

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

Aviation

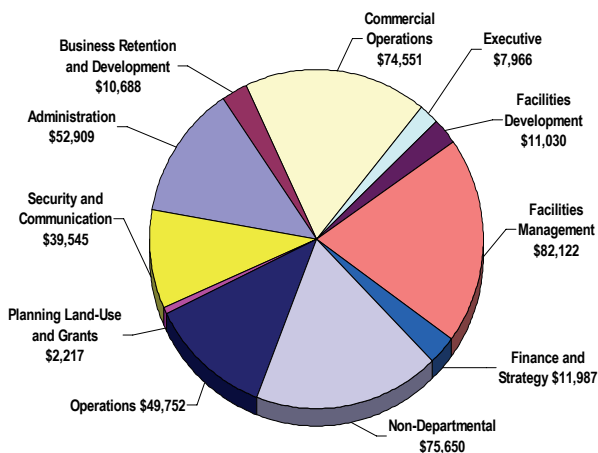
The Miami-Dade Aviation Department (MDAD) operates a system of airports that provides for the safe and profitable movement of people and goods while being responsive to the needs of customers and safeguarding the environment.

As part of the Transportation strategic area, MDAD operates Miami International Airport (MIA) and five General Aviation Airports (GAA) with policy guidance from the Mayor, the Board of County Commissioners, and the County Manager. MDAD operates the airport system as a financially self-sufficient entity without property tax support from the County. MIA is considered the primary economic engine for Miami-Dade County, and is the major trans-shipment point between the Americas, the Caribbean, and Europe. Servicing 95 airlines with routes to 142 cities on four continents, MIA ranks number one in the USA for international freight and third for international passenger traffic. The Department is engaged in a \$6.256 billion capital improvement program to make the airport a more desirable and efficient transportation center. The key elements of the program are a new North Terminal, expansion of the South Terminal, improvements to the Central Terminal, construction of an elevated automated people mover system known as the "MIA Mover," roadway and facilities improvements, major security modifications, and replacement of business systems.

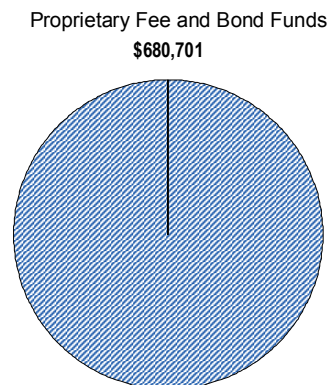
MDAD works closely with a diverse group of constituents, including cargo and passenger airlines and their customers, the support industries that form the air travel base, the Federal Aviation Administration, Transportation Security Administration, United States Customs and Border Protection, business leaders, and the media.

FY 2008-09 Proposed Budget

Expenditures by Activity
(dollars in thousands)



Revenues by Source
(dollars in thousands)



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TABLE OF ORGANIZATION

<u>EXECUTIVE</u>			
<ul style="list-style-type: none"> Establishes departmental policy; directs overall management; provides long-term vision and logistics; and implements legislative policy and directives 			
<u>FY 07-08</u> 35		<u>FY 08-09</u> 35	
<u>FINANCE AND STRATEGY</u>		<u>SECURITY AND COMMUNICATIONS</u>	
<ul style="list-style-type: none"> Manages accounting and financial services 		<ul style="list-style-type: none"> Provides investigative police and uniform services; issues security access IDs 	
<u>FY 07-08</u> 68	<u>FY 08-09</u> 75	<u>FY 07-08</u> 283	<u>FY 08-09</u> 282
<u>ADMINISTRATION</u>		<u>FACILITIES MANAGEMENT</u>	
<ul style="list-style-type: none"> Manages the Department's support service functions to funded procurement, human resources, and information technology functions 		<ul style="list-style-type: none"> Manages existing facilities, including operational readiness, testing, commissions acceptance and turnover of all new facilities 	
<u>FY 07-08</u> 136	<u>FY 08-09</u> 133	<u>FY 07-08</u> 513	<u>FY 08-09</u> 499
<u>OPERATIONS</u>		<u>BUSINESS RETENTION AND DEVELOPMENT</u>	
<ul style="list-style-type: none"> Manages airfield, terminal, and landside areas of MIA and the GAA 		<ul style="list-style-type: none"> Develops, administers, and monitors lease agreements; and plans and recommends future business and economic development 	
<u>FY 07-08</u> 404	<u>FY 08-09</u> 396	<u>FY 07-08</u> 48	<u>FY 08-09</u> 45
<u>AVIATION PLANNING, LAND-USE AND GRANTS</u>		<u>FACILITIES DEVELOPMENT</u>	
<ul style="list-style-type: none"> Conducts land use/zoning analyses and administers the grant seeking/administration process 		<ul style="list-style-type: none"> Manages the design, bid, award, and construction of the Capital Improvement Program (CIP) 	
<u>FY 07-08</u> 11	<u>FY 08-09</u> 11	<u>FY 07-08</u> 39	<u>FY 08-09</u> 38

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FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 06-07	Budget FY 07-08	Proposed FY 08-09	(dollars in thousands)	Total Funding Budget FY 07-08	Total Funding Proposed FY 08-09	Total Positions Budget FY 07-08	Total Positions Proposed FY 08-09
Revenue Summary				Strategic Area: Transportation				
Aviation Fees and Charges	237,144	263,629	297,909	Administration	43,845	52,909	136	133
Carryover	59,024	47,883	48,289	Business Retention and Development	14,406	10,688	48	45
Commercial Operations	171,272	169,656	178,109	Commercial Operations	74,497	74,551	0	0
Non-Operating Revenue	63,606	65,000	30,000	Executive	7,797	7,966	35	35
Other Revenues	6,423	15,178	24,184	Facilities Development	9,515	11,030	39	38
Rentals	97,641	95,800	102,210	Facilities Management	80,729	82,122	513	499
Total Revenues	635,110	657,146	680,701	Finance and Strategy	8,698	11,987	68	75
Operating Expenditures Summary				Non-Departmental	75,848	75,650	0	0
Salary	98,487	99,950	103,849	Operations	49,736	49,752	404	396
Fringe Benefits	30,234	33,396	35,081	Planning Land-Use and Grants	2,151	2,217	11	11
Other Operating	216,507	261,451	268,148	Security and Communications	37,524	39,545	283	282
Capital	978	9,949	11,339	Total Operating Expenditures	404,746	418,417	1,537	1,514
Total Operating Expenditures	346,206	404,746	418,417					
Non-Operating Expenditures Summary								
Transfers	192,170	252,400	262,284					
Total Non-Operating Expenditures	192,170	252,400	262,284					

CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FUTURE	TOTAL
Revenue									
Aviation Passenger Facility Charge	176,238	0	0	0	0	0	0	0	176,238
Aviation Revenue Bonds Sold	4,067,278	0	0	0	0	0	0	0	4,067,278
FDOT Funds	188,681	21,340	28,496	49,933	0	0	0	0	288,450
Federal Aviation Administration	248,049	15,710	28,008	11,648	7,500	0	0	0	310,915
Future Aviation Revenue Bonds	0	600,000	582,048	0	0	0	0	0	1,182,048
Improvement Fund	23,373	11,481	9,226	10,714	6,200	5,000	5,000	32,577	103,571
Tenant Financing	50,000	10,000	10,000	10,000	25,000	0	0	0	105,000
Transportation Security Administration	22,759	0	0	0	0	0	0	0	22,759
Funds									
Total:	4,776,378	658,531	657,778	82,295	38,700	5,000	5,000	32,577	6,256,259
Expenditures									
Strategic Area: Transportation									
Airside Improvements	300,128	8,642	10,143	14,539	10,397	845	0	0	344,694
General Aviation Airports	53,705	6,482	5,782	73	73	73	72	165	66,425
Landside Improvements	149,009	26,483	63,286	141,396	52,892	5,121	5,000	32,577	475,764
Support Facilities	783,808	58,709	50,638	33,551	12,068	9,868	6,071	13,075	967,788
Terminal Improvements	2,487,277	518,471	578,570	559,247	257,316	707	0	0	4,401,588
Total:	3,773,927	618,787	708,419	748,806	332,746	16,614	11,143	45,817	6,256,259

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SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual FY 05-06	Actual FY 06-07	Budget FY 07-08	Projection FY 07-08	Proposed FY 08-09
Administrative Reimbursement	9,699	4,889	5,276	6,550	7,109
Travel	232	81	297	297	294

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DIVISION: EXECUTIVE

The Executive Division includes the Office of the Director and provides leadership and direction to the Department staff in accomplishing the stated goals and objectives. It establishes departmental policy; directs overall management; provides long-term vision and logistics; and implements legislative policy and directives from the County Executive Office as approved by the Board of County Commissioners.

- Coordinates agenda items for the Board of County Commissioners
- Provides legal services to operational divisions
- Manages implementation of the North Terminal Development program
- Coordinates and conducts cultural programs within the airport

Strategic Plan Outcome - Measures

- TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Improve overall service rating for departing passengers at MIA	Maintain customer satisfaction ratings for departing passengers (scale 1 to 5 with 5 being the highest)	3.3	3.3	3.3	3.3	3.4

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DIVISION: FINANCE AND STRATEGY

The Finance & Strategy Group is responsible for the management of accounting and financial services; development and monitoring of the operating and capital budgets; and development and monitoring of the Department's business plan.

- Oversees all accounting activities, including cost accounting, accounts payable and receivable, cash management, generation of financial statements, and coordinates with external auditor for year-end financial audit
- Prepares, monitors, and coordinates capital and operating budget activities through the Program Controls section
- Develops and monitors the business plan for the Department on an annual basis
- Ensures adherence to federal, state, and county rules through the Professional Compliance section

Strategic Plan Outcome - Measures

- ES8-1: Sound asset management and financial investment strategies

Contain operating expenses	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	MIA cost per enplaned passenger	\$16.15	\$16.15	\$17.39	\$17.39	\$18.87

Increase collection of past due accounts	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	Value of delinquent MIA accounts receivable (in millions)	\$19.00	\$19.67	\$17.90	\$17.90	\$16.11

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DIVISION: OPERATIONS

The Operations Group manages airfield, terminal, and landside areas of MIA and the general aviation airports; manages noise abatement, janitorial services and firefighting services; provides investigative police and uniform services; ensures Federal Aviation Administration (FAA) compliance; and coordinates with FAA and Transportation Security Administration (TSA). In addition, the group ensures that all the airports' facilities, systems, and equipment are kept operationally reliable at all times.

- Oversees firefighter services
- Oversees noise abatement, janitorial services, and facilities contract management
- Manages terminal, landside, and airside operations

Strategic Plan Outcome - Measures

- ES8-2: Planned necessary resources to meet current and future operating and capital needs

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Maintain parking	Public parking revenue (in thousands)	\$43,000	\$41,541	\$45,000	\$43,000	\$46,917

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DIVISION: BUSINESS RETENTION AND DEVELOPMENT

The Business Retention and Development Group plans and coordinates air carrier route development and route maintenance; develops, administers, and monitors air carrier and concessionaire lease agreements; and expands and develops revenue sources for MIA and the General Aviation Airports (GAA). It also plans and recommends future business and economic development for the Department.

- Manages business retention and new business development
- Manages real estate management and development functions
- Prepares marketing plans to attract new business
- Manages commercial operations that include management agreements and MIA tenants

Strategic Plan Outcome - Measures

- TP6-3: Meet existing and future demand levels for passengers and cargo at the ports

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Increase revenue generating activity at MIA	MIA cargo tonnage (in millions)	2.099	2.099	2.025	2.151	2.184
	MIA domestic passengers (in millions)	18.055	18.055	18.053	18.474	18.659
	MIA international passengers (in millions)	15.223	15.223	14.876	15.774	16.010
	MIA concession sales (in millions)	\$465.4	\$468.6	\$501.6	\$501.6	\$514.8

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)	Increase number of international routes to 74 in FY 2008-09 from 72 in FY 2007-08 and cargo carriers to 25 from 24 during the same time period; increase the number of low fare carriers to five in FY 2008-09 from four in FY 2007-08	Enhance revenue and improve national customer satisfaction ranking for MIA

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DIVISION: FACILITIES DEVELOPMENT

The Facilities Development Group is responsible for managing the design, bid, award, and construction of the Capital Improvement Program (CIP); providing short and long range planning for the Department's airports; managing the environmental systems and infrastructure; and supporting the environmental, civil, and aviation fuel needs in the Department.

- Provides short and long range planning for MIA's infrastructure, concourse, and terminals
- Supports the environmental, civil, and aviation fuel needs for the Department
- Manages federal and state grants that provide funding for MIA's Capital Improvement Program
- Monitors the quantity and quality of the domestic water, sewage and storm water systems
- Manages, monitors, and maintains Airside Operations area pavement
- Performs audits of tenants for environmental compliance

Strategic Plan Outcome - Measures

- TP6-3: Meet existing and future demand levels for passengers and cargo at the ports

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Ensure capital projects are completed with minimal change orders and within budget	Percent increase in cost of CIP due to non-operating change orders	3.22%	3.22%	5.00%	5.00%	5.00%

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)	Begin construction in FY 2008-09 for MIA's Mover to be completed in FY 2010-11 (\$252.793 million)	Increase customer service and functionality of MDAD by linking the Main Terminal to the future Miami Intermodal Center (MIC) which will relieve traffic congestion
ES8-1: Sound asset management and financial investment strategies	Continue MIA airside improvement projects to include runway 8R / 26L pavement reconstruction (\$8.642 million in FY 2008-09)	Continue enhancement of airfield capacity and aircraft movement efficiency and safety by extending the life of current airside infrastructure
TP6-3: Meet existing and future demand levels for passengers and cargo at the ports	Continue airport expansion with construction of the North Terminal with an expected completion date in FY 2010-11 (\$2.826 billion)	Ensure completion of the North Terminal capital improvement project within scheduled completion time and budget

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DIVISION: SECURITY AND COMMUNICATIONS

The Security and Communication Group is responsible for a variety of security related tasks including investigative police and uniform services, ensuring FAA compliance, and coordinating with FAA and Transportation Security Administration (TSA).

- Directs the day-to-day security operations at MDAD
- Provides uniform and investigative police services at MIA
- Fulfills Transportations Security Administration (TSA) mandates
- Issues Airport identification badges to all airport employees based on fingerprint and background checks

Strategic Plan Outcome - Measures

- TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Adhere to acceptable response times to secure the airport	Average MIA door alarm response time (in minutes)*	2.44	2.44	5.00	5.00	5.00
	Average MIA police emergency response time (in minutes)	4.00	4.27	4.00	4.00	4.00
	Average MIA police routine response time (in minutes)*	7.00	3.91	7.00	7.00	7.00
	Average MIA police canine unit response time (in minutes)*	3.00	2.82	7.00	7.00	7.00

*Increase response time over previous fiscal year is due to expansion of MIA to include South Terminal

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DIVISION: FACILITIES MANAGEMENT

The Facilities Management Group serves as the support division of the Aviation Department, maintaining all airport systems and facilities in optimum working conditions. The four sections contain over 40 different working units, or shops, which perform a variety of functions related to maintenance.

- Ensures that facilities at the airport are kept operationally reliable at all times
- Maintains and repairs the facilities and utility systems at MIA and General Aviation Airports (GAA)
- Ensures readiness of all new facilities including testing, commissioning, and turnover, setting operational standards, and development of standard operational procedures and updating MDAD design guidelines

Strategic Plan Outcome - Measures

- TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Maintain tenant occupied facilities	Percentage of tenant complaints responded to within 48 hours*	N/A	N/A	N/A	N/A	100%

*The Department will begin to track this figure starting in FY 2008-09

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DIVISION: ADMINISTRATION

The Administration Group is responsible for managing the Department's support functions including procurement, human resources, information technology, and the Aviation warehouse.

- Establishes, monitors, and administers procurement contracts for operational divisions
- Provides human resource functions: recruitment, employee counseling, training and staff development, and administration of policy and procedures
- Oversees maintenance of computerized systems to including the Common Use Terminal Equipment (CUTE)
- Manages the Aviation warehouse that includes parts and materials for the Facilities Management Division

Strategic Plan Outcome - Measures

- ED1-1: Increased number of businesses and employment opportunities in higher-paying, targeted industries (priority outcome)

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Ensure equal opportunity to all vendors wanting to do business with MDAD	Percentage of Airport Concessionaires participating in the Disadvantaged Business Enterprise program	30%	30%	30%	30%	30%

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
ED2-2: Proactive involvement of communities in economic development efforts (priority outcome)	Conduct small business/community outreach meetings to maximize awareness of contracting opportunities in the area of construction, concessions, professional services, and procurement	Increase the number of outreach meetings to 32 in FY 2008-09 from 30 in FY 2007-08

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DIVISION: PLANNING LAND-USE AND GRANTS

The Planning Land Use and Grants Group is responsible for conducting land use zoning analysis and administration of grants.

- Acts as designated technical liaison with federal, state, and local agencies on operating and planning issues
- Acts in a technical advisory capacity to key stakeholders including the Federal Aviation Administration concerning safety standards and regulatory compliance
- Manages federal and state grants that provide funding towards MIA's Capital Improvement Program
- Conducts land use/zoning analyses and administers grants
- Prepares strategic planning studies for individual projects and programs to meet the needs of the Aviation Department

Strategic Plan Outcome - Measures

- ES8-2: Planned necessary resources to meet current and future operating and capital needs

Maximize grant revenue for MIA	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	Grant revenue (in thousands)	N/A	N/A	\$76,336	\$76,336	\$72,658

Budget Enhancements or Reductions and Additional Comments

- The FY 2008-09 Proposed Resource Allocation Plan continues repayment of the 2005 United States Office of the Inspector General (OIG) finding that MDAD overpaid its share of the County's administrative reimbursement by \$11.285 million; a \$2.257 million payment towards an unpaid balance of \$6.771 million is programmed in FY 2008-09 and payments will continue until FY 2010-11; beginning in FY 2011-12 the County will begin to repay \$15.629 million as a result of a new FY 2007-08 Federal Aviation Administration (FAA) finding; repayments will be \$1.563 million for 10 years
- Consistent with past practice, the MDAD landing fee will be revised in August 2008; during the same time the Miami Airport Affairs Committee (MAAC), comprised of the majority-in-interest carriers at MIA, reviews and approves the Department's budget and proposed landing fees
- MDAD's promotional funds total \$212,000 and will be used for activities that promote Miami-Dade County's airport system; major programs include Florida Airports Council Conference (\$50,000), Community Outreach Programs (\$23,000), new MIA projects/inaugurations (\$45,000), and various other activities (\$94,000)
- *The FY 2008-09 Proposed Resource Allocation Plan includes the reduction of 24 long-term vacant positions; these reductions are part of MDAD's Seven-Year Plan that began in FY 2006-07 to eliminate overall positions by 20 percent (approximately 130 FTE's have been eliminated to date with the remaining 187 FTEs to be eliminated by FY 2011-12); additionally, one position will be transferred to MDAD from the Enterprise Technology Services Department to assist with the on-going Enterprise Resource Planning implementation and maintenance; the FY 2008-09 Proposed Resource Allocation Plan is based on an attrition rate of five percent*

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Department Operational Unmet Needs

Description	Startup Costs/ Non Recurring Costs	Recurring Costs	Positions
Hire a consulting service to provide on-going maintenance, upgrades, and enhancements to the Department's Enterprise Resource Planning financial system	\$0	\$450	0
Purchase network and data infrastructure to implement back-up and restoration capabilities	\$4,000	\$1,036	0
Total	\$4,000	\$1,486	0