopted		FY2022 Mayor	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	2,269,750	-	2,417,458	-	2,381,711
Total Expenditures	-	(196,289)	-	2,417,458	-	2,381,711
Net Tax Cost	-	(2,466,039)	-	-	-	-

	FY2023 Forecast		FY2024 Forecast		FY2025 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	2,447,434	-	2,462,875	-	2,478,623
Total Expenditures	-	2,447,434	-	2,462,875	-	2,478,623
Net Tax Cost	-	-	-	-	-	-

Positions (by FTE):	1/1/2021 Actual	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
General Fund	-	-	-	-	-	-
Non-General Fund	4	4	4	4	4	4
Total Positions	4	4	4	4	4	4

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

Department # - Department Name Summary Category	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
10 - Airport Department	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
Salaries & Wages	365,084	351,051	358,072	365,233	372,538
Employee Benefits	124,758	119,980	119,980	119,980	119,980
Professional & Contractual Services	241,747	188,375	188,375	188,375	188,375
Operating Supplies	71,500	66,500	66,500	66,500	66,500
Operating Services	1,592,276	1,633,711	1,692,413	1,700,693	1,709,136
Fixed Charges	22,093	22,094	22,094	22,094	22,094
Grand Total	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623

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

Department # - Department Name Summary Category	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
10 - Airport Department	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
Revenues from Use of Assets	482,000	283,923	376,624	384,158	391,840
Sales & Charges for Services	226,000	228,500	270,504	275,914	281,433
Contributions & Transfers	1,675,458	1,869,288	1,800,306	1,802,803	1,805,350
Miscellaneous	34,000	-	-	-	-
Grand Total	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
10 - Airport Department	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
5002 - Airport Operation and Maint	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
Salaries & Wages	365,084	351,051	358,072	365,233	372,538
Employee Benefits	124,758	119,980	119,980	119,980	119,980
Professional & Contractual Services	241,747	188,375	188,375	188,375	188,375
Operating Supplies	71,500	66,500	66,500	66,500	66,500
Operating Services	1,592,276	1,633,711	1,692,413	1,700,693	1,709,136
Fixed Charges	22,093	22,094	22,094	22,094	22,094
Grand Total	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
10 - Airport Department	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
5002 - Airport Operation and Maint	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
Revenues from Use of Assets	482,000	283,923	376,624	384,158	391,840
Sales & Charges for Services	226,000	228,500	270,504	275,914	281,433
Contributions & Transfers	1,675,458	1,869,288	1,800,306	1,802,803	1,805,350
Miscellaneous	34,000	-	-	-	-
Grand Total	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623

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

Department # - Department Name	FY2021	FY2022	FY2023	FY2024	FY2025
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
10 - Airport Department	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
5002 - Airport Operation and Maint	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
00223 - Airport Operations	2,417,458	-	-	-	-
100010 - Airport Administration	1,083,104	-	-	-	-
100020 - Airport Maintenance	1,334,354	-	-	-	-
27100 - City Airport Operations	-	2,381,711	2,447,434	2,462,875	2,478,623
100010 - Airport Administration	-	1,002,344	1,009,365	1,016,526	1,023,831
100020 - Airport Maintenance	-	1,379,367	1,438,069	1,446,349	1,454,792
Grand Total	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623

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

Department # - Department Name	FY2021	FY2022	FY2023	FY2024	FY2025
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
10 - Airport Department	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
5002 - Airport Operation and Maint	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623
00223 - Airport Operations	2,417,458	-	-	-	-
100010 - Airport Administration	2,417,458	-	-	-	-
27100 - City Airport Operations	-	2,381,711	2,447,434	2,462,875	2,478,623
100010 - Airport Administration	-	2,381,711	2,447,434	2,462,875	2,478,623
Grand Total	2,417,458	2,381,711	2,447,434	2,462,875	2,478,623

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

Department # - Department Name						
Fund # - Fund Name						
Appropriation # - Appropriation Name		FY2021	FY2022	FY2023	FY2024	
Cost Center # - Cost Center Name		Adopted	Mayor	Forecast	Forecast	
Job Code - Job Title					FY2025	
					Forecast	
10 - Airport Department		4	4	4	4	4
5002 - Airport Operation and Maint		4	4	4	4	4
00223 - Airport Operations		4	0	0	0	0
100010 - Airport Administration		4	0	0	0	0
010179 - Airport Director		1	0	0	0	0
010710 - General Manager - Airport		1	0	0	0	0
43601104 - Administrative Assistant IV		1	0	0	0	0
544051 - Airport Operations Manager		1	0	0	0	0
27100 - City Airport Operations		0	4	4	4	4
100010 - Airport Administration		0	4	4	4	4
010179 - Airport Director		0	1	1	1	1
010710 - General Manager - Airport		0	1	1	1	1
43601104 - Administrative Assistant IV		0	1	1	1	1
544051 - Airport Operations Manager		0	1	1	1	1
Grand Total		4	4	4	4	4