

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Director, City Planning Commission
Janese Chapman
Director, Historic Designation
Advisory Board

City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION

208 Coleman A. Young Municipal Center

Detroit, Michigan 48226

Phone: (313) 224-4946 Fax: (313) 224-4336

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March 10, 2022

TO: Jason Watt, Director
Airport Department

FROM: David Whitaker, Director 
Legislative Policy Division

SUBJECT: 2022-2023 Budget Analysis

Attached is our budget analysis regarding the Coleman A. Young International Airport's budget for the 2022-2023 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, March 14, 2022 at 1:00 pm**. We would then appreciate a written response to the issues/questions at your earliest convenience before or after your budget hearing. Please forward a copy of your response to the Council Members, the City Clerk's Office, and the Legislative Policy Division.

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

Thank you for your cooperation in this matter.

Attachments

cc: Council Members
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy Chief Financial Officer
Steve Watson, Budget Director
Brad Dick, Group Executive
Anita Hosking, Budget Analyst
John Wallace, Agency OCFO

Airport (10)
(Coleman A. Young International Airport)

FY 2022-23 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 2023. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2023.
 - a. Please include a discussion on the one-time funded items
 - \$2.3 million for Coleman A. Young International improvements
 - Plus \$1 million increase in operations to implement the Airport Layout Plan.
 - b. Have the airport operations been benchmarked against other regional airports? If so, can you describe the results?

- 2) According to the Office of the Chief Financial Officer (OCFO), the Airport Department had no vacancies through December 2021. Please indicate your number of vacancies as of February 28, 2022. 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.
 - a. Please describe how the additional 7 FTEs (\$477,000 increase in salaries and benefits) in the recommended budget will support the strategy and plans. Budgeted positions are:
 - (1) Project Manager & Analytics Specialist III
 - (3) Airport Service Workers
 - (1) Building and Grounds Maintenance Supervisor
 - (1) Building Services Operations Assistant

- 3) Please explain the status of bringing Davis Aerospace back to City Airport or other initiatives to achieve the strategic priority to increase local youth exposure to the aviation industry and potential career opportunities. .

- 4) For FY 2023, Salaries and Wages will increased by \$354,889 from \$351,051 in FY 2022 to \$705,940. Please explain the cause for the increase.

- 5) For FY 2023, Professional and Contractual Services will increase by \$550,000, from \$188,375 in FY 2022 to \$738,375. Please explain the cause for the increase.

- 6) For FY 2023, Operating Services will increase by \$38,808 from \$1,633,711 in FY 2022 to \$1,672,519. Please explain the cause for the increase.

Airport (10)
(Coleman A. Young International Airport)

FY 2022-23 Budget Analysis by the Legislative Policy Division

- 7) For FY 2023, the Airport Department revenues will increase by \$1,065,430, from \$2,381,711 in FY 2022 to \$3,447,141. Please briefly explain the cause for the increase.
- 8) Please briefly explain the marketing strategy to increase business at the airport.
- 9) For FY 2023, the Airport Department is to receive an increase in its operating subsidy from the City of \$1,061,830 (from \$1,869,288 to \$2,931,118). Please explain the reason for the increase. Also, similar to question #1, the airport has a strategic priority to eliminate subsidization of Coleman A. Young Airport by the General Fund. Can you describe plans to reduce the annual subsidy?
- 10) The Proposed Five-Year plan includes a projects dependent on FAA approval of the City's Airport Improvement Plan. Can you please provide a status on the FAA's approval and the Airport Improvement Plan and the following projects?
 - a. Removal of aging structures that cannot be rehabilitated.
 - b. Feasibility and environmental impact study for McNichols Tunnel.

AIRPORT (10)

Department Overview

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:

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.

Operating Programs

- **Airport Storage**
- **Cargo Flights**

AIRPORT (10)

Operating Budget Highlights:

- Adds \$500,000 to support planning and engineering consulting services.
- Adds \$459,000 and 7 FTEs to support Airport Maintenance.

Department Name: Airport Department

Department #: 10

Budget Summary:

	FY2021 Actual		FY2022 Adopted		FY2023 Mayor Recommend	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	1,813,732	-	2,381,711	-	3,447,141
Total Expenditures	-	3,418,056	-	2,381,711	-	3,447,141
Net Tax Cost	-	1,604,324	-	-	-	-

	FY2024 Forecast		FY2025 Forecast		FY2026 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	3,516,085	-	3,586,406	-	3,658,136
Total Expenditures	-	3,516,085	-	3,586,406	-	3,658,136
Net Tax Cost	-	-	-	-	-	-

Positions (by FTE):	1/1/2022 Actual	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
General Fund	-	-	-	-	-	-
Non-General Fund	4	4	11	11	11	11
Total Positions	4	4	11	11	11	11

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

Department # - Department Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
10 - Airport Department	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
Salaries & Wages	351,051	705,940	720,059	734,460	741,805
Employee Benefits	119,980	241,714	227,836	231,329	234,145
Professional & Contractual Services	188,375	738,375	756,096	774,243	789,729
Operating Supplies	66,500	66,500	68,096	69,730	71,125
Operating Services	1,633,711	1,672,519	1,721,905	1,726,935	1,772,643
Fixed Charges	22,094	22,093	22,093	49,709	48,689
Grand Total	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136

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

Department # - Department Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
10 - Airport Department	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
Revenues from Use of Assets	283,923	275,523	281,033	286,653	292,387
Sales & Charges for Services	228,500	240,500	245,310	250,216	255,221
Contributions & Transfers	1,869,288	2,931,118	2,989,742	3,049,537	3,110,528
Grand Total	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
10 - Airport Department	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
5002 - Airport Operation and Maint	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
Salaries & Wages	351,051	705,940	720,059	734,460	741,805
Employee Benefits	119,980	241,714	227,836	231,329	234,145
Professional & Contractual Services	188,375	738,375	756,096	774,243	789,729
Operating Supplies	66,500	66,500	68,096	69,730	71,125
Operating Services	1,633,711	1,672,519	1,721,905	1,726,935	1,772,643
Fixed Charges	22,094	22,093	22,093	49,709	48,689
Grand Total	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
10 - Airport Department	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
5002 - Airport Operation and Maint	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
Revenues from Use of Assets	283,923	275,523	281,033	286,653	292,387
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Contributions & Transfers	1,869,288	2,931,118	2,989,742	3,049,537	3,110,528
Grand Total	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136

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

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
10 - Airport Department	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
5002 - Airport Operation and Maint	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
27100 - City Airport Operations	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
100010 - Airport Administration	1,002,344	2,040,966	2,066,917	2,138,755	2,170,360
100020 - Airport Maintenance	1,379,367	1,406,175	1,449,168	1,447,651	1,487,776
Grand Total	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136

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

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
10 - Airport Department	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
5002 - Airport Operation and Maint	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
27100 - City Airport Operations	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
100010 - Airport Administration	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136
Grand Total	2,381,711	3,447,141	3,516,085	3,586,406	3,658,136

**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	FY2022	FY2023	FY2024	FY2025	FY2026
Cost Center # - Cost Center Name	Adopted	Mayor	Forecast	Forecast	Forecast
Job Code - Job Title		Recommend			
10 - Airport Department	4	11	11	11	11
5002 - Airport Operation and Maint	4	11	11	11	11
27100 - City Airport Operations	4	11	11	11	11
100010 - Airport Administration	4	11	11	11	11
010179 - Airport Director	1	1	1	1	1
010710 - General Manager - Airport	1	1	1	1	1
111003 - Project Manager & Analytics Specialist III	0	1	1	1	1
43601104 - Administrative Assistant IV	1	1	1	1	1
544011 - Airport Operations Assistant	0	1	1	1	1
544021 - Airport Service Worker	0	3	3	3	3
544051 - Airport Operations Manager	1	1	1	1	1
621065 - Building and Grounds Maintenance Supervisor	0	1	1	1	1
631035 - Building Services Operations Assistant	0	1	1	1	1
Grand Total	4	11	11	11	11