

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: April 17, 2020
TO: Theodore Lipscomb, Sr., Chairman, County Board of Supervisors
FROM: Donna Brown-Martin, Director, Department of Transportation
SUBJECT: **Airport Overview**

POLICY

Information report provided at the request of the Chairman of the Transportation, Public Works and Transit Committee.

BACKGROUND

The following is a brief, high level, overview of Milwaukee Mitchell International Airport intended to help inform new members of the Transportation, Public Works, and Transit Committee, as well as new members of the Board of Supervisors.

Milwaukee County owns and operates Milwaukee Mitchell International Airport as a division of the Department of Transportation. The airport is a uniquely structured due to significant federal regulatory requirements that include requiring the airport to financially self-sufficient. It is also unique to other county services in that it does not deploy services to the community. The airport serves as a connection point for the airline and their customer, or for users of the airport property for their own business or personal use.

Regulatory Environment

The airport is regulated by a wealth of federal regulation including operating regulations, funding requirements and restrictions, and safety and security regulations. There are 39 Grant Assurances in total that the airport is required to abide by in order to receive and use federal funds. One of the key grant assurances is what makes the airport unique in terms of its distinct funding sources. Airports are required to be as self-sustaining as possible by using revenues to offset operational costs. In order to accomplish this requirement, the airport has a residual lease agreement with the airlines, which means if the airport has a surplus at the end of the year, those funds are provided back to the airlines, and if the airport has a deficit, those costs are recovered by the airlines. Therefore, the airport does not require tax levy for its operation, nor does it provide revenue back to the county due to these federal funding requirements.

To help protect the airlines from subsidizing operational costs, a separate grant assurance exists that requires airports to establish market lease rates for non-aeronautical users. This helps level

the playing field for non-aeronautical users and provides assurance to the airlines that fair market value is being paid to offset their costs that support the airport.

Due to the heavily regulated environment, airport staff must be knowledgeable of the various restrictions that affect the work they do, or the groups they interact with. These assurances apply to various aspects of airport operations, financing, properties, and project management. Violation of these requirements could result in heavy penalties including the loss of funding or the need to return funds back to the federal government.

Personnel Requirements

Given the significant amount of regulation airport staff need to be regularly trained and remain highly knowledgeable about how airports work, what the restrictions and limitations are, and need to remain up to date on industry changes. Many on staff have gone through some type of industry-based education, credentialing, or accreditation through professional organizations such as American Association of Airport Executives (AAAE). AAAE has curriculum for areas of operations training, fire training, airport finance, and management accreditation such as Certified Member or Accredited Airport Executive testing. In addition, it is required that security personnel take mandatory training in order to administer the security plan and fire fighters take 40 hours of training before they can become an airport fire fighter, along with annual live burn exercises.

All airport employees are screened and badged due to federal security requirements. Those driving on the airfield must take an annual driving test to make sure they are knowledgeable about driving on the airfield. Training records are kept for 24 months. Daily inspections are performed per federal requirements, and an annual inspection is performed to make sure the airport follows federal standards.

Items Recently Presented to the Committee

The airport is governed by Chapter 4 of the County Code of Ordinances and Chapter 1. The TPWT Committee Chair has asked to provide what types of items comes before the committee. All policy matters are brought to the Transportation, Public Works and Transit Committee for review and approval. All personnel matters go to the Personnel Committee, and all fiscal matters including contract approval goes to the Finance and Audit Committee. In addition, the airport will, from time to time, bring informational reports to the committee for its general knowledge and understanding of relevant items. The types of things that have been brought to the TPWT Committee during the last term include:

- Master Plan update
- Concessions contract update
- Concessions refurbishment update
- Airport Security Contract approval
- Approval of the Airport Director to the Visit Milwaukee Board
- Approval of parking contractor operations to include valet services

- Approval of changes to the airport rules and regulations to allow sheriff's deputies to issue county citations
- Report on the results and effectiveness of the air service incentive program
- Reauthorization of the air service development program
- Authorization to allow Transportation Network Companies (TNC's) to operate at the airport
- Development of the cab lot and service ordering program for cab operators

Since some of the above-mentioned initiatives also had a financial impact they also were considered by the Finance and Audit Committee. In addition, items like fund transfers will be considered by the Finance Committee and personnel matters will be heard by the Personnel Committee.

RECOMMENDATION

Informational report only.

Prepared by: Brian Dranzik, Airport Director

Approved by:

Julio Esch, Deputy

Donna Brown-Martin, Director
Department of Transportation