

FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

Aviation

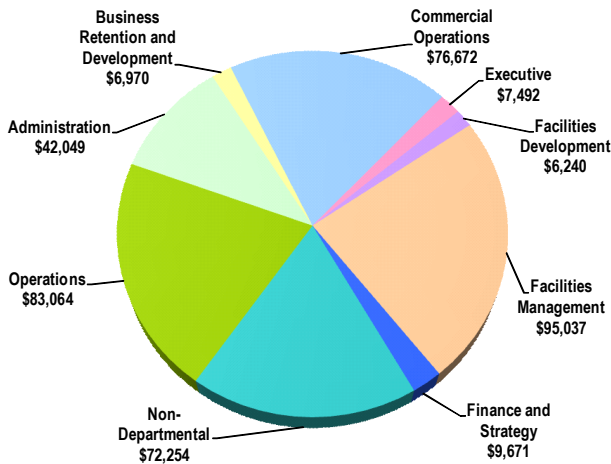
The Miami-Dade Aviation Department (MDAD) operates a system of airports that provides for the safe and efficient movement of people and goods while being responsive to the needs of customers and safeguarding the environment.

As part of the Transportation strategic area, MDAD operates Miami International Airport (MIA) and four General Aviation Airports (GAA). MDAD operates the airport system as a financially self-sufficient entity without property tax support from the County. MIA is considered a primary economic engine for Miami-Dade County, and is the major trans-shipment point between the Americas, the Caribbean, and Europe. Servicing 86 airlines with routes to nearly 150 cities on four continents, MIA ranks number one in the USA for international freight and second for international passenger traffic. The Department is engaged in a \$6.6 billion capital improvement program to make the airport a more desirable and efficient transportation center. The key elements of the capital improvement 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 facility improvements, major security modifications, and replacement of the airport's business systems.

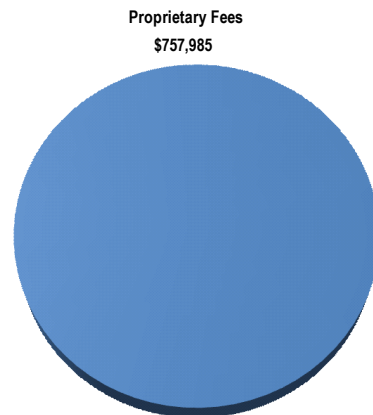
MDAD works closely with a diverse group of constituents, including cargo and passenger airlines and their customers, the support industries that form the air travel base, the Federal Aviation Administration, the Transportation Security Administration, the United States Customs and Border Protection,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

FY 2010-11 Adopted Budget

Expenditures by Activity
(dollars in thousands)

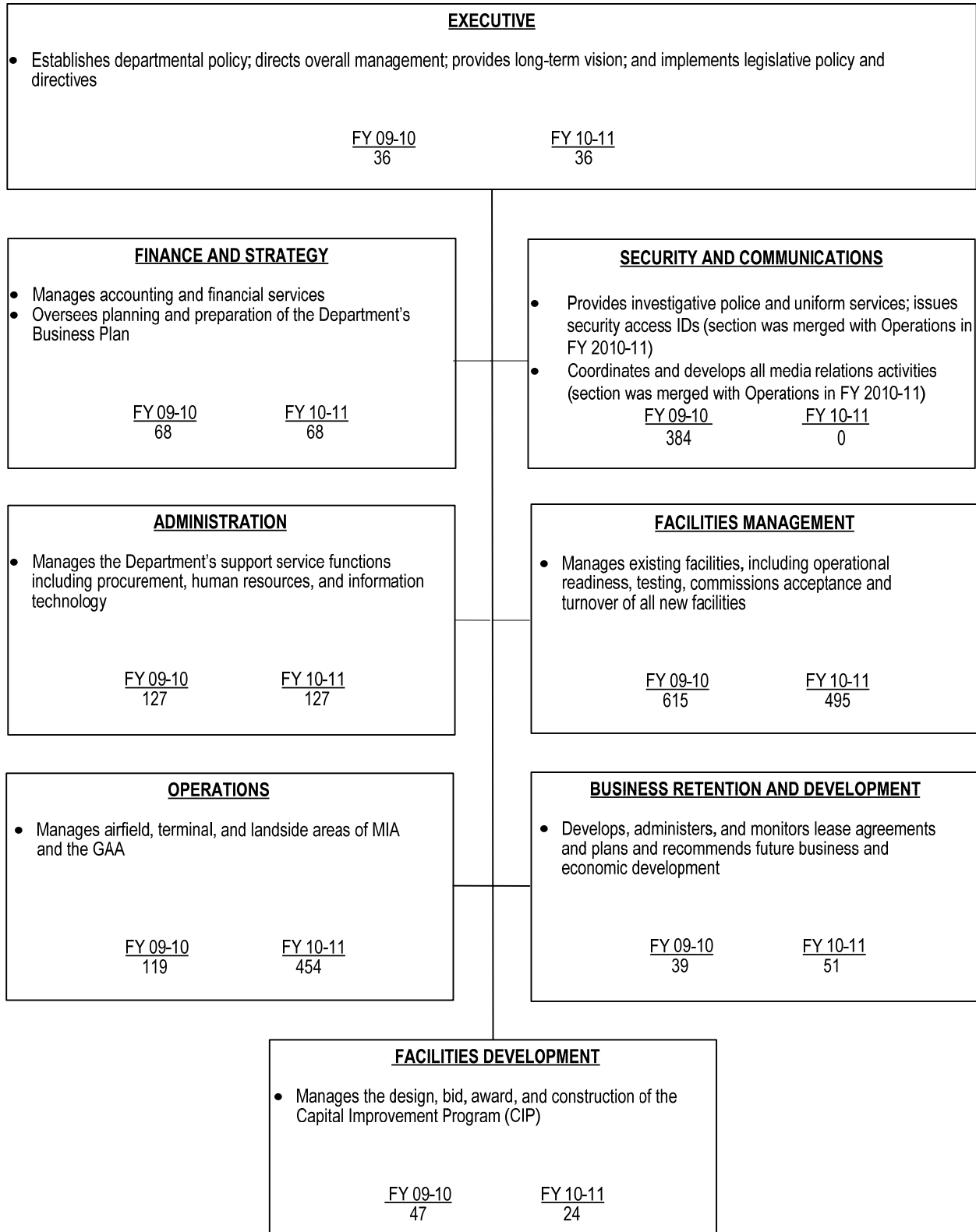


Revenues by Source
(dollars in thousands)



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TABLE OF ORGANIZATION



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FINANCIAL SUMMARY




(dollars in thousands)	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11
Revenue Summary			
Aviation Fees and Charges	239,933	276,286	310,629
Carryover	66,740	55,152	55,079
Commercial Operations	171,723	179,259	202,597
Non-Operating Revenue	71,954	57,000	62,500
Other Revenues	9,234	16,172	14,625
Rentals	100,384	101,946	112,555
Total Revenues	659,968	685,815	757,985
Operating Expenditures Summary			
Salary	107,371	92,573	83,304
Fringe Benefits	32,359	33,419	26,992
Other Operating	225,928	267,042	287,633
Capital	1,855	1,175	1,520
Total Operating Expenditures	367,513	394,209	399,449
Non-Operating Expenditures Summary			
Transfers	248,594	291,606	358,536
Total Non-Operating Expenditures	248,594	291,606	358,536

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 09-10	Adopted FY 10-11	Budget FY 09-10	Adopted FY 10-11
Strategic Area: Transportation				
Administration	39,966	42,049	127	127
Business Retention and Development	5,739	6,970	39	51
Commercial Operations	74,675	76,672	0	0
Executive	7,857	7,492	36	36
Facilities Development	14,495	6,240	47	24
Facilities Management	94,227	95,037	615	495
Finance and Strategy	9,889	9,671	68	68
Non-Departmental Operations	70,486	72,254	0	0
Security and Communications	29,545	83,064	119	454
	47,330	0	384	0
Total Operating Expenditures	394,209	399,449	1,435	1,255

CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FUTURE	TOTAL
Revenue									
Federal Aviation Administration Improvement Fund	301,103	2,108	0	0	0	0	0	0	303,211
Transportation Security Administration Funds	28,607	22,659	5,000	5,000	5,000	5,000	5,000	20,959	97,225
FDOT Funds	46,134	15,720	14,015	0	0	0	0	0	75,869
Aviation Passenger Facility Charge	300,783	83,023	0	0	0	0	0	0	383,806
Aviation Revenue Bonds	169,459	0	0	0	0	0	0	0	169,459
Double-Barreled GO Bonds	5,255,364	0	0	0	0	0	0	0	5,255,364
Tenant Financing	211,000	0	0	0	0	0	0	0	211,000
Total:	70,000	27,500	7,500	0	0	0	0	0	105,000
Total:	6,382,450	151,010	26,515	5,000	5,000	5,000	5,000	20,959	6,600,934
Expenditures									
Strategic Area: Transportation									
Airside Improvements	320,201	10,194	0	0	0	0	0	0	330,395
Cargo Facilities Improvements	179,172	468	0	0	0	0	0	0	179,640
General Aviation Airports	67,619	3,720	0	0	0	0	0	0	71,339
Landside Improvements	373,348	72,656	17,102	5,000	5,000	5,000	5,000	20,959	504,065
Support Facilities	867,124	233,844	0	0	0	0	0	0	1,100,968
Terminal Improvements	4,038,105	352,311	24,111	0	0	0	0	0	4,414,527
Total:	5,845,569	673,193	41,213	5,000	5,000	5,000	5,000	20,959	6,600,934

CAPITAL HIGHLIGHTS AND OPERATIONAL IMPACTS

-  In FY 2010-11, the Department will complete construction by March 2011 of the North Terminal (\$2.857 billion) adding 1.8 million square feet of new terminal/concourse space in addition to the existing 1.7 million square feet; the completed terminal will have 48 swing gates, two regional jet gates, a Customs facility capable of processing 3,600 international passengers per hour, 152 ticketing positions, and the capability of handling 250 flights per day
-  In FY 2010-11, the Department will complete construction of MIA Mover (\$289.634 million) that will link curbside passengers at the terminal to the Miami Intermodal Center (MIC)
-  In FY 2010-11, the Department will continue its landside improvements program that includes realignment of Perimeter Road, general infrastructure improvements to the South Terminal as well as the extension of the vehicular drive that serves the terminal

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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 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

Strategic Plan Outcome - Measures

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

Objectives	Measures		FY 08-09		FY 09-10		FY 10-11	
			Target	Actual	Target	Actual	Target	
Improve overall productivity and profitability at MIA	Number of positions reduced as part of the 20 percent position reduction plan (FY2007-2012)	IN	↔	24	24	79	79	38
	Number of gates opened in the North Terminal Program	OC	↑	7	7	5	7	6

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DIVISION: FINANCE AND STRATEGY

The Finance and Strategy Division 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, and generation of financial statements; coordinates with external auditor for year-end financial audit
- Manages capital and operating budget activities
- 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

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

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Increase revenue generating activity at MIA	MIA passengers (millions)*	OC	↑	33.3	33.8	34.1	35.0	34.5
	MIA cargo tonnage (millions)*	OC	↑	2.154	1.699	1.739	1.991	1.748
	MIA landed weight pounds (millions)*	OC	↑	31.6	30.1	31.0	31.1	31.7
	MIA number of seats (millions)*	OC	↑	42.1	41.8	42.4	43.1	43.5

*Estimates revised based on actual performance

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

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Contain operating expenses	MIA cost per enplaned passenger*	OC	↓	\$16.48	\$15.98	\$17.81	\$17.61	\$19.89

*Estimates revised based on actual performance

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- The Department expects to maintain a competitive landing fee in FY 2010-11 at \$1.92 per 1,000 pounds, remaining flat from the FY 2009-10 level

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DIVISION: OPERATIONS

The Operations Division oversees the investigative police and uniform services, fire and rescue services; provides for a safe and secure airfield; manages the day-to-day operations within the terminal building; oversees the 24 hour traffic operations which extend from the terminal curb to the airport property line and includes the cargo area; ensures enforcement of all local, state and federally mandated security requirements; and coordinates internal and external communication activities.

- Manages the day-to-day operation of the facility and acts as a mediator to resolve complaints/issues for tenants, airlines and passengers in MIA terminals
- Provides secure, safe and efficient airfield areas, terminal gates, and cargo loading positions for aircraft users
- Oversees fire and rescue services at MIA
- Directs the day-to-day security operations at MDAD
- Provides for the smooth flow of traffic through the airport, monitors ground transportation activity, and enforces parking regulations at MIA
- Coordinates, develops, and directs all media relations activities, special events, and external communications for the Department
- Provides uniform and investigative police services at MIA

Strategic Plan Outcome - Measures

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

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Adhere to acceptable response times to secure the airport	Average MIA police and fire response time of first arriving unit to midpoint of furthest runway (minutes)	OC	↓	2.5	2.4	2.5	2.5	2.5
	Average MIA police and fire response time to life threatening calls (minutes)	OC	↓	7.0	4.6	6.0	6.0	5.0
	Average response time to structure fire calls (minutes)	OC	↓	6.0	3.4	5.0	5.0	4.0
	Average MIA police emergency response time (minutes)	OC	↓	4.0	4.0	4.0	4.0	4.0
	Average MIA police routine response time (minutes)	OC	↓	7.0	4.00	7.0	7.0	7.0
	Average MIA police canine unit response time (minutes)	OC	↓	7.0	3.0	7.0	7.0	7.0
	Average door alarm response time (minutes)	OC	↓	5.0	4.0	5.0	5.0	5.0
	Average response time unattended bag clearance (minutes)	OC	↓	10	7.5	10	10	10
Improve overall customer satisfaction at MIA	Overall customer service ratings for MIA (scale 1-5)	OC	↑	3.8	3.6	4.0	3.8	3.9
	MIA employees trained in customer service	OP	↔	N/A	N/A	N/A	6,320	6,000

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DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2010-11, the Department will enhance customer service initiatives by implementing airport-wide customer service training and by providing standardized uniforms to staff that deal primarily with passengers in order to enhance the passenger airport experience
- In FY 2010-11, the Department will continue airport behavior pattern recognition awareness training for MIA employees, averaging eight classes per month

DIVISION: BUSINESS RETENTION AND DEVELOPMENT

The Business Retention and Development Division 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); enriches the airport environment through the commission of artwork and presentation of exhibits; and provides protocol services to ensure a smooth passage of dignitaries through the airport. It also plans and recommends future business and economic development for the Department.

- Manages business retention and new business development
- Provides real estate management and development services
- Prepares marketing plans to attract new business
- Manages commercial operations, including management agreements and MIA tenants
- Creates an environment that is visually stimulating for passengers at the airport
- Coordinates with various agencies at the airport in order to provide a smooth passage for high-level dignitaries

Strategic Plan Outcome - Measures

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

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Increase revenue generating activity at MIA	MIA non-terminal rental revenue (millions)	OC	↑	\$48.5	\$48.7	\$49.2	\$51.4	\$47.2
	Enplaned passengers (millions)*	OC	↑	16.600	16.884	17.000	17.405	17.500
	New carriers including low cost, international, and cargo	OC	↑	N/A	N/A	2	2	2
	GAA revenue (millions)	OC	↑	\$4.9	\$4.8	\$5.3	\$6.3	\$6.5
	New passenger routes	OC	↑	N/A	N/A	8	6	10

*Estimates revised based on actual performance

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2010-11, the Department will increase the number of international routes to 76 from 75 in FY 2009-10, and cargo carriers to 28 from 27 during the same time period; the Department will maintain two low fare carriers in FY 2010-11

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DIVISION: FACILITIES DEVELOPMENT

The Facilities Development Division 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.

- Provides short and long range planning for MIA's infrastructure, concourse, and terminals, and for individual projects and programs
- Manages federal and state grants that provide funding for MIA's Capital Improvement Program
- Acts in a technical advisory capacity to key stakeholders including the Federal Aviation Administration concerning safety standards, regulatory compliance and operating and planning issues
- Conducts land use/zoning analyses

Strategic Plan Outcome - Measures

- ES9-3: Achievement of performance targets (priority outcome)

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Maintain CIP construction safety incident rates below industry average	MDAD job related injury/illness incidents (number of injuries per man hour)	OC	↓	5.90	2.85	5.40	5.40	5.40
	CIP construction lost workday rate cases	OP	↔	3.20	3.20	3.20	2.80	2.80

DIVISION: FACILITIES MANAGEMENT

The Facilities Management Division maintains all airport systems and facilities in optimum working conditions; the four sections contain over 40 different working units. In addition, addresses the issue of aircraft related noise and land compatibility within the community; manages the environmental systems and infrastructure; and supports the environmental, civil, and aviation fuel needs in the Department.

- 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; sets operational standards; and develops standard operational procedures and updates MDAD design guidelines
- Supports the environmental, civil, and aviation fuel needs for the Department
- 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

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

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Maintain tenant occupied facilities	Percentage of maintenance work orders completed on-time	EF	↑	55%	61%	64%	65%	54%

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2010-11, the Department will continue its annual recertification of fuel storage, environmental engineering, procurement, and maintenance as it relates to International Organization for Standardization (ISO) 14001 regulations; certification is required to ensure that management and environmental procedures meet the ISO standards and incorporate continued environmental improvement methodology

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DIVISION: ADMINISTRATION

The Administration Division is responsible for managing support functions including procurement, human resources, information technology, and the aviation warehouse.

- Establishes 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, which stores parts and materials for the Facilities Management Division
- Develops and reviews Requests for Proposals (RFP) and Requests for Qualifications (RFQ) for a wide range of services for the Department
- Provides assurance for minority businesses to have bidding opportunities on contracts at MIA

Strategic Plan Outcome - Measures

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

Objectives	Measures		FY 08-09		FY 09-10		FY 10-11
			Target	Actual	Target	Actual	Target
Ensure equal opportunity to all vendors wanting to do business with MDAD	Community business opportunity meetings/workshops (meetings per year)*	OP ↔	36	49	45	44	46
	Number of Disadvantaged Business Enterprises joint ventures in airport concession program*	OC ↑	10	10	12	12	11

*Estimates revised based on actual performance

DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS

- In FY 2010-11, the Department will continue to review its staffing and organizational structure to identify redundancies and other opportunities for streamlining the organization in the near-term and long-term
- In FY 2010-11, the Department of Small Business Development (SBD) transferred three SBD Compliance Officers to MDAD to continue to monitor and administer small business programs (\$258,000)

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BUDGET ENHANCEMENTS OR REDUCTIONS AND ADDITIONAL COMMENTS

- The FY 2010-11 Adopted Budget 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 payment of \$2.257 million is programmed in FY 2010-11 and will be the final payment for this finding; 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) findings; repayments will be \$1.563 million for 10 years
- The Department's Adopted Budget includes \$6.628 million net indirect cost reimbursement to the General Fund; the indirect cost reimbursement reflects a reduction of \$2.257 associated with the repayment noted above
- MDAD's revenue and expenditure model is based on a residual program per the bond user agreement that stipulates that any fluctuations in expenditures will be matched with a landing fee model that charges a fee per 1,000 pounds of landed weight; due to the debt service increases of a \$6.6 billion capital improvement program and a 2.94 percent enplanement growth, it is anticipated that the landing fee will increase making the cost per enplaned passenger grow to \$33.34 in 2018 from \$19.89 as forecasted in FY 2010-11
- MDAD's promotional funds total \$164,000 and will be used for activities that promote Miami-Dade County's airport system; major programs include U.S. Africa Air Transportation Summit (\$19,000), Community Outreach Programs (\$42,000), new MIA projects and inaugurations (\$38,000), and various other activities (\$65,000)
- *The FY 2010-11 Adopted Budget includes the elimination of 38 positions; to date the Department has eliminated 249 positions and plans on eliminating the remaining 38 to meet the target for the Department of 287 total positions over five years*
- The FY 2010-11 Adopted Budget includes the transfer of 157 positions to the Miami Dade Police Department (MDPD) as a result of employing a memorandum of understanding for services performed by MDPD to MDAD and will be adding 12 positions as a result of bringing maintenance in-house for the Terminal E passenger train in lieu of using a contractor