



CITY OF DETROIT
AIRPORT DEPARTMENT
ADMINISTRATION

11499 CONNER AVENUE
DETROIT, MICHIGAN 48213
PHONE: 313-628-2146 TTY: 311
FAX 313-372-2448
WWW.DETROITMI.GOV

**To: David Whitaker, Director
City Council Legislative Policy Division**

**From: Jason Watt
Airport Director**

Date: March 16, 2023

Re: Responses to 2023-2024 Budget Analysis

Please find below responses to your questions sent on March 7, 2023, regarding the proposed Fiscal Year 2024 Proposed Budget for Airport.

Question 1.

Please briefly explain the new expense initiatives the Airport Department is planning to implement in FY 2024. Please provide which appropriation/cost center the new initiatives will affect in FY 2024.

Answer-The Airport Department plans to increase Kimley-Horn contract (one time cost) to cover costs associated with design of new taxiway to increase the chance of federal funding which impacts Appropriation 271000 City Airport Operations and Cost Center 100010/Airport Administration. The Airport Department also plan to add Airport Community Relations Manager which will impact Appropriation 27100 City Airport Operations and Cost Center 100010/Airport Administration.

Question 2.

Please briefly explain the new capital funding requests the Airport Department is planning to implement in FY 2024. Please provide which appropriation/cost center the new requests will affect in FY 2024.

Answer-There are no proposal capital projects using City funds at the airport for FY24.

Question 3.

Please briefly explain the operational reform and savings proposals the Airport Department is planning to implement in FY 2024. Please provide which appropriation/cost center the new reforms/proposals will affect in FY 2024.

Answer-The airport has no operational reform and savings proposals as the budget was built on actual costs.



Question 4.

Please briefly explain the new revenue initiatives/proposals the Airport Department is planning to implement in FY 2024. Please provide which appropriation/cost center the new initiatives/proposals will affect in FY2024.

Answer-There are 2 revenue proposals for the airport. First, is for \$150K which is for a new position that will assist with special projects and business development. The position is scheduled to be a TASS position with 20 days of leave per year. Second, is a project for \$800K for the

Question 5.

What are your projected performance metrics for each division/operational program in the current fiscal year? What are your target metrics for each division/operational program fiscal year 2024?

Answer-

- 1- How many new hangars we can construct and move existing tenants into vs. How many old hangars we have that then need to be demolished.
- 2-Track home acquisitions to ensure timelines are being met.
- 3-Track revenue to ensure budget estimates are being met.
- 4-Track how many programs are being offered and how many residents/students are participating.

Question 6.

According to the Office of the Chief Financial Officer (OCFO), the Airport Department had two (2) vacancies through December 2022.

- a. Please indicate your number of vacancies as of March 6, 2023

Answer-The Airport Department has 1 vacancy as of March 6, 2023.

- b. What are the titles of the vacant positions?

Answer-The open position is for a Building Services Operations Assistant.

- c. What is the difficulty of filling the positions?

Answer-The difficulty lies in finding applicants with the relevant skills and experience necessary to complete the job duties.

- d. Please briefly explain the Airport Department's strategy to fill the vacant positions or why they remain vacant.

Answer-We are currently conducting interviews and hope to select a candidate by the end of this month.

Question 7.

For FY 2024, Salaries and Wages will increase by \$173,402 from \$705,940 in FY 2023 to \$879,342. Please explain the cause for the increase.

Answer-Airport Department has requested to add a Community Relations Manager position.

Question 8.

For FY 2024, Professional & Contractual Services will increase by \$800,001 from \$738,375 in FY 2023 to \$1,538,376. Please explain the cause for the increase.



Answer-The Airport Department plans to increase Kimley-Horn contract by \$800K (one time cost) to cover costs associated with design of new taxiway to increase the chance of federal funding.

Question 9.

For FY 2024, Operating Services will increase by \$52,637 from \$1,672,519 in FY 2023 to \$1,725,156. Please explain the cause for the increase.

Answer-Operating Services will increase by \$52,637 in FY24 due to an increase in the Airport Department Liability Insurance policy as well as an increase in DWSD sewerage/drainage costs.

Question 10.

The Federal Aviation Administration (FAA) approved Detroit's first Airport Layout Plan in 30 years which is expected to unlock more than \$100 million in federal funds over the course of the next 10 years. Can you please provide an update on the FAA's approval and the Airport Improvement Plan and the following projects?

- a. More hangars-The FAA does not traditionally cover the cost of new aircraft hangars. The Airport Department is actively looking for innovative ways to cover the cost of such structures. Traditionally, the private sector covers the cost of hangars, and the airport will issue a land lease on the property that the facility sits on.
- b. Reactivating fire unit-The Detroit Fire Department (DFD) has reactivated the Aircraft Rescue Fire Fighting (ARFF) Unit Engine 20. Currently Engine 20 is manned for 12 hours once a week because of training delays. DFD and the Airport Department have an agreement in place that allows for the use if the Regional Fire Training academy on airport in lieu of monetary payments to the airport. The agreement allows the use of the facility if DFD man's engine 20 for 12 hours/day.
- c. Aerospace high school return-To the Airport Department's knowledge there are no FAA funds going to Detroit Public Schools for the return of B.O. Davis Aerospace Technical High School at this time.
- d. Mini-Take buyouts-The Airport Department received a federal grant reimbursement for the buyouts of the French road to Gilbo Mini take back in 2014. There were 2 grants that totaled approximately \$3.1M. The funds associated with the ongoing mini-take program.

Question 11.

Please provide an update on the feasibility study for the McNichols Tunnel.

Answer-The airport department completed the study for the McNichols tunnel. The conclusion was that the cost at \$150M was too high to complete the project at this time. Consequently, the project has been placed on hold pending the ability to attain the adequate resources.