

ATC

Budget Workshop

Agenda Item No. 2(A)

August 16, 2007

## **Departmental Budget Presentations**

## **Airport and Tourism Committee**

# Aviation

# FY 2007 - 08 Proposed Resource Allocation and Multi-Year Capital Plan

## Aviation



### SUMMARY

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.

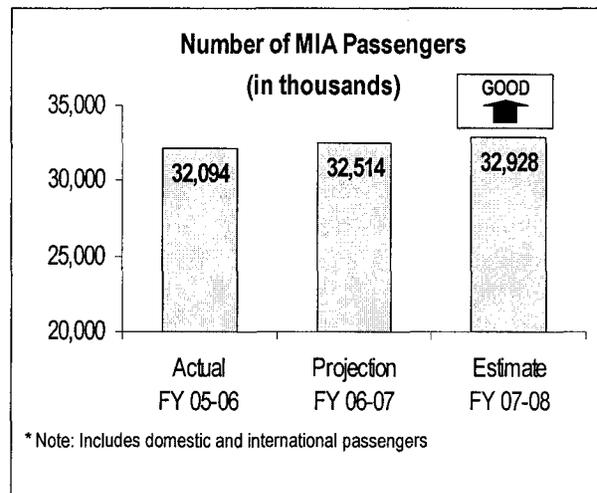
As part of the Transportation strategic area, MDAD operates Miami International Airport (MIA) and five general aviation airports with policy guidance from the Mayor, the Board of County Commissioners, and the County Manager. MDAD operates the airport system as a financially self-sufficient entity without property tax support from the County. MIA is considered the primary economic engine for Miami-Dade County, as well as South Florida, 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 \$6.258 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 interrelates 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.

### COMMUNITY BUDGET DOLLARS AT WORK

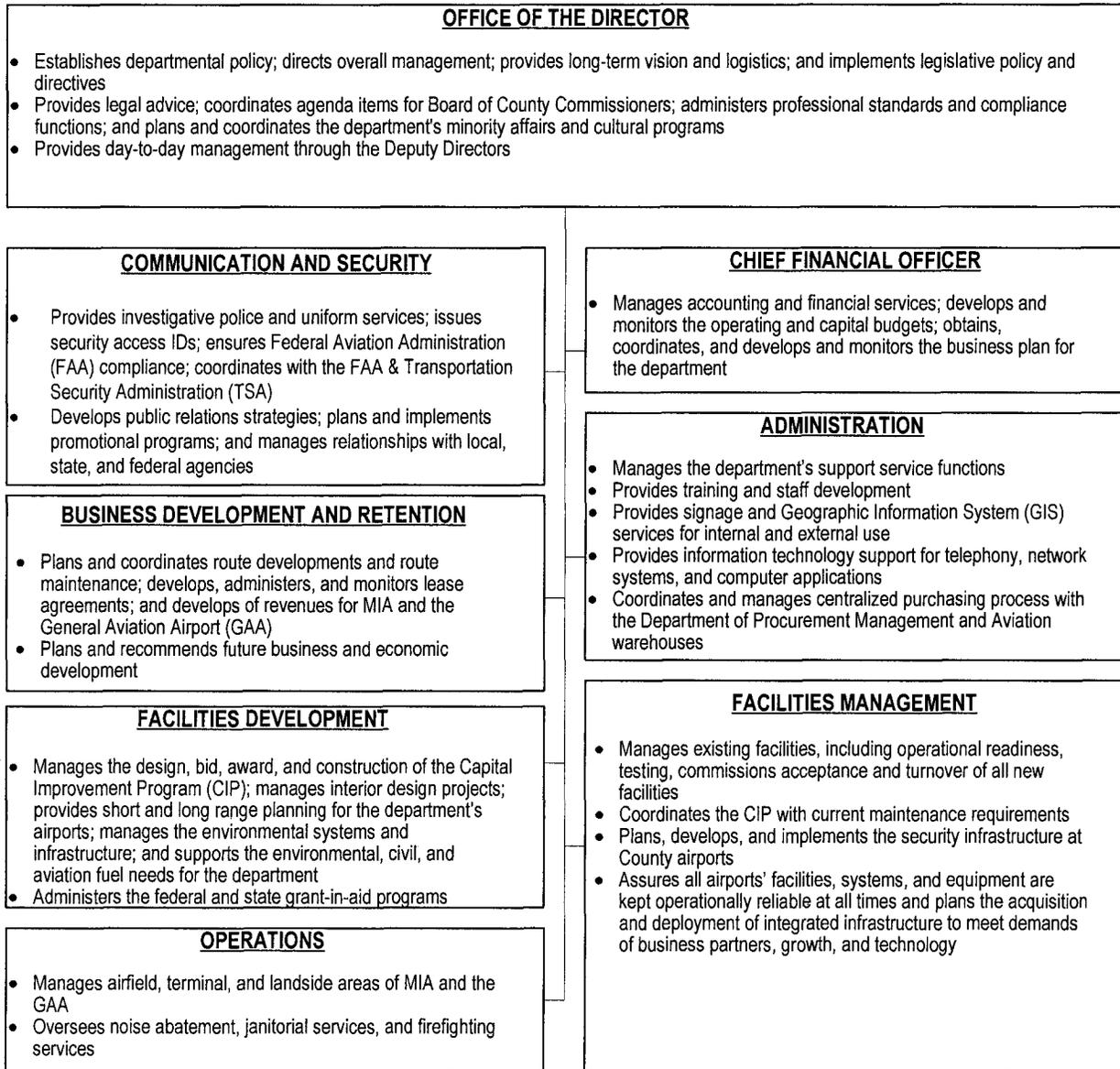
	Actual FY 05-06	Projection FY 06-07	Estimate FY 07-08
• MIA cargo tonnage (in millions)**	1.970	2.014	2.025
• MIA cost per enplaned passenger*	\$18.50	\$17.01	\$18.90
• Public parking revenue (in millions)**	\$37.914	\$41.518	\$45.000

\* Note: Preliminary for FY 2007-08  
 \*\*Note: Actual FY 2005-06 numbers were corrected subsequent to last years budget publication



# FY 2007 - 08 Proposed Resource Allocation and Multi-Year Capital Plan

## TABLE OF ORGANIZATION



## FY 2007 - 08 Proposed Resource Allocation and Multi-Year Capital Plan

### FINANCIAL SUMMARY

(Dollars in Thousands)	Actual FY 05-06	Budget FY 06-07	Proposed FY 07-08
<b>Revenue Summary</b>			
Aviation Fees and Charges	230,055	247,298	286,498
Carryover	51,952	45,703	47,921
Commercial Operations	146,384	162,151	169,640
Non-Operating Revenue	42,946	56,000	28,000
Other Revenues	13,029	11,683	15,348
Rentals	91,014	97,764	108,555
Total Revenues	575,380	620,599	655,962
<b>Operating Expenditures Summary</b>			
Salary	97,171	99,495	101,086
Fringe Benefits	29,160	30,678	31,506
Other Operating	204,781	238,617	257,621
Capital	784	805	13,977
Total Operating Expenditures	331,896	369,595	404,190
<b>Non-Operating Expenditures Summary</b>			
Transfers	173,917	251,004	251,772
Total Non-Operating Expenditures	173,917	251,004	251,772

(Dollars in Thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 06-07	Proposed FY 07-08	Budget FY 06-07	Proposed FY 07-08
<b>Strategic Area: Transportation</b>				
Business Administration	40,174	61,030	196	185
Capital Improvement Program	11,817	12,294	59	56
Commercial Operations	70,422	74,497	0	0
Executive	8,736	8,668	34	34
Financial	6,371	6,579	64	62
Non-Departmental	72,627	73,336	0	0
Operations	123,218	128,605	953	918
Security and Communications	36,230	39,181	287	298
Total Operating Expenditures	369,595	404,190	1,593	1,553

### STRATEGIC PLANNING PRIORITIES AND BUDGET HIGHLIGHTS

#### Economic Development And Enabling Strategies And Transportation

Desired Outcome	Highlights	Performance 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 30 in FY 2007-08 from 29 in FY 2006-07
ES8-1: Sound asset management and financial investment strategies	Implement cost control measures for operating expenses	Achieve an operational program that stays within the prescribed cost of \$18.90 per enplaned passenger for FY 2007-08
ES8-1: Sound asset management and financial investment strategies	Continue airport expansion with construction of the North Terminal with an expected completion date in FY 2010-11 (\$2.776 billion)	Ensure completion of the North Terminal capital improvement project within scheduled completion time and costs
ES8-1: Sound asset management and financial investment strategies	Begin pavement reconstruction in FY 2007-08 of Runway 8R/26L with an expected completion in FY 2010-11 (\$15.558 million)	Continue enhancement of airfield capacity and aircraft movement efficiency and safety by extending the life of current airside infrastructure

## FY 2007 - 08 Proposed Resource Allocation and Multi-Year Capital Plan

TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)	Continue roadways and parking improvements in FY 2007-08 by increasing parking capacity and relocating Perimeter Road (\$21.296 million)	Complete construction of short term parking garage to increase revenues and relocate Perimeter Road to improve security by restricting access to the Fuel Tank Farm area
TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)	Continue investment in business systems to support MDAD's facilities in FY 2007-08 (\$17.152 million)	Modernize and expand telecommunications systems with the airlines and other tenants to include the use of Common Use Terminal Equipment and Airport Operation Information Systems
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 2007-08 from 72 in FY 2006-07 and cargo carriers to 25 from 24 during the same time period; increase the number of low fare carriers to six in FY 2007-08 from five in FY 2006-07	Enhance revenue and improve national customer satisfaction ranking for MIA
TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)	Improve overall service rating for MIA customer satisfaction survey, averaging results of departing passengers, Miami residents departing, and international passengers	Improve customer satisfaction ratings to 3.4 in FY 2007-08 from 3.2 in FY 2006-07; rating is based on a scale of one to five, five being the highest
TP6-2: Enhanced customer service, convenience, and security at every level of contact with the ports (priority outcome)	Continue planning and design phase in FY 2007-08 (\$6.079 million) for MDAD's Mover to be completed in FY 2010-11	Increase customer service and functionality of MDAD by linking the Main Terminal to the future Miami Intermodal Center (MIC) which will relieve traffic congestion

### CAPITAL BUDGET SUMMARY

(Dollars in Thousands)	PRIOR	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FUTURE	TOTAL
<b>Revenue</b>									
Aviation Passenger Facility Charge	176,237	0	0	0	0	0	0	0	176,237
Aviation Revenue Bonds Sold	3,467,361	0	0	0	0	0	0	0	3,467,361
FDOT Funds	165,066	26,416	72,921	24,948	16,632	0	0	0	305,983
Federal Aviation Administration	236,651	12,902	13,665	11,447	0	0	0	0	274,665
Future Aviation Revenue Bonds	0	600,000	600,000	589,576	0	0	0	0	1,789,576
Improvement Fund	7,373	49,893	3,506	6,352	5,000	5,000	5,000	37,577	119,701
Tenant Financing	40,000	10,000	10,000	10,000	10,000	10,000	10,000	5,000	105,000
Transportation Security Administration Funds	15,125	4,921	0	0	0	0	0	0	20,046
<b>Total:</b>	<b>4,107,813</b>	<b>704,132</b>	<b>700,092</b>	<b>642,323</b>	<b>31,632</b>	<b>15,000</b>	<b>15,000</b>	<b>42,577</b>	<b>6,258,569</b>
<b>Expenditures</b>									
<b>Strategic Area: Transportation</b>									
Airside Improvements	302,620	15,558	10,417	9,689	5,176	0	0	0	343,460
General Aviation Airports	52,381	70	74	73	73	73	72	113	52,929
Landside Improvements	161,066	27,375	102,714	105,381	51,082	5,210	5,000	37,577	495,405
Support Facilities	716,527	129,297	84,485	54,039	25,650	7,721	5,549	9,058	1,032,326
Terminal Improvements	2,584,340	661,589	504,290	410,942	148,288	10,000	10,000	5,000	4,334,449
<b>Total:</b>	<b>3,816,934</b>	<b>833,889</b>	<b>701,980</b>	<b>580,124</b>	<b>230,269</b>	<b>23,004</b>	<b>20,621</b>	<b>51,748</b>	<b>6,258,569</b>

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## FY 2007 - 08 Proposed Resource Allocation and Multi-Year Capital Plan

### SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(Dollars in Thousands)				
	Actual FY 04-05	Actual FY 05-06	Budget FY 06-07	Projection FY 06-07	Proposed FY 07-08
Administrative Reimbursement	9,587	8,018	6,519	4,894	5,000
Travel	255	232	305	291	326

### ADDITIONAL COMMENTS AND HIGHLIGHTS

- Consistent with past practice, the MDAD landing fee, calculated semi-annually, will be revised in August 2007; 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
- MDAD's general administrative reimbursement for FY 2007-08 is estimated at \$5 million based on the MAXIMUS, Inc. study and preliminary directives from U.S. Department of Transportation
- In FY 2006-07, MDAD increased the Capital Improvement Program from \$5.236 billion to \$6.259 billion (Resolution 363-07 passed March 22, 2007); North Terminal core and support projects amount to \$772 million of the increase and will be completed by 2011
- MDAD's South Terminal will begin limited operations by August 15, 2007; operating 27 gates of which 21 will be used as both international and domestic, five as domestic only, and one will be solely designated for the new Airbus A-380; in addition, the South Terminal will contain 124 ticketing positions and is expected to handle 25 percent of the passenger volume at MIA
- MDAD's Mover project is currently under the bid award and negotiation stage; contract award is expected to go before the BCC in the summer of 2007 with construction projected to begin December 2007; the project is programmed at \$253.433 million
- MDAD's promotional funds total \$221,000 and will be used for activities that promote the airport system; major programs include the Air Cargos Americas Conference (\$50,000), promotion of general aviation airports (\$30,000), Capital Improvement Program events (\$25,500), airport councils (\$15,000), and other varied activities (\$100,500)
- In FY 2006-07, the Department performed an internal reorganization of operations to strategically align resources with business functions; adopted expenditure amounts for the Department were not changed but individual activities were modified; the FY 2007-08 Proposed Resource Allocation Plan reflects these changes in the FY 2006-07 Adopted Budget
- The FY 2007-08 Proposed Resource Allocation Plan includes the reduction of 40 long-term vacant positions; these reductions are part of MDAD's Five-Year Plan that began in FY 2006-07 to eliminate overall positions by 20 percent (approximately 277 FTEs)