



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY



WAYNE COUNTY AIRPORT AUTHORITY

BUDGET

APPROVED BUDGET FISCAL YEAR 2012

WAYNE COUNTY AIRPORT AUTHORITY

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Samuel A. Nouhan
Vice Chairperson



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Alfred R. Glancy III
Board Member



Michael J. Jackson, Sr.
Board Member



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WAYNE COUNTY AIRPORT AUTHORITY

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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For the Fiscal Year Beginning

October 1, 2010

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The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the Wayne County Airport Authority for its annual budget for the Fiscal Year beginning October 1, 2010.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another year.

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Reader's Guide

The Budget Book represents the Authority's best effort to provide a thorough summary of the financial, strategic and operational information for Fiscal Year 2012. The summary below describes each section of the book to help you find and understand the information contained within.

Organization of the Budget Book

Chief Executive Officer's Message – The Chief Executive Officer's budget message illustrates management's vision, critical issues, recommended policy and operational changes for the year ahead.

Wayne County Airport Authority at a Glance – This section describes the organization and its leadership, information about the communities served and supplemental statistical data.

Budget Process & Financial Policies – The process for preparing, reviewing and adopting the budget is outlined in this section along with a summary of all financial policies and guidelines.

Strategic Plan – A summary of the Authority's strategic plan provides a cohesive statement of organization-wide priorities and the Authority's Balanced Score Card approach to measuring success.

Budget in Brief – This section presents financial summaries, schedules of revenues and expenditures beginning with a consolidated operating budget for all budgeted funds. Revenue and expenditure profiles are illustrated for each entity along with a discussion of the assumptions used to develop the budget. Detroit Metropolitan Airport's budget is broken-out by cost centers with financial metrics and balanced scorecard measures.

Department & Division Summaries – Three-year financial schedules, charts and lists of responsibilities are provided for each department and division.

Capital Improvement Program – This section provides a summary of the authority's Capital Improvement Plan and a comprehensive listing of all the capital needs of the organization for the next five years.

Debt Profile – This section provides an overview of Detroit Metropolitan Airport's indebtedness alongside schedules of outstanding principal and debt service requirements.

Table of Contents

A comprehensive Table of Contents is provided on page iii to help readers locate information in this document.

Glossary

The glossary includes descriptions of the terminology that is either technical in nature, commonly used in the aviation industry or unique to the organization. In the glossary one will also find a list of acronyms and three-letter airport codes.

Index of Figures

The Budget Book includes numerous charts and graphs to convey information. An index of figures is included as an appendix for quick reference.

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Chief Executive Officer's Message

In accordance with the Aeronautics Code of the State of Michigan, known as Public Airport Authority Public Act 90 of 2002, the Fiscal Year 2012 annual budget and Capital Improvement Program is presented for your review.

The goal of the Fiscal Year 2012 Budget process was to reduce operating expenses at Detroit Metropolitan Airport by \$20 million. Passenger growth rates have failed to keep pace with the pre-9/11 assumptions originally used in the design of the McNamara Terminal. More recently, the North Terminal airlines have not generated the aircraft operations or passengers required for the efficient utilization of the 26 North Terminal gates added in 2008. As a result, Detroit Metropolitan Airport has significant excess terminal capacity and, in terms of average operations per gate, is one of the most underutilized airports in North America.



The good news is that we have excess airfield and terminal capacity and can readily accommodate future expansion. In the mean time, however, inefficient utilization places pressure on our unit costs, the Airport's Cost per Enplaned Passenger (CPE). Having a non-competitive CPE can be a deterrent to new entrants and potentially to the future growth of our existing carriers.

The concerns over inefficient terminal utilization have only been exacerbated by the depletion of Passenger Facility Charge (PFC) reserve balances in 2011, resulting in airline rates and charges to cover an additional \$20 million of debt service requirements. Delta, representing the interests of most, if not all, of the airlines operating in Detroit, has suggested that the corresponding increases in terminal rentals and landing fees could limit future airline expansion plans in terms of potential new service and increased frequencies.

In developing the proposed budget reductions, the following principles were applied in order to ensure that we remain competitive and committed to our strategic mission and goals:

- No proposals were considered that, in the opinion of Airport Senior Management, would adversely impact the safety or security of the airport.
- The Authority will consider outsourcing as an option where it may be a more efficient avenue of accomplishing required functions.

- Several Authority operations will undertake process reengineering efforts in the coming year in order to identify specific budgetary savings. Current estimates of savings have been based on available benchmarks and as such, should be viewed as targets. Actual staff counts and savings will be determined in the review process.
- The planned reductions in work force will be phased in over the next 12 to 18 months. Exit incentive payments will offset the full impact of the cost savings in the first year of the program.

Global Wage and Benefit Changes

As part of the budget reduction plan, the Authority is undertaking a significant Work Force Reduction Program. The program, as discussed below, will result in the elimination of approximately 100 Airport staff and the transfer of funding for an additional 14 employees to the Airport's Capital Improvement Program. In addition to the Work Force Reduction Program, the following wage and benefit budget assumptions have been proposed.

Work Force Reduction Program – As discussed above, the Authority plans to undertake a significant Work Force Reduction Program intended to result in the elimination of budgeted positions. Management hopes to be able to accomplish a significant portion of the reduction through voluntary employee separation programs. Employees, both represented and non-represented, will be offered an exit incentive program which incorporates an early retirement option for eligible employees.

The window for the employee voluntary election will remain open for 45 days after which time the Authority will reassess its progress towards achieving an overall reduction. Specific targeted staffing levels have been identified for each Authority department based on discussions with key personnel. To the extent that voluntary separations fall short of targeted levels, the Authority is anticipating proceeding with involuntary separations to the extent required to meet the targeted level of reductions.

Salaries and Wages – Budget assumptions have been adjusted to reflect a wage freeze for all represented employees whose contracts expire this year and for all non-represented employees. In addition, overtime assumptions have been adjusted to reflect current Fair Labor Standards Act (FLSA) standards meaning overtime will be calculated based on a forty hour work week and will no longer be based on an eight hour work day.

Health Insurance Benefits – Pursuant to Public Act 54 of 2011 effective June 8, 2011, municipal employees are now obliged to pay for 100% of the increase in their health insurance benefit cost upon the expiration of a collective bargaining agreement. With few exceptions (Local 3317 and Local 324), most Authority collective bargaining agreements expire before the end of this calendar year.

Additionally, effective January 1, 2012, the Authority will attempt to implement 20% premium sharing for all non-represented employees. These employees currently pay for 10% of the cost of their insurance program. Further, the same change has been incorporated for all represented employees whose collective bargaining agreements have expired or will expire before

December 1, 2011 in accordance with State law. (Senate Bill 7 is enrolled and has been presented to the Governor for signature.) The total reductions related to the changes in benefits cost sharing in the FY 2012 budget amounts to \$795,000.

The Authority is also implementing additional plan design changes that will result in savings on health insurance and prescription drugs. Any changes to wages or benefits, as recommended above, will necessarily have to be negotiated with individual bargaining units and approved by the Authority Board.

Work Force Transfer to CIP – The Division of Planning, Design & Construction currently manages all aspects of the Authority's Capital Improvement Program. Fourteen full-time employees are dedicated to this function. We are recommending that the funding for these positions be transferred to the capital program thereby removing the funding from the airport's operating budget. This change will reduce the Airport's operating budget by \$1.7 million and can be implemented immediately.

Capital Programs

Fleet Program – Financing options are being explored to acquire vehicles and heavy equipment supporting fire fighting, maintenance and snow removal operations. Costs will be spread-out over a seven-year period and the FY 2012 savings is approximately \$1.5 million.

McNamara Terminal Building Improvements & Reimbursable Equipment – Delta reduced its FY 2012 Capital Acquisition plan by \$1.1 million from the budget previously recommended.

Service Level Adjustments on Contractual Service Contracts

Airport Senior Management was also directed to review all major contracts and identify opportunities for changes in service levels and/or cost savings. Some examples of reductions of service that have already been identified as targeted reductions in service levels include: changes to routes of employee shuttle buses, reductions in parking services, changes to the snow removal program, and reductions in terminal maintenance contracts. Service level adjustments are likely to affect multiple stakeholders of the Authority, but will be carefully executed to preserve or increase current revenue streams and minimize negative impacts to the extent possible.

Summary

The proposed changes are expected to drive reductions of at least \$20 million in the annual operating budget. The abbreviated operating statement below illustrates the impact of the \$20 million reduction in operating expenses and due to the residual nature of our operating agreements with airlines, the reduced airline requirement (airline revenues) associated with these reductions.

Detroit Metropolitan Airport Operating Statement							
(\$ in thousands)	FY 2011 Budget	FY 2012 Proposed Budget*	FY 2012 Approved Budget	FY 2013 Conceptual Budget	Change from FY 2012 Proposed to FY 2013 Conceptual Budget		
					\$	%	
REVENUES							
Airline Revenues	\$ 159,607	\$ 180,000	\$ 165,067	\$ 162,100	\$ (17,900)	-9.9%	
Non-Airline Revenues	118,176	125,300	126,311	128,000	2,700	2.2%	
Non-Operating Revenues	<u>1,291</u>	<u>1,200</u>	<u>1,220</u>	<u>1,300</u>	<u>100</u>	<u>8.3%</u>	
TOTAL REVENUES	279,074	306,500	292,597	291,400	(15,100)	-4.9%	
EXPENSES							
Operating Expenses	197,592	203,400	186,984	183,400	(20,000)	-9.8%	
Non-Operating Expenses	<u>81,481</u>	<u>103,100</u>	<u>105,614</u>	<u>108,000</u>	<u>4,900</u>	<u>4.8%</u>	
TOTAL EXPENSES	279,074	306,500	292,597	291,400	(15,100)	-4.9%	
REFUND (CHARGE) TO AIRLINES	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	

* As presented to the Detroit Airlines Airport Affairs Committee in August 2011

Figure 1: Detroit Metropolitan Airport Operating Statement with FY 2013 Conceptual Budget

Authority staff will actively implement these plans beginning immediately and full implementation is expected to span a 12 to 18 month time frame. The budgetary savings in the FY 2012 Approved Budget compared to the FY 2012 Proposed Budget presented in August reduces expenses by \$13.9 million. With an additional \$1 million increase in budgeted non-airline revenue, costs to the airlines for FY 2012 were reduced by \$14.7 million.

Thank you for your review and consideration of the Fiscal Year 2012 Budget.

Respectfully yours,

Thomas Naughton
Interim Chief Executive Officer

The Wayne County Airport Authority at a Glance

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (Wayne County) for the purposes of federal and state laws, but is not subject to any county charter requirements or the direction or control of either the Wayne County Executive or Commission. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport (Metro Airport), the Willow Run Airport (Willow Run), and the Airport Westin Hotel (the Westin), with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. The financial statements of the Authority include the operations of the Metro Airport, Willow Run, and the Westin, and the Authority is included in the County's Comprehensive Annual Financial Report (CAFR) as a discretely presented component unit, in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, The Reporting Entity.

Management of the Authority

Wayne County Airport Authority Board Members

The Authority is directed and governed by a board consisting of seven members. The Governor of the State of Michigan appoints two members of the board, one member is appointed by the legislative body of the County that owns Metro Airport, and four members of the board are appointed by the Chief Executive Officer of the County.

Mary L. Zuckerman is Chairperson of the Wayne County Airport Authority Board. Ms. Zuckerman is Executive Vice President and Chief of Business Operations for the Detroit Medical Center (DMC). Before joining the DMC in January 2004, she spent ten years with Wayne County. Ms. Zuckerman is a resident of Livonia and was appointed to a six-year term by Governor Jennifer Granholm. Her term on the Wayne County Airport Authority Board expires in October, 2014.

Samuel A. Nouhan is Vice Chairperson of the Wayne County Airport Authority Board. Mr. Nouhan is an attorney in private practice. He previously served in the office of the Wayne County Corporation Counsel and as a clerk to two federal judges. Mr. Nouhan is a resident of Dearborn Heights and was appointed to a six-year term by Wayne County Executive Robert A. Ficano. His term on the Authority Board expires in October, 2014.

Sue K. Hall is Secretary of the Wayne County Airport Authority Board. Ms. Hall is a private consultant specializing in public administration. Hall retired from Wayne County in 2009 after 23 years of service during which time she held various executive level positions including Director of Administration for the Sheriff's Office, Assistant County Executive for Administration and Deputy Director for the Department of Health and Community Services. For 18 years, Hall was an elected official for the City of Southgate – four years as Mayor and 14 years as a Councilwoman. Hall is a resident of Southgate and was appointed to a six-year term by Governor Jennifer Granholm. Her term on the Wayne County Airport Authority Board expires in October, 2016.

Alfred R. Glancy III is Executive Chairman of Unico Investment Company and Unico Investment Group, LLC and retired Chairman and Chief Executive Officer of MCN Energy Group, Inc. Glancy served on the Board of DTE Energy and is Chairman Emeritus and Chairman of the Finance Committee of the Detroit Symphony Orchestra and past chairman of Detroit Renaissance, Inc., Detroit Medical Center, New Detroit, Detroit Economic Growth Corp. and MLX Corp. He was appointed by Wayne County Executive Robert A. Ficano to complete the remainder of a term for a vacated position ending October, 2014.

Michael J. Jackson, Sr. is Executive Secretary/Treasurer of the Michigan Regional Council of Carpenters and Millwrights in which he serves as chief operating officer. He served as president of a Central Labor Council of the AFL-CIO, and on the boards of the Robert Ficano Hope Foundation and Wayne County Business Development Corporation. Jackson was also appointed by Michigan Governor Rick Snyder to serve on his Economic Development Transition Team as a board member of the Michigan Economic Growth Authority. He is a resident of Dearborn and is appointed to a six-year Wayne County Airport Authority Board term by Wayne County Executive Robert A. Ficano expiring October, 2017.

Bernard F. Parker has been a Wayne County Commissioner for District 2 on Detroit's east side since 1990. In 1971, Mr. Parker co-founded Operation Get Down (OGD), a grassroots community-service organization located on the eastside of Detroit. Commissioner Parker sits on numerous boards of directors, some of which include New Detroit, NAACP and St. Johns Hospital. Mr. Parker is a resident of Detroit and was appointed to a four-year term by the Wayne County Commission. His term on the Board expires in October, 2012.

Charlie J. Williams is President and Chief Executive Officer of MPS Group, Inc. Mr. Williams has served in various positions including Deputy County Executive, Assistant County Executive, Director of Personnel (Wayne County and Detroit), Chief of Staff (Detroit), and Director of the Detroit Water and Sewerage Department. He is a resident of Detroit and was appointed to a six-year term by Wayne County Executive Robert A. Ficano. His term on the Authority Board expires in October, 2012.

Organization Chart

A complete list of Leadership Team members is listed below.

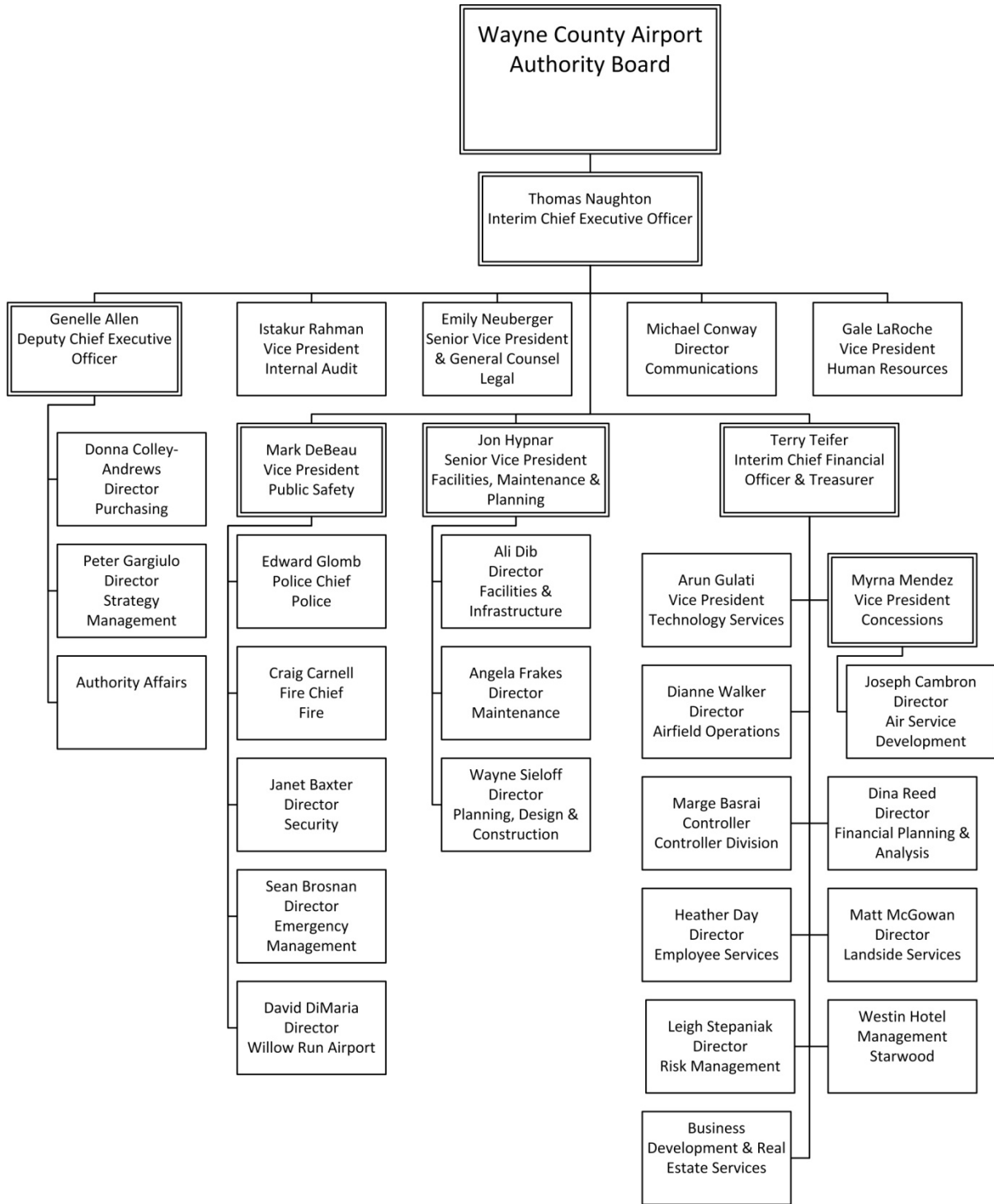


Figure 2: WCAA Organization Chart

Senior Management Team

Thomas Naughton, Interim Chief Executive Officer

Genelle Allen, Deputy Chief Executive Officer

Terry Teifer, Interim Chief Financial Officer, Interim Senior Vice President of Business Development and Vice President of Treasury

Jon Hypnar, Senior Vice President of Facilities, Maintenance & Planning

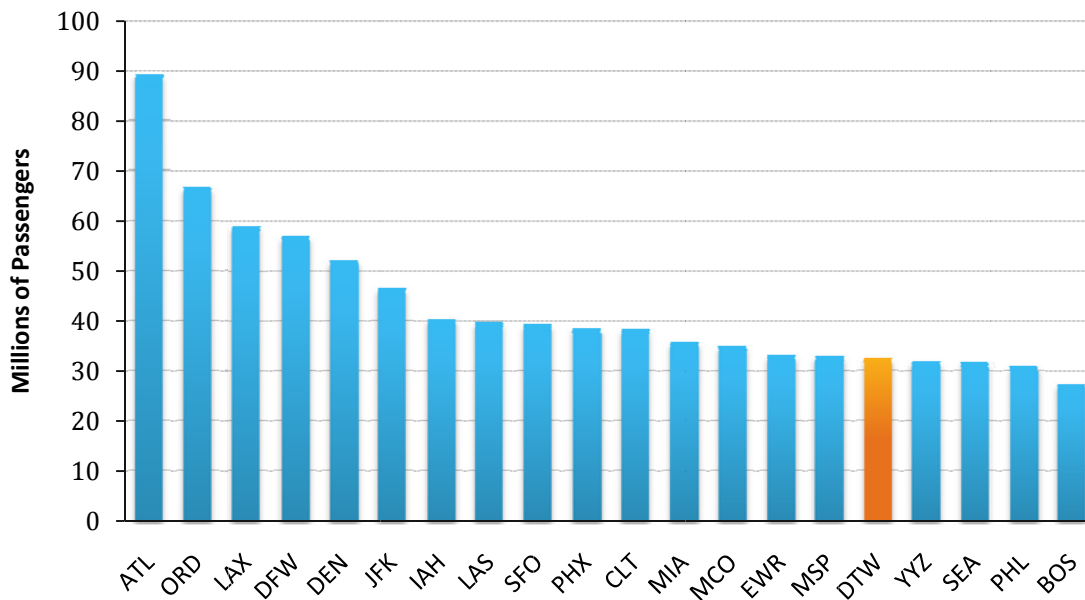
Emily Neuberger, Senior Vice President and General Counsel

Mark Debeau, Vice President of Public Safety

Gail LaRoche, Vice President of Human Resources

Detroit Metro Airport

Detroit Metro Airport (Metro Airport) is a key component of the U.S. air transportation system and the primary air carrier airport serving the City of Detroit (the 11th most populous city in the United States) and the 10-county Air Trade Area, which includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.



ATL = Atlanta, ORD = Chicago, LAX = Los Angeles, DFW = Dallas/Fort Worth, DEN = Denver, JFK = New York, IAH = Houston, LAS = Las Vegas, SFO = San Francisco, PHX = Phoenix, CLT = Charlotte, MIA = Miami, MCO = Orlando, EWR = Newark, MSP = Minneapolis/St. Paul, DTW = Detroit, YYZ = Toronto, SEA = Seattle, PHL = Philadelphia, BOS = Boston

Figure 3: Total Passengers at the Top 20 North American Airports

Top Ten Destinations

- Chicago, O'Hare
- New York, LaGuardia
- Atlanta
- Philadelphia
- Chicago, Midway
- Charlotte
- Washington, Reagan National
- Denver
- Newark
- Dallas

As illustrated on the chart above, Metro Airport is the 16th busiest airport in North America in terms of total passengers according to the comparative statistics compiled by Airports Council International North America (ACI) for Calendar Year (CY) 2010. In terms of total operations, Metro Airport ranked 10th nationwide and 14th worldwide with 452,616 takeoffs and landings.

The location of the Air Trade Area along the heavily traveled east/west air routes and its relatively large population base make it a natural location for airline hubbing operations. As illustrated on the chart to the below, 56 percent of all passengers at Metro Airport are connecting. Delta and its regional affiliate carriers enplaned an estimated 12.9 million passengers at Metro Airport in fiscal 2011, which represented approximately 79.5 percent of total enplaned passengers at Metro Airport.

Spirit Airlines, Southwest Airlines, and US Airways were the only other carriers at Metro Airport to enplane over three percent of Metro Airport's market share. Although Delta carriers account for more than a majority of passenger activity at Metro Airport, other air carriers operating at Metro Airport, including low cost carriers, foreign flag carriers, a charter, and

other legacy and regional carriers, provide complementary service to many of Metro Airport's top origin and destination (O&D) markets.

The Air Trade Area

POPULATION OF THE 10-COUNTY AIR TRADE AREA

Wayne and Oakland counties are the Air Trade Area's two most populous counties. According to the U.S. Census Bureau, Wayne and Oakland counties are ranked as the 13th and 31st-largest counties, respectively, in the nation for population in 2009. (A map of the Air Trade Area may be found on page 10.) Historical population for the Air Trade Area, Michigan, and the United States is illustrated below. As shown, population in the Air Trade Area increased from 5,187,171 people in 1990 to 5,456,428 people in 2000, and then decreased to 5,427,601 people in 2009. Overall,

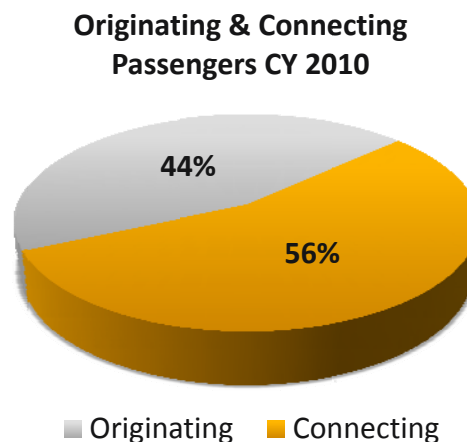


Figure 4: Percent Originating & Connecting Passengers

population in the Air Trade Area between 1990 and 2010 grew at a Compound Annual Growth Rate (CAGR) of 0.1 percent, less than Michigan’s CAGR increase of 0.3 percent, and below the United States’ CAGR of 1.1 percent, during this same period. The population in the Air Trade Area is expected to increase slightly between 2010 and 2020, from 5,318,744 people in 2010 to 5,542,715 in 2020. This increase represents a CAGR of 0.4 percent during this period. Projected population for Michigan is expected to increase at a CAGR of 0.4 percent between 2010 and 2020, similar to the Air Trade Area, yet lower than the 1.0 percent CAGR projected for the United States during this same period.

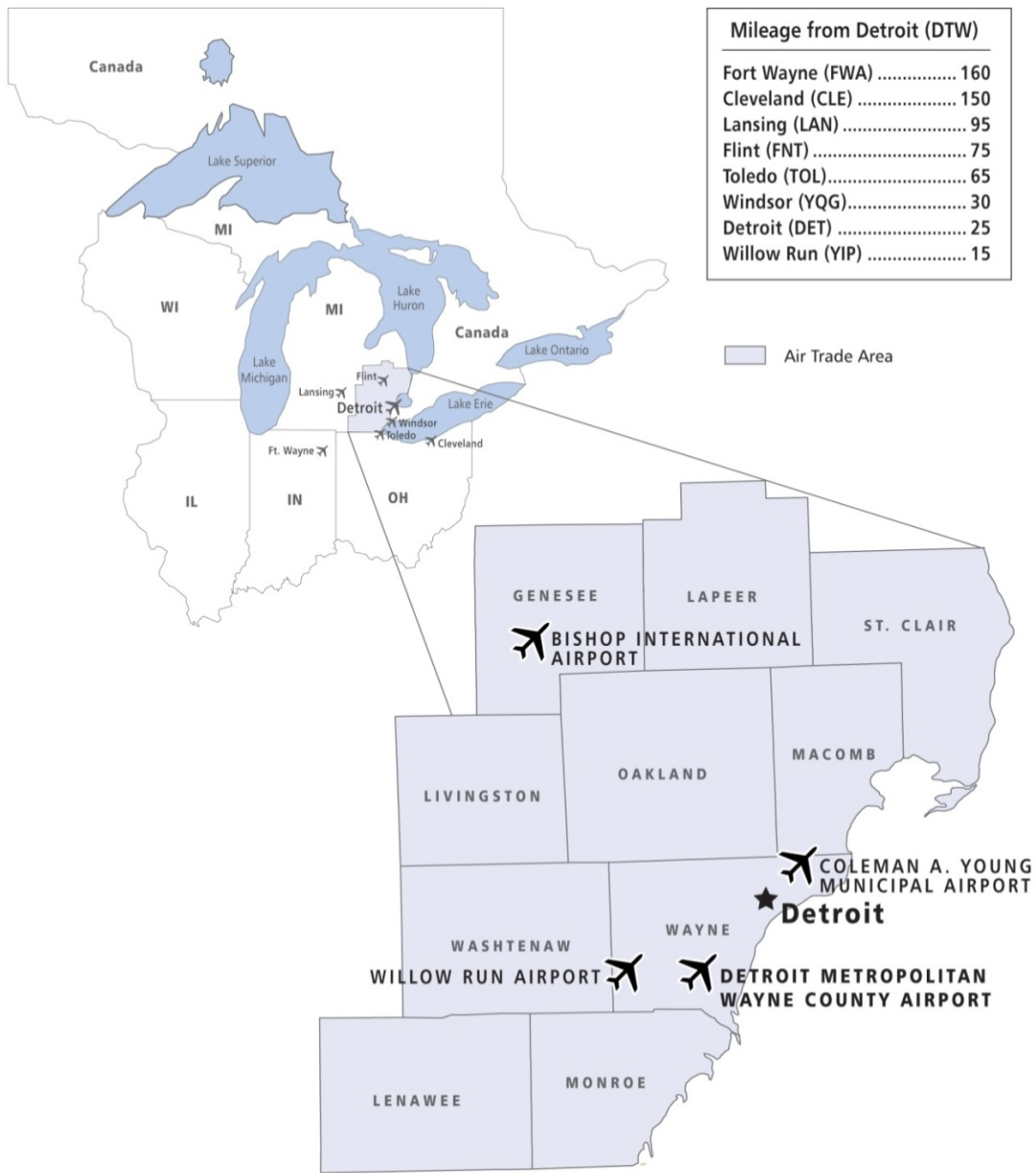


Figure 5: Map of the Ten-County Air Trade Area

	CY 1990	CY 2000	CY 2010	2020 Forecast	2010-2020 CAGR
Genessee County	430,459	436,141	425,790	424,049	0.0%
Lapeer County	74,768	87,904	88,319	98,965	1.1%
Lenawee County	91,476	98,890	99,892	101,359	0.2%
Livingston County	115,645	156,951	180,967	212,370	1.6%
Macomb County	717,400	788,149	840,978	872,603	0.4%
Monroe County	133,600	145,945	152,021	163,199	0.7%
Oakland County	1,083,592	1,194,156	1,202,362	1,270,466	0.6%
St. Clair County	145,607	164,235	163,040	180,485	1.0%
Washtenaw County	282,937	322,895	344,791	382,547	1.0%
Wayne County	2,111,687	2,061,162	1,820,584	1,836,672	0.1%
Air Trade Area Total	5,187,171	5,456,428	5,318,744	5,542,715	0.4%
State of Michigan	9,295,287	9,938,444	9,883,640	10,324,000	0.4%
United States	248,709,873	281,421,906	308,745,538	341,251,700	1.0%

Source: U.S. Department of Commerce, Bureau of the Census

Figure 6: Population Changes in the Ten-County Air Trade Area

POPULATION DIVERSITY

The Air Trade Area's diverse population contributes to the demand for air travel to and from homeland countries, as well as providing an economic advantage to the region by establishing trade and investment opportunities with international markets. This immigrant influx from various parts of the world has been a significant component of the economy of the Air Trade Area.

CUSTOMER SERVICE

Based on airline schedules during fiscal 2011, the airport will have approximately 601 scheduled daily departures including service to 127 non-stop domestic destinations and 31 non-stop international destinations, including Bahamas, Brazil, Canada, China, the Dominican Republic, France, Germany, Italy, Jamaica, Japan, Jordan, Korea, Mexico, the Netherlands, the United Kingdom and the West Indies.

In February 2010, J.D. Power and Associates ranked Metro Airport first in overall customer satisfaction among U.S. airports accommodating 30 million or more passengers per year. Factors used in the survey to determine overall customer satisfaction include airport accessibility, check-in/baggage claim, security check, terminal facilities, food and beverage, retail services, baggage claim, and immigration customs/control. In November 2009, Zagat Airline Survey, a survey of frequent fliers and travel professionals awarded Metro Airport third place for "Best U.S. Airport in Overall Quality".

Economic Base

EMPLOYMENT & HOUSEHOLD INCOME

Despite the recent restructuring of the “Big Three” United States automakers, the Air Trade Area continues to be a global leader in the automotive industry, including advanced battery research for alternative fuel vehicles, due to the large number of research and development facilities located throughout the region. The globalization of the automobile industry generates additional business travel obligations and will continue to drive demand for air transportation in the Air Trade Area. Manufacturing and R&D activities for the life sciences industry are also a significant component of the Air Trade Area’s economy.

Historically, the region has been known for its manufacturing prominence but today the region employs more than two times as many people in the services sector than the manufacturing sector. A shifting of the Air Trade Area’s industrial mix occurred between 2004 and 2009, as manufacturing employment decreased from 14.4 percent of total employment in 2004 to 9.9 percent in 2009; and services employment increased from 42.3 percent of total employment in 2004 to 46.7 percent in 2009.

The Air Trade Area has a percentage of households in higher income categories (greater than \$60,000) that is significantly greater than in Michigan and the United States. Household income is a composite measurement of the Air Trade Area’s market potential and a general indicator of affluence, which corresponds to the ability to afford air travel.



HOME TO FORTUNE 500 COMPANIES & NATIONAL BRANDS

The Air Trade Area is home to 17 Fortune 500 companies and numerous prominent national brands. According to the Detroit Regional Chamber, the Air Trade Area has approximately 247,000 existing businesses. With its high concentration of Fortune 500 companies, high-capacity transportation infrastructure, skilled workforce, and R&D facilities, the Air Trade Area has been gaining recognition as one of the best places in the nation for new and expanded business. This optimistic assessment was echoed by an October 2010 article in Inc. Magazine, entitled “Five Reasons to Start a Business in Detroit.”

Metropolitan Detroit Fortune 500 Companies (\$ in millions)

Rank	Company	Headquarters	2010 Revenue
8	General Motors	Detroit	\$135,592
10	Ford Motor	Dearborn	\$128,954
59	Chrysler Group	Auburn Hills	\$41,946
149	Ally Financial	Detroit	\$17,373
171	TRW Automotive Holdings	Livonia	\$14,383
207	Lear	Southfield	\$11,955
228	Penske Automotive Group	Bloomfield Hills	\$10,734
283	DTE Energy	Detroit	\$8,557
314	Masco	Taylor	\$7,592
319	Visteon	Van Buren Township	\$7,466
329	Autoliv	Auburn Hills	\$7,171
360	CMS Energy	Jackson	\$6,442
403	BorgWarner	Auburn Hills	\$5,653
454	Con-way	Ann Arbor	\$4,952
455	Kelly Services	Troy	\$4,950
463	Mentor	Troy	\$4,882
486	PulteGroup	Bloomfield Hills	\$4,569

Figure 7: Fortune 500 Companies of the Ten-County Air Trade Area

Source: *The Detroit Regional Chamber*

ECONOMIC IMPACT OF METRO AIRPORT

The Airport generates more than 71,000 jobs and \$7.6 billion in total economic impact across Michigan according to a study released in 2006 by the University of Michigan-Dearborn and the Authority. According to the study, in 2005, more than 36 million passengers arrived or departed from Detroit Metro Airport, including 2.9 million business and pleasure travelers who stayed in Michigan and whose spending benefited Michigan’s economy.

Airport Location & Facilities

LOCATION

The Airport occupies approximately 6,100 acres of land within Wayne County, Michigan and the City of Romulus, which is approximately 20 miles southwest of downtown Detroit. Access to Metro Airport from the City of Detroit is by and large from Interstate 94, which generally borders Metro Airport to the north. Interstate 275 is west of Metro Airport and, generally, provides access for communities to the south and north of Metro Airport. A description of Metro Airport's major existing facilities is provided in this section.



Figure 8: Map of Detroit Metro Airport Area

RUNWAYS

The major airfield facilities at Metro Airport consist of six air carrier runways, four of which are north/south parallels for prevailing wind conditions and two of which are east/west crosswind parallels, an extensive taxiway system which provides aircraft access to terminal areas, aircraft parking aprons, and other cargo, maintenance, and hangar areas. The Authority has invested over \$125 million in airfield reconstruction/rehabilitation costs at Metro Airport over the last five years.

Primary characteristics of each runway are as follows:

Runway 4L/22R. This runway is 10,000 feet long by 150 feet wide and is equipped with high intensity runway edge lights (HIRL) and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 4L end having Category III instrument landing system (ILS) capability and the Runway 22R end having ILS capability with a medium intensity approach lighting system (MALSR). Runway 4L/22R is the newest runway at Metro Airport, opening in December 2001.

Runway 4R/22L. This runway is 12,001 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 4R end having Category III instrument landing system (ILS) capability and the Runway 22L end having ILS capability with a MALSR. Runway 4R/22L is scheduled for complete reconstruction beginning in OY 2012.

Runway 3L/21R. This runway is 8,500 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have non-precision runway markings. The south portion of Runway 3L/21R was rehabilitated in OY 2009.

Runway 3R/21L. This runway is 10,000 feet long by 150 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 3R end having Category III instrument landing system (ILS) capability and the Runway 21L end having ILS capability with a MALSR. Runway 3L/21R was reconstructed in OY 2006 and 2007.

Runway 9L/27R. This crosswind runway is 8,700 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 27R end having ILS capability with a MALSR. The majority of Runway 9L/27R was reconstructed in OY 2009 and reconstruction of the remaining portion is planned for FY 2012 to FY 2013.

The Airport has an extensive taxiway system providing safe and efficient access to and from runway ends, terminal facilities, apron areas, and cargo and hangar facilities. Each runway has an associated parallel, full length taxiway.

TERMINAL FACILITIES

The Airport currently has 147 aircraft gates within its two passenger terminal facilities: the Edward H. McNamara Terminal (also referred to as the McNamara or South Terminal) and the North Terminal (opened on September 17, 2008 and replaced the Smith and Berry Terminals, which were retired as passenger facilities on the same date). The McNamara Terminal serves Delta and its regional and SkyTeam partners. All other domestic and foreign flag passenger airlines operate out of the North Terminal which includes Air Canada, AirTran, American, Continental, Frontier, Lufthansa, Royal Jordanian, Southwest, Spirit, United, US Airways, and their operating partners.

The recent expansion of the McNamara Terminal and the completion of the North Terminal has resulted in Metro Airport having two of the most modern and efficient terminal facilities of any airport in the U.S.

PUBLIC PARKING

Public parking at Metro Airport currently consists of approximately 18,265 spaces at both structured facilities and surface lots. The parking facilities are located near each of the terminal facilities to allow for convenient pedestrian access. Shuttle bus service is also available for parkers in the longer-term and/or economy areas. Additionally, the new Ground Transportation Center, located east of the North Terminal at the end of the pedestrian bridge (between the North Terminal and the existing Blue Parking Deck), is a two level facility of approximately 12,000 square feet which allows passengers to access the existing Blue Parking Deck and all commercial vehicles (car rental, hotel shuttles, on and off site shuttles parking, taxis, luxury sedans, etc.) that serve the North Terminal.

OTHER ANCILLARY & SUPPORT FACILITIES

Other ancillary and support facilities are located throughout Metro Airport property.

General Aviation. General aviation and corporate aviation facilities are generally located on the southern portion of Metro Airport with one facility on the northern end. The fixed base operators (FBO) at Metro Airport are ASIG General Aviation Services and Metro Flight Services, which accommodate aircraft parking, fuel, hangars, catering, and other flight support services.

Air Cargo/Mail Facilities. Air cargo facilities at Metro Airport are located in three general areas of Airport property. The largest air cargo tenants, Federal Express and United Parcel Service, are located in different areas of the airfield.

Aircraft Maintenance Facilities. Several aircraft maintenance operation facilities are based at Metro Airport. These facilities are located in various areas of Metro Airport; however, several are located north of the North Terminal core area. Some of these include facilities for Delta Air Lines, United Parcel Service, and FedEx. Aircraft serviced at these facilities include large wide-body aircraft (i.e., Boeing 747s) to smaller general aviation type aircraft.

Fuel Farm. The fuel farm at Metro Airport is located in the northwestern section of the airfield, and consists of four 20,000-barrel fuel storage tanks and two 65,000-barrel fuel storage tanks. The fuel farm has a capacity of over four million gallons, an estimated five days of storage capacity.

Other Airport support facilities include, but are not limited to, aircraft rescue and firefighting (ARFF) facilities, flight kitchens, and an airport traffic control tower (ATCT).

Airlines Operating at Metro Airport

The Airport has scheduled passenger service by five legacy/mainline carriers (including several regional carriers that supplement the mainline service), four low-cost carriers, four foreign-flag

airlines, and non-scheduled passenger service by one charter airline. In addition, two all-cargo airlines provide scheduled service at Metro Airport. As a large connecting hub for Delta, 79.5 percent of all enplanements in fiscal 2011 were Delta passengers. The chart below illustrates enplanements as a percent of total for all carriers operating at Metro Airport.

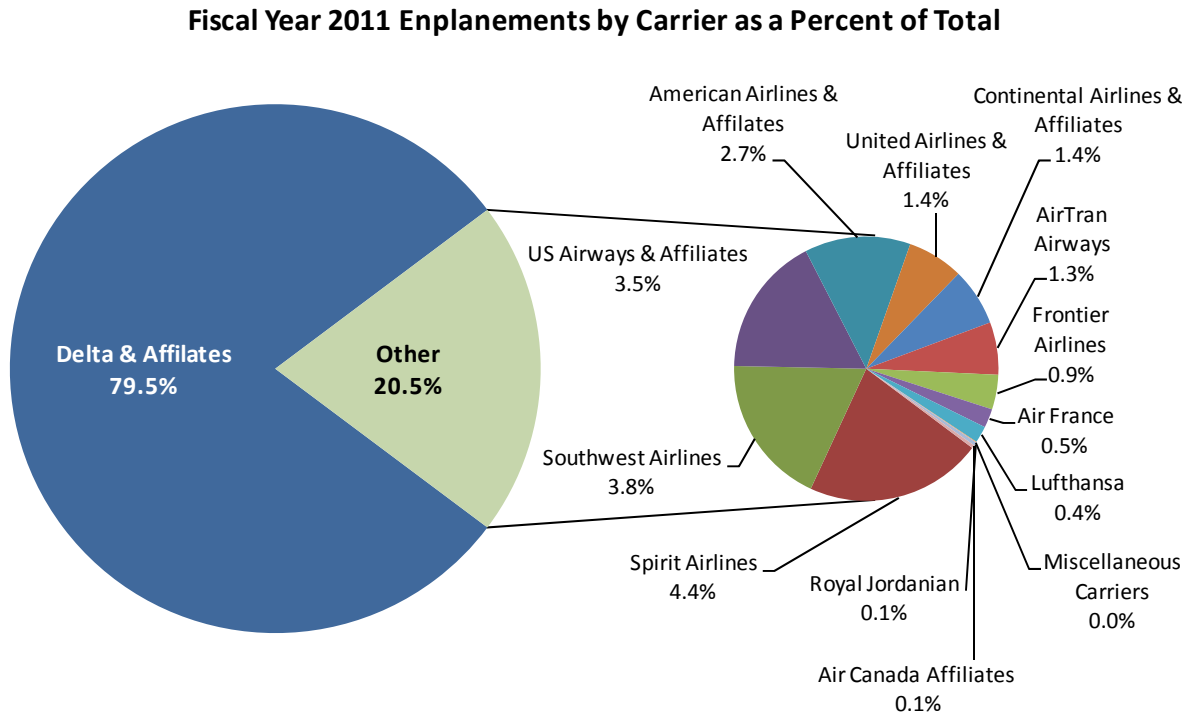


Figure 9: FY 2011 Enplanements by Carrier

Metro Airport Demographic Data

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget
Airside				
Aircraft Operations	437,316	445,500	447,045	461,212
Landed Weight (1,000 lbs)	21,004,646	20,167,265	20,923,713	21,617,000
Landing Fee (DTW)	\$ 2.89	\$ 3.48	\$ 3.73	\$ 3.13
Airfield (Acres)				
Runways	266	266	266	266
Taxiways	235	235	235	235
Ramps/Aprons	357	357	357	357
Overall Airport*	6,100	6,100	6,100	6,100
Runways - all runways have FAA rating for group V aircraft				
North-south runways in the primary wind direction				
Runway 4R - 22L	12,003 ft.	12,003 ft.	12,003 ft.	12,003 ft.
Runway 4L - 22R	10,000 ft.	10,000 ft.	10,000 ft.	10,000 ft.
Runway 3L - 21R	8,501 ft.	8,501 ft.	8,501 ft.	8,501 ft.
Runway 3R - 21L	10,001 ft.	10,001 ft.	10,001 ft.	10,001 ft.
East-west crosswind runways				
Runway 9L - 27R	8,708 ft.	8,708 ft.	8,708 ft.	8,708 ft.
Runway 9R - 27L	8,500 ft.	8,500 ft.	8,500 ft.	8,500 ft.
Terminal Buildings				
Domestic Enplaned Passengers				
McNamara Terminal	11,887,649	11,841,624	11,794,216	12,074,000
North Terminal	2,740,698	2,779,296	3,130,656	3,090,000
Smith Terminal	N/A	N/A	N/A	N/A
Berry Terminal	N/A	N/A	N/A	N/A
Total Domestic	14,628,347	14,620,920	14,924,872	15,164,000
International Enplaned Passengers				
McNamara Terminal	1,179,111	1,143,911	1,189,864	1,321,000
North Terminal	133,674	111,550	111,465	115,000
Smith Terminal	N/A	N/A	N/A	N/A
Berry Terminal	N/A	N/A	N/A	N/A
Total International	1,312,785	1,255,461	1,301,329	1,436,000
Total Enplanements	15,941,132	15,876,381	16,226,201	16,600,000
O&D Enplaned Passengers (Domestic)	7,364,803	6,711,002	6,805,742	6,914,784
O&D Enplaned Passengers (Domestic)	46%	46%	46%	46%

* The total acreage at DTW was recently re-evaluated by the Planning, Design & Construction Division for which this table reflects their findings.

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget
Terminal Buildings - Continued				
Gates				
McNamara Terminal				
Concourse A	64	63	63	63
Concourse B	17	17	17	17
Concourse C	41	41	41	41
Total McNamara	122	121	121	121
North Terminal	23	26	26	26
Terminal Square Footage				
McNamara Terminal	2,427,049	2,359,992	2,359,992	2,359,992
North Terminal	851,049	851,049	851,049	851,049
Number of Concourses				
McNamara Terminal	3	3	3	3
North Terminal	1	1	1	1
Smith Terminal	N/A	N/A	N/A	N/A
Berry Terminal	N/A	N/A	N/A	N/A
Square Footage of Concession Space				
McNamara Terminal	113,360	113,360	113,360	113,360
North Terminal	50,233	50,233	50,233	50,233
Total	163,593	163,593	163,593	163,593
Landside				
On-Airport Parking Spaces				
McNamara Deck	10,209	9,733	9,733	9,733
Blue Deck	6,281	6,226	6,226	6,226
Surface Lots	871	1,006	2,306	2,306
Total	17,361	16,965	18,265	18,265
Off-Airport Parking Spaces	16,000	13,875	13,875	13,875
Roadways Maintained (Lane-Mileage)	130	130	130	130

Willow Run Airport

Willow Run has a rich history, dating back to 1941 when Henry Ford and Charles Lindbergh built the world's largest bomber facility at the airport. During World War II, nearly 8,700 B-24 "Liberator" bombers were built at Willow Run. During its peak production, the plant employed 42,000 people including "Rosie the Riveter." After the war, the bomber plant was converted into a luxury passenger terminal. Commercial airline traffic was transferred from Detroit City Airport, and Willow Run became Detroit's principal airport.

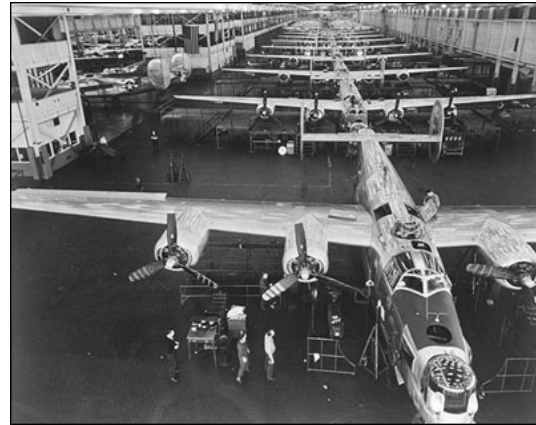


Figure 10: B-24 Final Assembly, Willow Run Plant, 1944

In 1947, the federal government sold Willow Run to the University of Michigan for \$1.00. Soon after, commercial air traffic began moving from Willow Run to Metro Airport. By 1966, all commercial airline operations at Willow Run ceased. It has been a cargo, general aviation, and executive aviation airport since. In 1977, the University of Michigan sold Willow Run to Wayne County for \$1.00.

Willow Run Airport offers four runways 24-hour FAA Tower and U.S. Customs operations, to provide ease of access for its users. Willow Run's runways include ILS all-weather and crosswind runways. The airport accommodates small private planes as well as international 747 cargo jets. In fiscal 2011, Willow Run had more than 67,000 operations and transferred approximately 263 million pounds of cargo through the airport, making it the third largest airport in Michigan.

Willow Run Demographic Data

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget
Airside				
Aircraft Operations*	64,780	67,220	67,275	75,000
Airfield (Acres)				
Runways	127	127	127	127
Taxiways	22	22	22	22
Ramps/Aprons	91	91	91	91
Overall Airport	2,600	2,600	2,600	2,600
Runways				
Runway 5R - 23L	7,526 ft.	7,526 ft.	7,526 ft.	7,526 ft.
Runway 5L - 23R	6,655 ft.	6,655 ft.	6,655 ft.	6,655 ft.
Runway 9 - 27	7,294 ft.	7,294 ft.	7,294 ft.	7,294 ft.
Runway 14/32	6,914 ft.	6,914 ft.	6,914 ft.	6,914 ft.

* Data reflects changes to reporting by the FAA's Air traffic Activity System (ATADS).

The Airport Westin Hotel

The Westin is a 404-room and 10-suite luxury-class hotel. The amenities within the hotel include a gym, an indoor pool, and a restaurant and bar. It is connected to both Concourse A and the ticket lobby of the McNamara terminal. The hotel is accessible from the curb front roadway, the McNamara Terminal ticket lobby and also offers a security checkpoint for direct access to Concourse A.



The Westin Hotel was the top-rated airport hotel in the Starwood system and guest satisfaction was rated in the top ten of all hotels in North America for 2010.

In March 2001, the County of Wayne issued \$110.9 million in Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, \$99.6 million, were issued for the purpose of paying the cost of acquiring, constructing, equipping, and furnishing an airport hotel (the Westin) and related improvements at the new McNamara Terminal of Metro Airport to be owned by the County. In addition, these bonds will pay capitalized interest and certain costs of issuance for this series. The 2001B Bonds, \$11.3 million, were issued for the purpose of paying the County Credit Enhancement Fee, funding the Operation and Maintenance Reserve Fund, and paying capitalized interest and certain costs of issuance related to this series.

The Authority has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations, and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the bonds, subject to constitutional, statutory, and charter tax rate limitations.

Westin Hotel Operating Metrics

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget
Westin Hotel				
Average Daily Rate	\$ 135.42	\$ 126.06	\$ 136.10	\$ 140.97
Revenue Per Available Room	\$ 83.92	\$ 99.26	\$ 108.19	\$ 109.96
Occupancy	62.0%	78.7%	79.5%	78.0%
Operating Margin	33.4%	41.4%	40.9%	43.9%

Figure 11: Westin Hotel Operating Metrics FY 2009 to FY 2012 Budget

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Budget Process & Financial Policies

This section contains an overview of the operating budgets for the Authority's main operating funds (Metro Airport, Willow Run and the Westin) and the Capital Improvement Program, along with a discussion of the process, policies and guidelines used to develop the budget.

The first section details the budget process, including other planning processes which coincide with the development of the budget. Following that is a discussion of the Authority's fund structure and a schedule of fund balances.

The final section details the financial policies of the Authority, upon which all budgeting decisions are made. Any policies that impact the budget, including reserve policies, surplus policies, capital and debt management, and fixed asset policies immediately follow this overview.

Budget Process Overview

Budgeting serves as an important management tool to plan, control, and evaluate the operations of the Authority. Metro Airport and Willow Run operations and maintenance (O&M) budgets, and the Westin Hotel's budget are the Authority's annual financial plan for operating and maintaining the airports and hotel. These budgets must be sufficient to cover the operation and maintenance expenses of the airports, the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the airports with a five year horizon.

The Airport Use and Lease Agreement provides for cost recovery for the operation of Detroit Metro Airport and provides for directly expensing O&M capital equipment and facility projects and recovering the bond-financed capital improvements through specified requirements from funding of debt service.

Budget Process for Fiscal Year 2012

DEVELOPING THE PROPOSED BUDGET

The Financial Planning & Analysis Division (FP&A) began the 2012 budget process by forecasting airline activity, a key driver of earned revenue at Metro Airport. The FP&A forecast started with an analysis of landed weights and enplanement projections provided by the airlines. Actual and projected airline schedules in the Official Airline Guide (OAG), current and projected load factors, Federal Aviation Administration (FAA) forecasts, and historical actual levels were compared to the airline provided data before the activity forecasts were finalized.

To communicate the current economic and operational conditions based on factual research collected, FP&A prepared a white paper that analyzed the state of the aviation industry and the challenges for the year ahead. The paper was presented to the Authority Board and Senior Management Team in April as a primer to the Fiscal Year 2012 Budget.

FP&A then developed a “current services” (or base) budget that:

- Assumed all WCAA Departments would provide a level of service consistent with the current fiscal year,
- Provided for known contractual changes and any inflation adjustments where appropriate,
- Removed all Fiscal Year 2011 one-time expenses, and
- Provided funding for positions as indicated in the WCAA staffing plan.

Once the revenue and expense requirements were determined for the current services budget, initiatives that would increase or decrease services levels are either added or subtracted from the current services budget. The initiatives are submitted by the Authority’s departments and divisions. Each initiative is vetted by FP&A and reviewed by the senior management team. The product of this process is a preliminary budget presented to the Board for review.

The Board conducted two Budget Study Sessions. The first was July 14 and the second on August 26. At each meeting, the Board reviews the draft budget prepared by the Authority’s management and provides direction for consideration.

Pursuant to the Airport Use and Lease Agreement, the Authority sent the Signatory Airlines the draft Fiscal Year 2012 Budget and Signatory Airline rentals, fees and charges for the use of the terminals and airfield on August 1. Details of the budget were then discussed at an August 18 meeting of the Detroit Airline Airport Affairs Committee (DAAAC).

THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Concurrently, the Five Year Plans for the Capital Improvement Programs at Detroit Metro and Willow Run airports were analyzed and updated. The Five Year Plans report active capital projects, as well as all projects that are scheduled to begin within the next five years. The Five Year Plans are an important tool used for formulating future bond issues, maximizing federal and state grant opportunities, pro-actively planning for the replacement or reconstruction of essential infrastructure components that are nearing the end of their service life, and scheduling and coordinating execution of multiple projects to minimize operational impact and maximize fiscal efficiency.

BOARD APPROVAL

A final management proposed Fiscal Year 2012 Budget was submitted to the Board for adoption at the regularly scheduled September 29 Board meeting.

Budget Process Calendar

APRIL – MAY 2011

- Chief Executive Officer and Senior Management Team deliberate and communicate the organization's Fiscal Year 2012 priorities
- Circulation of a White Paper outlining the challenges and opportunities to the aviation industry to the Authority's Board and Senior management Team
- Activity data request from airlines
- Departments and divisions submit their budget and Fiscal Year 2012 initiatives to FP&A
- FP&A begins preparation of current services budget

JUNE 2011

- Preparation of initial revenue projections
- Payroll and benefits calculated
- Current Services budget reviews meetings with departments and divisions

JULY 2011

- FP&A due diligence review
- CEO and Senior Management Team Budget Study Session and initiative deliberations
- First Board Study Session

AUGUST 2011

- 2012 Proposed Budget sent to the Airlines and the Board
- Preliminary 2011 Airline Rates and Charges disseminated
- Review meeting conducted with DAAAC
- FP&A due diligence review
- Second Board Study Session to review the preliminary budget

SEPTEMBER 2011

- Proposed final adjustments reviewed with Senior Management Team
- Fiscal Year 2012 Recommended Budget presented to and adopted by the Board

OCTOBER 2011

- Fiscal Year 2012 starts
- Activity Fees based on the approved budget communicated to the airlines

GFOA Distinguished Budget Award

The Fiscal Year 2012 Budget has been prepared in conformance with the guidelines recommended by the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award program. The Authority has received the GFOA's award for Fiscal Years 2005 through 2011.

Financial Policies & Procedures

Fund Structure & Balances

There are three separate operating funds used to manage the Authority’s finances: the Detroit Metro Airport Fund, the Willow Run Airport Fund and the Westin Hotel Fund. The largest fund covers the operations of Metro Airport and accounts for about 90 percent of the Authority’s estimated expenses for Fiscal Year 2012. The approved budget includes all three funds.

	Operating Funds			Non-Operating Funds	
	Detroit Metropolitan Airport	Willow Run Airport	Westin Hotel	Designated Funds	Construction Funds
Office of the CEO	→			→	
Finance	→		→	→	→
Procurement, Strategy Management & Authority Affairs	→				
Airport Operations	→			→	
Facilities, Maintenance & Planning	→			→	→
Public Safety	→			→	
Business Development	→			→	
North Terminal	→				→
McNamara (South) Terminal	→				→
Willow Run Airport		→		→	→

Figure 12: Authority Fund Structure

The Authority manages separate designated and construction funds to account for specific activities and projects. As described above, the entire Authority is reported as an enterprise fund of the County of Wayne. The terms “designated” and “construction funds” are categories used internally for the management and operation of the Authority. The matrix chart on page 26 illustrates the relationship between the Authority’s Departments and Terminals, and the funds managed and utilized.

Balanced Budget

The Authority defines a balanced budget as current revenues equal to current expenditures plus available fund balance. Metro Airport has a residual funding structure. Under this structure, the Signatory Airlines have guaranteed to pay the expenses of the airport therefore the operating fund is guaranteed to be balanced with current revenues always equaling expenditures. (Airport Use and Lease Agreements are described in greater detail below.)

Net Assets

Net assets are the difference between a fund’s assets and liabilities. A positive balance is necessary for several purposes:

- To have funds available for an emergency or unexpected event
- To maintain or enhance the Authority’s financial position and bond ratings

- To provide cash flow for operations prior to the receipt of airline and non-airline revenues

Figure 13 on page 28 illustrates the Authority's projected fund balance for Fiscal Years 2012.

Accounting Basis

The Authority's basis of budgeting is on an accrual basis: revenues are recorded when earned, and expenses are recorded as incurred. The Authority's basis for budgeting is identical to the basis of accounting, as reflected in the Comprehensive Annual Financial Report (CAFR).

The enactment of Act 90, which created the Authority, transferred all operations and management of Detroit Metro Airport and Willow Run Airport from the County of Wayne. However, the County of Wayne retained all title to real property, including buildings and improvements, so the Comprehensive Annual Financial Report (CAFR) is reported as a discrete component of the County. Therefore, the Authority's basis of accounting and measurement focus is consistent with the generally accepted accounting principles of an enterprise fund.

As allowed by Government Accounting Standards Boards (GASB) Statements No. 20 and No. 34, the Authority follows all GASB pronouncements and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements. The Authority has the option to apply FASB pronouncements issued after November 30, 1989 but has chosen to follow the GASB guidelines.

Wayne County Airport Authority Projected Fund Balance						
(\$ in thousands)	<u>9/30/2011</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Change</u>	<u>9/30/2012</u>
Operating Funds						
Metro Airport Operating Fund	\$ 30,864	\$ 292,597	\$ 187,287	\$ (105,311)	\$ -	\$ 30,864
O&M Reserve	16,702	51	-	23,500	23,551	40,252
Revenue Fund	23,523	72	-	(23,500)	(23,428)	95
Willow Run Operating Fund	(1,017)	3,764	3,764	-	-	(1,017)
Westin Hotel Operating Fund	<u>2,407</u>	<u>27,198</u>	<u>18,876</u>	<u>(9,146)</u>	<u>(824)</u>	<u>1,583</u>
Subtotal	72,478	323,681	209,926	(114,457)	(702)	71,777
Designated Funds						
Marketing Fund	2,384	339	112	-	228	2,612
Central Communications	1,596	6	52	-	(46)	1,549
Drug Forfeitures	2,140	446	1,149	-	(703)	1,437
Self Insurance Fund	1,768	-	155	-	(155)	1,613
Airport Development Fund	17,767	50	-	(7,200)	(7,150)	10,617
Renewal/Replacement	(3,312)	-	156	365	209	(3,103)
Discretionary Fund	746	2	-	350	352	1,098
Noise Fund	<u>12,043</u>	<u>49</u>	<u>-</u>	<u>(3,000)</u>	<u>(2,951)</u>	<u>9,091</u>
Subtotal	35,131	891	1,624	(9,485)	(10,217)	24,914
Construction Funds						
Passenger Facility Charges	16,457	62,600	-	(89,100)	(26,500)	(10,043)
General Revenue Bonds	(1,779,966)	2,562	86,500	184,696	100,758	(1,679,208)
General Construction	2,033,796	3,052	128,000	83,700	(41,248)	1,992,548
Bonded Construction	83,435	11,600	-	(70,000)	(58,400)	25,035
Willow Construction	53,267	260	6,500	3,000	(3,240)	50,027
Westin Hotel Bonds	(98,433)	-	485	9,146	8,661	(89,772)
Westin Hotel Construction	<u>49,316</u>	<u>-</u>	<u>5,200</u>	<u>-</u>	<u>(5,200)</u>	<u>44,116</u>
Subtotal	357,871	80,074	226,685	121,442	(25,169)	332,702
Fiduciary Funds						
Post Retirement Liability	<u>13,664</u>	<u>50</u>	<u>-</u>	<u>2,500</u>	<u>2,550</u>	<u>16,214</u>
Subtotal	13,664	50	-	2,500	2,550	16,214
Total	\$ 479,145	\$ 404,696	\$ 438,235	\$ -	\$ (33,539)	\$ 445,606

Figure 13: WCAA Projected Fund Balance FY 2012

Revenues & Expenditures

CLASSIFICATION

The Authority has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating – Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as revenues from landing and related fees and concession fees, and expenses paid to employees and vendors.

Non-operating – Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions that are defined as non-operating by GASB No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, such as revenue from federal and state grants and contributions and investment income, and expenses for capital debt.

Revenue Procedures

RECOGNITION

Operating revenues are recorded as revenues at the time services are rendered. Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and capital contributions. Federal and state grants and capital contributions are recognized as revenues when the eligibility requirements, if any, are met.

REVENUE PROJECTIONS

The Authority estimates revenues by objective and analytical processes.

AIRLINE RATES & CHARGES

Funding for Metro Airport operations is predicated upon the stipulations in the Airport Use and Lease Agreements (the Agreements) between the Authority and most of the airlines operating at Metro Airport. The Agreements set forth the terms of the business relationship between the Authority and the airlines. Once an airline signs a Signatory Agreement, it is designated a Signatory Airline.

The Agreements set forth the agreed upon methodology for calculating airline rates and charges (landing fee and terminal rental rates) and the prescribed budget process. Airport rates and charges methodologies throughout the United States are usually characterized as either compensatory or residual, although some airports have hybrid methodologies that combine both features.

Following the end of each operating year, the Authority must provide the Signatory Airlines with a report of terminal rentals and activity (landing) fees actually chargeable for such year based on actual data for the year. The Signatory Airlines are required to pay additional amounts owed, and the Authority is required to refund airline overpayments, if the rates on which Signatory Airline activity fee and terminal rent payments during the year were either too low or too high based on actual data.

The Authority has Airport Signatory Use and Lease Agreements in place with Air France, AirTran, American, Continental, Delta, Federal Express, KLM (does not currently operate at Metro Airport), Mesaba, Pinnacle, Southwest, Spirit, United, United Parcel Service, and US

Airways, with terms expiring September 30, 2032. The Authority has separate month-to-month lease and operating agreements with Frontier, Lufthansa, and Royal Jordanian.

Capital Improvement Plan Guidelines

Alignment

The Authority coordinates the development of the Capital Improvement Program (CIP) with the development of the 20-year Master Plan, Strategic Plan, and Operating Budget. Projects are selected based on their alignment to the long-term goals and strategic priorities.

Capital Budget Development

The proposed CIP is developed by the Capital Improvement Committee, which is chaired by the Chief Financial Officer, and includes representatives from selected Departments and Divisions. The committee:

- Affirms the linkage between proposed capital projects and the Authority's Master Plan and strategic goals and objectives
- Reviews the qualitative and quantitative (including financial analysis) evaluation of capital projects to determine the priority of projects
- Recommends funding sources for projects
- Ensures compliance with the Signatory Airline Agreements, the Authority's Master Bond Ordinance, and other obligations

Capital Replacement Programs

The Authority develops equipment replacement and maintenance needs for at least a five-year period and will update this plan each year. The following replacement programs have been established:

- Five-Year Fleet & Equipment Replacement
- Five-Year Capital Asset Maintenance
- Five-Year Information Technology Replacement

Weighted Majority Approval

The Airline Agreements contain Authority covenants with regard to capital expenditures. One such covenant allows the Authority to issue bonds to finance the cost of capital projects (including all reasonable costs incidental to the issuance and sale of the bonds) and include bond debt service and coverage requirements in Signatory Airline fees, only after first receiving a Weighted Majority approval for such capital projects. The Airline Agreements define Weighted Majority as either (1) Signatory Airlines which, in the aggregate, landed 85 percent or

more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available, or (2) all but one of the Signatory Airlines regardless of landed weight.

The Authority has received Weighted Majority approval for some, but not all, of the projects in the current CIP.

Overview & Debt Financing Principles

Issuance

The Authority issues Airport Revenue Bonds (Bonds) to finance a major portion of its Capital Improvement Program (CIP). The Bonds are revenue obligations of the Authority and do not constitute indebtedness to the County of Wayne or the State of Michigan within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor the taxing power of the County or the State is pledged for the payment of principal, premium, if any, or interest on the Bonds. The Authority pledges its net revenues, as defined in the Authority's Master Airport Revenue Bond Ordinance toward the repayment of the Bonds.

The Authority has established the following guidelines for managing its long-term debt program:

- Debt financing is undertaken for required capital projects after all reasonable financing alternatives, including the use of PFCs and grants are considered. No debt limit exists.
- Pay-as-you-go mode of financing is utilized to fund capital improvement projects to the extent feasible.
- Long-term debt is not used to finance current non-capital expenditures.
- Debt issues are structured based on attributes of the types of projects financed and market conditions at the time of issuance.
- Financial advisors are retained for advice on debt structuring.
- Policy on required continuing disclosure is maintained, including filing certain financial information and operating data with Nationally Recognized Municipal Securities Information Depositories and with the relevant State Information Depository.
- Bond issuance costs are amortized over the period the bond is outstanding based on the ratio of debt outstanding to original debt issued.
- The Authority defers the difference between the reacquisition price and the net carrying amount of the old debt in refundings in accordance with the provisions of GASB Statement No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities. The deferred amount is amortized and recorded as a component of interest expense in accordance with the standard.

Debt Limits

The Authority has no legal debt limit; however, bonds cannot be issued without Weighted Majority approval of the signatory airlines.

Financial Reserve Policies

Working Capital

Net assets are the difference between a fund's assets and liabilities. A positive balance is necessary for several purposes:

- To have funds available for an emergency or unexpected event
- To maintain or enhance the Authority's financial position and bond ratings
- To provide cash flow for operations prior to the receipt of airline and non-airline revenues

DETROIT METRO AIRPORT

The Detroit Metro Airport Operating Fund is required (ordinance 319 of the County of Wayne, Michigan) to maintain an operating reserve equal to one-twelfth of operating expenses. The reserve must be funded quarterly as needed and based on budgeted operating expenses.

WILLOW RUN AIRPORT

The Willow Run Airport Operating fund is not required to maintain any operating reserve.

WESTIN HOTEL

The Westin Hotel Operating Fund is required (ordinance 334 of the County of Wayne, Michigan) to maintain an operating reserve of \$3,000,000, a reserve for centralized services fees equal to one-twelfth of the fixed centralized services fee for any year, and a reserve for replacement of furniture, fixtures, and equipment equal to 5 percent of hotel gross revenue for the year.

Surplus & Deficit Procedures

DETROIT METRO AIRPORT FUND

The residual funding methodology stipulates that Signatory Airlines are required to fund any deficit of Metro Airport and the Authority is required to refund any surplus each fiscal year.

WILLOW RUN AIRPORT FUND

Excess operational surpluses may be used to pay down debt, fund capital improvement projects, or support ongoing operations. Operational deficits are made whole by transfers from the Authority's discretionary funds.

AIRPORT HOTEL FUND

After Metro Airport Hotel Fund's operating needs, Furniture, Fixtures & Equipment (FF&E) investments, reserve requirements and debt obligations have been met, excess proceeds may be transferred to Metro Airport Development Fund (ADF). The Airport Hotel Fund draws on reserve balances to manage cash short-falls and operations.

Investment Policies

Cash & Investments

Cash resources of the individual funds of the Authority, except as specifically stated by ordinance, are pooled and invested. Interest on pooled investments is allocated monthly among the respective funds based on average investment balances. Interest earned, but not received, at year end is accrued. Investments are stated at fair market value, which is based on quoted market prices.

Michigan Compiled Laws Section 129.9 1 (Public Act 20 of 1943, as amended), authorizes the Authority to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Authority is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Authority in accordance with Public Act 20 of 1943, as amended, authorizes investments in U.S. Treasuries, U.S. agencies and instrumentalities (date specific maturities only), non-negotiable certificates of deposits, commercial paper (rated A2/P2 or above), bankers' acceptances, repurchase agreements, overnight deposits, or mutual funds. For overnight deposits, the treasurer may invest in overnight or short-term liquid assets to cover cash flow requirements in the following types of pools: investment pools organized under the Surplus Funds Investment Pool Act of 1982, PA 367, 1 MCL 129.111 to MCL 129.118 or investment pools organized under the Urban Cooperation Act of 1967, PA 7, MCL 124.501 to 124.512. For mutual funds, the treasurer may invest in no-load fixed income mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan, either taxable or tax-exempt. This authorization is limited to mutual funds whose intent is to maintain a net asset value of \$1.00 per share.

Cash Flows

For purposes of the statement of cash flows, the Authority considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents. All pooled investments qualify as cash equivalents.

Fixed Asset Accounting Procedures

Definition of a Fixed Asset

Capital assets are stated at the estimated historical cost. Depreciation is computed using the straight line method over the estimated useful lives of the assets as follows:

- Buildings & Improvements 10 – 50 years
- Equipment & Vehicles 3 – 12 years
- Infrastructure 10 – 40 years

Expenditures with a cost of \$5,000 or more for capital assets and for major renewals and betterments that extend the estimated useful life of the assets are capitalized; routine maintenance and repairs are charged to expense as incurred. All costs relating to the construction of property and equipment owned by the Authority are capitalized, including salaries, employee benefits, and interest costs during construction. At the time fixed assets are sold, retired, or disposed of, the costs of such assets and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected in the results of operations.

Acquisition of Fixed Asset

Assets may be acquired through many methods including: purchases, project construction, capital leases, donations, exchanges, fabrication, loans, grants, contract receipts, or rent credits.

Capital items (fixed assets) are identified as either:

- **New.** Through the initiative of the approved budget and/or the Capital Improvement Plan that justifies its purchase and alignment with the Authority's strategic plan.
- **Replacement.** Through capital asset maintenance programs, or as budgeted funds allow, for items already in the inventory.
- **Emergency.** Ad hoc needs are addressed at the discretion of the Chief Executive Officer.

The procedures for purchasing fixed assets are:

- New and replacement capital items must be identified in the approved budget.
- The departments must coordinate with the Department of Finance to ensure that funding is secured before initiating the procurement sequence.

- The departments initiate the purchase of an item in accordance with the Authority's procurement ordinance.
- Once the item has been ordered or received, the departments forward any invoices to Accounts Payable. The capitalization and subsequent addition to the inventory is made on payment date.

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Strategic Plan

Strategic Plan Overview

Fiscal Year 2008 represented the first full year of implementing the Authority's updated strategic plan. In addition, the Authority's use of the "Balanced Scorecard" methodology to link performance measures with the strategic plan started that year. The Authority-level scorecard of financial and non-financial measures has been used as the basis for regular business reviews between the CEO and the Senior Management Team.

During previous fiscal years, the Strategy Management Division continued to work with each senior manager to develop department scorecards and, as appropriate, division scorecards.

In fiscal 2012, a comprehensive review of the Authority-level scorecard will be conducted, with particular emphasis on incorporating key airport performance measures researched through the Transportation Research Board's Airport Cooperative Research Program (ACRP).

Strategic Priorities

To support its mission of operating safe, secure, and dynamic air transportation facilities for its customers and creating economic vitality by providing global travel, cargo and business opportunities, the Airport Authority has established six organizational goals to guide its operations for Fiscal Year 2012:

- Develop and Maintain the Best Passenger Experience
- Develop the Staff and Culture to Make the WCAA the Best Place to Work
- Enhance Airport Authority Business Development (DTW & YIP)
- Strengthen Community and Government Partnerships
- Improve Collaboration with Our Business Partners
- Be the Most Efficient Airport System

The Balanced Scorecard – Authority Level

The Balanced Scorecard methodology was developed in the early 1990's by Harvard professor Robert Kaplan and Boston-area consultant David Norton. It was originally devised as a performance measurement system that encompassed not only financial metrics, but also non-financial measures such as customer service, process improvement, and learning and growth. The Balanced Scorecard has evolved to become a method of linking an organization's vision to its day-to-day operations.

General Benefits. The key benefits of using the Balanced Scorecard include aligning the organization on implementing the strategy, encouraging cross-functional dialogue and implementation, and communicating clear and objective performance measures and expectations.

Airport Authority Approach. The Airport Authority's approach is to use the Scorecard to make the strategy relevant for all levels of the organization and to reinforce its values, particularly teamwork, accountability, and customer satisfaction. As such, the Authority takes a holistic "program-oriented" view of performance measurement, instead of grouping measures by division. The Authority-wide score card is illustrated starting on page 39. Four-year scorecard results are illustrated by cost center starting on page 54.

Plans for Fiscal Year 2012

Scorecard Review – After four full fiscal years of using the Balanced Scorecard, the Airport Authority intends to conduct a comprehensive review of the Authority-level scorecard measures. In 2011, the Transportation Research Board published, through the Airport Cooperative Research Program (ACRP), a "Resource Guide to Airport Performance Indicators". This resource guide is the first thorough compilation of performance measures used throughout the U.S. airport industry. While Airport Authority staff participated in interviews with members of the Resource Team and provided valuable input to the project, staff anticipates the resource guide will offer a beneficial perspective.

Customer Satisfaction Benchmarking – In 2006 the Airport Authority joined the Airport Service Quality (ASQ) program, a customer satisfaction and performance survey designed specifically for the airport environment. The ASQ program has become the industry leader in customer satisfaction surveying with more than 180 airports participating worldwide. The survey questionnaire covers a variety of topics including: ground transportation and parking availability, security wait times, concessions quality, and airport cleanliness. Participants are required to keep information on other airports confidential, but may publish their own survey results.

The quarterly results of the customer satisfaction survey continue to help the Airport Authority serve the traveling passenger by benchmarking its performance relative to peer airports, identifying other airports' successful practices, and in turn, optimizing future customer satisfaction and performance improvement decisions. For its customer satisfaction performance during the past five years, the Authority has received three ASQ awards and one "recognition", based on feedback from domestic and international travelers. The Authority strives to improve customer satisfaction against a highly competitive global benchmarking set including the Dallas-Ft. Worth (DFW), Minneapolis-St. Paul (MSP), Seoul-Incheon (ICN), Shanghai-Pudong (PVG), Singapore (SIN), and Tokyo-Narita (NRT) airports.

ASQ scores for Detroit Metro Airport are illustrated on page 55.

Balanced Scorecard

Perspective	Objective	Measure
Customer Service	CS 1 Provide an exciting & friendly airport experience	CS 1.1 Airport Service Quality (ASQ) survey: Overall customer satisfaction rating
		CS 1.2 Westin Hotel survey: Guest experience composite rating
		CS 1.3 Terminal food & beverage/retail revenue per enplanement
	CS 2 Improve non-traveler customer service	CS 2.1 Internal support services survey: Overall customer satisfaction rating
		CS 2.2 Business partner survey: Overall customer satisfaction rating
Financial	F 1 Grow non-airline revenues	F 1.1 Non-airline, passenger related revenue per enplanement
		F 1.2 Overall cargo tonnage handled by metric ton (DTW/YIP)
	F 2 Ensure fiscal responsibility	F 2.1 Operating cost per enplanement (DTW) / Operating cost per 1,000 lbs landed weight (YIP)
		F 2.2 North Terminal maintenance cost per square foot
		F 2.3 Airfield operations and maintenance cost per acre (on airfield)
		F 2.4 Westin Hotel EBITDA
		F 2.5 Average healthcare cost per contract
		F 2.6 Net debt service per enplanement
		F 2.7 Cost to produce 1,000 lbs of steam

The Balanced Scorecard continues on the next page.

Perspective	Objective	Measure
Internal Process Improvement	IP 1 Improve business & operating processes	IP 1.1 Impact of runway closures on airfield availability (DTW/YIP)
		IP 1.2 Percent (%) change construction contract cost due to change orders
		IP 1.3 Number of days from requisition to purchase order
		IP 1.4 Percent (%) maintenance labor hours spent on scheduled maintenance
		IP 1.5 Emergency response time above industry standard
		IP 1.6 Time to fill vacancy / Time to start new employee
		IP 1.7 Number of days from Contract Award Recommendation to executed contract
		IP 1.8 Total electric / gas consumption (all facilities and infrastructure)
Learning & Growth	LG 1 Build a healthy organization	LG 1.1 Employee survey: Overall employee satisfaction rating
		LG 1.2 "Living the Values" survey: Overall rating
		LG 1.3 Percent (%) of employees successfully completed probation period
	LG 2 Grow the skills of the workforce	LG 2.1 Training survey: Overall satisfaction rating
		LG 2.2 Training test: Overall effectiveness rating

Budget in Brief

Wayne County Airport Authority Consolidated Budget

Wayne County Airport Authority FY 2012 Consolidated Operating Budget				
(\$ in thousands)	Detroit Metropolitan Airport	Westin Hotel	Willow Run Airport	Authority Total
Airline Revenue				
Landing Fees	\$ 67,796	\$ -	\$ 630	\$ 68,426
Airline Rents and Other Fees	90,638	-	720	91,358
Facility Use Fee	6,633	-	455	7,088
Total	165,067	-	1,805	166,872
Non-Airline Revenue				
Parking	56,488	-	-	56,488
Car Rental	18,350	-	-	18,350
Concessions	31,089	-	-	31,089
Service Fees & Other Revenues	20,384	27,162	1,957	49,502
Total	126,311	27,162	1,957	155,429
Non-Operating Revenue				
Interest Income	305	36	2	343
Grants	915	-	-	915
Total	1,220	36	2	1,258
Total Revenue	\$ 292,597	\$ 27,198	\$ 3,764	\$ 323,559
Operating Expenses by Category				
Wages & Benefits	\$ 63,968	\$ -	\$ 1,104	\$ 65,072
Materials & Supplies	7,274	-	106	7,380
Contractual Services	46,495	-	926	47,421
Hotel Expenses	-	18,876	-	18,876
Insurance	2,687	-	32	2,719
Utilities	26,237	-	1,100	27,337
Buildings & Grounds	15,365	-	304	15,669
Equipment Repair	15,498	-	250	15,748
Other Operating Expense	3,978	-	442	4,419
O&M Capital	5,482	-	-	5,482
Total	186,984	18,876	4,263	210,123
Non-Operating Expenses				
Net Debt Service	92,294	7,380	38	99,712
Fund Requirements	13,319	1,766	(537)	14,548
Total	105,614	9,146	(499)	114,260
Total Expenses	\$ 292,597	\$ 28,022	\$ 3,764	\$ 324,383
Change in Net Assets	\$ -	\$ (824)	\$ -	\$ (824)

Figure 14: Consolidated Operating Budget

Wayne County Airport Authority: Three-Year Consolidated Financial Summary

(\$ in thousands)	Detroit Metropolitan Airport			Willow Run Airport			Westin Hotel			Total		
	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011	FY 2012	FY 2010	FY 2011	FY 2012
	Actual	Budget	Budget	Actual	Budget	Budget	Actual	Budget	Budget	Actual	Budget	Budget
Airline Revenues												
Landing Fees	\$ 70,874	\$ 78,556	\$ 67,796	\$ 330	\$ 475	\$ 630	\$ -	\$ -	\$ -	\$ 71,204	\$ 79,031	\$ 68,426
Rent	75,359	75,023	90,638	1,900	1,660	720	-	-	-	77,259	76,683	91,358
Facility Use Fee	4,623	6,028	6,633	83	303	455	-	-	-	4,706	6,331	7,088
Total	150,856	159,607	165,067	2,313	2,438	1,805	-	-	-	153,169	162,045	166,872
Non-Airline Revenues												
Parking	48,000	52,530	56,488	-	-	-	-	-	-	48,000	52,530	56,488
Car Rental	16,700	16,100	18,350	-	-	-	-	-	-	16,700	16,100	18,350
Concessions	27,900	29,700	31,089	-	-	-	-	-	-	27,900	29,700	31,089
Ground Transportation	4,000	4,400	4,808	-	-	-	-	-	-	4,000	4,400	4,808
Shuttle Bus	5,120	5,300	5,745	-	-	-	-	-	-	5,120	5,300	5,745
Utility Service Fee	4,100	4,046	4,327	156	95	122	-	-	-	4,256	4,141	4,449
Rent	3,800	3,300	2,522	14	2	1,150	-	-	-	3,814	3,302	3,672
Other Revenue	1,000	800	800	1	11	31	-	-	-	1,001	811	831
Charges For Services	1,400	2,000	2,182	278	516	655	-	-	-	1,678	2,516	2,837
Hotel Operating Revenue	-	-	-	-	-	-	22,805	24,957	27,162	22,805	24,957	27,162
Total	112,020	118,176	126,311	449	624	1,957	22,805	24,957	27,162	135,274	143,757	155,429
Non-Operating Revenues												
Grants	900	941	915	-	-	-	-	-	-	900	941	915
Capital Contribution	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	700	350	305	-	2	2	370	36	36	1,070	388	343
Total	1,600	1,291	1,220	-	2	2	370	36	36	1,970	1,329	1,258
Total Revenues	\$ 264,476	\$ 279,074	\$ 292,597	\$ 2,762	\$ 3,064	\$ 3,764	\$ 23,175	\$ 24,993	\$ 27,198	\$ 290,413	\$ 307,131	\$ 323,559
EXPENSES												
Operating Expenses												
Salaries & Wages	\$ 41,949	\$ 42,990	\$ 41,670	\$ 676	\$ 715	\$ 712	\$ -	\$ -	\$ -	\$ 42,625	\$ 43,705	\$ 42,382
Employee Benefits	27,723	25,462	22,298	471	435	392	-	-	-	28,194	25,897	22,690
Materials & Supplies	5,722	6,618	7,274	133	114	106	-	-	-	5,855	6,732	7,380
Parking Management	6,700	6,800	6,300	-	-	-	-	-	-	6,700	6,800	6,300
Shuttle Bus	8,000	8,500	8,400	-	-	-	-	-	-	8,000	8,500	8,400
Janitorial	10,597	11,821	11,101	25	20	25	-	-	-	10,622	11,841	11,126
Security	2,660	2,660	2,524	-	-	-	-	-	-	2,660	2,660	2,524
Contractual Services	17,460	18,001	18,170	359	989	901	-	-	-	17,819	18,990	19,071
Hotel Expenses	4	4	0	-	-	-	19,258	17,530	18,876	19,262	17,534	18,876
Insurance	2,831	2,813	2,687	25	32	32	-	-	-	2,856	2,845	2,719
Utilities	29,350	27,237	26,237	650	725	1,100	-	-	-	30,000	27,962	27,337
Buildings & Grounds	13,770	15,571	15,365	231	270	304	-	-	-	14,001	15,841	15,669
Equipment Repair	17,040	17,038	15,498	217	177	250	-	-	-	17,257	17,215	15,748
Other Operating Expense	2,850	4,372	3,978	450	441	442	-	-	-	3,300	4,813	4,419
O&M Capital	2,456	7,706	5,482	20	20	-	-	-	-	2,476	7,726	5,482
Total	189,112	197,592	186,984	3,256	3,938	4,263	19,258	17,530	18,876	211,627	219,060	210,123
Non-Operating Expenses												
Net Debt Service	65,829	71,932	92,294	-	16	38	7,014	7,229	7,380	72,843	79,177	99,712
Funding Requirements	9,534	9,549	13,319	(494)	(890)	(537)	1,482	1,622	1,766	10,522	10,281	14,548
Total	75,364	81,481	105,614	(494)	(874)	(499)	8,496	8,851	9,146	83,366	89,458	114,260
Total Expenses	\$ 264,476	\$ 279,074	\$ 292,597	\$ 2,762	\$ 3,064	\$ 3,764	\$ 27,754	\$ 26,381	\$ 28,022	\$ 294,992	\$ 308,519	\$ 324,383
Change in Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,579)	\$ (1,388)	\$ (824)	\$ (4,579)	\$ (1,388)	\$ (824)

May not sum to total due to rounding.

Figure 15: Three-Year Consolidated Budget

Staffing Summary

The Fiscal Year 2012 Budget column does not reflect the workforce reduction plan.

	FY 2009 Budget	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY12 vs. FY11
Detroit Metropolitan Airport					
Office of the CEO					
Chief Executive Officer	2	2	2	2	-
Communications	6	6	6	7	1
Internal Audit	3	2	3	3	-
General Counsel	7	5	5	6	1
Government Relations	3	3	2	1	(1)
Human Resources	15	11	14	14	-
North Terminal Redevelopment Project	4	-	-	-	-
Total	40	29	32	33	1
Finance & Technology					
Office of the Chief Financial Officer	2	2	2	2	-
Controller	14	14	17	17	-
Financial Planning & Analysis	8	5	7	7	-
Treasury	3	3	4	3	(1)
Employee Services	6	5	3	3	-
Risk Management	3	2	2	2	-
Technology Services	14	14	14	13	(1)
Total	50	45	49	47	(2)
Airfield Operations					
Chief Operating Officer	2	-	-	-	-
Airfield Operations	47	44	44	44	-
Total	49	44	44	44	-
Procurement / Strategy Management					
Procurement Administration	2	2	1	1	-
Authority Affairs	4	4	4	4	-
Purchasing	18	14	14	14	-
Business Diversity	3	3	3	3	-
Strategy Management	2	1	1	1	-
Total	29	24	23	23	-
Facilities, Maintenance & Planning					
Facilities, Maintenance & Planning Administration	3	3	3	3	-
Facilities, Systems & Property	28	27	30	31	1
Maintenance	193	176	173	175	2
Planning, Design & Construction	14	16	19	20	1
Total	238	222	225	229	4
Public Safety					
Public Safety Administration	6	5	5	5	-
Police	139	112	112	113	1
Fire	66	60	60	60	-
Security	33	27	29	29	-
Emergency Management	3	3	3	3	-
Total	247	207	209	210	1
Business Development					
Business Development Administration	6	6	2	4	2
Concessions and Quality Services	8	6	6	6	-
Landside Services	32	22	23	23	-
Real Estate Services	5	2	2	-	(2)
Air Service Development	1	1	1	1	-
Total	52	37	34	34	-
Detroit Metropolitan Airport Total					
	705	608	616	620	4
Willow Run Airport					
Administration	3	3	3	3	-
Operations	4	1	1	1	-
Maintenance	16	7	7	7	-
Willow Run Airport Total	23	11	11	11	-
AIRPORT AUTHORITY TOTAL					
	728	619	627	631	4

Figure 16: Staffing Summary

Detroit Metro Airport

Summary of Revenues & Expenses by Category

(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
REVENUES					
Airline Revenues					
Landing Fees	\$ 69,651	\$ 78,556	\$ 67,796	\$ (10,760)	- 13.7%
Rent	70,061	75,023	90,638	15,615	20.8%
Facility Use Fees	5,950	6,028	6,633	605	10.0%
Total Airline Revenues	145,663	159,607	165,067	5,460	3.4%
Non-Airline Revenues					
Parking	48,309	52,530	56,488	3,958	7.5%
Car Rental	17,273	16,100	18,350	2,250	14.0%
Concessions	30,427	29,700	31,089	1,389	4.7%
Ground Transportation	4,739	4,400	4,808	408	9.3%
Shuttle Bus	5,467	5,300	5,745	445	8.4%
Utility Service Fee	4,332	4,046	4,327	281	6.9%
Rent	3,454	3,300	2,522	(778)	- 23.6%
Other Revenue	1,024	800	800	-	0.0%
Charges For Services	2,032	2,000	2,182	182	9.1%
Total Non-Airline Revenues	117,057	118,176	126,311	8,135	6.9%
Non-Operating Revenues					
Grants	1,231	941	915	(26)	- 2.8%
Interest Income	234	350	305	(45)	- 12.9%
Other	327	-	-	-	n/a
Total Non-Operating Revenues	1,791	1,291	1,220	(71)	- 5.5%
TOTAL REVENUES	\$ 264,510	\$ 279,074	\$ 292,597	\$ 13,524	4.8%
EXPENSES					
Operating Expenses					
Salaries & Wages	\$ 43,166	\$ 42,990	\$ 41,670	\$ (1,320)	- 3.1%
Employee Benefits	27,556	25,462	22,298	(3,164)	- 12.4%
Materials & Supplies	5,177	6,618	7,274	656	9.9%
Parking Management	6,505	6,800	6,300	(500)	- 7.4%
Shuttle Bus	8,495	8,500	8,400	(100)	- 1.2%
Janitorial	10,972	11,821	11,101	(720)	- 6.1%
Security	2,293	2,660	2,524	(136)	- 5.1%
Contractual Services	14,166	18,001	18,170	169	0.9%
Hotel Expenses	4	4	-	(4)	- 100.0%
Insurance	2,532	2,813	2,687	(126)	- 4.5%
Utilities	25,447	27,237	26,237	(1,000)	- 3.7%
Buildings & Grounds	19,313	15,571	15,365	(206)	- 1.3%
Equipment Repair	17,820	17,038	15,498	(1,540)	- 9.0%
Other Operating Expense	3,394	4,372	3,978	(395)	- 9.0%
O&M Capital	2,774	7,706	5,482	(2,224)	- 28.9%
Total Operating Expenses	189,613	197,592	186,984	(10,609)	- 5.4%
Non-Operating Expenses					
Interest & Financing	35	329	303	(26)	- 7.8%
Debt Service & Coverage	64,721	71,603	91,991	20,388	28.5%
Funding Requirements	9,815	9,549	13,319	3,770	39.5%
Total Non-Operating Expenses	74,571	81,481	105,614	24,132	29.6%
TOTAL EXPENSES	\$ 264,184	\$ 279,074	\$ 292,597	\$ 13,524	4.8%

May not sum to total due to rounding.

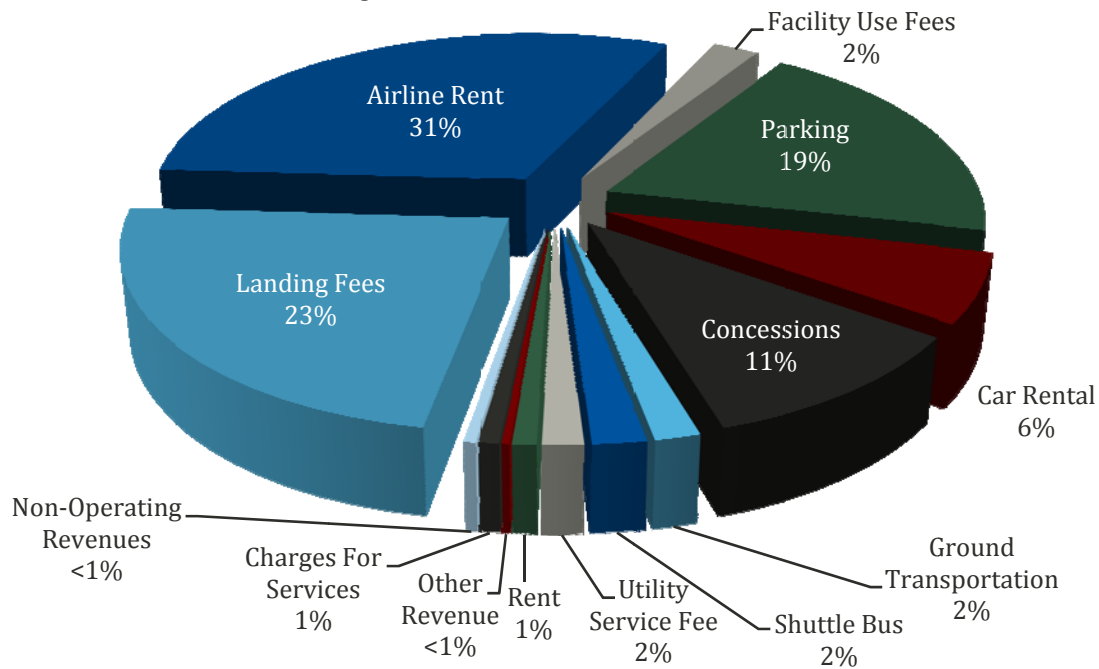
Figure 17: Detroit Metro Airport Operating Statement

Revenue Profile

Budgeted revenues for FY 2012 are \$292.6 million or 4.8% more than FY 2011 budgeted revenues.

(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
REVENUES					
Airline Revenues					
Landing Fees	\$ 69,651	\$ 78,556	\$ 67,796	\$ (10,760)	- 13.7%
Rent	70,061	75,023	90,638	15,615	20.8%
Facility Use Fees	5,950	6,028	6,633	605	10.0%
Total Airline Revenues	145,663	159,607	165,067	5,460	3.4%
Non-Airline Revenues					
Parking	48,309	52,530	56,488	3,958	7.5%
Car Rental	17,273	16,100	18,350	2,250	14.0%
Concessions	30,427	29,700	31,089	1,389	4.7%
Ground Transportation	4,739	4,400	4,808	408	9.3%
Shuttle Bus	5,467	5,300	5,745	445	8.4%
Utility Service Fee	4,332	4,046	4,327	281	6.9%
Rent	3,454	3,300	2,522	(778)	- 23.6%
Other Revenue	1,024	800	800	-	0.0%
Charges For Services	2,032	2,000	2,182	182	9.1%
Total Non-Airline Revenues	117,057	118,176	126,311	8,135	6.9%
Non-Operating Revenues					
Grants	1,231	941	915	(26)	- 2.8%
Interest Income	234	350	305	(45)	- 12.9%
Other	327	-	-	-	n/a
Total Non-Operating Revenues	1,791	1,291	1,220	(71)	- 5.5%
TOTAL REVENUES	\$ 264,510	\$ 279,074	\$ 292,597	\$ 13,524	4.8%

Where the money comes from....



Revenue Assumptions

AIRLINE REVENUES

Landing Fees

As a residual airport, landing fee revenue is determined by the total budgeted expenses of the airport less rent, non-airline, and non-operating revenues.

Airline Rent

Rent paid by the airlines includes lease agreements in the terminal and non-terminal facilities. Terminal rent is paid on a residual basis. Rental rates are based on the total expense to operate each terminal and debt service requirements, less facility use fees and other non-airline revenues. The rental requirements for the south and north terminals are \$56.6 million and \$27.5 million, respectively.

Budget assumptions for non-terminal airline revenue, primarily the facilities rented by the airlines for cargo, maintenance and other operational need, are based on known rental space lease agreements in place for fiscal 2012.

Facilities Use Fees

The airlines pay a Facility Use Fee of \$5.00 for each international passenger who deplanes at Detroit Metro Airport for use of the Federal Inspection Station (FIS), the holding area that includes customs processing. No change in the fee is planned for fiscal 2012. Revenue budgeted for Facility Use Fees is estimated by multiplying the fiscal 2012 forecast of international deplanements by \$5.00.

NON-AIRLINE REVENUE

Parking

The parking revenue assumption is based on a forecast for parking transactions, average length of stay, and rates at the parking facilities located at Detroit Metro Airport. Throughout fiscal 2011, the number of transactions as well as the average length of stay at the Blue Deck has increased as the result of a new pricing strategy that lowered rates from \$16 per day to \$10 per day. Fiscal 2012 will provide the first full year of benefit of the new pricing strategy, which included re-opening the Green Lot. No rate adjustment is budgeted for fiscal 2012. Total revenue is expected to grow by \$4 million or 7.5%.

Parking revenues in the Fiscal Year 2012 Budget represent gross revenue less State of Michigan Parking Taxes, which are 27 percent of revenues collected. The budget assumes that credit card transaction fees are three percent of gross revenues and an offsetting expense is budgeted in Other Operating Expenses.

Car Rentals

All car rental agencies operating at Detroit Metro Airport pay ten percent of gross revenue or a minimum annual guarantee (MAG), whichever is greater. The Fiscal Year 2012 Budget increases car rental revenue by \$2.2 million, or 14 percent, under the assumptions that (1) the trend of the rental agencies charging higher rates will continue and (2) enplanement growth will positively influence sales. Of the \$18.3 million budgeted for car rental revenue, MAGs represent \$11.2 million (61.2 percent of the total) and excess revenue above the MAGs is \$7.1 million (38.8 percent of the total).

Concessions

For concessions space, the percentage paid or a minimum annual guarantee (MAG) for each concessionaire varies based on the contract location, square footage and concept. Concession MAGs account for 90 percent of the budgeted revenues; ten percent of concession revenue is excess above the MAG. Enplanements do influence concession revenue, however, the budget assumes that three percent enplanement growth is not sufficient to increase excess concession revenues above the current year budget. Therefore, the Fiscal Year 2012 Budget for concession revenue increases slightly from the current fiscal year. In total \$31.1 million is budgeted for concessions revenue of which MAGs account for \$27.1 million and excess revenues equal \$4 million.

Ground Transportation

Ground transportation revenues are comprised of the concession fees and permits paid by taxi and limousine services. The “courtesy vehicles” of off-airport parking and hotel shuttles buses pay a monthly access fee. The assumption for fiscal 2012 is conservative. Taxi and limousine revenues are budgeted at current contractual levels with exceptions for those contracts expected to renew during fiscal 2012.

Shuttle Bus

The Authority operates shuttle bus service to transport airline and other on-airport employees from designated employee parking lots to their work location. Revenue is collected from the purchase of decals by employers for employees whom require shuttle bus service. Based on fiscal 2011 trends, an increase of 8.4% in decals purchases is expected for fiscal 2012. The rates charged per decal are expected to remain the same.

Utility Service Fees

Utility services fees are collected from concessionaires and other parties who operate on-airport property for utility consumption. The budget assumes utility consumption and rates will be flat year-over-year and revenue will be consistent with current year trends.

Non-Airline Rent

Non-airline rent includes rental revenue collected from non-airline tenants on airport property including, but not limited to, hangars, cargo facilities, rental car locations, and office space. Non-

airline rent revenue is budgeted for existing leases and any known changes to become effective in fiscal 2012, based on existing contracts. The Fiscal Year 2012 Budget assumes a \$778,000 (23.6%) decline in revenues of which \$400,000 has been replaced by an airline lease and is represented in the airline rent category.

Other Revenues & Charges for Service

Other Revenue includes any other funds collected by the Authority, for example revenues from employee credential fees and traffic violation ticket revenue. Charges for Services are reimbursements from third-parties for the provision of service from Authority resources. Examples include Fire Department services provided to Willow Run Airport, maintenance work orders, and ambulance services. For both categories, the budget assumes no change in existing rates and that volume will be consistent with historic trends.

Grants

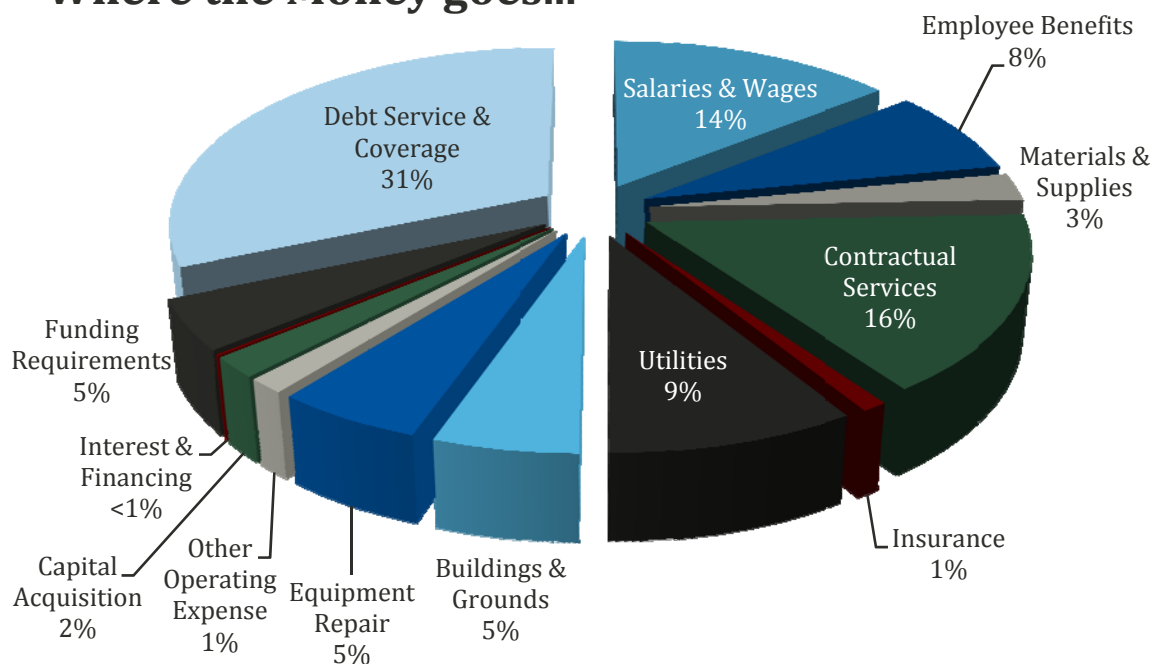
The Fiscal Year 2012 Budget for grant revenue is a conservative estimate that only budgets for grants which the Authority has received commitments from federal, state or other granting entities.

Expenditure Profile

Projected expenses for FY 2012 are \$292.6 million or 4.8% greater than FY 2011. As illustrated below, debt service represents 31% of total expenditures.

	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
EXPENSES					
Operating Expenses					
Salaries & Wages	\$ 43,166	\$ 42,990	\$ 41,670	\$ (1,320)	- 3.1%
Employee Benefits	27,556	25,462	22,298	(3,164)	- 12.4%
Materials & Supplies	5,177	6,618	7,274	656	9.9%
Contractual Services	42,435	47,786	46,495	(1,291)	- 2.7%
Insurance	2,532	2,813	2,687	(126)	- 4.5%
Utilities	25,447	27,237	26,237	(1,000)	- 3.7%
Buildings & Grounds	19,313	15,571	15,365	(206)	- 1.3%
Equipment Repair	17,820	17,038	15,498	(1,540)	- 9.0%
Other Operating Expense	3,394	4,372	3,978	(395)	- 9.0%
O&M Capital	2,774	7,706	5,482	(2,224)	- 28.9%
Total Operating Expenses	189,613	197,592	186,984	(10,609)	- 5.4%
Non-Operating Expenses					
Interest & Financing	35	329	303	(26)	- 7.8%
Debt Service & Coverage	64,721	71,603	91,991	20,388	28.5%
Funding Requirements	9,815	9,549	13,319	3,770	39.5%
Total Non-Operating Expenses	74,571	81,481	105,614	24,132	29.6%
TOTAL EXPENSES	\$ 264,184	\$ 279,074	\$ 292,597	\$ 13,524	4.8%

Where the Money goes...



Expenditure Assumptions

Operating expenses are budgeted with an assumption that all Departments will provide a level of service consistent with the current fiscal year. The budget is adjusted for:

- All known contractual increases or decreases
- Economic enhancements specified in bargaining unit contracts
- Shifting trends in the consumption or rates for goods and services; and
- Removal of funding for one-time expenses for the current fiscal year.

The financial impact of changes to the level of service provided by the Authority – be they enhancements, modifications, or discontinuations – are added or subtracted after the base is established.

OPERATING EXPENSES

Salaries & Wages

The base salary & wage budget for fiscal 2012 is based on the current staffing plan and the actual salaries for incumbent positions as of June 30, 2011. The budget provides for economic enhancements in accordance with existing collective bargaining agreements. Overtime is budgeted as a percent of total salaries of classified employees who are eligible for overtime pay.

The approved fiscal 2012 budget plans for the elimination of up to 100 full-time positions through workforce reduction programs that will include early retirement incentives, a voluntary exit incentive program and potentially involuntary layoffs. The budget assumes that management will implement:

- Early retirement and voluntary separation programs by the end of the first financial quarter with up to six months of incentive pay for each employee participating in these programs
- Organizational realignment and potentially involuntary reductions by the end of the third quarter.

The budget assumes that the impact in fiscal 2012 will be 25% of the total savings and the full impact of the program will be realized in fiscal 2013.

Employee Benefits

Employee benefits includes expenses for active and retired employee health care, pension contributions, Federal Insurance Contributions Act (FICA) taxes, workers compensation insurance, disability insurance, unemployment insurance, and tuition reimbursements.

Health care insurance costs for the Authority, which is self-insured, is budgeted based on the results of an actuarial analysis. The budget takes into account cost saving measures, including active employee co-pays. The budget assumes health insurance inflation will increase costs by approximately 9.0% above fiscal 2011 costs.

Pension obligations are budgeted based on an actuarial study that estimates the Authority's required contribution.

Assumptions for the employee benefits budget include:

Pursuant to Public Act 54 of 2011 effective June 8, 2011, municipal employees are now obliged to pay for 100% of the increase in their health insurance benefit cost upon the expiration of a collective bargaining agreement. With few exceptions (Local 3317 and Local 324), most Authority collective bargaining agreements expire before the end of this calendar year.

The budget assumed that the Authority would implement 20% premium sharing for all non-represented employees. These employees currently pay for 10% of the cost of their insurance program. Further, the same change has been incorporated for all represented employees whose collective bargaining agreements have expired or will expire before December 1, 2011 in accordance with State law. (Senate Bill 7 is enrolled and has been presented to the Governor for signature.) The total reductions related to the changes in benefits cost sharing in the Fiscal Year 2012 budget amounts to \$795,000.

The Authority is also implementing additional plan design changes that will result in savings on health insurance and prescription drugs. Any changes to wages or benefits, as recommended above, will necessarily have to be negotiated with individual bargaining units and approved by the Authority Board.

Materials & Supplies

The materials and supplies budget assumes the Authority will provide a level of service consistent with the current year. A significant component of the materials and supplies budget is expenses for snow removal bulk chemicals (deicing fluid and rock salt) and gasoline and diesel fuel. The budget for deicing fluid and rock salt for snow removal on the airfield and roads is based on a three-year average of consumption and a forecast of pricing trends. The budget assumes that de-icing fluid costs will increase to \$5.50 per gallon from the current year's budgeted rate of \$4.37 per gallon

Gasoline and diesel fuel are budgeted on a three-year average of consumption and a forecast of commodity prices. Based on current trends and volatility in fuel prices, the budget assumes that gasoline and diesel fuel costs will increase by 20 percent from the current price paid by the Authority.

Contractual Services

Parking Management

The Authority's existing parking management contract expired in fiscal 2011. The budget assumes the new contract will provide a consistent level of service and the contract value will not change significantly.

Shuttle Bus

Shuttle bus services include transportation for employees, airside and landside, and for passenger transportation between parking locations, terminals and the Westin Hotel. The Authority's existing shuttle bus contract is set to be re-bid in fiscal 2012. The budget assumes that the level of service in the new contract will be solicited will be consistent with the current level of service received by the Authority, however, expenses are anticipated to increase by approximately five percent.

Security Guard Services

The Authority's contract for security guards expired in fiscal 2011. Security guard expenses for fiscal 2012 are budgeted at the value of the new contract. To reduce expenses, two checkpoints (#1 and #34) were closed effective October 1. Checkpoint Blue 1 (at the North Terminal) will close daily when the Transportation Security Administration concludes all screening activities. The closures will eliminate the associated requirement for 24/7 security guard staffing and create annual budgetary savings of approximately \$240,000.

Snow Removal

Portions of the snow removal responsibilities are contracted to a third party. Authority staff is responsible for snow removal on the runways, taxiways and public roadways. The contractor is responsible for snow removal from the airfield apron.

The snow removal service budget is estimated using a five-year average of snowfall and ice events. Using this methodology, contractual snow removal services are forecasted to \$3 million. However, the approved Fiscal Year 2012 Budget appropriates \$2 million as the Authority's management team is charged with restructuring snow removal services to achieve \$1 million in savings.

Utilities

Utility expenses for electricity, gas, water, and sewer are budgeted at the rate and volume of historic trends. The Fiscal Year 2012 Budget assumes that utility consumption will be consistent with utilization since the opening of the North Terminal. Further, the budget assumes that rates will not substantially fluctuate.

Buildings & Grounds and Equipment Repair

Corrective maintenance expenses are budgeted at amounts consistent with historic spending trends. Adjustments to corrective maintenance budgets are made for one-time expenses or projects. Preventative maintenance expenses are budgeted at known contractual amounts. Recently rebid maintenance contracts for conveyance and luggage handling systems at the South Terminal have resulted in savings of \$1.7 million.

Other Operating Expenses

The other operating expenses category includes miscellaneous expenses not specified in the aforementioned categories. Among these expenses are property taxes, telephone charges,

travel and professional development, and rentals costs. The greatest expense included in the other operating expenses category is fees charged for credit card transactions at parking facilities. The budget forecasts growth in parking revenues that will also increase fees paid by the Authority to credit card companies. The budget assumes these fees are 3 percent of gross parking revenues.

Capital Acquisition

The capital acquisitions category includes expenditures to either (1) buy fixed assets with an individual unit value of \$5,000 or greater and a useful life beyond one year or (2) add to the value of an existing fixed asset with a useful life that extends beyond one year. The capital acquisition budget is developed through the estimated cost of specific projects or fixed asset acquisitions, including routine life cycle replacements.

The Fiscal Year 2012 Budget includes funding for:

- Fleet and equipment acquisition initiative - \$3.7 million, \$2.2 million for pay-as-you-go acquisitions with the approval to finance \$1.5 million for heavy equipment with a useful life greater than 10 years
- Improvements to the McNamara terminal submitted by Delta Air Lines - \$1.7 million
- The capital improvement of buildings identified by the Authority's Land Use Initiative as marketable properties to attract new tenants - \$2.5 million
- Lease payments for assets that have been previously capitalized and will become the property of the Authority at the end of the lease - \$503,000
- Building improvements that include emergency lighting to the parking decks - \$250,000
- Life cycle replacement of police and fire equipment - \$100,000
- Information technology life cycle replacement - \$100,000
- Information technology initiatives - \$431,000

NON-OPERATING EXPENSES

Net Debt Service

Debt service expenses budgeted in the O&M fund represents the transfer requirement, from airline rates and charges to the Bond Fund for payment of interest and principal on existing debt. The O&M requirement is calculated by subtracting other sources of funding from the gross debt service obligation. The greatest among these other sources of funding are Passenger Facility Charges (PFCs) which are collected on a per-enplanement basis by the airlines, who pass the funds through to the Authority less an administrative fee.

Funding Requirements

The annual transfer from the O&M Budget to Airport Development Fund (ADF) is adjusted annually by the producer price index (PPI). The contribution to ADF has not increased since fiscal 2009 as the PPI has not risen above 182.9. Over the past year, the index has begun to

trend upward and the Fiscal Year 2012 Budget assumes that trend will continue to 193.3 by September 2011. The corresponding impact to the ADF transfer is an increase of \$850,000 to an annual contribution of \$7.7 million.

Funding for Other Post-Employment Benefits (OPEB) is now included in funding requirements whereas it was previously charged to employee benefits. The budgeted contribution for fiscal 2012 is \$2.5 million, \$1 million less than the fiscal 2011 OPEB contribution.

The contribution to ADF from Automated Vehicle Identification (AVI) revenues is assumed to increase to \$2.3 million as revenues continue to trend upward. AVI revenue collected in fiscal 2010 was \$2.1 million.

Transfers for the Renewal & Replacement Fund and the Discretionary Fund are fixed annually at \$500,000 and \$350,000, respectively.

Operating Expenses by Cost Center

A cost center is any unit of activity, group of employees or machines, line of products, etc., isolated or arranged in order to allocate and assign costs more easily. Responsibility accounting attempts to reports results (actual performance) in such a way that:

- Significant variances from planned performance can be identified
- Reasons for variances can be determined
- Responsibility can be fixed
- Timely action can be taken to correct problems

The five basic components of cost center accounting are:

1. Labor (personnel)
2. Contractual Services
3. Materials & Supplies
4. Equipment Expenses
5. Overhead or Indirect Costs

Financial summaries and balanced scorecard measures for all cost centers begin on the next page.

Detroit Metro Airport Cost Centers

North Terminal

South Terminal

Airfield

Facilities &
Maintenance

Utilities Management

Cargo & Hangar

Ground
Transportation

Public Safety

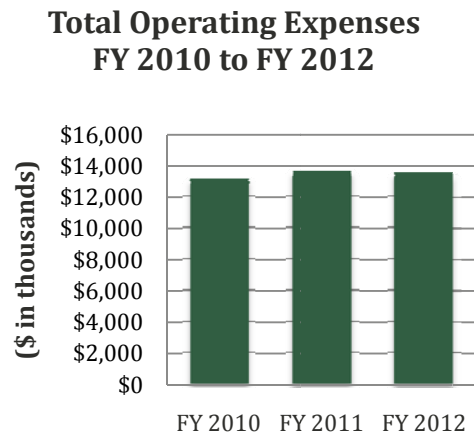
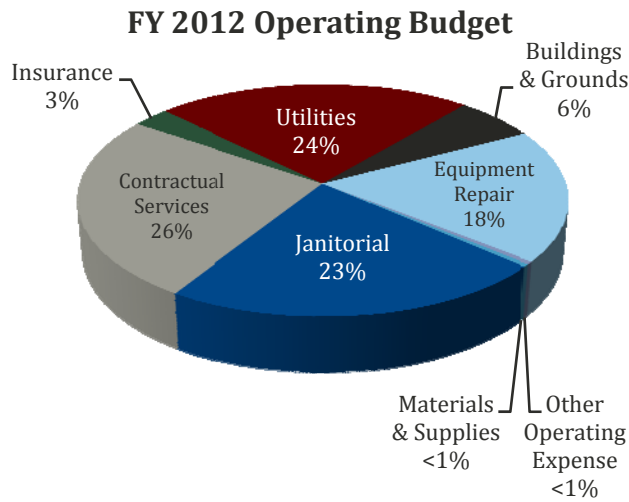
Fire & EMS

Administration

NORTH TERMINAL COST CENTER

North Terminal Cost Center					
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
Operating Expenses					
Materials & Supplies	\$ 62	\$ 50	\$ 53	\$ 3	5.4%
Janitorial	2,884	2,940	3,033	93	3.2%
Contractual Services	3,514	3,368	3,456	88	2.6%
Insurance	409	443	374	(69)	- 15.5%
Utilities	3,058	3,402	3,216	(186)	- 5.5%
Buildings & Grounds	803	777	827	50	6.4%
Equipment Repair	2,585	2,558	2,490	(68)	- 2.7%
Other Operating Expense	(205)	49	53	5	9.2%
Total Operating Expenses	\$ 13,110	\$ 13,587	\$ 13,503	\$ (84)	-0.6%

May not sum to total due to rounding.



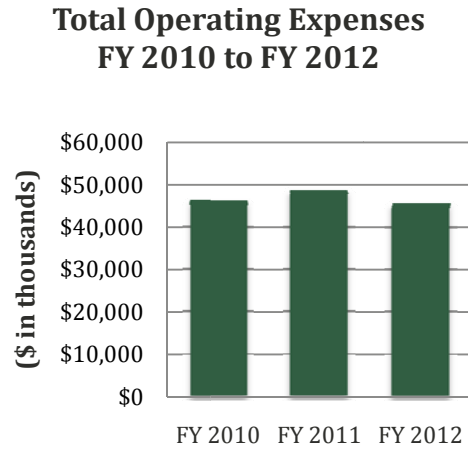
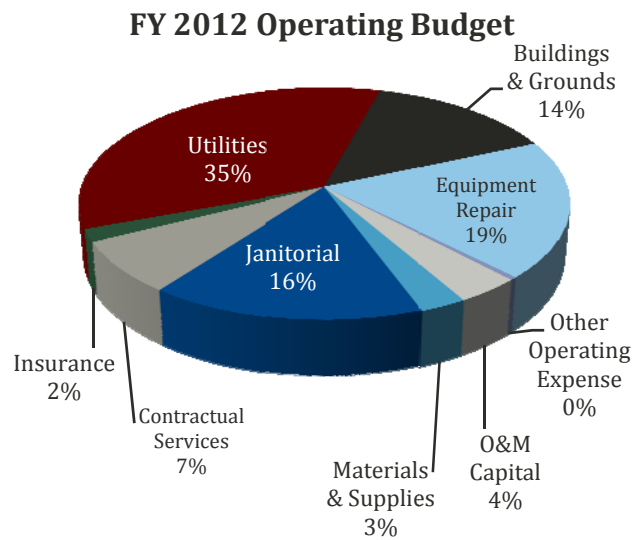
Balanced Scorecard: North & South Terminal Cost Centers

Scorecard					
Objectives & Measures	Code	FY 2009	FY 2010	FY 2011	FY 2012 Target
Provide an Exciting and Friendly Airport Experience (CS)					
Airport Service Quality (ASQ) Survey:					
Overall Customer Satisfaction Rating	CS 1.1				
McNamara Terminal	CS 1.1	4.23	4.20	4.19	4.25
North Terminal	CS 1.1	4.21	4.29	4.16	4.25
DTW Overall	CS 1.1	4.23	4.21	4.18	4.25
Terminal Food & Beverage/Retail Revenue per Enplanement (reported to Authority)	CS 1.3	\$ 1.60	\$ 1.52	\$ 1.56	\$ 1.47

SOUTH TERMINAL COST CENTER

South Terminal Cost Center						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Materials & Supplies	\$ 1,448	\$ 1,039	\$ 1,240	\$ 201	19.4%	
Janitorial	7,346	8,149	7,278	(871)	- 10.7%	
Contractual Services	3,691	4,068	3,343	(725)	- 17.8%	
Insurance	729	810	810	-	0.0%	
Utilities	15,753	16,369	15,977	(392)	- 2.4%	
Buildings & Grounds	6,590	5,116	6,474	1,358	26.6%	
Equipment Repair	10,088	10,383	8,781	(1,603)	- 15.4%	
Other Operating Expense	203	220	188	(32)	- 14.4%	
O&M Capital	425	2,723	1,701	(1,023)	- 37.6%	
Total Operating Expenses	\$ 46,275	\$ 48,876	\$ 45,792	\$ (3,085)	-6.3%	

May not sum to total due to rounding.



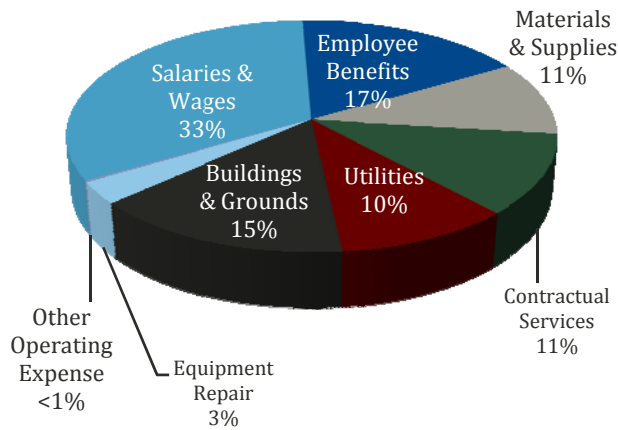
The Balanced Scorecard measures for the South Terminal are included with the North Terminal measures on page 55.

AIRFIELD COST CENTER

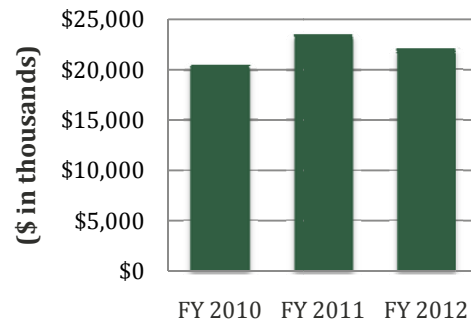
(\$ in thousands)	Airfield Cost Center				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 7,157	\$ 7,341	\$ 7,227	\$ (114)	- 1.6%
Employee Benefits	4,600	4,255	3,798	(456)	- 10.7%
Materials & Supplies	912	1,972	2,296	324	16.4%
Contractual Services	2,353	3,191	2,486	(705)	- 22.1%
Utilities	1,919	2,136	2,235	99	4.6%
Buildings & Grounds	2,971	3,922	3,349	(572)	- 14.6%
Equipment Repair	558	676	673	(3)	- 0.4%
Other Operating Expense	50	46	50	4	9.5%
Total Operating Expenses	\$ 20,520	\$ 23,537	\$ 22,114	\$ (1,423)	-6.0%

May not sum to total due to rounding.

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



Balanced Scorecard: Airfield Cost Center

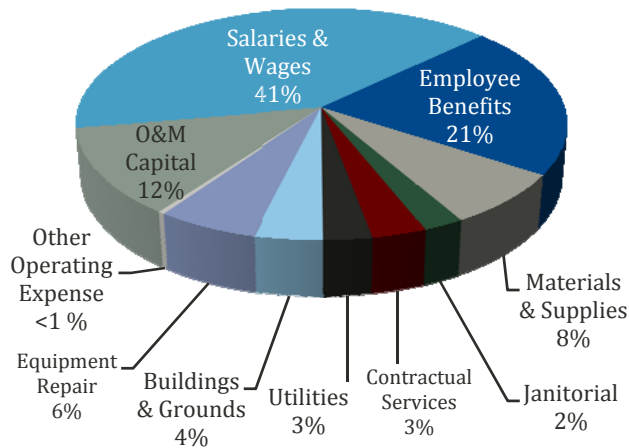
Objectives & Measures	Code	Scorecard			
		FY 2009	FY 2010	FY 2011	FY 2012 Target
Ensure Fiscal Responsibility (F)					
Airfield Operations and Maintenance Cost per Acre (on Airfield)	F 2.3	\$ 2,378	\$ 1,925	\$ 2,617	\$ 2,334
Improve Business and Operating Processes (IP)					
Impact of Runway Closures on Airfield Availability	IP 1.1	10.0%	7.9%	8.2%	12.0%

FACILITIES & MAINTENANCE COST CENTER

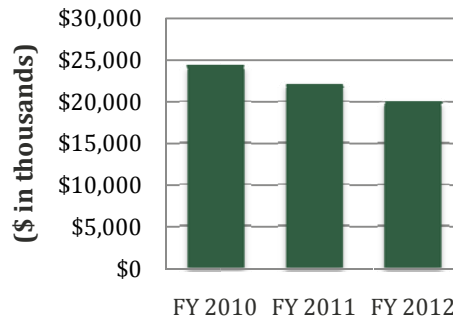
(\$ in thousands)	Facilities & Maintenance Cost Center				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 7,550	\$ 7,996	\$ 8,168	\$ 172	2.2%
Employee Benefits	5,021	4,635	4,309	(326)	- 7.0%
Materials & Supplies	1,030	1,216	1,494	278	22.9%
Janitorial	742	411	468	57	13.7%
Contractual Services	505	825	625	(199)	- 24.2%
Utilities	506	310	562	252	81.1%
Buildings & Grounds	6,556	1,483	793	(690)	- 46.5%
Equipment Repair	1,340	1,173	1,183	10	0.9%
Other Operating Expense	40	50	73	23	46.2%
O&M Capital	1,020	4,041	2,444	(1,597)	- 39.5%
Total Operating Expenses	\$ 24,310	\$ 22,139	\$ 20,118	\$ (2,021)	-9.1%

May not sum to total due to rounding.

FY 2012 Operating Budget



Total Operating Expenses FY 2010 to FY 2012



Balanced Scorecard: Facilities Maintenance Cost Center

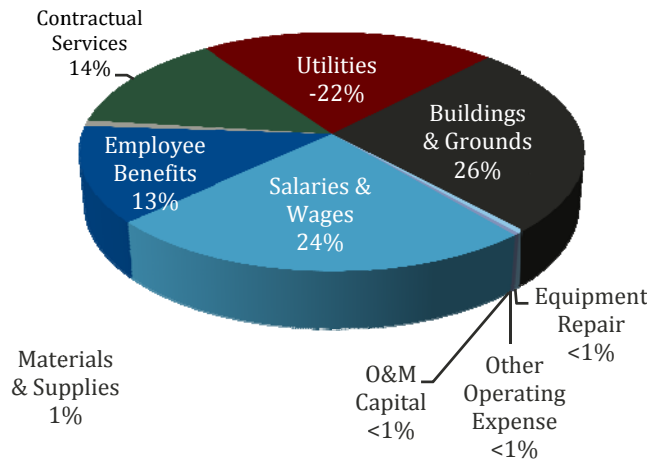
Objectives & Measures	Code	Scorecard			
		FY 2009	FY 2010	FY 2011	FY 2012 Target
Ensure Fiscal Responsibility (F)					
North Terminal Maintenance Cost per Square Foot	F 2.2	\$ 11.87	\$ 11.75	\$ 11.70	\$ 13.13
Cost to Produce 1,000 lbs Steam	F 2.7	N/A	\$ 12.17	\$ 9.58	\$ 11.39
Improve Business and Operating Processes (IP)					
% Change Construction Contract Cost Due to Change Orders	IP 1.2	2.5%	2.8%	-0.6%	5.0%
% Maintenance Labor Hours Spent on Scheduled Maintenance	IP 1.4	95.7%	91.5%	90.1%	90%

UTILITIES MANAGEMENT COST CENTER

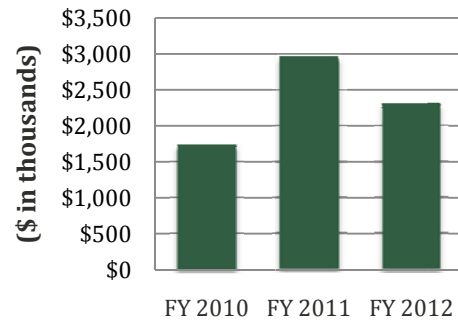
(\$ in thousands)	Utilities Management Cost Center				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 1,006	\$ 968	\$ 989	\$ 21	2.1%
Employee Benefits	625	572	531	(41)	- 7.2%
Materials & Supplies	29	43	32	(12)	- 26.8%
Contractual Services	530	545	549	5	0.8%
Utilities	(852)	(885)	(885)	-	0.0%
Buildings & Grounds	388	1,453	1,063	(390)	- 26.9%
Equipment Repair	6	14	17	4	25.2%
Other Operating Expense	12	14	13	(2)	- 10.4%
O&M Capital	-	250	-	(250)	- 100.0%
Total Operating Expenses	\$ 1,743	\$ 2,974	\$ 2,309	\$ (666)	-22.4%

May not sum to total due to rounding.

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



Balanced Scorecard: Utilities Mangement Cost Center

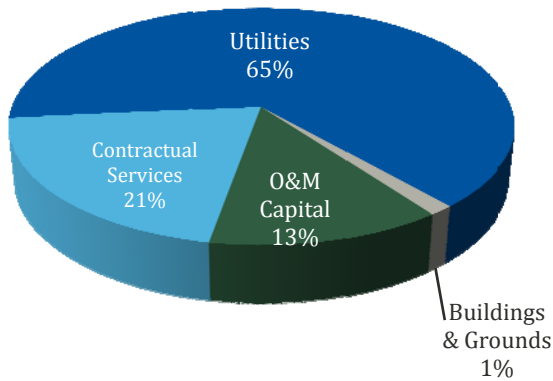
Objectives & Measures	Code	Scorecard			
		FY 2009	FY 2010	FY 2011	FY 2012 Target
Ensure Fiscal Responsibility (F)					
Cost to Produce 1,000 lbs Steam	F 2.7	N/A	\$ 12.17	\$ 9.58	\$ 10.08
Improve Business and Operating Processes (IP)					
Total Electric Consumption (All Facilities and Infrastructure)	IP 1.8	212.2 million KwH	210.1 million KwH	205.8 million KwH	208 million KwH
Total Gas Consumption (All Facilities and Infrastructure)	IP 1.8	3.2 million CCF	2.9 million CCF	3.0 million CCF	2.9 million CCF

CARGO & HANGAR COST CENTER

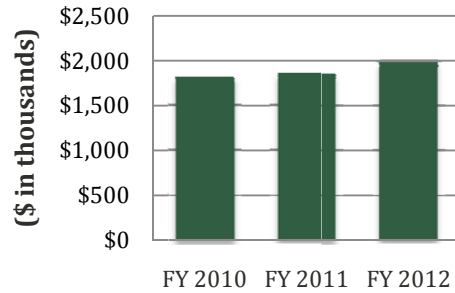
Cargo & Hangar Cost Center					
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
Operating Expenses					
Contractual Services	\$ 8	\$ 14	\$ 413	\$ 398	2805.6%
Utilities	1,292	1,522	1,297	(225)	- 14.8%
Buildings & Grounds	24	21	27	6	30.4%
O&M Capital	492	297	256	(41)	- 13.8%
Total Operating Expenses	\$ 1,817	\$ 1,854	\$ 1,993	\$ 139	7.5%

May not sum to total due to rounding.

FY 2012 Operating Budget



Total Operating Expenses FY 2010 to FY 2012



Balanced Scorecard: Cargo & Hangar Cost Center

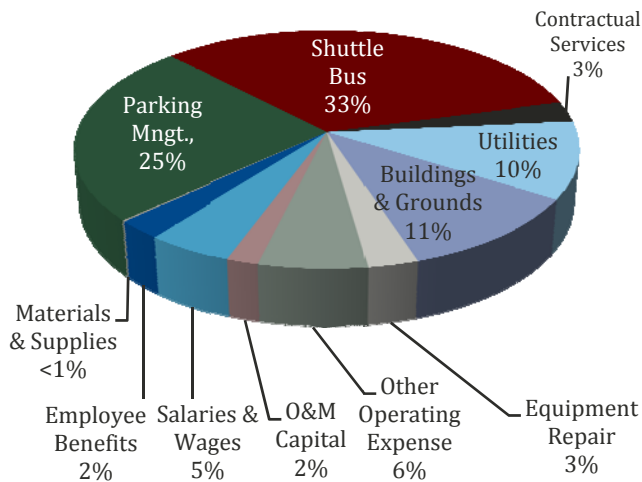
Objectives & Measures	Scorecard				
	Code	FY 2009	FY 2010	FY 2011	FY 2012 Target
Grow Non-Airline Revenue (F)					
Overall Cargo Tonnage Handled by Metric Ton (DTW)	F 1.2	161,368	184,394	206,344	206,400
Overall Cargo Landed by Metric Ton (YIP)	F 1.2	41,172	84,092	120,743	120,800

GROUND TRANSPORTATION COST CENTER

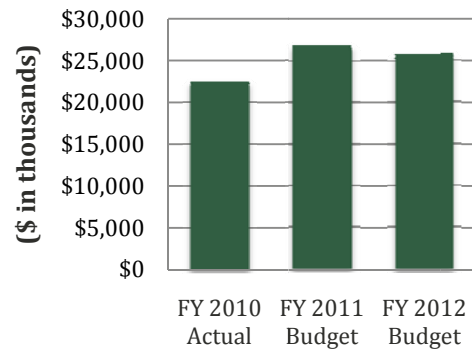
Ground Transportation Cost Center						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 1,246	\$ 1,274	\$ 1,249	\$ (26)	- 2.0%	
Employee Benefits	787	748	651	(97)	- 12.9%	
Materials & Supplies	29	62	41	(21)	- 33.3%	
Parking Management	6,505	6,800	6,300	(500)	- 7.4%	
Shuttle Bus	8,495	8,500	8,400	(100)	- 1.2%	
Contractual Services	38	1,095	706	(389)	- 35.5%	
Utilities	2,502	2,850	2,652	(198)	- 7.0%	
Buildings & Grounds	1,938	2,781	2,811	30	1.1%	
Equipment Repair	307	671	709	38	5.7%	
Other Operating Expense	651	1,675	1,535	(140)	- 8.4%	
O&M Capital	-	150	450	300	200.0%	
Total Operating Expenses	\$ 22,498	\$ 26,925	\$ 25,825	\$ (1,101)	-4.1%	

May not sum to total due to rounding.

FY 2012 Operating Budget



Total Operating Expenses FY 2010 to FY 2012



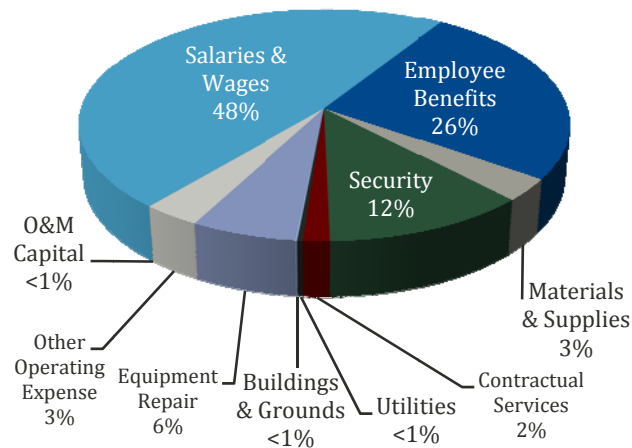
There are no balanced scorecard measures for the Ground Transportation cost center at this time.

PUBLIC SAFETY COST CENTER

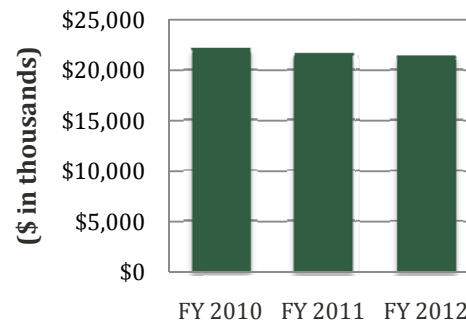
Public Safety Cost Center						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 10,129	\$ 9,892	\$ 10,263	\$ 371	3.7%	
Employee Benefits	6,536	5,914	5,523	(391)	- 6.6%	
Materials & Supplies	557	723	671	(52)	- 7.1%	
Security	2,293	2,660	2,524	(136)	- 5.1%	
Contractual Services	174	262	325	63	24.1%	
Utilities	97	120	70	(50)	- 41.3%	
Buildings & Grounds	11	6	14	8	127.0%	
Equipment Repair	1,255	1,354	1,324	(30)	- 2.2%	
Other Operating Expense	687	741	714	(27)	- 3.6%	
O&M Capital	393	-	7	7	n/a	
Total Operating Expenses	\$ 22,132	\$ 21,672	\$ 21,436	\$ (236)	-1.1%	

May not sum to total due to rounding.

FY 2012 Operating Budget



Total Operating Expenses FY 2010 to FY 2012



Balanced Scorecard: Public Safety and Fire & EMS Cost Centers

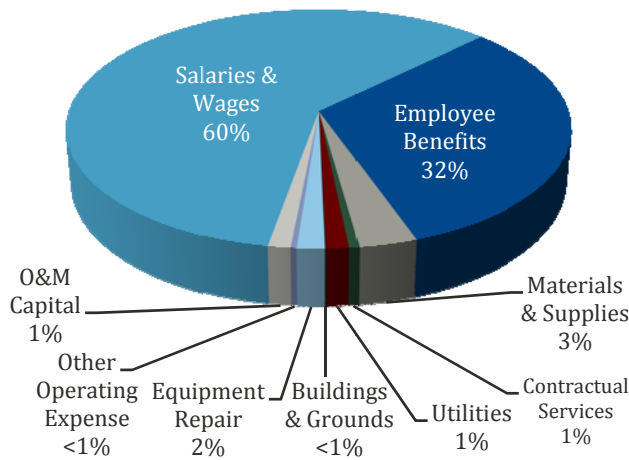
Objectives & Measures	Scorecard				
	Code	FY 2009	FY 2010	FY 2011	FY 2012 Target
Improve Business and Operating Processes (IP)					
Emergency Response Time Above Industry Standard	IP 1.5				
% Dispatch Response Less Than 60 seconds	IP 1.5	96.0%	98.1%	98.4%	95.0%
% Police Response Less Than 5 Minutes	IP 1.5	94.8%	94.6%	98.0%	95.0%
% Fire Response Less Than 3 Minutes	IP 1.5	100.0%	100.0%	100.0%	100.0%
% EMS Response Less Than 4 Minutes	IP 1.5	95.4%	91.5%	91.9%	90.0%

FIRE & EMERGENCY MEDICAL SERVICES (EMS) COST CENTER

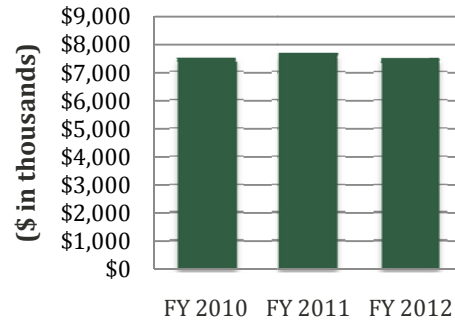
(\$ in thousands)	Fire & EMS Cost Center				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 4,411	\$ 4,480	\$ 4,471	\$ (8)	- 0.2%
Employee Benefits	2,651	2,618	2,389	(229)	- 8.8%
Materials & Supplies	166	233	239	6	2.6%
Contractual Services	17	35	42	7	18.5%
Utilities	90	91	92	1	0.5%
Buildings & Grounds	15	6	6	-	0.0%
Equipment Repair	84	108	114	6	5.8%
Other Operating Expense	13	41	25	(16)	- 39.8%
O&M Capital	49	35	93	58	166.3%
Total Operating Expenses	\$ 7,495	\$ 7,647	\$ 7,471	\$ (176)	-2.3%

May not sum to total due to rounding.

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**

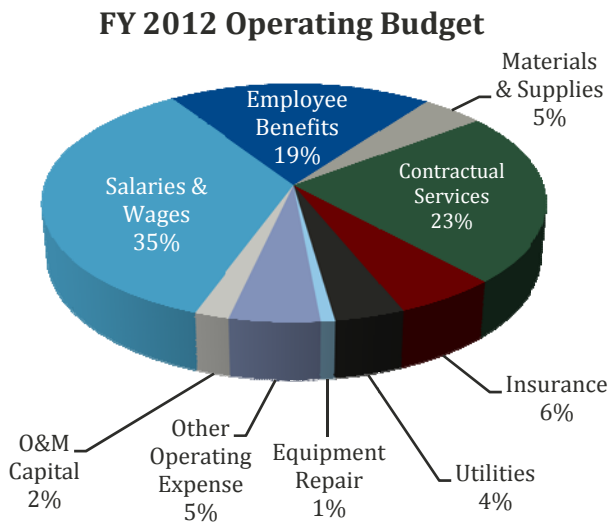


The Balanced Scorecard measures for the Fire & EMS Cost Center are included with the Public Safety Cost Center measures on page 62.

ADMINISTRATION COST CENTER

WCAA Administration Cost Center						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 11,666	\$ 11,040	\$ 9,304	\$ (1,736)	- 15.7%	
Employee Benefits	7,337	6,721	5,097	(1,623)	- 24.2%	
Materials & Supplies	943	1,281	1,209	(73)	- 5.7%	
Contractual Services	3,302	4,586	6,225	1,640	35.8%	
Insurance	1,337	1,560	1,503	(57)	- 3.7%	
Utilities	1,068	1,322	1,021	(301)	- 22.8%	
Equipment Repair	1,597	97	207	110	112.9%	
Other Operating Expense	1,164	1,532	1,327	(205)	- 13.4%	
O&M Capital	395	210	531	321	152.9%	
Total Operating Expenses	\$ 28,808	\$ 28,349	\$ 26,425	\$ (1,924)	-6.8%	

Total may not sum due to rounding.



The Balanced Scorecard measure for the Administration Cost Center are illustrated on the next page.

Balanced Scorecard: Administration Cost Center

Objectives & Measures	Scorecard				
	Code	FY 2009	FY 2010	FY 2011	FY 2012 Target
Provide an Exciting and Friendly Airport Experience (CS)					
Westin Hotel Survey: Guest Experience Composite Rating	CS 1.2	8.89	8.88	8.96	8.75
Internal Support Services Survey: Overall Customer Satisfaction Rating	CS 2.1	3.79	3.83	3.61	3.90
Business Partner Survey: Overall Customer Satisfaction Rating	CS 2.2	4.12	N/A	N/A	4.00
Ensure Fiscal Responsibility (F)					
Non-Airline, Passenger Related Revenue per Enplanement	F 1.1	\$ 7.60	\$ 7.42	\$ 7.83	\$ 7.61
Operating Cost per Enplanement (DTW)	F 2.1	\$ 11.42	\$ 11.35	\$ 11.58	\$ 10.93
Operating Cost per 1,000 lbs Landed Weight (YIP)	F 2.1	\$ 27.23	\$ 14.41	\$ 10.02	\$ 9.98
Westin Hotel EBITDA	F 2.4	\$ 4,501,444	\$ 7,878,130	\$ 8,566,971	\$ 8,331,852
Average Cost per Healthcare Contract	F 2.5	N/A	\$ 9,190	\$ 10,850	\$ 10,500
Net Debt Service per Enplanement	F 2.6	\$ 3.68	\$ 3.96	\$ 4.22	\$ 5.54
Improve Business and Operating Processes (IP)					
Number of Days from Requisition to Purchase Order	IP 1.3				
Formal Competitive	IP 1.3	129 days	111 days	98 days	100 days
Informal Competitive	IP 1.3	28 days	28 days	30 days	30 days
Non-Competitive	IP 1.3	7 days	11 days	15 days	21 days
Time to Fill Vacancy / Time to Start New Employee	IP 1.6	55 days	99 days	65 days	70 days
# of days from Contract Award Recommendation to executed contract	IP 1.7	N/A	N/A	15 days	21 days
Build a Healthy Organization (LG)					
Employee Survey: Overall Employee Satisfaction Rating	LG 1.1	N/A	3.35	3.23	3.60
"Living the Values" Survey: Overall Rating	LG 1.2	3.96	3.93	3.81	4.20
% of Employees Successfully Completing Probation Period	LG 1.3	97.4%	100.0%	90.0%	95.0%
Training Survey: Overall Satisfaction Rating	LG 2.1	4.68	4.67	4.82	4.60
Training Test: Overall Effectiveness Rating	LG 2.2	92.2%	96.3%	94.2%	85.0%

Willow Run Airport

Summary of Revenues & Expenses by Category

(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
REVENUES					
Airline Revenues					
Landing Fees	\$ 521	\$ 475	\$ 630	\$ 155	32.6%
Rent	1,791	1,660	720	(940)	- 56.6%
Facility Use Fees	352	303	455	152	50.2%
Total Airline Revenues	2,664	2,438	1,805	(633)	- 26.0%
Non-Airline Revenues					
Utility Service Fee	113	95	122	27	27.9%
Rent	9	2	1,150	1,148	57400.0%
Other Revenue	32	11	31	20	177.3%
Charges For Services	600	516	655	139	26.9%
Total Non-Airline Revenues	754	624	1,957	1,333	213.6%
Non-Operating Revenues					
Interest Income	1	2	2	-	0.0%
Total Non-Operating Revenues	1	2	2	-	0.0%
TOTAL REVENUES	\$ 3,420	\$ 3,064	\$ 3,764	\$ 700	22.8%
EXPENSES					
Operating Expenses					
Salaries & Wages	\$ 764	\$ 715	\$ 712	\$ (3)	- 0.4%
Employee Benefits	497	435	392	(43)	- 9.9%
Materials & Supplies	104	114	106	(8)	- 7.1%
Janitorial	16	20	25	5	25.0%
Contractual Services	801	989	901	(89)	- 8.9%
Insurance	37	32	32	-	0.0%
Utilities	899	725	1,100	375	51.7%
Buildings & Grounds	461	270	304	34	12.6%
Equipment Repair	166	177	250	73	41.0%
Other Operating Expense	490	441	442	1	0.2%
O&M Capital	-	20	-	(20)	- 100.0%
Total Operating Expenses	4,235	3,938	4,263	325	8.2%
Non-Operating Expenses					
Interest & Financing	32	16	38	22	137.5%
Funding Requirements	(847)	(890)	(537)	353	- 39.6%
Total Non-Operating Expenses	(815)	(874)	(499)	375	- 42.9%
TOTAL EXPENSES	\$ 3,420	\$ 3,064	\$ 3,764	\$ 700	22.8%

May not sum to total due to rounding.

Figure 18: Willow Run Airport Operating Statement

Balanced Scorecard: Willow Run Airport

Objectives & Measures	Scorecard				
	Code	FY 2009	FY 2010	FY 2011	FY 2012 Target
Improve Business and Operating Processes (IP)					
Airfield Downtime Due to Unscheduled Maintenance	IP 1.1	0.4%	0.3%	0.3%	0.3%
Ensure Fiscal Responsibility (F)					
Operating Cost per 1,000 lbs Landed Weight (YIP)	F 2.1	\$ 27.23	\$ 14.41	\$ 10.02	\$ 9.98

Westin Hotel

Summary of Revenues & Expenses by Category

	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	Change	
				\$	%
REVENUES					
Operating Revenues					
Rooms	\$ 14,637	\$ 14,615	\$ 16,735	\$ 2,120	14.5%
Food & Beverage	8,221	8,926	9,086	160	1.8%
Minor Operating Dept. Revenue	1,097	1,143	1,183	40	3.5%
Rent & Other	183	273	158	(115)	- 42.2%
Total Operating Revenues	24,137	24,957	27,162	2,205	8.8%
Operating Expenses	14,150	15,606	16,708	1,102	7.1%
Gross Operating Profit	9,987	9,351	10,454	1,103	11.8%
Non-Operating Revenues (Expense)					
Interest Income	29	36	36	-	0.0%
Management Fee	(1,714)	(1,742)	(1,913)	(171)	9.8%
Rent, Taxes & Insurance	(158)	(182)	(256)	(73)	40.2%
Net Income	8,144	7,463	8,322	859	11.5%
Funding Requirments					
Furniture, Fixture & Equipment	271	(419)	(373)	46	-11.0%
Parity Debt Obligations	(6,655)	(6,810)	(7,007)	(197)	2.9%
Other Obligations	(812)	(1,622)	(1,766)	(144)	8.9%
Net Change in Operating Assets	\$ 947	\$ (1,388)	\$ (824)	\$ 564	40.6%

Figure 19: Westin Hotel Operating Statement

Balanced Scorecard: Westin Hotel

Objectives & Measures	Scorecard				
	Code	FY 2009	FY 2010	FY 2011	FY 2012 Target
Provide an Exciting and Friendly Airport Experience (CS)					
Westin Hotel Survey: Guest Experience Composite Rating	CS 1.2	8.89	8.88	8.96	8.75
Ensure Fiscal Responsibility (F)					
Westin Hotel EBITDA	F 2.4	\$ 4,501,444	\$ 7,878,130	\$ 8,566,971	\$ 8,331,852

Division Summaries

ABOUT THIS CHAPTER

Within this chapter are summaries of all Authority Departments and Divisions. Each Department summary includes a list of its Divisions, an overview of its responsibilities and an organization chart. Division summaries follow that include a list of responsibilities, three-year financial schedules of operating expenses and a summary of key budget issues.

GLOBAL BUDGET SALARY & WAGES AND BENEFITS INITIATIVES

Several budget initiatives impact most or all Division budgets. Among these global budget changes for fiscal 2012 are:

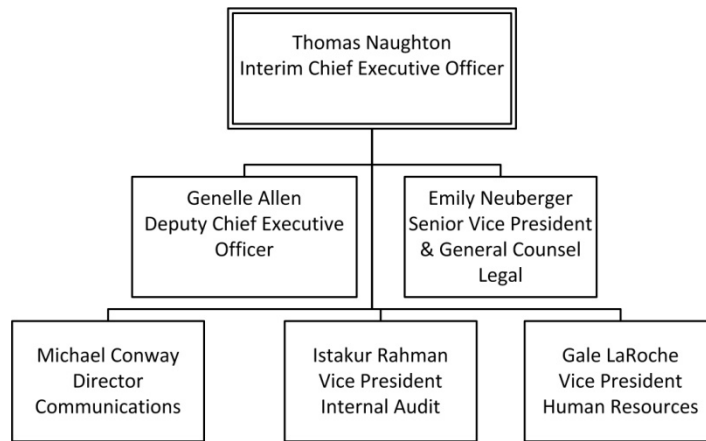
- Salary and wage reductions as a result of Authority-wide downsizing initiatives to reduce staff
- Benefits reductions due to changes in OPEB funding required by GASB 45, and benefit cost savings associated with benefit plan changes and reduction in staff

Unless otherwise noted in the Division Responsibilities and Budget Issues sections, the global budget changes described above are the cause of the budget changes from fiscal 2011 to fiscal 2012 throughout this section for Salary & Wages and Benefit budgets.

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Office of the Chief Executive Officer

The Office of the Chief Executive Officer (CEO) consists of the CEO and several staff functions that report directly to the CEO. These functions consist of Internal Audit, General Counsel, Communications, Government Affairs, and Human Resources.



The responsibilities of each function within the Office of the CEO are summarized below.

Internal Audit is charged with providing independent, objective assurance services. This includes performing audits and consulting projects, reporting findings and implementation status to the Audit Committee, and managing a comprehensive three year rolling risk based internal audit plan.

General Counsel delivers legal services to all Divisions including preparing all contracts, operating agreements, and leases between the Authority and third parties; providing legal counsel to all Divisions when requested; handling litigation and other legal proceedings against or by the Authority; coordinating the legal services provided by outside counsel; managing federal legislative consulting services; and handling all legal matters related to the governance of the Authority.

Communications is responsible for managing the Authority's communication with the public including providing the public and airport users with accurate and helpful information, managing media relations, managing the public's involvement in Authority-related projects (e.g., airfield and terminal improvements, special events, etc.) improving community relations, facilitating excellent customer service, and managing the impact of aircraft generated noise on residents living nearby.

Human Resources is responsible for providing recruiting and promotional opportunity services, facilitating labor contract negotiations, administering grievance and arbitration

procedures, interpreting collective bargaining agreements, and coordinating training of employees in matters of customer service, computer software, and professional development.

CHIEF EXECUTIVE OFFICER DIVISION BUDGET

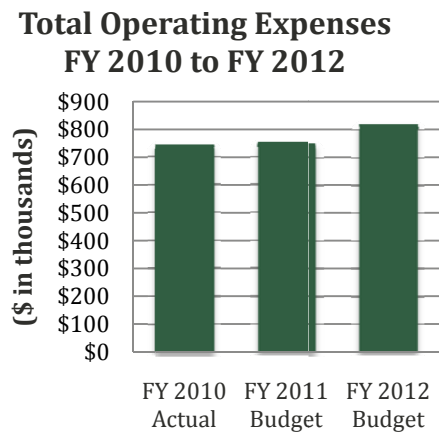
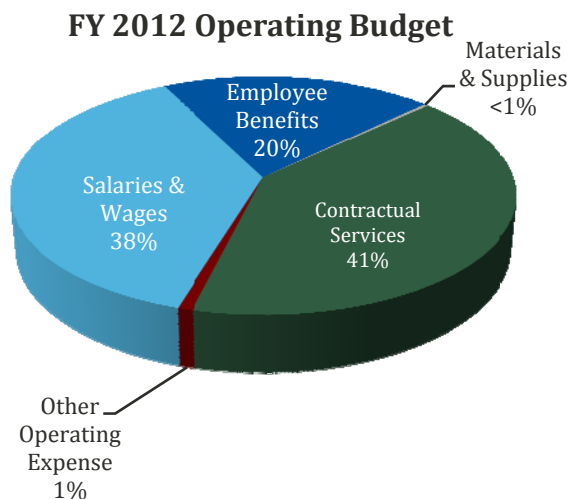
Chief Executive Officer						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 651	\$ 353	\$ 552	\$ 199	56.6%	
Employee Benefits	218	207	274	67	32.5%	
Materials & Supplies	186	226	226	-	0.0%	
Contractual Services	84	228	178	(50)	- 22.0%	
Other Operating Expense	14	23	23	-	0.0%	
Total Operating Expenses	\$ 1,152	\$ 1,036	\$ 1,252	\$ 217	20.9%	

Total may not sum due to rounding

Internal Audit

RESPONSIBILITIES

- ➔ Perform audits in accordance with internal audit plan and special projects as directed by the audit committee, CEO, and senior management
- ➔ Communicate accurate, objective, and useful results for each audit/project performed on a timely basis
- ➔ Follow-up on audit/project findings completed in prior years and report the status and implementation of findings to the audit committee
- ➔ Coordinate external audit services
- ➔ Develop and implement a comprehensive three year rolling risk based on the internal audit plan for forthcoming fiscal years



DIVISION BUDGET

(\$ in thousands)	Internal Audit				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 247	\$ 241	\$ 311	\$ 70	29.1%
Employee Benefits	163	137	165	28	20.4%
Materials & Supplies	2	3	3	(1)	- 21.9%
Contractual Services	325	367	336	(31)	- 8.4%
Other Operating Expense	8	4	7	3	84.2%
Total Operating Expenses	\$ 745	\$ 752	\$ 821	\$ 69	9.2%

Total may not sum due to rounding.

Funded Full Time Employees	2	3	3	-	0.0%
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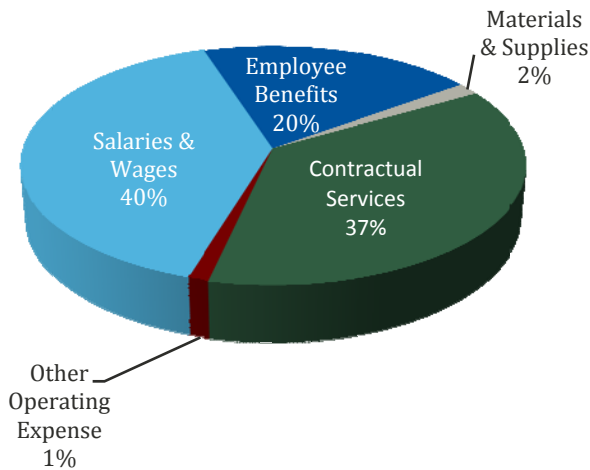
BUDGET ISSUES/CAUSE OF CHANGE

Internal Audit is managed with internal staff and with the assistance of a consultant. Staffing levels and costs have been quite consistent for several years.

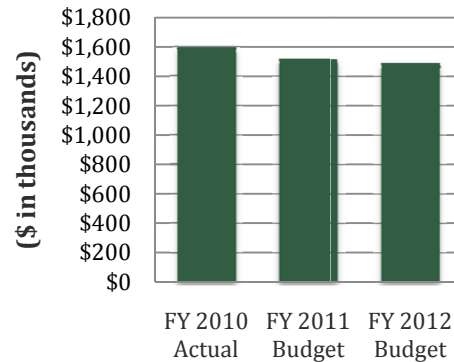
General Counsel**RESPONSIBILITIES**

- Respond to all legal questions raised by Authority staff and Board members; prepare legal opinions
- Provide legal support in all business matters for all Authority Departments and Divisions
- Provide legal counsel to ensure compliance with the Authority's Procurement/Ethics Ordinance and other Authority policies
- Draft forms of agreement for competitive solicitations; negotiate and complete all agreements following award
- Draft and negotiate leases with all tenants prior to the tenant's occupancy of the leased premises
- Review drafts prepared by third parties of all agreements entered into by the Authority
- Hire outside counsel for appropriate matters; review pleadings, contracts, and other work products produced by outside counsel
- Work with the Authority's federal legislative consultant regarding the Authority's federal legislative agenda
- Work with Freedom of Information Act (FOIA) coordinator and Public Affairs to respond to all requests, appeals, and litigation
- Provide legal representation for all transactions involving Authority property

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	General Counsel				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 606	\$ 598	\$ 601	\$ 3	0.5%
Employee Benefits	396	329	299	(30)	-9.1%
Materials & Supplies	21	25	25	-	0.0%
Contractual Services	566	550	550	-	0.0%
Other Operating Expense	13	18	18	-	0.0%
Total Operating Expenses	\$ 1,601	\$ 1,520	\$ 1,493	\$ (27)	-1.8%

Total may not sum due to rounding.

Funded Full Time Employees	5	5	6	1	20.0%
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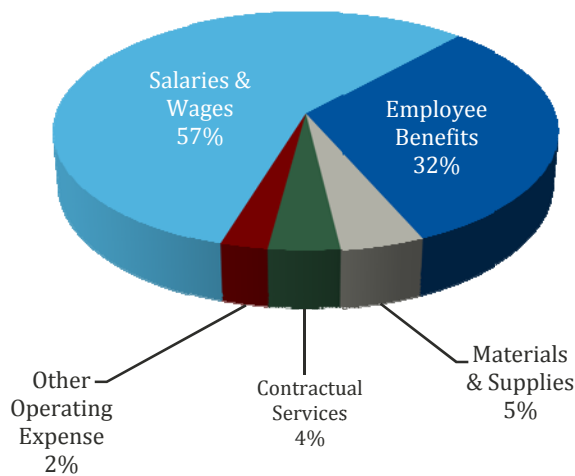
Communications

RESPONSIBILITIES

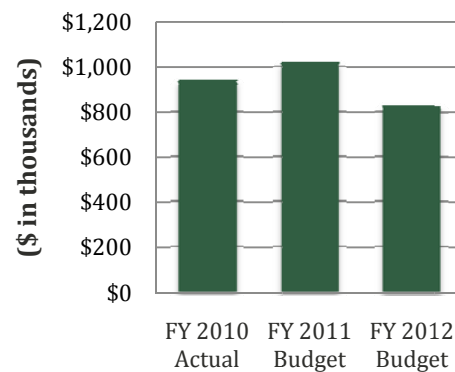
- ➔ Provide the public with accurate and helpful information, including brochures, maps, and website content
- ➔ Facilitate excellent customer service including monitoring customers' experiences and expectations and respond to customer requests or complaints
- ➔ Manage WCAA media relations
- ➔ Improve community relations by networking and developing relationships with community leaders, and actively participating in membership meetings with community

- ➔ Support internal divisions by assisting in developing presentations, collateral materials, marketing activities, and air service development activities
- ➔ Inform the Board and Senior Management of published and broadcast news stories and public relations activities relative to the airport
- ➔ Administer Federal Aviation Regulation (FAR) Part 150 Program (Residential Sound Insulation Program (RSIP) and Noise Compatibility Study)
- ➔ Promote the Authority’s strategic plan with outside community (e.g., business, universities, non-profits, and government entities)
- ➔ Assist departments with matters regarding external constituents

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Communications					
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change		
				\$	%	
Operating Expenses						
Salaries & Wages	\$ 501	\$ 497	\$ 473	\$ (25)	- 5.0%	
Employee Benefits	355	310	263	(47)	- 15.1%	
Materials & Supplies	44	48	39	(9)	- 18.9%	
Contractual Services	12	146	33	(113)	- 77.3%	
Other Operating Expense	22	19	22	3	15.9%	
O&M Capital	5	-	-	-	n/a	
Total Operating Expenses	\$ 939	\$ 1,019	\$ 829	\$ (190)	-18.6%	

Total may not sum due to rounding.

Funded Full Time Employees	6	6	7	1	16.7%
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BUDGET ISSUES/CAUSE OF CHANGE

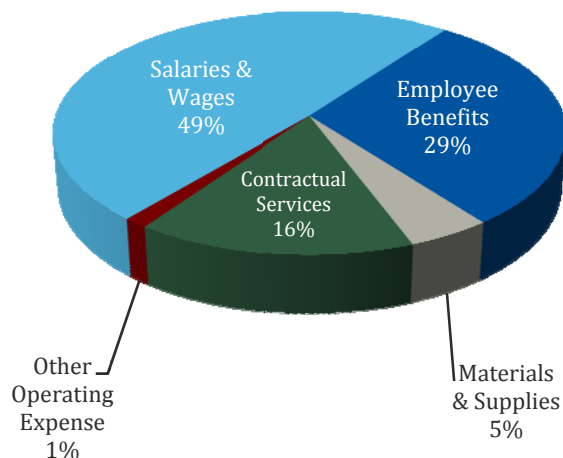
In 2011, the Authority engaged a consultant to focus on an aspect of our noise program. Services are suspended in 2012 as a result of budget reduction.

Human Resources

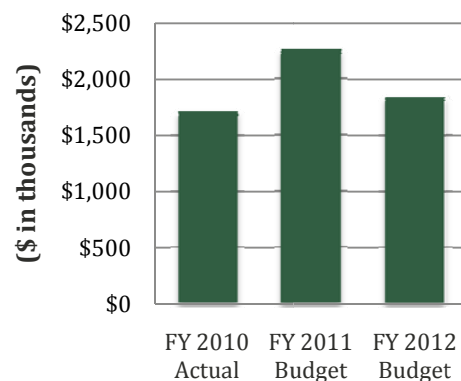
RESPONSIBILITIES

- Manage recruitment, selection, promotion, and employee orientation processes
- Provide counseling and direction to employees and managers regarding contract interpretation, work rules, and human resources procedures
- Ensure compliance with labor, employment, and Equal Employment Opportunity (EEO) laws, rules, and regulations; maintain required human resources records
- Partner with managers in workforce planning needs; administer performance management system; assist employees in creating and pursuing developmental goals
- Administer and track employee and retiree health and dental benefits and COBRA compliance
- Negotiate and administer the Authority's collective bargaining agreements; advise managers on collective bargaining agreement terms; administer grievance/conflict resolution process
- Determine Authority training needs; design, develop, and implement training programs

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Human Resources				
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
Operating Expenses					
Salaries & Wages	\$ 822	\$ 999	\$ 904	\$ (95)	- 9.5%
Employee Benefits	590	647	544	(103)	- 16.0%
Materials & Supplies	57	97	86	(12)	- 11.8%
Contractual Services	226	498	286	(212)	- 42.6%
Other Operating Expense	<u>22</u>	<u>22</u>	<u>25</u>	<u>3</u>	<u>15.2%</u>
Total Operating Expenses	\$ 1,716	\$ 2,263	\$ 1,845	\$ (419)	-18.5%

Total may not sum due to rounding.

Funded Full Time Employees	11	14	14	-	0.0%
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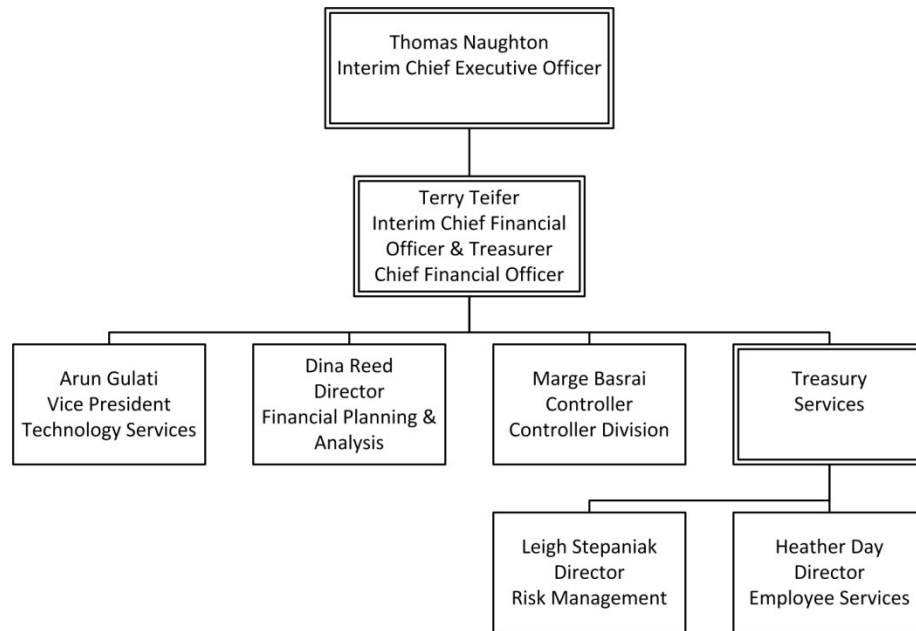
BUDGET ISSUES/CAUSE OF CHANGE

- The responsibility of managing contractual services associated with retiree benefits has been moved to the Division of Employee Services (Treasury) which decrease Human Resources' budget by \$90,000.
- Other budget reductions in contractual services include decreases in legal services associated with arbitration hearings, occupational health and professional development initiatives.

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Finance

The Finance Department is responsible for the overall budgetary, fiscal, and financial management of the Authority's activities, including financial administration of the Capital Improvement Program (CIP), the annual operating budget, cash and debt management, payroll, all technology services, and the Westin Hotel management.



The Department is comprised of four divisions.

Controller is responsible for providing concise, accurate, and timely financial information through accounting activities (e.g., general ledger, fixed asset, accounts receivable, accounts payable, and grant management), disbursement management, billing and collection management, and coordination of the annual financial audit with the Authority's external auditors.

Financial Planning & Analysis is responsible for development and administration of the Authority's budget and CIP, in addition to routinely providing detailed financial and operational information to the Senior Leadership Team and the Authority Board through the annual operating budget, the monthly management report, aviation industry statistical reports, financial analysis, and special studies and analyses.

Treasury Services is responsible for protecting the Authority's investment in assets through providing cash and debt management services, maximizing the operational and financial performance of the Westin Hotel, delivering payroll services, and providing risk management services.

Technology Services is responsible for providing computer application system services, developing software solutions, implementing technology products, maintaining the technology infrastructure, and providing technical support 24 hours, 7 day schedule for all technology and communications systems.

CHIEF EXECUTIVE OFFICER DIVISION BUDGET

Chief Financial Officer						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 272	\$ 254	\$ 255	\$ 1	0.4%	
Employee Benefits	180	151	137	(14)	- 9.3%	
Materials & Supplies	5	6	36	30	522.4%	
Other Operating Expense	4	20	20	-	0.0%	
Total Operating Expenses	\$ 461	\$ 431	\$ 448	\$ 17	4.0%	

Total may not sum due to rounding.

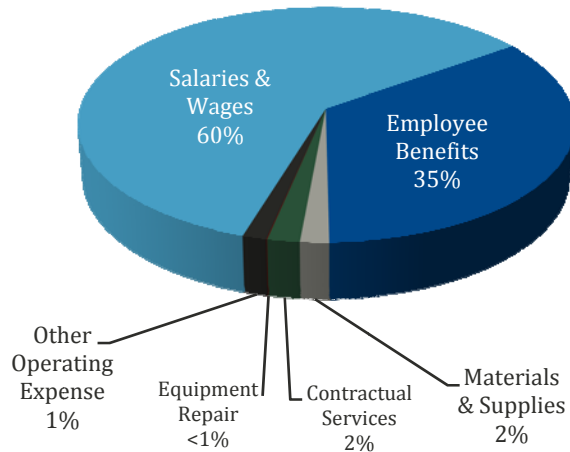
Funded Full Time Employees	2	2	2	-	0.0%
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Controller

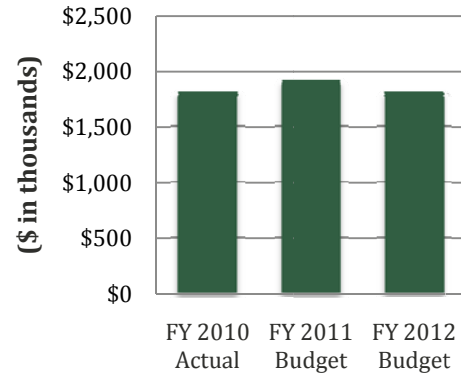
RESPONSIBILITIES

- Ensure integrity of the Authority's general ledger and all other required financial records through an effective system of internal controls and procedures to safeguard assets
- Manage the grant reimbursement and PFC processes for application, amendment, usage, and compliance reporting requirements
- Process and record all payments to the Authority's vendors and contractors; ensure accountability of the Authority's disbursements
- Prepare the Comprehensive Annual Financial Report (CAFR)
- Ensure compliance with all IRS and government regulations for tax and vendor reporting
- Bill and collect all monies owed from airlines, concessionaires, tenants, and government agencies to ensure accountability of the Authority's revenues
- Analyze, determine, ensure, and report compliance with all financial aspects of each revenue type contract

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Controller's Office					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 1,039	\$ 1,125	\$ 1,093	\$ (33)	- 2.9%	
Employee Benefits	729	712	627	(85)	- 11.9%	
Materials & Supplies	21	25	30	5	21.2%	
Contractual Services	7	33	34	1	1.5%	
Equipment Repair	1	1	1	-	0.0%	
Other Operating Expense	12	23	25	3	11.1%	
Total Operating Expenses	\$ 1,809	\$ 1,917	\$ 1,808	\$ (109)	-5.7%	

Total may not sum due to rounding.

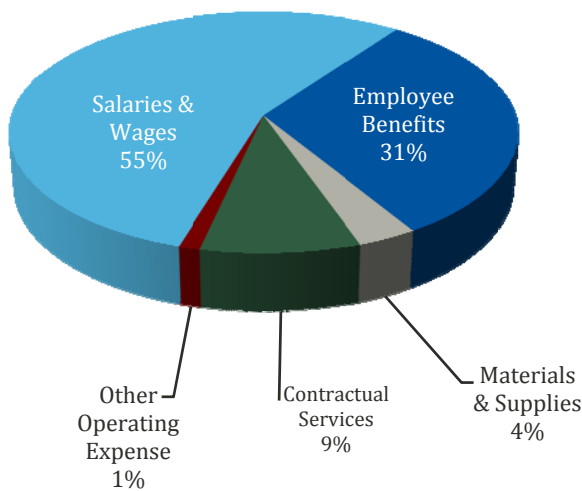
Funded Full Time Employees	14	17	17	-	0.0%
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Financial Planning & Analysis

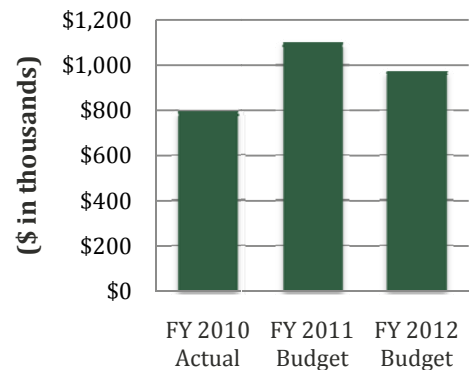
RESPONSIBILITIES

- Manage the annual budget process in an efficient and effective manner
- Monitor budget activity, provide support to divisions, provide periodic reporting, and ensure compliance with overall budgetary controls
- Provide independent analysis and recommendations to Senior Leadership Team on division requests for funding of new initiatives funded from O&M expense and capital
- Collect, review, and analyze operating and financial data from internal and external sources
- Generate timely management reports on the operating and financial performance of the airports; provide independent assessment to CEO and CFO on operating and financial results
- Control, facilitate, and analyze the ongoing financial plans for the Authority's Capital Improvement Program (CIP)
- Conduct independent analysis in areas of cost management, operational effectiveness, process improvements, and productivity
- Conduct special studies and/or financial/operational analyses at the request of the CEO and CFO
- Perform detailed analysis for non-airline revenue sources as previously performed in the Business Development Department

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Financial Planning & Analysis					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 438	\$ 577	\$ 538	\$ (38)	- 6.6%	
Employee Benefits	265	362	305	(57)	- 15.7%	
Materials & Supplies	59	67	33	(34)	- 51.0%	
Contractual Services	31	87	87	-	0.0%	
Other Operating Expense	<u>4</u>	<u>12</u>	<u>12</u>	<u>-</u>	<u>0.0%</u>	
Total Operating Expenses	\$ 798	\$ 1,104	\$ 975	\$ (129)	-11.7%	

Total may not sum due to rounding.

Funded Full Time Employees	5	7	7	-	0.0%
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BUDGET ISSUES/CAUSE OF CHANGE

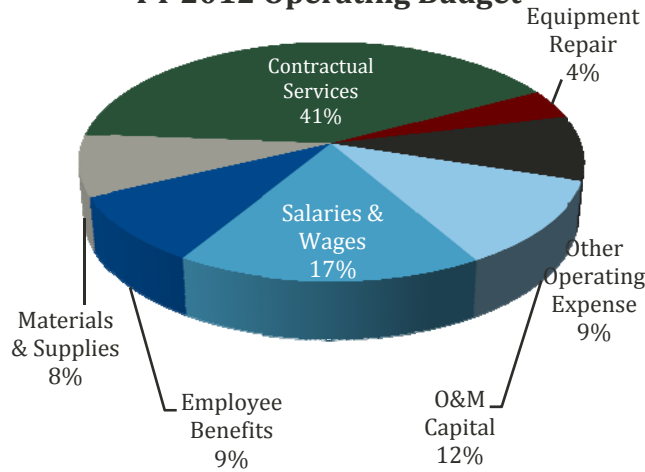
The Materials and Supplies budget reduction was the result from negotiations to decrease PASSUR Aerospace subscription.

Technology Services

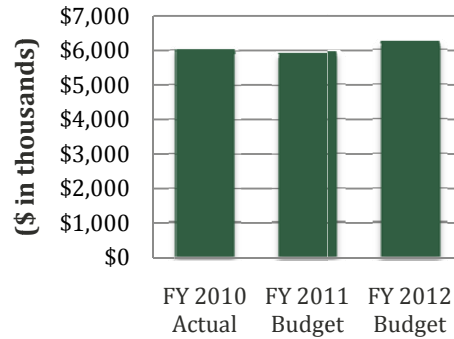
RESPONSIBILITIES

- Operate information technology infrastructure solutions (networks, server computers, desktop computers, internet, and e-mail services, etc.)
- Provide computer and network operations support services
- Provide and maintain computer-based business software system solutions
- Provide telecommunications infrastructure solutions (e.g., desk phones, cell phones, pagers, emergency pull boxes/phones, local/long distance services, voice mail, and radios) and operations support services

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

Technology & Telecommunications Services

(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
Operating Expenses					
Salaries & Wages	\$ 1,111	\$ 1,166	\$ 1,058	\$ (108)	- 9.3%
Employee Benefits	778	707	578	(130)	- 18.3%
Materials & Supplies	410	546	519	(27)	- 5.0%
Contractual Services	1,306	2,586	2,549	(37)	- 1.4%
Equipment Repair	1,665	140	249	109	78.1%
Other Operating Expense	392	592	549	(43)	- 7.3%
O&M Capital	389	210	731	521	248.1%
Total Operating Expenses	\$ 6,052	\$ 5,947	\$ 6,231	\$ 284	4.8%

Total may not sum due to rounding.

Funded Full Time Employees	14	14	13	(1)	-7.1%
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BUDGET ISSUES/CAUSE OF CHANGE

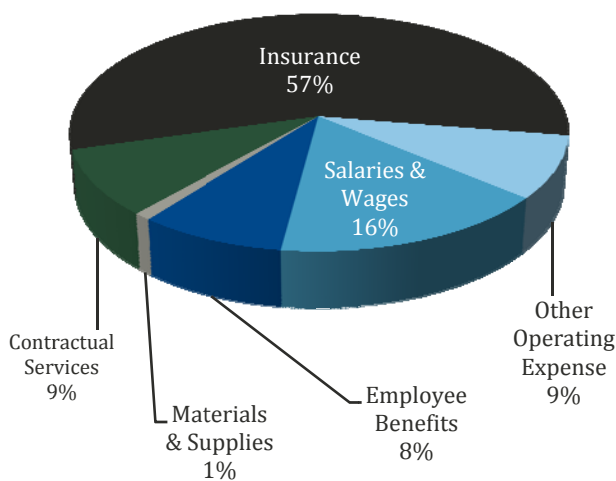
- The increase of \$109,000 for equipment repair is required for the division to maintain telecommunications equipment located throughout the airport.
- The O&M Capital budget includes funding for the life-cycle replacement of information technology equipment and the following special projects:
 - Maximo Upgrade to Version 7 and interface development to MUNIS
 - Acquisition of the MUNIS Document Management Module

Treasury Services

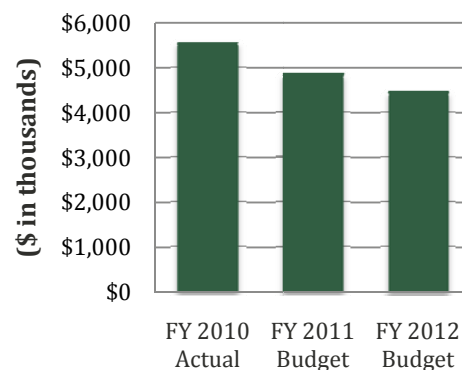
RESPONSIBILITIES

- ➔ Manage centralized payroll information including retirement/deferred compensation, payroll taxes, travel administration, all employee deductions, and other employee reimbursements
- ➔ Administer employee life insurance, employee optical reimbursement, cafeteria plan, and unemployment cost analysis
- ➔ Oversees the operations and performance of the Westin Hotel
- ➔ Provide for efficient vendor and employee payment systems including wire transfer and check printing
- ➔ Invest Authority funds and manage bonds in a manner that protects safety, insures adequate liquidity, maximizes net earnings, reduces borrowing costs, and complies with the Airport's Master Bond Ordinance, the Series Ordinances, and the Airline Use and Lease Agreements
- ➔ Protect people (employees and others), property, and the environment from potential hazards consistent with the requirements of governmental safety, health, and environmental regulations (e.g., OSHA mandated training and compliance, and oversight of contractor safety)
- ➔ Evaluate, analyze, negotiate, and forecast Authority's property and liability insurance programs through risk transfer and self insured programs
- ➔ Administer insurance claims and litigation for liability, automobile, workers compensation, property, and long-term disability matters

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Treasury Services				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 855	\$ 777	\$ 713	\$ (63)	- 8.2%
Employee Benefits	588	467	378	(90)	- 19.2%
Materials & Supplies	42	32	44	12	38.1%
Contractual Services	390	323	404	81	25.0%
Hotel Expenses	4	4	-	(4)	- 100.0%
Insurance	2,324	2,600	2,543	(57)	- 2.2%
Other Operating Expense	<u>1,362</u>	<u>653</u>	<u>382</u>	<u>(271)</u>	<u>- 41.5%</u>
Total Operating Expenses	\$ 5,564	\$ 4,855	\$ 4,464	\$ (391)	-8.1%

Total may not sum due to rounding.

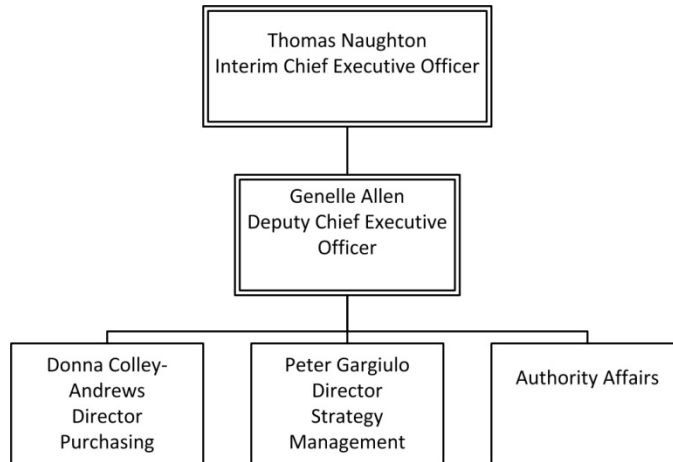
Funded Full Time Employees	10	9	8	(1)	-11.1%
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BUDGET ISSUES/CAUSE OF CHANGE

Property taxes are budgeted as Other Operating Expenses. A settlement of a property tax dispute resulted in a savings to the Authority of \$260,000.

Procurement / Strategy Management

The Procurement/Strategy Management Department is responsible for managing all purchasing, contract compliance, business diversity, strategy, and Authority-wide performance measurement functions.



The Department is comprised of three divisions. The responsibilities of each division are noted below.

Authority Affairs is responsible for Board meeting planning and coordination, correspondence logistics, Freedom of Information Act (FOIA) compliance, Authority administration office reception staff and functions, and other related activities that advance the image of the Authority.

Purchasing is responsible for purchasing goods, services and construction, providing oversight of contract compliance, surplus property disposal, and managing the business diversity programs related to Authority contracts.

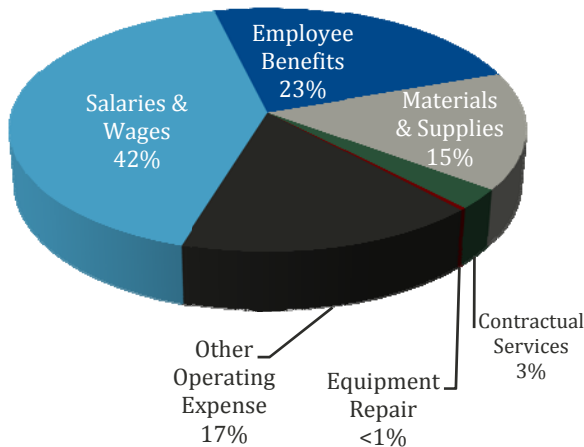
Strategy Management is responsible for overseeing the overall strategy of the Authority, including managing the Authority's Balanced Scorecard, leading the initiative and business planning process, improving customer satisfaction, developing and implementing organization-wide performance improvement programs, and benchmarking performance against peer airports.

Authority Affairs

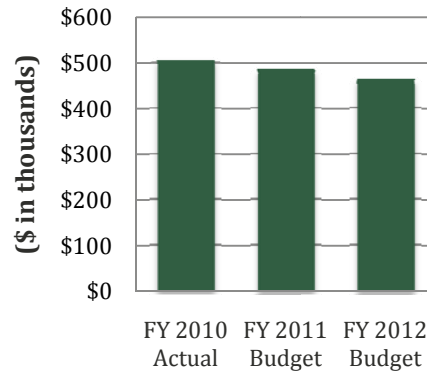
RESPONSIBILITIES

- Coordinate Authority Board and committee meeting logistics and planning (including details of locations, schedules, agendas, correspondence, creation of resolution and minutes, and follow up to the Board, management, and staff) while supporting the CEO on a variety of matters in advance of meetings to ensure effective communication to all involved
- Coordinate Freedom of Information Act (FOIA) compliance activities by working with appropriate divisions to provide the required documents within prescribed deadlines
- Manage administrative support to advance a professional image to our internal and external customers including front desk reception, incoming phone call distribution, providing information to callers, and as-needed clerical support to all divisions
- Organize and/or facilitate special activities/events at the request of the CEO (e.g., charity activities, Red Cross blood drive)
- Facilitate the collection and reporting of disclosure statements in accordance with the Authority's Ethics Ordinance

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

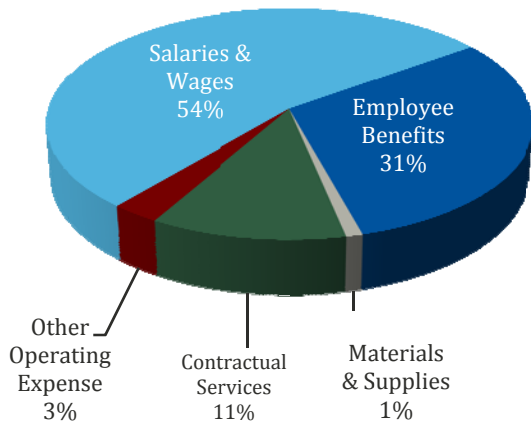
(\$ in thousands)	Authority Affairs				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 226	\$ 227	\$ 192	\$ (35)	- 15.3%
Employee Benefits	166	143	109	(34)	- 23.8%
Materials & Supplies	56	79	72	(8)	- 9.7%
Contractual Services	6	1	12	12	2360.0%
Equipment Repair	2	1	2	0	36.4%
Other Operating Expense	<u>50</u>	<u>35</u>	<u>77</u>	<u>42</u>	<u>118.1%</u>
Total Operating Expenses	\$ 506	\$ 486	\$ 463	\$ (23)	-4.6%
<i>Total may not sum due to rounding.</i>					
Funded Full Time Employees	4	4	4	-	0.0%

Purchasing

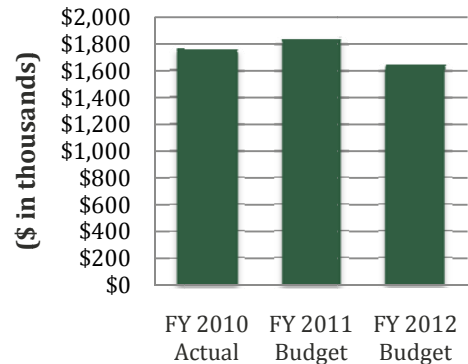
RESPONSIBILITIES

- Acquire goods and services by competitive solicitation and approved exceptions for the Authority in compliance with Authority ordinances, policies and procedures, and federal and state laws and regulations
- Develop and participate in outreach activities to expand the Authority's vendor base and communicate business opportunities
- Manage approval, execution, and distribution processes of CEO and Board approved contracts and amendments in compliance with Authority ordinances and other legal requirements
- Manage the Authority's official contract library; ensure ongoing compliance with contractual requirements, including insurance and performance guarantees
- Manage the Authority's Disadvantaged Business Enterprise (DBE) Program, Small Business Enterprise (SBE) Program, and any other targeted business program in compliance with all applicable laws
- Monitor compliance with Davis-Bacon Act wage requirements for federally-funded contracts
- Facilitate the disposal of the Authority's surplus property and equipment
- Develop, maintain, and enforce the Authority's records retention and disposal policy

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Purchasing				FY 2011 to FY 2012 Change	
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 1,019	\$ 1,065	\$ 889	\$ (176)	- 16.5%	
Employee Benefits	676	664	507	(156)	- 23.6%	
Materials & Supplies	17	19	16	(3)	- 16.6%	
Contractual Services	23	53	191	138	259.4%	
Other Operating Expense	32	40	47	7	18.3%	
Total Operating Expenses	\$ 1,767	\$ 1,841	\$ 1,650	\$ (191)	-10.4%	

Total may not sum due to rounding.

Funded Full Time Employees	17	17	17	-	0.0%
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BUDGET ISSUES/CAUSE OF CHANGE

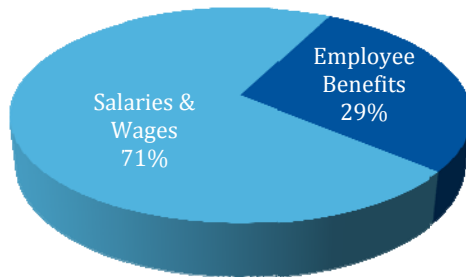
Purchasing and Business Diversity functions will be one of the first of several Divisions to participate in a business process re-engineering study in 2012. The budget reflects a preliminary target that reduced expenses through staff reductions. Smart sourcing of some services is also budgeted in Contractual Services with an overall savings in the Division.

Strategy Management

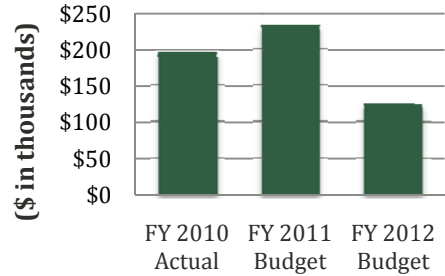
RESPONSIBILITIES

- Develop, promote, and guide the overall management of the Authority's strategic plan
- Plan and manage the Authority's Balanced Scorecard
- Leads in development and implementation of the Authority's annual business planning process, including the alignment of Business Unit initiatives with the Authority's strategic plan
- Manage the Authority's internal and external customer satisfaction survey function
- Assess internal processes and conduct benchmarking/best practice studies to improve the Authority's operations

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Strategy Management					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 77	\$ 109	\$ 90	\$ (20)	- 17.9%	
Employee Benefits	59	66	36	(30)	- 45.8%	
Materials & Supplies	1	3	-	(3)	- 100.0%	
Contractual Services	46	50	-	(50)	- 100.0%	
Other Operating Expense	13	5	-	(5)	- 100.0%	
Total Operating Expenses	\$ 195	\$ 232	\$ 125	\$ (107)	-46.0%	

Total may not sum due to rounding.

Funded Full Time Employees	1	1	1	-	0.0%
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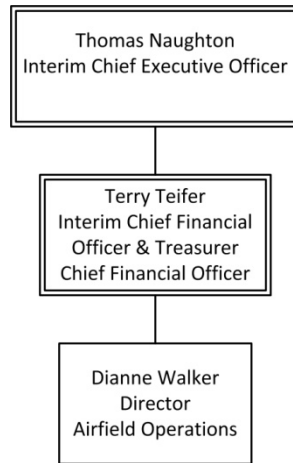
BUDGET ISSUES/CAUSE OF CHANGE

The functions of Strategy Management will be absorbed in other areas of the organization. The fiscal 2012 budget reflects this change, but not in its entirety due to timing of the transfer of responsibility.

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Airfield Operations

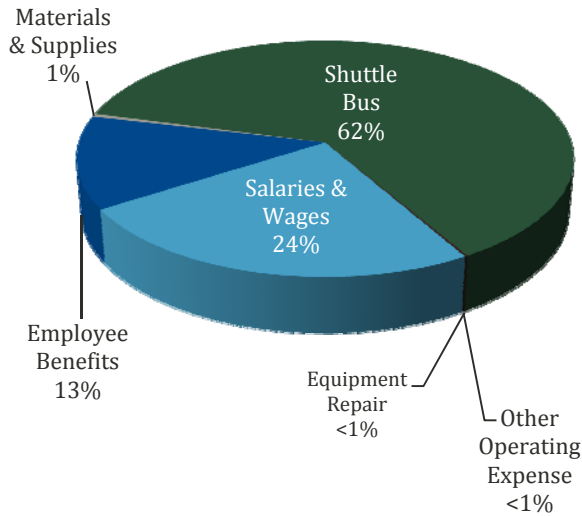
Airfield Operations is responsible for administering a safe airfield operating environment, maintaining the Authority's Operating Certificate through compliance with and enforcement of FAR Part 139, coordinating emergency response activities, enforcing FAA rules and regulations, coordinating North Terminal common use gates, and managing the Authority's shuttle services contract (employee parking, customer parking, and intra-terminal transportation).



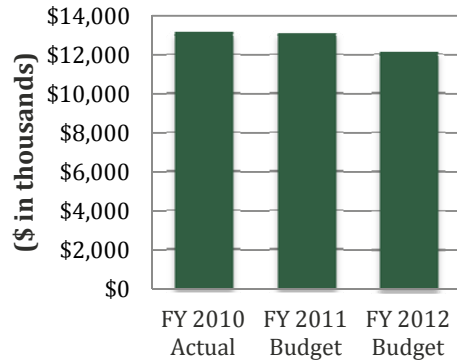
RESPONSIBILITIES

- Ensure compliance with FAR Part 139 through effective enforcement, reporting, planning, and education
- Perform daily Aircraft Operations Area (AOA) inspections, including monitoring of airfield pavement, lighting, signage, tenant areas, perimeter, FAR Part 77 construction activities, and aircraft run-up compliance
- Manage airfield capacity and coordinate airfield maintenance activities
- Monitor, communicate, and coordinate dispatch response activities
- Inform air carriers, FAA Air Traffic Control (ATC), and Terminal Radar Approach Control (TRACON) about airfield conditions through publication of Notices to Airmen (NOTAMs) and other advisories
- Process contractor, vendor, and tenant vehicle permit and access requests (including training) for AOA access
- Manage the Authority's shuttle services contract which includes employee parking, customer parking, and intra-terminal transportation

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Airfield Operations					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 2,763	\$ 2,902	\$ 2,939	\$ 37	1.3%	
Employee Benefits	1,835	1,635	1,537	(99)	- 6.0%	
Materials & Supplies	33	56	51	(6)	- 10.5%	
Shuttle Bus	8,495	8,500	7,538	(963)	- 11.3%	
Equipment Repair	3	5	5	-	0.0%	
Other Operating Expense	9	16	13	(3)	- 17.2%	
Total Operating Expenses	\$ 13,139	\$ 13,114	\$ 12,082	\$ (1,032)	-7.9%	

Total may not sum due to rounding.

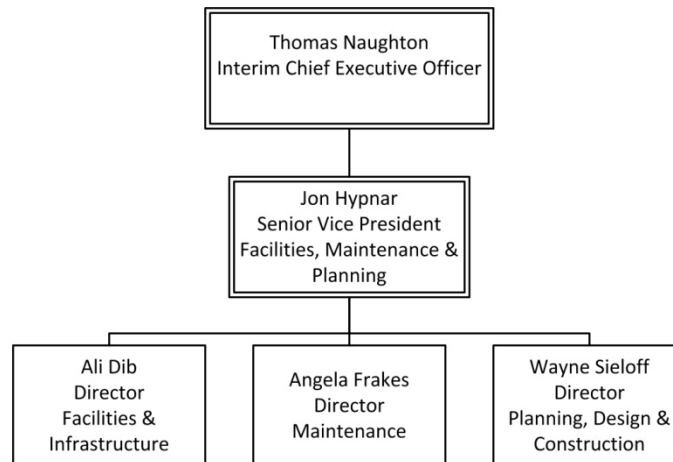
Funded Full Time Employees	44	44	44	-	0.0%
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BUDGET ISSUES/CAUSE OF CHANGE

In 2012, management of Shuttle Services is being transferred to the Division of Landside Services. The reduction in Shuttle Bus expense is primarily due to the timing effect of the transfer of responsibility. Total Shuttle Bus costs are budgeted in 2012 at \$8.3M.

Facilities, Maintenance & Planning

The Facilities, Maintenance and Planning Department is responsible for overall Airport maintenance; planning design and construction; and environmental, facilities and infrastructure management including operation of the North Terminal Complex Power House.



Facilities & Infrastructure is responsible for fulfilling facility and infrastructure management service needs (e.g., preparing lease exhibits, managing the water distribution system, maintenance of parking decks); providing heating, cooling, ventilation, and power distribution to airport users; and ensuring compliance with permits and regulations for stormwater management, air emissions, waste storage and disposal, hazardous materials, wetland and endangered flora management, and wildlife standards.

Facilities, Field & Fleet Maintenance is responsible for ensuring the Detroit Metro Airport airfield, landside grounds, and Authority buildings and property are clean, safe, and compliant with federal, state, and local standards by maintaining signage for a safe traverse of the airfield, roadways, and facilities; delivering core trades services (e.g., electrical, plumbing, carpentry, painting); and maintaining the Authority's vehicles and equipment.

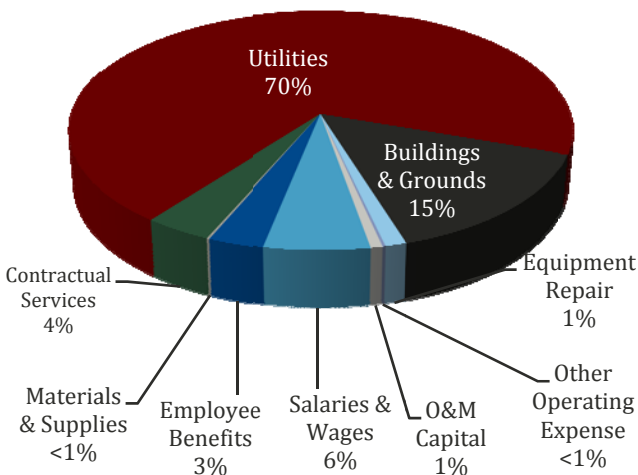
Planning, Design & Construction is responsible for providing oversight, management, and services required to plan, design, construct and/or improve facilities and other infrastructure at Detroit Metro and Willow Run Airports.

Facilities & Infrastructure

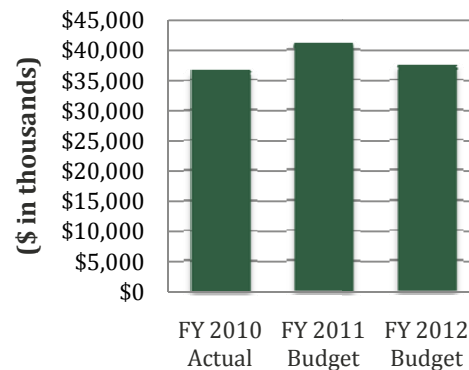
RESPONSIBILITIES

- Monitor utility resource distribution network, access, and consumption including the Authority’s drinking water, natural gas and electrical distribution systems; procure and sell utility commodities; and ensure reliability and compliance with all utility-related codes and regulations
- Manage airfield pavement, lighting, signage, roads, and bridge infrastructure; ensure inspections and pavement condition index are completed and results provided to governing agencies in a timely manner
- Manage property/facility space assignments and infrastructure assets, including wayfinding signage design and management
- Maintain Detroit Metro and Willow Run airports’ infrastructure record drawings and specifications
- Manage the stormwater system in compliance with federal Natural Pollutant Discharge Elimination System (NPDES) permits
- Oversee environmental activities including de-icing fluid collection, recycling, and disposal; hazardous material testing and abatement; wetlands mitigation; air quality permits management; and oversight of Metro Airport’s wildlife management plan

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Facilities & Infrastructure					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 2,226	\$ 2,240	\$ 2,228	\$ (11)	- 0.5%	
Employee Benefits	1,472	1,334	1,203	(130)	- 9.8%	
Materials & Supplies	78	72	60	(13)	- 17.4%	
Contractual Services	1,530	1,714	1,428	(286)	- 16.7%	
Utilities	25,447	27,237	26,237	(1,000)	- 3.7%	
Buildings & Grounds	5,323	6,592	5,568	(1,024)	- 15.5%	
Equipment Repair	429	446	449	4	0.8%	
Other Operating Expense	55	57	65	8	13.7%	
O&M Capital	-	1,408	250	(1,158)	- 82.2%	
Total Operating Expenses	\$ 36,559	\$ 41,099	\$ 37,489	\$ (3,610)	-8.8%	

Total may not sum due to rounding.

Funded Full Time Employees	27	30	31	1	3.3%
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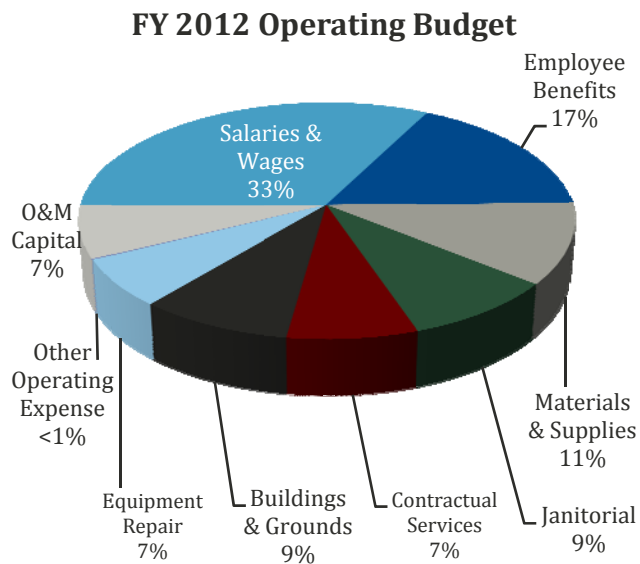
BUDGET ISSUES/CAUSE OF CHANGE

- Fiscal Year 2011 included several contracted projects for engineering and survey services as part of the Authority's five-year capital asset maintenance plan. These one-time projects were eliminated from the fiscal 2012 Contractual Services budget.
- Utilities costs illustrated on the financial schedule include utility costs for the entire airport. The utility budget for fiscal 2012 reflects current trends in consumption and rates. Year-over-year, budgetary savings are \$1 million.
- Funds budgeted in Buildings & Grounds for indefinite quantity airfield slab replacements were reduced from \$1.5 million to \$500,000.
- The fiscal 2011 budget included funding for two significant capital projects: Rogell Drive realignment and bridge reconstruction. These one-time expenses were removed from the Fiscal Year 2012 Budget.

Facilities, Field & Fleet Maintenance

RESPONSIBILITIES

- Perform building maintenance, including plumbing infrastructure, painting services, interior electrical systems, exterior electrical systems (e.g., parking lots/decks, roadways, airfield lighting), and carpentry work
- Fabricate, install, and maintain signage on the airfield and roadways, in the terminals, and in administration buildings
- Manage major service internal building contracts (e.g. elevator/escalator repair, janitorial) and exterior service contracts (e.g. snow removal, pavement repair, landscaping)
- Maintain, and repair power plant and heating, ventilation, and air conditioning (HVAC) equipment on Authority property
- Manage equipment repair services; prepare new equipment and vehicles for users
- Ensure FAR Part 139 compliance through management of field maintenance services
- Maintain airfield, roadway, and non-revenue parking lots, including the repair of pavement and fences



DIVISION BUDGET

(\$ in thousands)	Facilities, Field & Fleet Maintenance				
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change	
	Actual	Budget	Budget	\$	%
Operating Expenses					
Salaries & Wages	\$ 10,429	\$ 10,869	\$ 10,933	\$ 65	0.6%
Employee Benefits	6,741	6,328	5,757	(572)	- 9.0%
Materials & Supplies	1,856	3,098	3,707	609	19.7%
Janitorial	2,843	2,902	3,025	122	4.2%
Contractual Services	2,172	3,146	2,509	(637)	- 20.2%
Buildings & Grounds	7,023	3,383	2,967	(416)	- 12.3%
Equipment Repair	1,984	2,155	2,180	26	1.2%
Other Operating Expense	34	29	50	21	70.4%
O&M Capital	1,032	3,033	2,444	(589)	- 19.4%
Total Operating Expenses	\$ 34,114	\$ 34,943	\$ 33,572	\$ (1,371)	-3.9%

Total may not sum due to rounding.

Funded Full Time Employees	176	173	175	2	1.2%
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BUDGET ISSUES/CAUSE OF CHANGE

- The Materials and Supplies budget includes expenses for deicing fluid, gasoline and diesel fuel all which are projected to increase in cost.
- Budgeted funds for contracted snow removal services were reduced from \$2.6 million in fiscal 2011 to \$2 million in fiscal 2012, a decrease of \$634,000. Based on a five-year average snow fall, ice events and current contractual rates, the base budget for snow removal was \$3 million. In total, the goal is to save \$1 million through restructuring snow removal plans.
- The Authority's five-year fleet plan called for \$3.6 million of vehicle and heavy equipment acquisitions in fiscal 2012. O&M Capital funding was reduced by \$1.5 million by financing a portion of the plan for equipment with a useful life greater than 10 years.

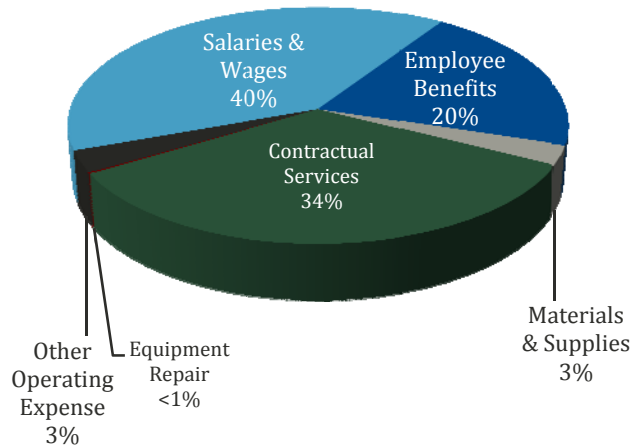
Planning, Design & Construction**RESPONSIBILITIES**

- Development and implementation of the Authority's Capital Improvement Program (CIP)
- Manage project planning, design, and construction phases including environmental testing, bidding, contract award, and project initiation processes
- Administer engineering and construction contracts
- Provide construction oversight, inspection and material testing
- Develop and guide the implementation of the Airport Master Plan

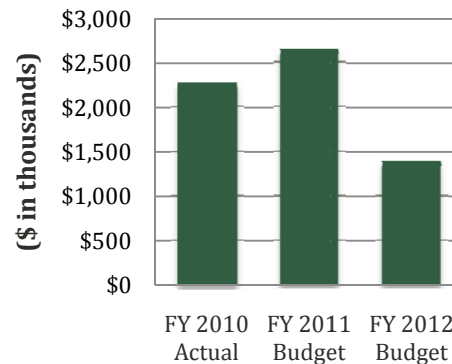
Facilities, Maintenance & Planning

- Issue construction and alteration (C/A) permits for acceptable tenant projects; review compliance with applicable requirements
- Develop, maintain, and ensure compliance with Authority standards for construction and development

FY 2012 Operating Budget



Total Operating Expenses FY 2010 to FY 2012



DIVISION BUDGET

(\$ in thousands)	Planning, Design & Construction					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 1,217	\$ 1,333	\$ 554	\$ (780)	- 58.5%	
Employee Benefits	797	789	286	(503)	- 63.8%	
Materials & Supplies	26	26	37	11	44.4%	
Contractual Services	214	470	469	(1)	- 0.1%	
Equipment Repair	3	2	2	-	0.0%	
Other Operating Expense	9	25	41	16	66.1%	
Total Operating Expenses	\$ 2,267	\$ 2,644	\$ 1,389	\$ (1,256)	-47.5%	

Total may not sum due to rounding.

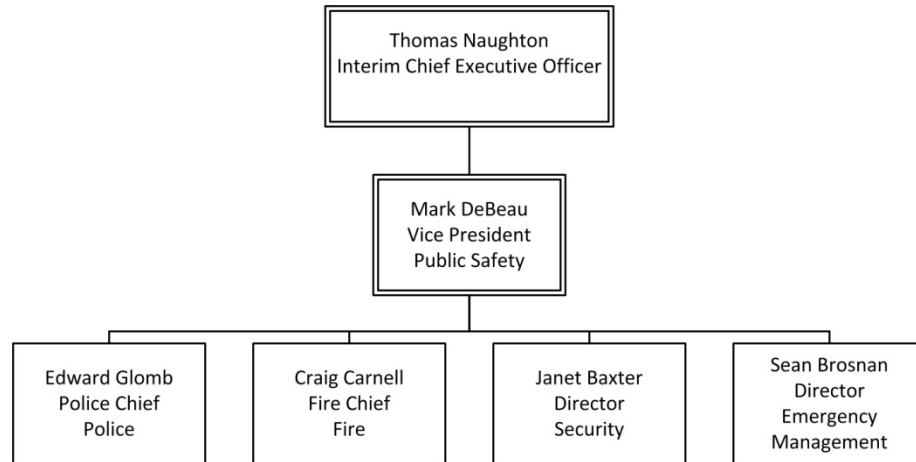
Funded Full Time Employees	16	19	20	1	5.3%
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BUDGET ISSUES/CAUSE OF CHANGE

As part of finance restructuring of costs, the costs associated with the Planning, Design & Construction group that are responsible solely for the Capital Improvement Plan (5-year CIP) projects will be charged to the projects and therefore, funded through capital funding and will not be part of the Operations and Maintenance (O&M) budget. This is a common practice at other airports.

Public Safety Department

Public Safety is responsible for providing for the safety and security of all airport users and their property and for preserving Authority assets through police, fire and aircraft rescue, security, emergency medical, dispatch, and emergency management personnel.



Police is responsible for ensuring the safety and protection of the Detroit Metro Airport community through professional law enforcement and public service and providing professional police, fire, and emergency management dispatch services in order to ensure safety, protection, and efficient and effective communications.

Security is responsible for the safe and efficient movement of authorized individuals and vehicles into restricted areas of Metro Airport while maintaining compliance with Federal regulations and the Authority security program.

Fire is responsible for delivering aircraft rescue/firefighting, structural fire suppression, fire prevention, emergency medical services, and public education to the public and business community in order to maintain the safest environment possible for the traveling public, contracted parties, and Authority employees.

Emergency Management is responsible for providing the highest level of emergency preparedness, planning, response, and recovery for the Detroit Metro and Willow Run airports, other government entities, public and private sector employees, and the traveling public. Specific duties include soliciting grants/funding to support emergency management efforts and serving as a liaison between the Authority, the Airport community, and other regional communities for emergency preparedness, training activities, and related events.

DIVISION BUDGET

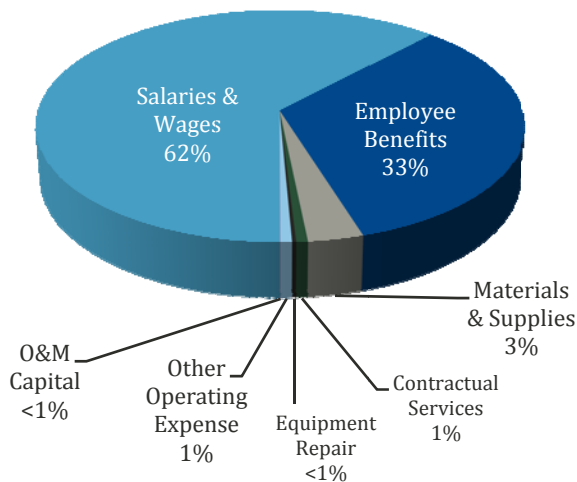
Public Safety Administration						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 449	\$ 436	\$ 440	\$ 4	0.8%	
Employee Benefits	319	278	254	(24)	- 8.8%	
Materials & Supplies	39	25	27	3	10.2%	
Other Operating Expense	9	17	13	(4)	- 21.0%	
Total Operating Expenses	\$ 816	\$ 756	\$ 734	\$ (22)	-2.9%	
<i>Total may not sum due to rounding.</i>						
Funded Full Time Employees	5	5	5	-	0.0%	

Police

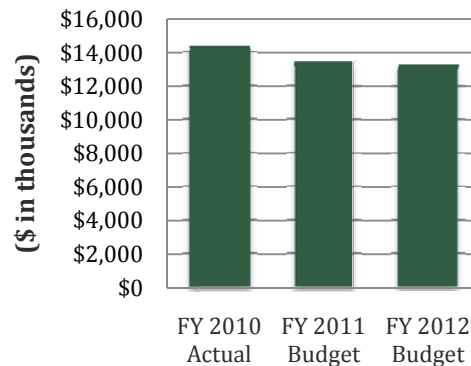
RESPONSIBILITIES

- ➔ Ensure the safety and protection of the Detroit Metro Airport community through professional law enforcement and public service
- ➔ Provide professional police, fire, and emergency management dispatch services in order to ensure safety, protection, and efficient and effective communications for the Authority community

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Police				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 8,267	\$ 7,977	\$ 8,243	\$ 266	3.3%
Employee Benefits	5,281	4,769	4,429	(340)	- 7.1%
Materials & Supplies	360	489	429	(61)	- 12.4%
Contractual Services	35	40	89	49	123.6%
Buildings & Grounds	2	-	-	-	n/a
Equipment Repair	4	32	31	(1)	- 2.5%
Other Operating Expense	70	116	87	(28)	- 24.6%
O&M Capital	312	-	7	7	n/a
Total Operating Expenses	\$ 14,330	\$ 13,423	\$ 13,315	\$ (108)	-0.8%

Total may not sum due to rounding.

Funded Full Time Employees	112	112	113	1	0.9%
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BUDGET ISSUES/CAUSE OF CHANGE

The increase of one position, a police officer, is funded by a public safety grant.

Security**RESPONSIBILITIES**

- Enforce security rules and regulations in restricted areas (e.g., monitor/ respond to access control issues 24x7, patrol by Authority staff, checkpoint management by contracted guards)
- Control access to secured areas through effective management of the airport badging system (including credential checks, security checks, and controlling accountability for all IDs)
- Maintain compliance with Code of Federal Regulations (CFR) 1542, Airport security plan, and rules and regulations



DIVISION BUDGET

(\$ in thousands)	Security				
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	FY 2011 to FY 2012 Change	
				\$	%
Operating Expenses					
Salaries & Wages	\$ 1,414	\$ 1,479	\$ 1,580	\$ 102	6.9%
Employee Benefits	936	866	840	(27)	-3.1%
Materials & Supplies	87	110	116	7	6.0%
Security	2,293	2,660	2,524	(136)	-5.1%
Contractual Services	151	222	236	14	6.3%
Equipment Repair	1,198	1,231	1,217	(14)	-1.1%
Other Operating Expense	599	604	603	(1)	-0.2%
O&M Capital	69	-	-	-	n/a
Total Operating Expenses	\$ 6,747	\$ 7,172	\$ 7,116	\$ (56)	-0.8%

Total may not sum due to rounding.

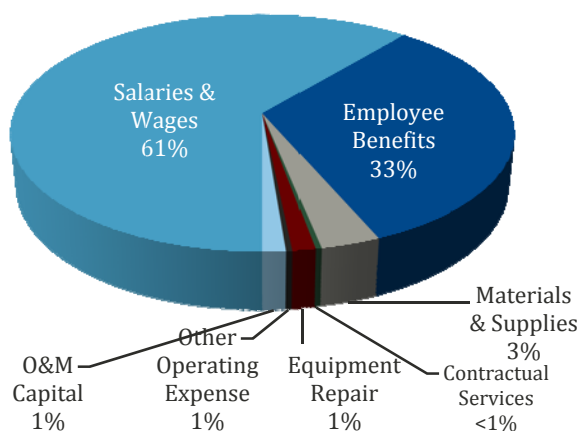
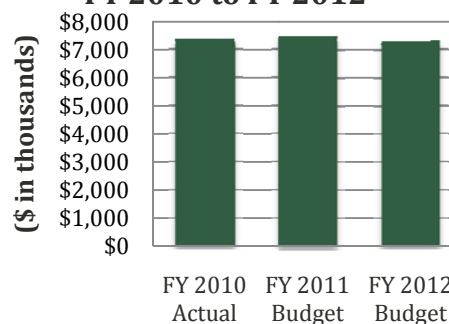
Funded Full Time Employees	27	29	29	-	0.0%
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Fire

RESPONSIBILITIES

- ➔ Provide airport rescue and fire fighting (ARFF) and emergency medical services (EMS)
- ➔ Coordinate and implement fire inspection and prevention program services
- ➔ Coordinate fire/rescue/EMS training activities that pertain to FAR Part 139 and State of Michigan Department of Consumer Industrial Services

FY 2012 Operating Budget

Total Operating Expenses
FY 2010 to FY 2012

DIVISION BUDGET

(\$ in thousands)	Fire					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 4,411	\$ 4,480	\$ 4,471	\$ (8)	- 0.2%	
Employee Benefits	2,651	2,618	2,389	(229)	- 8.8%	
Materials & Supplies	166	233	239	6	2.6%	
Contractual Services	16	18	24	7	37.1%	
Equipment Repair	59	84	90	6	7.5%	
Other Operating Expense	13	41	25	(16)	- 39.8%	
O&M Capital	49	35	93	58	166.3%	
Total Operating Expenses	\$ 7,365	\$ 7,508	\$ 7,331	\$ (177)	- 2.4%	

Total may not sum due to rounding.

Funded Full Time Employees	60	60	60	-	0.0%
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BUDGET ISSUES/CAUSE OF CHANGE

The Fiscal Year 2012 Budget funds the capital acquisition of a roll-call on-line video conference system and Self Contained Breathing Apparatus (SCUBA) replacement gear.

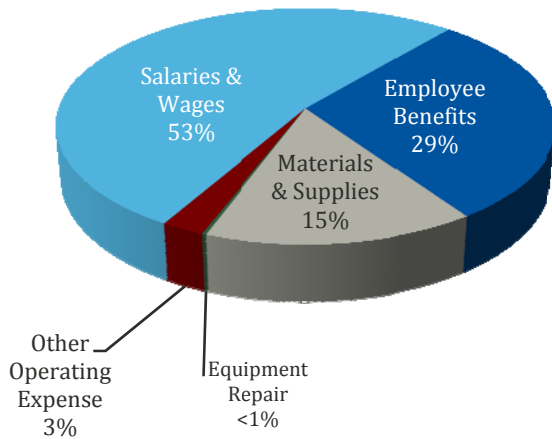
Emergency Management

RESPONSIBILITIES

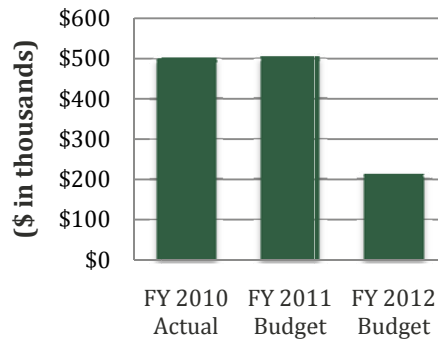
- Administer the Authority's emergency management response to "all hazards"
- Ensure that the Authority's emergency plans meet local, state, and federal regulations
- Solicit grants/funding to support emergency management and other Authority programs

- Act as a liaison with the airport community for emergency preparedness and training, and related event activities
- Provide the airport community with emergency preparedness training in compliance with FAR Part 139 and TSA part 1542
- Represent the Authority on local, regional, and state emergency management and/or homeland security committees, boards, etc. as appropriate

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

Emergency Management						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 285	\$ 287	\$ 113	\$ (174)	- 60.7%	
Employee Benefits	206	181	63	(118)	- 65.4%	
Materials & Supplies	7	31	33	2	5.1%	
Equipment Repair	-	-	1	1	n/a	
Other Operating Expense	3	6	5	(1)	- 18.8%	
Total Operating Expenses	\$ 502	\$ 506	\$ 214	\$ (292)	-57.7%	

Total may not sum due to rounding.

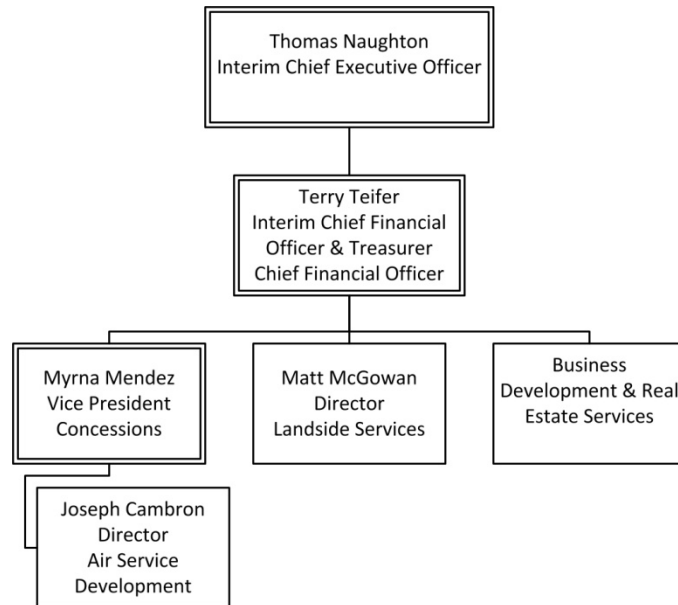
Funded Full Time Employees	3	3	3	-	0.0%
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BUDGET ISSUES/CAUSE OF CHANGE

The functions of Emergency Management will be absorbed in other areas of the organization. The fiscal 2012 budget reflects this change, but not in its entirety due to timing of the transfer of responsibility.

Business Development

Business Development Department is responsible for planning, organizing, and managing all non-airline revenue-generating functions and consists of four functional Divisions.



Concessions is responsible for delivering a variety of services to the traveling public, airlines, and visitors (including food, beverage, retail, duty-free, car rental, in-flight kitchen, and fixed-based operator services) as well as overseeing the design of new and existing venues, managing all related construction and contractual obligations, conducting plan reviews of renovations, and monitoring and evaluating existing concession performance.

Landside Services is responsible for delivering on-airport parking and ground transportation services to airport patrons through overseeing Detroit Metro Airport's parking contractor, managing the airport's parking facilities, and enforcing ground transportation customer service standards.

Air Service Development is responsible for improving air service through the development and implementation of research, marketing, and media outreach programs.

Real Estate Services manages airline and commercial real estate, collectively responsible for maximizing the utilization of airport property to increase revenues.

BUSINESS DEVELOPMENT ADMINISTRATION DIVISION BUDGET

(\$ in thousands)	Business Development Administration					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 650	\$ 236	\$ 364	\$ 128	54.3%	
Employee Benefits	254	137	206	69	50.3%	
Materials & Supplies	5	10	-	(10)	- 100.0%	
Contractual Services	-	-	1,950	1,950	n/a	
Other Operating Expense	33	57	-	(57)	- 100.0%	
Total Operating Expenses	\$ 942	\$ 440	\$ 2,520	\$ 2,081	473.1%	

Total may not sum due to rounding.

Funded Full Time Employees	6	2	4	2	100.0%
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BUDGET ISSUES/CAUSE OF CHANGE

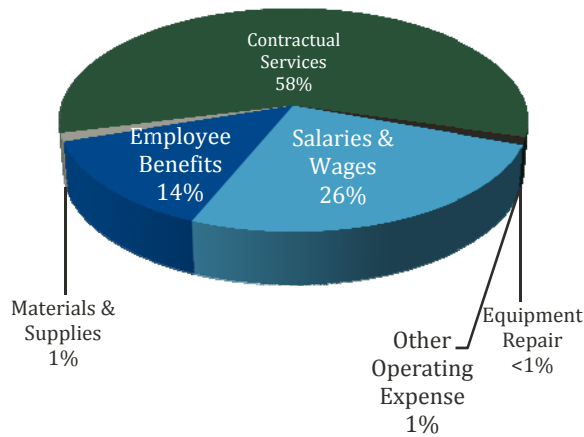
The Business Development Administration budget includes a \$2 million initiative for airport cargo and real estate development.

Concessions

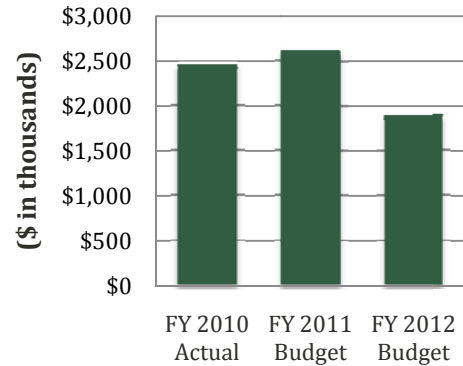
RESPONSIBILITIES

- Ensure that all venues open for business comply with design/construction code requirements and Federal Food Code through plan reviews, monitoring, and enforcement
- Maximize the quality of goods and services delivered by concessionaires through site reviews, review of concessionaires' monthly operating statements, venue comparisons, merchandising adjustments, and "re-concepting" of venues
- Conduct mystery shopper survey program, review findings, and use the results for quality and customer service improvements
- Administer the market basket and benchmark surveys, report findings to concessionaires, and either correct or implement adjustments
- Facilitate completion of concessionaire venues by tracking/monitoring the design, permit, and construction schedules
- Market the concession program to internal and external audience to enhance Detroit Metro Airport's revenue stream and industry-wide image

FY 2012 Operating Budget



Total Operating Expenses FY 2010 to FY 2012



DIVISION BUDGET

(\$ in thousands)	Concessions					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 531	\$ 536	\$ 488	\$ (48)	- 9.0%	
Employee Benefits	372	318	261	(57)	- 18.1%	
Materials & Supplies	8	24	23	(1)	- 4.2%	
Contractual Services	1,762	1,727	1,108	(619)	- 35.8%	
Equipment Repair	-	1	1	-	0.0%	
Other Operating Expense	(211)	20	20	-	0.0%	
Total Operating Expenses	\$ 2,462	\$ 2,626	\$ 1,901	\$ (725)	-27.6%	
Funded Full Time Employees	6	6	6	-	0.0%	

Total may not sum due to rounding.

BUDGET ISSUES/CAUSE OF CHANGE

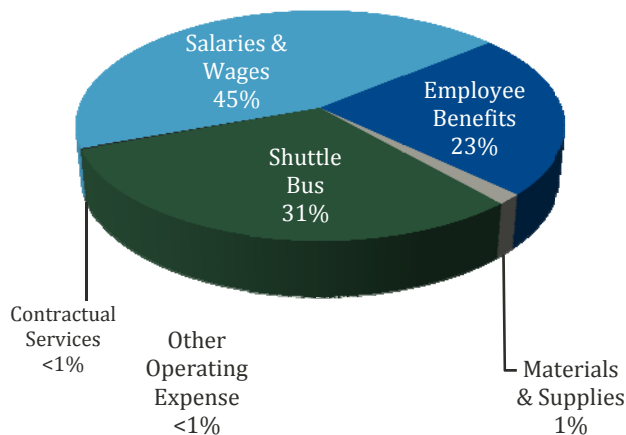
The decrease in Contractual Services is due to the elimination of complementary luggage carts (SmartCarte) for international passengers in the North and South Terminals.

Landside Services

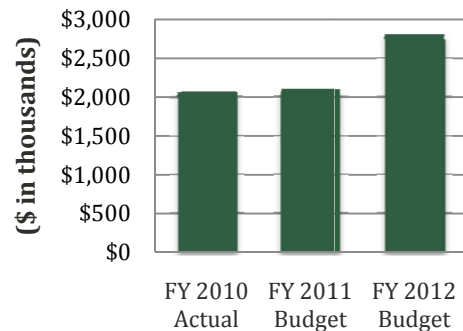
RESPONSIBILITIES

- Oversee financial and operational performance of the parking contractor and parking operation, including financial and operational planning, customer service improvements, marketing enhancements, and annual performance audit
- Manage commercial vehicle access program, including limousines, taxicabs, rental car shuttle buses
- Facilitate high quality parking and commercial vehicle access facilities and amenities, including curbside, informational/directional signage, lighting, and roadway improvements

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Landside				FY 2011 to FY 2012 Change	
	FY 2010 Actual	FY 2011 Budget	FY 2012 Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 1,246	\$ 1,274	\$ 1,249	\$ (26)	- 2.0%	
Employee Benefits	787	748	651	(97)	- 12.9%	
Materials & Supplies	29	62	41	(21)	- 33.3%	
Shuttle Bus	-	-	863	863	n/a	
Contractual Services	-	12	-	(12)	- 100.0%	
Other Operating Expense	4	5	5	-	0.0%	
Total Operating Expenses	\$ 2,066	\$ 2,100	\$ 2,808	\$ 708	33.7%	

Total may not sum due to rounding.

Funded Full Time Employees	22	23	23	-	0.0%
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BUDGET ISSUES/CAUSE OF CHANGE

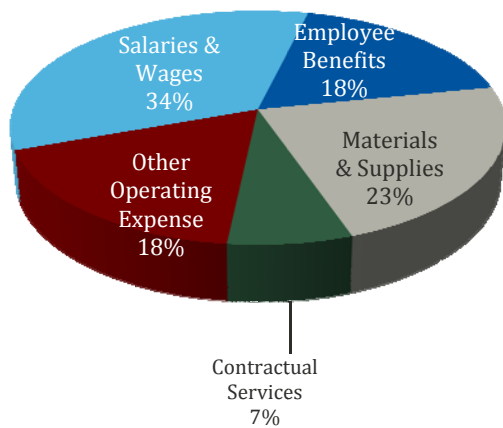
In 2012, management of Shuttle Services is being transferred from the Airfield Operations Division to the Division of Landside Services. The increase in Shuttle Bus expense is primarily due to the timing effect of the transfer of responsibility. Total Shuttle Bus costs are budgeted in 2012 at \$8.3M.

Air Service Development

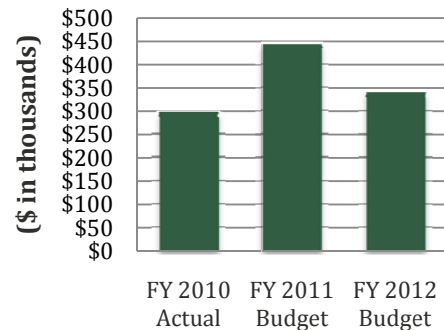
RESPONSIBILITIES

- Develop and/or maintain air service development and marketing strategies for Detroit Metro Airport
- Analyze aviation industry data and trends resulting in recommendations for new and/or improved air service
- Identify positive air service trends that can be used to enhance Detroit Metro Airport's image in the local community and with connecting passengers

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

(\$ in thousands)	Air Service Development					
	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 118	\$ 117	\$ 117	\$ -	0.0%	
Employee Benefits	85	68	62	(7)	- 10.1%	
Materials & Supplies	37	78	78	-	0.0%	
Contractual Services	1	124	24	(100)	- 80.6%	
Other Operating Expense	<u>56</u>	<u>57</u>	<u>60</u>	<u>4</u>	<u>6.7%</u>	
Total Operating Expenses	\$ 297	\$ 444	\$ 340	\$ (103)	-23.2%	

Total may not sum due to rounding.

Funded Full Time Employees	1	1	1	-	0.0%
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BUDGET ISSUES/CAUSE OF CHANGE

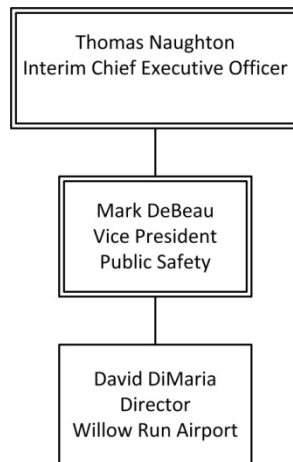
The Cargo Development Initiative in Contractual Services was transferred to the Business Development Administration Division.

Willow Run Airport

Managed by the Wayne County Airport Authority, Willow Run Airport is located seven miles west of Detroit Metro Airport. Occupying 2,600 acres, Willow Run serves cargo, corporate, and general aviation clients. The airport offers four runways, 24-hour FAA Tower, and U.S. customs operations, to provide ease of access for its users. Willow Run's runways include ILS all-weather and crosswind runways. The airport accommodates small private planes, as well as international 747 cargo jets. Cargo, corporate, and general aviation clients prefer Willow Run, as it provides the advantages of a large airport and the conveniences of a small one.

In its National Plan of Airport Systems (NPIAS), the FAA classifies the airport as a reliever. Reliever airports are high-capacity general aviation airports in major metropolitan areas that provide an alternative to more congested commercial service airports. There are 260 airports listed in the NPIAS.

Willow Run Airport handles over 64,000 operations per year. Approximately 260 million pounds of cargo are transferred through the airport annually, making Willow Run the third largest airport in the State of Michigan.

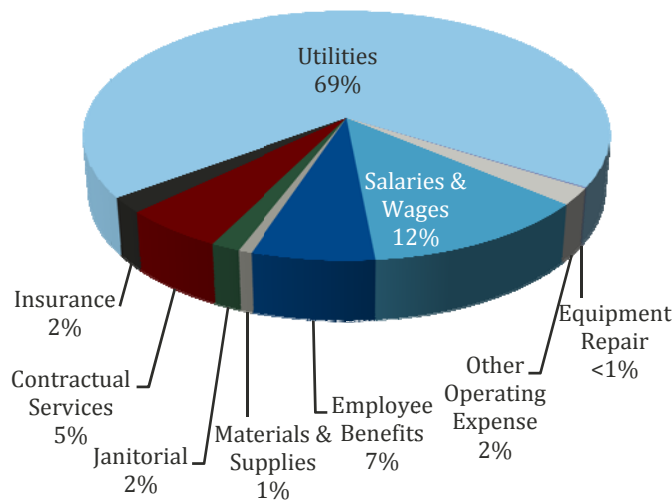


Willow Run Administration

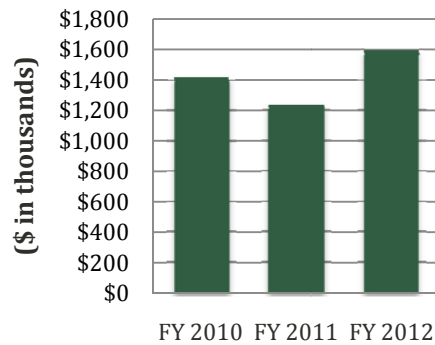
RESPONSIBILITIES

- Deliver Operations, Maintenance, and Public Safety services to ensure a safe and secure operation
- Manage the airport's business affairs, including finance, data collection, leases, procurement, billings, and receivables
- Participates in the development and implementation of Willow Run's Capital Improvement Program, including grant development, plan reviews, construction oversight, master plan updates, and environmental assessments
- Expand the marketing reach of airport facilities and services
- Address all FAA Part 139 Letter Of Correction (LOC) items to be completed by Willow Run Airport within FAA's required time frame

FY 2012 Operating Budget



**Total Operating Expenses
FY 2010 to FY 2012**



DIVISION BUDGET

Willow Run Administration						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 193	\$ 196	\$ 197	\$ 1	0.7%	
Employee Benefits	133	117	106	(11)	- 9.7%	
Materials & Supplies	18	16	12	(4)	- 25.0%	
Janitorial	16	20	25	5	25.0%	
Contractual Services	38	78	88	10	12.2%	
Insurance	37	32	32	-	0.0%	
Utilities	899	725	1,100	375	51.7%	
Equipment Repair	-	5	3	(3)	- 50.0%	
Other Operating Expense	86	44	35	(9)	- 20.9%	
Total Operating Expenses	\$ 1,422	\$ 1,233	\$ 1,597	\$ 364	29.5%	

Total may not sum due to rounding

Funded Full Time Employees	3	3	3	-	0.0%
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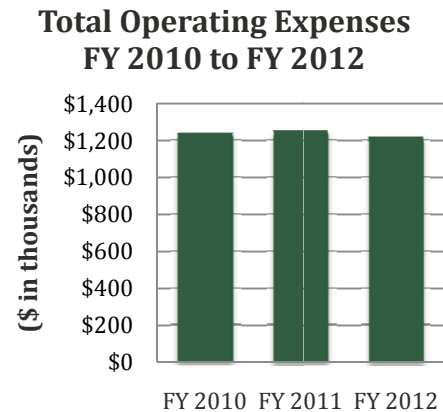
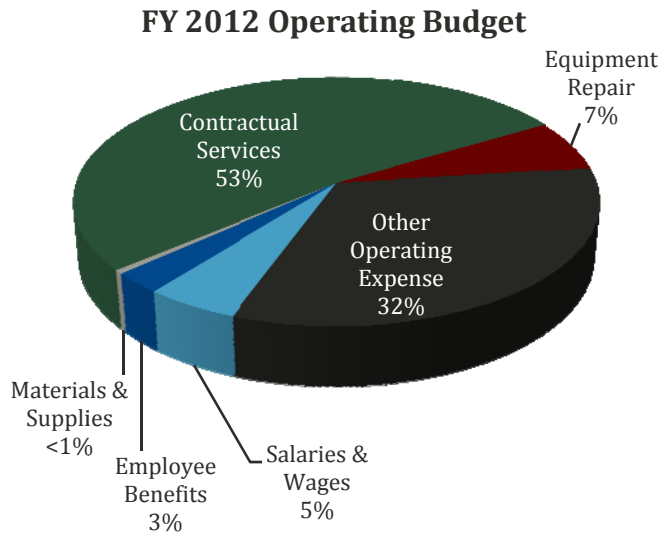
BUDGET ISSUES/CAUSE OF CHANGE

Utilities have increased dramatically due to inability to continue purchasing steam from a General Motors facility located in close proximity to Willow Run Airport. The additional costs are the result of producing steam in-house along with the added electricity expenses necessary for steam production.

Willow Run Operations**RESPONSIBILITIES**

- Ensure the safety and protection of Willow Run properties through crime prevention, enforcement of laws, recovery of lost or stolen property, facilitation of the safe and efficient movement of vehicular and pedestrian traffic, and support and enforcement of all appropriate related regulations
- Provide fire suppression and emergency medical services to all airlines, tenants, employees, and passengers
- Ensure the safety, security, and protection of the traveling public and Willow Run community through the enforcement of all applicable federal and Airport rules and procedures
- Perform U.S. Customs inspections of inbound and outbound international aircraft
- Respond to incidents and emergencies (e.g. fire, security, snow removal, construction, special occasions, and dignitary details)
- Perform daily AOA inspections, including monitoring and condition reporting of airfield pavement, lighting, signage, perimeter, and tenant areas

- Inform air carriers, FAA, and ATC about airfield conditions through publication of Notices to Airmen (NOTAMs)
- Administer restricted area access privileges, issue credentials, and provide security and driver's training for all internal and external customers requiring AOA access
- Respond to incidents and emergencies (e.g., aircraft emergencies/crashes, fire, security, snow removal, and wildlife mitigation)
- Ensure compliance of Transportation Security Administration (TSA) Part 1542 (Airport Security) for cargo airports



DIVISION BUDGET

Willow Run Operations						
(\$ in thousands)	FY 2010	FY 2011	FY 2012	FY 2011 to FY 2012 Change		
	Actual	Budget	Budget	\$	%	
Operating Expenses						
Salaries & Wages	\$ 75	\$ 77	\$ 62	\$ (16)	- 20.1%	
Employee Benefits	51	46	33	(13)	- 28.3%	
Materials & Supplies	2	6	6	0	5.5%	
Contractual Services	672	741	641	(100)	- 13.5%	
Equipment Repair	45	-	80	80	n/a	
Other Operating Expense	399	388	396	8	2.1%	
Total Operating Expenses	\$ 1,243	\$ 1,257	\$ 1,216	\$ (40)	-3.2%	

Total may not sum due to rounding

Funded Full Time Employees	1	1	1	-	0.0%
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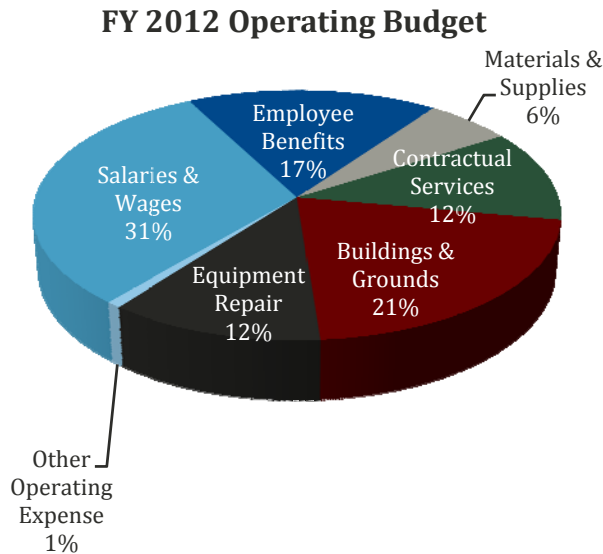
BUDGET ISSUES/CAUSE OF CHANGE

A change in charges for aircraft rescue and firefighting services has lowered contractual services expenses for Willow Run Operations.

Willow Run Maintenance

RESPONSIBILITIES

- ➔ Maximize the safety, cleanliness, and overall quality of the Willow Run Airport grounds
- ➔ Optimize vendor performance through effective contract management
- ➔ Perform snow removal and landscaping services



DIVISION BUDGET

(\$ in thousands)	Willow Run Maintenance					
	FY 2010		FY 2011		FY 2012	
	Actual		Budget		Budget	FY 2011 to FY 2012 Change
					\$	%
Operating Expenses						
Salaries & Wages	\$ 497	\$ 442	\$ 453	\$ 11	2.5%	
Employee Benefits	312	272	253	(19)	- 6.8%	
Materials & Supplies	84	93	89	(5)	- 4.8%	
Contractual Services	90	171	173	2	1.2%	
Buildings & Grounds	460	270	304	34	12.6%	
Equipment Repair	121	172	167	(5)	- 2.9%	
Other Operating Expense	5	10	12	2	19.8%	
O&M Capital	-	20	-	(20)	- 100.0%	
Total Operating Expenses	\$ 1,569	\$ 1,449	\$ 1,450	\$ 1	0.1%	

Total may not sum due to rounding

Funded Full Time Employees	7	7	7	-	0.0%
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BUDGET ISSUES/CAUSE OF CHANGE

- Buildings & Grounds increase due to maintaining water lines that are beyond their useful life for fire hydrants. In addition, miscellaneous roof repairs and floor replacement needs to be performed.
- There are no capital items budgeted for fiscal 2012.

Capital Improvement Program

Overview

Major Construction Program

The Authority manages the capital projects at Detroit Metro Airport under a Capital Improvement Program (CIP). The plans for current and future capital projects at Detroit Metro Airport are summarized in a Five Year Plan.

The Five Year Plan is an important tool used for formulating future project financing plans, maximizing federal and state grant opportunities, pro-actively planning for the replacement or reconstruction of essential infrastructure components that are nearing the end of their service life, and scheduling and coordinating execution of multiple projects to minimize operational impact.

Definition of Capital Projects

Capital projects are defined as assets with an individual unit cost of \$5,000 or greater, with an estimated service life of longer than one year. Capital projects are not consumed by their use. However, they do lose their usefulness over time from age, technical obsolescence, and use. The majority of the capital projects in the Five Year Plan are considered “routine” projects for a major airport, including reconstruction of runways and taxiways, rehabilitation of parking decks, and roadway improvements. In general, routine capital projects do not affect the annual operating budget. As an example, if a runway is taken out of service to be reconstructed, the maintenance efforts that would have been expended on that runway are reassigned to maintain other portions of the airfield pavement that require attention.

As part of the budget approval process, the Authority Board approved \$165 million in capital spending for Fiscal Year 2012.

Funding of Capital Improvement Program Projects

The Authority’s funding sources for the CIP are airport revenue bonds, Passenger Facility Charges (PFCs), federal grants and Authority discretionary funds. Given the multiple funding sources that comprise this plan, board approval of the CIP does not imply that the source of funding has been determined.

FUNDING SOURCES

The Authority’s funding sources for the CIP include, but are not limited to, airport revenue bonds, Passenger Facility Charges (PFCs), grants, and discretionary funds. Given the multiple funding sources that comprise this plan, board approval of the CIP does not imply funding as

many of the revenues come from grants the Authority anticipates receiving. The Finance Department is responsible for recommending and determining the proper source of funding for capital projects. Interest income earned in a particular capital fund will remain in the same fund where the interest was earned.

Airport Revenue Bonds

The Authority issues airport revenue bonds to finance the cost of capital projects at Detroit Metro Airport and includes the debt service on such bonds in the fees and charges of the airlines, subject to receiving the approval of a weighted majority of signatory airlines for such capital projects as outlined in the airline agreements. Airport revenue bonds have already been issued to fund many of the projects in the Authority's CIP. Other capital projects will require weighted majority approval before the Authority may issue bonds to fund any portion of the costs of these projects.

The Authority is required from time to time to establish borrowing capacity by publishing a notice of intent to issue bonds pursuant to Act 94. Act 94 provides that prior to the issuance of revenue bonds a notice of intent to issue bonds shall be published in a newspaper which has general circulation in the territory of the borrower.

Passenger Facility Charges

Under the Aviation Safety and Capacity Expansion Act of 1990 (the "PFC Act"), the FAA may authorize a public agency, such as the Authority, that controls an airport to impose a PFC of up to \$4.50 for each qualifying enplaned passenger at such airport to be used to finance eligible airport-related projects. In order to receive authorization to impose a PFC and use the PFC revenue, the Authority must submit an application requesting that the FAA approve the imposition of a PFC for, and the use of PFC revenues on, specific eligible projects described in such application. PFCs are collected on behalf of airports by air carriers and their agents (the "Collecting Carriers") and remitted to the public agency.

Grants

The Airport and Airway Improvement Act of 1982 created a grant program that is administered by the Federal Aviation Administration (FAA). The FAA allocates federal grants through the Airport Improvement Program (AIP). The AIP grants include entitlement grants, which are allocated among airports by the FAA in accordance with a formula based on enplaned passengers and cargo-landed weight, and discretionary grants, which are allocated by the FAA in accordance with its guidelines. FAA grants are subject to annual Congressional appropriation.

Airport Development Fund

Per the Master Bond Ordinance, a fixed amount in accordance with the Signatory Airline Agreements is transferred from the Operating & Maintenance fund to the Airport Development Fund and applied, at the discretion of the Chief Executive Officer, for any capital to the payment of any capital cost or expense incurred by the Authority for any lawful purpose.

Airport Renewal & Replacement Fund

Per the Master Bond Ordinance, an amount of \$500,000 is transferred annually into the Airport Renewal & Replacement Fund (R&R) from the Operating & Maintenance fund. R&R funds may be used for the purpose of paying (a) the costs of completing or replacing capital improvements at Metro Airport and (b) making repairs, replacements or renovations.

Airport Discretionary Fund

Per the Master Bond Ordinance, an amount of \$350,000 is transferred annually into the Airport Discretionary Fund from the O&M fund. Monies received from the sale of assets will be deposited into the Airport Discretionary Fund. Discretionary funds may be used by the Authority for any lawful purpose.

Operations & Maintenance Funds

The Authority's annual operating budget may provide an appropriation for Capital Acquisition expenses funded through rates and charges.

Seized Funds

The Authority retains monies that are seized from arrests within the Authority's jurisdiction. This money is restricted to law enforcement uses.

Master Plan Update

The Master Plan for Metro Airport addresses the phased development of Metro Airport over the 2008 – 2027 planning horizon. The Master Plan reflects all airfield, terminal, landside/ground access and support facility projects necessary to meet the anticipated demand for air travel over the planning horizon. The FAA requires an airport master plan from any airport that plans to seek federal funding for airport development projects. The Authority Board approved the proposed Preferred Development Plan on July 24, 2008. The Master Plan was submitted to the FAA for review and acceptance in early October, 2008. As part of the Master Plan submittal, the Authority also submitted a new Airport Layout Plan (ALP) for the FAA's approval. The ALP submittal consisted of Current, Future, and Ultimate ALP's. The "Future ALP" includes preferred development projects anticipated before 2016 (approximately \$996 million). The "Ultimate ALP" includes the projects anticipated in 2016 and beyond (approximately \$2.313 billion). The projects on the "Future ALP" were added to the five year plan update. Most of them are scheduled for the later plan time frame.

Significant Non-Routine Projects with Impact to Future Operating Budgets

As previously stated, the majority of capital projects in the Five Year Plan is considered routine projects for a major airport, and are unlikely to result in material changes to the annual operating budget. Below are descriptions of the non-routine projects that will have an impact

on current or future operating budgets, along with a discussion of the expected impact. (Project descriptions for all CIP items start on page 127.)

Building 530 Roof Replacement (Item No. 55) – Building 530 is a hangar previously leased to General Motors. The hangar has been vacant since General Motors' lease expired in 2009. Replacing the roof is a key component of rehabilitating the facility for attracting a new tenant which would increase non-airline revenues by approximately \$500,000 per year.

Airport Administration Building (Item No. 67) – The Authority management and administrative staff are currently still housed at the Smith Terminal, occupying only approximately 30 percent of the building. The space not being used requires budget expenditures for heating, cooling, lighting and nominal maintenance. Plans are being developed to provide management and administrative spaces that are both operationally efficient and cost effective. The exact impact to the operating budget cannot be determined at this time as the new facility has not yet been designed but preliminary estimates are as much as \$800,000 in annual savings to the O&M Budget.

Demolition of the L.C. Smith & Berry Terminals (Item No. 79) – Both the L.C. Smith and Berry terminals have been de-commissioned since the opening of the North Terminal in 2008. The L.C. Smith Terminal currently houses the Authority's administrative offices, however, is only 30 percent utilized. The Berry Terminal serves no routine function and the Authority is required to maintain the building for life-safety issues. Demolishing both facilities will result in maintenance and utility cost savings.

Runway 14/32 and Runway 5R/23L Decommission & Removal (Item Nos. 87, 88 and 89) – The decommissioning and removal of two runways at Willow Run Airport is to reduce the airport's size for lower operational expenses and future capital needs. Since 1966, all commercial air traffic at Willow Run ceased and the airport has been used for cargo, general aviation and executive aviation. Global and regional demand for cargo has progressively weakened over the last decade and the airport's capacity is greater than demand. The operations and maintenance savings to be achieved by these projects is currently under analysis.

Wayne County Airport Authority Capital Improvement Plan Fiscal Years 2012-2016
(\$ in thousands)

Item No.	Project Description	Estimated Total Cost	Estimated Spent to 9/30/11	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 through Completion
Detroit Metropolitan Airport								
Major Runway Projects								
Runway 4R/22L & Associated Taxiways								
1	Runway 4R/22L Reconstruction (Design Only)	\$ 7,253	\$ 4,789	\$ 2,464	\$ -	\$ -	\$ -	\$ -
2	Runway 4R/22L, Western Portion of Runway 9L/27R & Adjacent Taxiways Reconstruction	136,316	-	67,316	51,000	18,000	-	-
3	Taxiways "Y-16" and "Y-17" Reconstruction	668	89	579	-	-	-	-
4	Taxiway "Y-11" Removal	1,247	142	1,105	-	-	-	-
Runway 3L/21R & Associated Taxiways								
5	Runway 3L/21R & Taxiways "M" & "F" Reconstruction Design	4,000	-	-	1,500	2,500	-	-
6	Southern Portion of Runway 3L/21R & Taxiways "M" & "F" Reconstruction	54,000	-	-	-	-	27,000	27,000
7	Taxiway "PP2" Reconstruction	3,900	-	-	-	-	3,000	900
8	Northern Portions Runway 3L/21R Reconstruction	22,500	-	-	-	-	-	22,500
9	Taxiway "P4" Reconfiguration & Reconstruction	7,500	-	-	-	-	-	7,500
10	Northern Portions of Taxiways "M", "P" & "P-5" Reconstruction	18,400	-	-	-	-	-	18,400
11	Taxiways "M3", "M4", & "M5"	5,300	-	-	-	-	-	5,300
Other Airfield Projects								
12	Portions of Taxiways "V", "H", & "F" Reconstruction	20,723	19,726	997	-	-	-	-
13	Airfield Lighting Vault	3,200	60	3,140	-	-	-	-
14	Airfield Service Road West of Taxiway "M" Improvements	1,800	11	1,600	189	-	-	-
15	Berry Apron/Remain Over Night Stands & Zipper Road Rehabilitation	3,531	-	3,531	-	-	-	-
16	Taxiway "Z" Reconstruction & Relocation	18,700	1,104	17,596	-	-	-	-
17	Balance of Taxiway "W" Reconstruction	27,232	2,370	-	1,000	20,000	3,862	-
18	Airfield Surface Monitor System Improvements	1,000	-	-	-	200	800	-
19	Runway 3L/21R Enhancements - Planning & Environmental Processing	700	-	-	-	-	700	-
20	Runway 4L/22R Reconstruction - Planning & Design	6,000	-	-	-	-	-	6,000
21	Taxiways "S", "S4" & "S5" Reconstruction	6,400	-	-	-	-	-	6,400
22	Taxiway "G" Reconstruction	3,400	-	-	-	-	-	3,400
23	Eastern Portion of Taxiway "V" Reconstruction	12,000	-	-	-	-	-	12,000
24	Western Portion of Taxiway "H" Reconstruction	1,500	-	-	-	-	-	1,500
Airfield Total		367,271	28,292	98,328	53,689	40,700	35,362	110,900
Power Plant & Electrical Distribution System								
25	Electrical Generator for North Powerhouse	13,000	11,181	1,819	-	-	-	-
26	Utility Command Center & Remote Metering	6,000	-	250	2,000	2,000	1,750	-
27	North Powerhouse Substation	2,000	-	-	250	1,750	-	-
28	Primary Cable & Switchgear Replacement - Line Up #2 Breaker #1 at North Powerhouse	350	-	-	350	-	-	-
29	Primary Cable & Switchgear Replacement - Centrifugal Chiller & Line Up #1	300	-	-	-	300	-	-
30	Building 358 & McNamara Deck Substation	1,000	-	-	-	1,000	-	-
31	Primary Loops 1, 2 & 3 Upgrade & Expansion - Design Only	325	-	-	-	325	-	-
32	Primary Loop No. 1 Expansion	1,650	-	-	-	-	1,650	-
33	South Tunnel & Substation	1,000	-	-	-	-	1,000	-
Electrical Distribution System Total		25,625	11,181	2,069	2,600	5,375	4,400	-

Capital Improvement Program

Wayne County Airport Authority Capital Improvement Plan Fiscal Years 2012-2016 (\$ in thousands)

Item No.	Project Description	Estimated Total Cost	Estimated Spent to 9/30/11	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 through Completion
Detroit Metropolitan Airport								
Fleet & Equipment								
34	Fleet & Heavy Equipment Five Year Plan	17,037	2,683	3,656	3,601	3,535	3,562	-
35	Fueling Facility Improvements (Building 703)	1,309	-	300	1,009	-	-	-
Fleet & Equipment Total		18,346	2,683	3,956	4,610	3,535	3,562	-
Heating, Ventilating & Air Conditioning (HVAC)								
36	Boilers, Fuel Tanks, Control Room	4,000	441	3,559	-	-	-	-
37	Chillers 2 & 4, Rebuild Cooling Tower	2,000	-	300	1,700	-	-	-
38	Secondary Pump Replacement & Condensation Pump Upgrade	2,000	-	-	300	1,700	-	-
39	HVAC / Air Handler Replacement/Upgrade	2,000	-	-	-	500	1,500	-
40	Combined Cycle, Waste Heat Boiler, Steam Condenser	1,000	-	-	-	-	1,000	-
Heating, Ventilating & Air Conditioning (HVAC) Total		11,000	441	3,859	2,000	2,200	2,500	-
Noise Mitigation								
41	Ground Run-up Facility	11,200	945	9,000	1,200	55	-	-
Noise Mitigation Total		11,200	945	9,000	1,200	55	-	-
Parking Decks & Lots								
42	Blue Deck Rehabilitation	5,200	4,760	440	-	-	-	-
43	Automated Vehicle Identification (AVI) System	2,000	-	1,000	1,000	-	-	-
44	Public Parking Lots & Decks ADA Modifications	1,950	66	1,884	-	-	-	-
45	Green Lot Rehabilitation	3,300	-	3,000	300	-	-	-
46	Rehabilitation of South Employee Parking Lot	9,300	-	8,500	800	-	-	-
47	Blue Deck - Field Investigation & Design for Emergency Lighting	400	19	319	62	-	-	-
48	McNamara Deck Upper Level Coating (Levels 6 - 10)	2,255	-	920	1,336	-	-	-
49	Yellow Lot Reconstruction	1,500	-	50	150	1,300	-	-
Parking Decks & Lots Total		25,905	4,845	16,113	3,647	1,300	-	-
Bridges & Roadways								
50	East Service Drive Rehabilitation	1,800	26	1,500	274	-	-	-
51	West Service Drive Rehabilitation	3,200	63	520	2,617	-	-	-
52	Berry Terminal Roadways Modifications	825	-	600	225	-	-	-
53	Rogell Drive-Dingell Drive Connector	3,500	51	250	3,000	199	-	-
Bridges & Roadways Total		9,325	140	2,870	6,116	199	-	-
Roofing								
54	Building 356 (ASIG) Roof Replacement	131	-	131	-	-	-	-
55	Building 530 (GM) Roof Replacement	1,426	-	1,426	-	-	-	-
56	Building 704 Roof Replacement	161	-	161	-	-	-	-
57	Building 805 Roof Replacement	19	-	19	-	-	-	-
58	Building FS 700 Roof Replacement	45	-	-	45	-	-	-
59	Building 703 Roof Replacement	250	-	-	-	250	-	-
Roofing Total		2,032	-	1,737	45	250	-	-
Security & Communications								
60	Advanced Surveillance Program	2,125	-	1,900	225	-	-	-
Security & Communications Total		2,125	-	1,900	225	-	-	-

Wayne County Airport Authority Capital Improvement Plan Fiscal Years 2012-2016
(\$ in thousands)

Item No.	Project Description	Estimated Total Cost	Estimated Spent to 9/30/11	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 through Completion
Detroit Metropolitan Airport								
Storm Water System								
61	De-icing Fluid Force Main to DWSD Development	10,000	8,290	1,710	-	-	-	-
62	Replace Outfall Structure at Pond 4	1,200	-	200	900	100	-	-
63	Primary Pump Station 6 Replacement	200	-	-	100	100	-	-
64	Pond 6 Structural Upgrade	2,200	-	-	-	200	500	1,500
65	Pump Station 6 Switchgear Replacement	100	-	-	-	50	50	-
Storm Water System Total		13,700	8,290	1,910	1,000	450	550	1,500
Support Facilities								
66	Public Safety Training Facility Enhancements	1,500	396	1,104	-	-	-	-
67	Airport Authority Administration Building	12,000	815	6,000	5,185	-	-	-
68	LC Smith Building & Building 358 Improvements	1,650	-	1,100	550	-	-	-
69	LC Smith Concourses A & B Decommissioning	150	-	40	110	-	-	-
70	Command/Control Center Consolidation	8,000	-	-	4,000	4,000	-	-
71	Building 278 Demolition	1,200	-	-	200	1,000	-	-
72	Police Station Replacement -Design & Construction	12,000	-	-	-	1,000	10,000	1,000
73	Building 358 (Police Station) Demolition	3,000	-	-	-	1,000	2,000	-
74	Vehicle Driving/Training Range	500	63	-	-	-	437	-
Support Facilities Total		40,000	1,273	8,244	10,045	7,000	12,437	1,000
Terminals								
75	Additional Flight Displays at North Terminal	110	-	110	-	-	-	-
76	Westin Interior Public/Valet Public Access Ramp ADA Modifications	3,000	-	900	2,100	-	-	-
77	Interior Wall Replacement at North Terminal	477	-	50	427	-	-	-
78	Visual Paging System in North Terminal	200	-	150	50	-	-	-
79	Demolition of LC Smith & Berry Terminals	14,000	-	-	-	-	2,800	11,200
Terminals Total		17,787	-	1,210	2,577	-	2,800	11,200
Water Distribution System								
80	12" Line Between Master Pits #2 & #3	1,750	-	1,000	750	-	-	-
81	Watermain - Various Sizes within Master Meter Pit #1 Area	750	-	-	200	550	-	-
82	Watermain - Various Sizes within Master Meter Pit #4 Area	450	-	-	-	200	250	-
83	Watermain - Various Sizes within Remaining Old System	550	-	-	-	-	550	-
Water Distribution System Total		3,500	-	1,000	950	750	800	-
Detroit Metropolitan Airport Total		\$ 547,816	\$ 58,090	\$ 152,197	\$ 88,705	\$ 61,814	\$ 62,411	\$ 124,600

Capital Improvement Program

Wayne County Airport Authority Capital Improvement Plan Fiscal Years 2012-2016 (\$ in thousands)

Item No.	Project Description	Estimated Total Cost	Estimated Spent to 9/30/11	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 through Completion
Willow Run Airport								
Airfield								
84	Part 150 Study	\$ 780	\$ 728	\$ 52	\$ -	\$ -	\$ -	-
85	Taxiway "D" Electrical Improvements	230	32	198	-	-	-	-
86	Runway 5R/23L Design & Reconstruction	31,800	-	7,900	7,900	7,900	7,900	200
87	Runways 14/32 & 5R/23L Decommission -	300	-	200	100	-	-	-
88	Runway 14/32 Decommission & Removal	2,200	-	100	2,100	-	-	-
89	Runway 5R/23L Decommission & Removal	2,400	-	-	150	2,250	-	-
90	Airport Layout Plan Update	150	-	-	150	-	-	-
91	East Ramp Rehabilitation	4,250	-	-	250	2,000	2,000	-
92	West Apron Rehabilitation	5,250	-	-	-	-	400	4,850
93	Taxiways "E1" & "E2" Rehabilitation	3,250	-	-	-	-	150	3,100
94	Taxilane "B" Rehabilitation	4,500	-	-	-	-	250	4,250
95	Runway 9/27 Reconstruction	32,000	-	-	-	-	-	32,000
96	Taxiway "H" (Former Runway 9R/27L)	16,000	-	-	-	-	-	16,000
97	Construction New Taxiway Parallel East of Runway 5R/23L Construction	17,200	-	-	-	-	-	17,200
Airfield Total		120,310	760	8,450	10,650	12,150	10,700	77,600
Noise Mitigation								
98	Noise Mitigation Program (4 Year)	12,000	-	-	-	3,000	3,000	6,000
Noise Mitigation Total		12,000	-	-	-	3,000	3,000	6,000
Security & Communications								
99	Security Improvements	1,500	-	-	-	150	1,350	-
Security & Communications Total		1,500	-	-	-	150	1,350	-
Support Facilities								
100	Fire Pump Upgrade, East Airfield Buildings	50	-	50	-	-	-	-
101	Fuel Farm Improvements	200	5	195	-	-	-	-
102	Hangar 1 Fire Suppression System Installation	650	-	650	-	-	-	-
103	Hangar 1 Rehabilitation	6,400	150	1,525	2,525	1,400	680	120
104	East Complex Infrastructure Improvements	2,250	100	1,400	500	250	-	-
105	Hangar 2 Demolition	2,310	-	300	1,500	510	-	-
106	Oil-Water Separator Installations	600	-	100	500	-	-	-
107	ARFF Station Construction	2,500	-	-	-	200	2,300	-
108	Maintenance Storage & Snow Equipment Facilities	6,200	-	-	-	350	5,850	-
Support Facilities Total		21,160	255	4,220	5,025	2,710	8,830	120
Willow Run Airport Total		\$ 154,970	\$ 1,015	\$ 12,670	\$ 15,675	\$ 18,010	\$ 23,880	\$ 83,720

Project Descriptions

Item No.	Project	Description
1	Runway 4R/22L Reconstruction (Design Only)	This project consists of the planning, design and construction bidding efforts necessary to address the deteriorated pavement of Runway 4R/22L and its connector taxiways, and associated systems.
2	Runway 4R/22L, Western Portion of Runway 9L/27R & Adjacent Taxiways Reconstruction	This project consists of the construction related efforts necessary to address the deteriorated pavement of Runway 4R/22L and its connector taxiways, and associated systems. In addition, this project consists of construction related efforts to fully reconstruct the western end Runway 9L and its associated taxiways.
3	Taxiways Y-16 and Y-17 Reconstruction	This project consists of the planning, design and construction bidding efforts necessary to address the deteriorated pavement of Taxiway Y-17 and Relocation of Taxiway Y-16 and associated systems. Necessary geometry modifications of these connector taxiways are also included in this project.
4	Taxiway Y-11 Removal	This project consists of the design and construction efforts necessary to remove connector taxiway pavement and associated systems. Taxiway Y-11 was identified by the FAA as a hot spot for runway incursions and necessitates removal.
5	Runway 3L/21R & Associated Taxiways Reconstruction Design	This project consists of planning and design related efforts required for the reconstruction of the Southern Portion of Runway 3L/21R and portion of Taxiway M located south of Runway 9L/27R, Taxiway F east of Runway 3L/21R.
6	Southern Portion of Runway 3L/21R & Taxiways M & F Reconstruction	This project consists of construction related efforts required for the reconstruction of the Southern Portion of Runway 3L/21R and Taxiway M located south of Runway 9L/27R and Taxiway F east of Runway 3L/21R.
7	Taxiway PP2 Reconstruction	This project consists of the design and construction efforts necessary to address the deteriorated Taxiway PP2 pavement along the Runway 3L Deicing Pad. The project includes all site work, pavement, lighting, signage and pavement markings.

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Item No.	Project	Description
8	Northern Portions Runway 3L/21R Reconstruction	This project consists of construction related efforts required for the reconstruction of the Northern Portion of Runway 3L/21R located north of Runway 9L/27R and northern taxiway M and P connectors.
9	Taxiway P4 Reconfiguration & Reconstruction	This project consists of the design and construction efforts necessary to address the deteriorated Taxiway P4 pavement and associated systems. This project also includes the removal of Taxiway P4 pavement between Taxiway P and Runway 3L/21R.
10	Northern Portions of Taxiways M and P Reconstruction	This project consists of the design and construction efforts required for the reconstruction of Runway 3L/21R, Taxiways M, P, and P-5 located north of Runway 9L/27R.
11	Taxiways M-3, M-4, & M-5	This project consists of the design and construction efforts necessary to address the deteriorated Taxiways M-3, M-4, & M-5 pavement and associated systems.
12	Portions of Taxiways V, H, & F Reconstruction	This project consists of design and construction efforts necessary to address the deteriorated Taxiways V, F & H pavement and associated systems. The project will also modify the geometry of these taxiways where necessary to improve safety. The pavement to be reconstructed under this project is located between Runway 4R/22L and Runway 3L/21R.
13	Airfield Lighting Vault	This project consists of construction related efforts to erect a new Airfield Lighting Vault on the west side of the airfield to improve taxiway and runway lighting capacity and provide for future expansion. This project includes temporary power to the facility and will allow the existing airfield lighting vault currently located within the building footprint of the L.C. Smith Terminal Building to be demolished in the future.
14	Airfield Service Road West of Taxiway M Improvements	This project consists of the planning, design and construction efforts necessary to improve the airfield service road located west of Taxiway M between Taxiway F and Taxiway J. The project includes construction of an asphalt pavement road in the general location of the existing gravel road, drainage improvements, and geometry improvements in order to improve ARFF access to the center of Runway 9R/27L.

Item No.	Project	Description
15	Berry Apron/Remain Over Night Aircraft Parking & Zipper Road Rehabilitation	This project consists of the planning, design and construction efforts necessary to address the airfield pavement and aircraft parking located west of the Berry Terminal. This rehabilitation project will mill and pave this existing airfield pavement to allow for its continued use for remain over night (RON) aircraft parking.
16	Taxiway Z Reconstruction & Relocation	This project consists of the planning and construction related efforts necessary to reconstruct existing shoulder pavement and relocate the portion of Taxiway Z north of the FedEx facility to allow for the simultaneous operations of Taxiway Z north of FedEx and Runway 4R/22L in Cat II/III conditions.
17	Balance of Taxiway W Reconstruction	This project consists of the design and construction efforts to complete the reconstruction of Taxiway W. This project includes approximately 7,600 linear feet of the northerly portion of Taxiway W.
18	Airfield Pavement Surface Monitoring System Improvements	This project consists of the planning, design and construction efforts necessary to upgrade and expand the airfield pavement surface monitoring system. This project will replace the system's hardware and software as well as install additional pavement sensors within critical areas of airfield pavement. Once complete, the system will provide improved and additional real-time data to assist in the snow and ice treatment of airfield pavement.
19	Runway 3L/21R Enhancements - Planning & Environmental Processing	This project involves completion of the necessary environmental study and related efforts required by the National Environmental Policy Act (NEPA) and related to the selected aspects of the enhancement of Runway 3L/21R planning project.
20	Runway 4L/22R and Associated Taxiways Reconstruction - Planning & Design	This project consists of planning and design related efforts required for the reconstruction of the Runway 4L/22R and its associated taxiways.
21	Taxiways S, S-4 & S-5 Reconstruction	This project consists of the design and construction efforts necessary to address the deteriorated Taxiway S, S-4 & S-5 pavement and associated systems.

Capital Improvement Program

Item No.	Project	Description
22	Taxiway G Reconstruction	This project consists of the design and construction efforts necessary to address the deteriorated Taxiway G pavement and associated systems between Runway 9L/27R and Taxiway V and Taxiway G north of Taxiway V. Necessary geometry modifications of this taxiway connector are also included in this project.
23	Eastern Portion of Taxiway V Reconstruction	This project consists of the design and construction efforts necessary for the reconstruction of Taxiway V from Runway 3L/21R to its east end.
24	Western Portion of Taxiway H Reconstruction	This project consists of the design and construction efforts necessary to address the remaining deteriorated concrete pavement of Taxiway H near Runway 4R/22L.
25	Electrical Generator for North Powerhouse	This project consists of the acquisition and installation of a fourteen megawatt natural gas turbine at the North Power House will enable the airport to generate electricity in the event of a power outage or at times when electricity demand peaks for the northern portion of the airport.
26	Utility Command Center & Remote Metering	This project replaces the existing utility command center and adds remote meter reading capabilities.
27	North Powerhouse Substation	This project consists of the design and construction efforts necessary to complete required improvements to the North Powerhouse electrical substation.
28	Primary Cable & Switchgear Replacement - Line Up #2 Breaker #1 at North Powerhouse	This project consists of the design and construction efforts necessary to replace the electrical cable and switchgear at Line Up #2 Breaker #1 at North Powerhouse.
29	Primary Cable & Switchgear Replacement - Centrifugal Chiller & Line Up #1	This project consists of the design and construction efforts necessary to replace the electrical cable and switchgear at Centrifugal Chiller & Line Up #1 at North Powerhouse.
30	Building 358 & McNamara Deck Substation	This project consists of the design and construction efforts necessary to complete required improvements to the Building 358 & McNamara Deck electrical substation.
31	Primary Loops 1, 2 & 3 Upgrade & Expansion - Design Only	This project consists of the design efforts necessary to bid construction for the upgrading and expansion of electrical Primary Loops 1, 2 & 3.

Item No.	Project	Description
32	Primary Loop No. 1 Expansion	This project consists of the construction efforts necessary to complete the expansion of electrical Primary Loop 1.
33	South Tunnel & Substation	This project consists of the design and construction efforts necessary to complete required improvements to the south tunnel and its electrical substation.
34	Fleet & Heavy Equipment Five Year Plan	This item is a five-year fleet and equipment replacement program.
35	Fueling Facility Improvements (Building 703)	This project consists of the planning, design, and construction efforts necessary to replace, expand, and improve the vehicular and equipment fueling facility near Building 703, including the replacement of the vehicular/equipment fuel management system at the Detroit Metro Airport.
36	Boilers, Fuel Tanks, Control Room	This project consists of updates to the North Complex Power Plant that include the replacement of boilers, condensate tank, de-aerating, fuel oil tanks, and associated pumps, controls, and indicators.
37	Chillers 2 & 4, Rebuild Cooling Tower	This project rebuilds the chillers and the cooler tower that furnish HVAC service at the North Power Plant.
38	Secondary Pump Replacement & Condensation Pump Upgrade	This project rebuilds pumps that furnish HVAC service at the North Power Plant.
39	HVAC / Air Handler Replacement/Upgrade	The replacement of HVAC and Air Handlers equipment on various Metro Airport buildings.
40	Combined Cycle, Waste Heat Boiler, Steam Condenser	The acquisition of equipment to recycle steam and improve the efficiency of HVAC production at the North Power Plant.
41	Ground Run-up Facility	This project consists of the design and construction of a Ground Run-Up Enclosure (GRE) Facility. This project will develop a structure that uses acoustical dampening principles to reduce the noise impacts of aircraft engine ground run-ups. Aircraft engine ground run-ups are routine aircraft engine maintenance tests which require the operation of an engine at high power for extended periods of time generating continuous elevated noise levels.
42	Blue Deck Rehabilitation	This project consists of concrete and structural repairs, installation of concrete deck coating on the roof levels and architectural, fire suppression, and electrical work necessary to comply with life/safety standards.

Item No.	Project	Description
43	Automated Vehicle Identification (AVI) System	This project includes the design and installation efforts necessary to provide an automatic commercial vehicle tracking system to monitor and document commercial vehicle utilization of the Airport's roadway system. This allows WCAA to more accurately charge commercial vehicles for using the Airport's roadways.
44	Public Parking Lots & Decks ADA Modifications	This project consists of the design and construction efforts necessary to modify and improve the pavement, existing emergency lighting and associated systems of the parking decks and lots to provide greater accessibility for its users.
45	Green Lot Rehabilitation	This project consists of the planning, design, and construction efforts necessary to improve this existing public parking lot pavement and associated systems. This project will be engineered as full depth reclamation which will grind and mix the existing pavement with cement and asphalt emulsion, grading, and compacting prior to installation of a surface asphalt course.
46	Rehabilitation of South Employee Parking Lot	This project consists of the planning, design, and construction efforts necessary to improve this existing employee parking lot pavement and associated systems. This project will be engineered as full depth reclamation which will grind and mix the existing pavement with cement and asphalt emulsion, grading, and compacting prior to installation of a surface asphalt course.
47	Blue Deck - Field Investigation & Design for Emergency Lighting	This project consists of the design efforts necessary for the replacement and upgrade of the existing emergency lighting system at the Blue Deck parking structure to improve lighting if an emergency situations occurs.
48	McNamara Deck Upper Level Coating (Levels 6 - 10)	This project consists of concrete coating to sustain the structural integrity of the upper levels of the McNamara Parking Deck.
49	Yellow Lot Reconstruction	This project consists of the complete reconstruction and expansion of the existing surface parking lot located at the intersection of Rogell and Burton Drives.
50	East Service Drive Rehabilitation	This project consists of the design and construction efforts necessary to address portions of the deteriorated concrete and asphalt roadways of the East Service Drive.

Item No.	Project	Description
51	West Service Drive Rehabilitation	This project consists of the design and construction efforts necessary to address portions of the deteriorated concrete and asphalt roadways of the West Service Drive.
52	Berry Terminal Roadways Modifications	This project consists of the design and construction efforts necessary to modify and improve the roads near the Berry Terminal.
53	Rogell Drive-Dingell Drive Connector	This project consists of the design and construction of a vehicular access ramp from northbound Rogell to southbound Dingell Drive.
54	Building 356 (ASIG) Roof Replacement	This project consists of roof replacement of Building 356 required to extend the useful life of the property.
55	Building 530 (GM) Roof Replacement	This project consists of roof replacement of Building 530 required to extend the useful life of the property.
56	Building 704 Roof Replacement	This project consists of roof replacement of Building 704 required to extend the useful life of the property.
57	Building 805 Roof Replacement	This project consists of roof replacement of Building 805 required to extend the useful life of the property.
58	Building FS 700 Roof Replacement	This project consists of roof replacement of Building FS 700 required to extend the useful life of the property.
59	Building 703 Roof Replacement	This project consists of roof replacement of Building 703 required to extend the useful life of the property.
60	Advanced Surveillance Program	This project consists of the design and installation efforts necessary to provide an advanced security surveillance system.
61	De-icing Fluid Force Main to DWSD Development	This project consists of the design and construction efforts to provide the force main which will connect the Airport's de-icing storage pond to an identified interceptor leading to the Detroit Water and Sewer Department (DWSD). This project will include all necessary easement acquisition, manholes, pump stations, valves, clean-outs, and associated equipment.
62	Replace Outfall Structure at Pond 4	This project consists of the design and construction of a replacement storm system outfall structure at Pond 4.
63	Primary Pump Station 6 Replacement	This project consists of the replacement of equipment and pumps at Pond 6 that have reached their useful life.

Capital Improvement Program

Item No.	Project	Description
64	Pond 6 Structural Upgrade	This project rebuilds the perimeter dam surrounding Pond 6 which is periodically required due to erosion of the existing asset.
65	Pump Station 6 Switchgear Replacement	This project consists of the replacement of electrical equipment for pumps at Pond 6 that have reached their useful life.
66	Public Safety Training Facility Enhancements	This project consists of the design and construction of all site and civil improvements associated with the development of the Public Safety Training Facility to be located on the Airfield Operations Area, west of Fire Station #300. The facility will include a pistol range building, a live fire house, a rappelling tower, and an obstacle course.
67	Airport Authority Administration Building	This project consists of the design and construction of the Authority's administrative personnel.
68	LC Smith Building & Building 358 Improvements	This project consists of the design and construction efforts necessary to make improvements to LC Smith Building and Building #358.
69	LC Smith Concourses A & B Decommissioning	This project consists of the design and construction efforts necessary to construct fire barriers and disconnect steam and chilled water to LC Smith concourses A and B.
70	Command/Control Center Consolidation	This project consists of the planning, design, and construction efforts necessary to replace and consolidate the police dispatch center, the airfield operation's dispatch center, the security control center, and the emergency management centers located at Detroit Metro into a single facility. The project includes the construction of a replacement facility, installation of associated systems, infrastructure, and equipment to allow for continued operation of the existing centers until commissioning of the consolidated center is complete.
71	Building 278 Demolition	This project consists of the demolition and environmental remediation efforts to address the removal of building 278. In addition, this project includes the design and construction efforts necessary to restore the area with asphalt pavement and appropriate drainage.

Item No.	Project	Description
72	Police Station Replacement - Design & Construction	This project consists of the planning, design, and construction efforts necessary to replace the existing Police Building #358 originally constructed in 1949. The project includes the construction of a replacement facility as well as installation of associated systems, infrastructure, and equipment to allow for continued operation of the existing police building until commissioning of the new facility is complete.
73	Building 358 (Police Station) Demolition	This project consists of the design and construction efforts related to demolition of Building 358 (Police Station).
74	Vehicle Driving/Training Range	The project consists of design and construction efforts necessary to provide a Vehicle Driving/Training range that will be used for training rescue and police vehicle drivers.
75	Additional Flight Displays at North Terminal	This project consists of the planning, design, and construction efforts necessary to install Flight Information Displays in the concourse near the passenger security checkpoints.
76	Westin Interior Public/Valet Public Access Ramp ADA Modifications	This project includes the evaluation and design necessary to modify the existing interior public/valet public access ramp to comply with current ADA requirements.
77	Interior Wall Replacement at North Terminal	This project consists of the planning, design, and construction efforts necessary to replace the deteriorating panel system with a more durable wall finish system.
78	Visual Paging System in North Terminal	This project consists of the planning, design, and construction efforts necessary to implement a visual paging system in the North Terminal.
79	Demolition of LC Smith & Berry Terminals	This project consists of the demolition and environmental remediation efforts to address the removal of the L.C. Smith and Berry Terminal Buildings. In addition, this project includes the design and construction efforts necessary maintain appropriate drainage.
80	12" Line Between Master Pits #2 & #3	This project replaces 12-inch water main that feeds Metro Airport's water distribution system at the western and eastern feeds.
81	Watermain - Various Sizes within Master Meter Pit #1 Area	This project replaces various sized water mains that feed Metro Airport's water distribution system at the northern feeds.
82	Watermain - Various Sizes within Master Meter Pit #4 Area	This project replaces various sized water mains that feed Metro Airport's water distribution system at the southern feeds.

Capital Improvement Program

Item No.	Project	Description
83	Watermain - Various Sizes within Remaining Old System	This project is an annual water main replacement program of Metro Airport's water distribution system.
84	Part 150 Study	This project consists of a noise evaluation that will determine noise level contours surrounding the airport. The noise contours will assist in identifying noise mitigation project requirements.
85	Taxiway "D" Electrical Improvements	This project includes the design and construction efforts to modify the electrical system associated with Taxiway "D".
86	Runway 5R/23L Design & Reconstruction	This project consists of the design and construction efforts required to reconstruct Runway 5R/23L.
87	Runways 14/32 & 5R/23L Decommission - Environmental Assessment	This project involves completion of the necessary environmental study and related efforts required by the National Environmental Policy Act (NEPA) and related to the decommissioning of Runways 14/32 and 5R/23L.
88	Runway 14/32 Decommission & Removal	This project includes the design and construction efforts necessary to decommission of Runway 14/32.
89	Runway 5R/23L Decommission & Removal	This project includes the design and construction efforts necessary to decommission of Runway 5R/23L.
90	Airport Layout Plan Update	This project includes the necessary services to update the Airport Layout Plan documents.
91	East Ramp Rehabilitation	This project includes the design and construction efforts to rehabilitate and improve the aircraft apron on the east side of the airport.
92	West Apron Rehabilitation	This project includes the design and construction efforts necessary to rehabilitate the deteriorated pavement of the west aircraft apron.
93	Taxiways "E1" & "E2" Rehabilitation	This project includes the design and construction efforts to rehabilitate Taxiways "E1" and "E2".
94	Taxilane "B" Rehabilitation	This project consists of the design and construction efforts required to rehabilitate Taxiway "B".
95	Runway 9/27 Reconstruction	This project consists of the design and construction efforts required to reconstruct Runway 9/27.
96	Taxiway "H" (Former Runway 9R/27L) Construction	This project consists of the design and construction efforts required to rehabilitate Taxiway "H".

Item No.	Project	Description
97	New Taxiway Parallel East of Runway 5R/23L Construction	This project consists of the design and construction efforts required to install a new Taxiway parallel and east of Runway 5R/23L.
98	Noise Mitigation Program (4 Year)	Following the completion of the Part 150 Noise Study, the noise mitigation recommendations developed in the Study will be implemented. Mitigation techniques will be prioritized to meet the objectives of the noise program as well as the development of the airport. The mitigation program will be a phased program based on the availability of Federal Aviation Administration funding.
99	Security Improvements	This project includes the necessary design and construction efforts to implement security improvements to meet anticipated future FAA requirements.
100	Fire Pump Upgrade, East Airfield Buildings	This project includes the design and construction efforts necessary to replace water and sanitary infrastructure on the east side of the airport.
101	Fuel Farm Improvements	This project consists of the design and construction efforts related to improve fuel farm facilities.
102	Hangar 1 Fire Suppression System Installation	This project consists of the design and construction efforts related to improve the fires suppression system in Hangar 1.
103	Hangar 1 Rehabilitation	This project consists of the design and construction efforts related to rehabilitate space and systems in Hangar 1.
104	East Complex Infrastructure Improvements	This project consists of the design and construction efforts related to improving infrastructure located on the east side of Willow Run Airport.
105	Hangar 2 Demolition	This project consists of the design and construction efforts required to demolish Hangar 2.
106	Oil-Water Separator Installations	This project consists of the design and construction for the installation of an oil/water separator on the southeast ramp stormwater pipe to contain possible spills before reaching the Begole Drain. Installation of this separator will improve compliance with the YIP NPDES stormwater permit.
107	ARFF Station Construction	This project consists of the design and construction efforts required to replace the ARFF at Willow Run Airport.

Capital Improvement Program

Item No.	Project	Description
108	Maintenance Storage & Snow Removal Equipment Facilities	This project consists of the design and construction efforts required to replace the maintenance storage and snow removal equipment facilities at Willow Run Airport.

Debt Profile

Airport Indebtedness

Capital improvements at the Airport have been financed through the issuance of Senior Lien Bonds, Junior Lien Bonds and Special Facilities Revenue Bonds, and with Passenger Facility Charges (PFCs), federal grants and other Airport funds. In addition, to support the Authority’s working capital needs at the Airport, the Authority has a \$15,000,000 line of credit with JPMorgan Chase Bank, N.A. To date, the Authority has not drawn on such line of credit. In September 2007, the Authority also executed a Master Lease Purchase Agreement (the “Lease Agreement”) with Chase Equipment Leasing Inc. (“Chase Leasing”), a subsidiary of JPMorgan Chase Bank, N.A., pursuant to which Chase Leasing financed \$1,511,137 in equipment purchases under the Lease Agreement. In addition, in May 2008, the Authority executed an Efficiency Improvement Agreement for Detroit Metro Wayne County Airport with Siemens Building Technologies, Inc. (“Siemens”), pursuant to which Siemens agreed to finance up to \$3,886,162 in Phase IIa improvements over a 15 year period.

Senior Lien Bonds	Outstanding Principal Amount
Series 1998A	\$188,455,000
Series 2002C	23,520,000
Series 2002D	52,650,000
Series 2005	476,875,000
Series 2007	119,390,000
Series 2008A	124,835,000
Series 2010A	199,635,000
Series 2010B	4,800,000
Series 2010C	173,145,000
Series 2010D	26,105,000
Series 2010E-1	75,360,000
Series 2010E-2	75,000,000
Series 2010F	124,640,000
Series 2010G	116,000,000
Total	\$1,780,410,000
Junior Lien Bonds	Outstanding Principal Amount
Series 2007	177,075,000
Grand Total	1,957,485,000

Figure 20: Outstanding Principal

Figure 21: Annual Debt Service Requirements on page 140 illustrates the annual debt service requirements accruing in each Bond Year on the outstanding Senior Lien Bonds, the outstanding Junior Lien Bonds, and the Series 2010 Refunding Bonds.

PFC Revenues

Under the Aviation Safety and Capacity Expansion Act of 1990 (the “PFC Act”), the FAA may authorize a public agency which controls an airport to impose a PFC of up to \$4.50 for each qualifying enplaned passenger at such airport to be used to finance eligible airport-related projects. In order to receive authorization to impose a PFC and use the PFC revenue, the public agency must submit an application requesting that the FAA approve the imposition of a PFC for, and the use of PFC revenues on, specific eligible projects described in such application. PFCs are collected on behalf of airports by air carriers and their agents (the “Collecting Carriers”) and remitted to the public agency.

Debt Profile

Bond Year Ending December 1	Outstand Senior Lien Bonds ⁽¹⁾	Series 2010 Refunding Bonds ⁽²⁾⁽³⁾⁽⁴⁾	Total Outstanding Senior Lien Bonds	Total Outstanding Bonds Junior Lien Bonds	Total Debt Service
2011	\$73,222,069	\$75,552,565	\$148,774,634	\$12,271,733	\$161,046,366
2012	80,355,306	77,211,301	157,566,607	12,270,983	169,837,590
2013	75,022,506	83,972,419	158,994,925	12,231,983	171,226,907
2014	80,011,763	77,947,674	157,959,436	12,231,233	170,190,669
2015	79,553,956	77,318,105	156,872,062	12,231,483	169,103,544
2016	76,925,981	77,729,157	154,655,138	12,277,233	166,932,370
2017	76,753,619	65,236,255	141,989,873	12,275,733	154,265,606
2018	76,515,325	64,699,797	141,215,122	12,273,733	153,488,854
2019	112,544,881	31,711,634	144,256,515	12,275,733	156,532,247
2020	105,708,038	32,456,562	138,164,600	12,275,983	150,440,582
2021	102,213,300	31,927,208	134,140,508	12,273,983	146,414,490
2022	102,055,275	23,448,853	125,504,128	12,274,233	137,778,360
2023	57,635,150	67,305,756	124,940,906	12,275,983	137,216,889
2024	57,440,963	66,985,723	124,426,685	12,278,483	136,705,168
2025	57,247,125	67,139,323	124,386,448	12,235,983	136,622,430
2026	57,035,138	66,798,666	123,833,803	12,234,983	136,068,786
2027	56,786,850	66,916,574	123,703,424	12,232,733	135,936,156
2028	88,530,488	35,097,475	123,627,963	12,283,483	135,911,445
2029	43,812,000	13,419,459	57,231,459	12,285,125	69,516,584
2030	43,582,156	13,663,722	57,245,878	12,283,823	69,529,700
2031	43,336,494	13,805,577	57,142,071	12,283,848	69,425,919
2032	43,090,013	13,769,238	56,859,250	12,284,230	69,143,480
2033	35,879,000	13,839,775	49,718,775	12,284,000	62,002,775
2034	35,928,750	-	35,928,750	12,282,750	48,211,500
2035	-	-	-	12,282,500	12,282,500
2036	-	-	-	12,282,000	12,282,000
2037	-	-	-	12,285,000	12,285,000
TOTAL	\$1,661,186,144	\$1,157,952,816	\$2,819,138,960	\$331,258,960	\$3,150,397,920

(1) Excludes debt service to be refunded by Series 2010E-F Refunding Bonds and the Series 2010 Fixed and Index Rate Refunding Bonds.

(2) Series 2010E-1 Refunding Bonds and Series 2010E-2 Refunding Bonds assume an all-in interest rate of 3.33% including support costs.

(3) Series 2010F Refunding Bonds assume an all-in interest rate of 3.28% including support costs.

(4) Series 2010 Index Rate Refunding Bonds assume an all-in interest rate of 3.02%.

Figure 21: Annual Debt Service Requirements

Many of the PFC-eligible projects in the CIP for the Airport for the past twenty (20) years have been funded with the proceeds of Bonds, and the plan of finance for these projects has assumed that the Authority would use PFC revenue to pay the Debt Service on the airport revenue bonds issued to pay for such PFC-eligible projects to the maximum extent possible. With respect to other PFC-eligible CIP projects, the Authority has funded a portion of the cost of the projects with federal grant funds, and the balance of the cost (the local share) with Bond proceeds, with payment of a portion of the Debt Service on the Bonds to be paid with PFC revenue.

Under its current PFC approvals, the Authority has authority to impose and use \$3.164 billion in PFCs, which includes amounts for the payment of principal, interest and other financing costs on Bonds issued to pay the PFC-eligible costs of the approved projects. The current estimated PFC expiration date is August 1, 2034. Since the inception of the PFC program, the Authority has submitted seven PFC applications to the FAA. The sixth application was withdrawn by the Authority prior to the FAA issuing a decision on the application so that the Authority could update project cost estimates for consideration. The application was resubmitted as the seventh application. In the future, the Authority will amend applications one through five to adjust the initial budgeted project costs and estimated debt service requirements to reflect final completed project costs and updated debt service. The Authority and the FAA view this effort as an administrative process and do not anticipate any material changes to the Authority's total PFC collection authority.

The Authority transfers some of its PFC revenues monthly to the Bond Fund and the Junior Lien Bond Fund for the purpose of paying Debt Service, respectively, on Senior Lien Bonds and Junior Lien Bonds issued to finance PFC eligible projects, and intends to do so for the purpose of paying Debt Service on the Series 2011 Refunding Bonds.

The amount of PFC revenue collected for the Airport in past years has varied, and in future years will vary, based upon many factors, including compliance with federal law and regulations, passenger enplanement levels, as well as continuation of the PFC program. No assurance can be given that the forecasted level of enplanements will be realized or that any other factor affecting PFC revenue will not occur that adversely impacts the Authority. A shortfall in projected PFC collections could have an adverse impact on the amounts of Debt Service included in the Signatory Airlines' rates and charges or on timely payment of principal or interest on the Senior Lien Bonds and the Junior Lien Bonds eligible to be paid from PFC revenues.

Bond Ratings

To attain the lowest possible interest rates and to be sure it has the widest market for its bonds, the Authority obtains credit ratings from the major rating services. The stronger the rating, the lower the interest rate and cost to the airlines.

The Authority's current bond ratings are:

- Standard & Poor's: A; Outlook Stable
- Fitch: A-; Outlook Stable
- Moody's: A2; Outlook Negative

Debt Profile

The chart below describes the rating agencies' scores.

Moody's	Standard & Poor's	Fitch	Description
Aaa	AAA	AAA	Bonds which are judged to be of the best quality. They carry the smallest degree of investment risk. The obligor's capacity to meet its financial commitment on the obligations is extremely strong.
Aa	AA	AA	Bonds which are judged to be of high quality by all standards and only differ in small degree to the highest graded bonds. The obligor's capacity to meet its financial commitment on the obligations is very strong.
A	A	A	Bonds which possess many favorable investment attributes and are to be considered as upper-medium-grade obligations. They are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligations is strong.
Baa	BBB	BBB	Bonds which are considered as medium-grade obligations (i.e., they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate; however, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
Ba and lower	BB and lower	BB and lower	Obligations which are regarded as having significant speculative characteristics. While such obligations will likely have some quality and protective characteristics, they may be outweighed by large uncertainties or major exposures to adverse conditions.

Appendices

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Appendix A: Supplemental Aviation Statistics

Departures – Detroit Metro Airport

Airline	September 2010	September 2011	Change	Percent Change
Air Canada Jazz / Air Georgian	2.5	2.6	0.1	4%
Air France	1.0	1.0	0.0	0%
Air Tran Airways	5.7	5.3	-0.4	-6%
American Airlines / American Eagle	16.6	17.5	0.9	6%
Continental Airlines / Continental Express	9.8	8.0	-1.8	-19%
Delta Air Lines / Delta Connection	511.8	489.4	-22.4	-4%
Frontier Airlines / Republic Airlines	3.0	2.8	-0.2	-6%
Lufthansa German Airlines	1.0	1.0	0.0	0%
Royal Jordanian Airlines	0.2	0.2	0.0	17%
Southwest Airlines	15.7	15.8	0.1	1%
Spirit Airlines	13.7	12.9	-0.8	-6%
United Airlines / United Express	13.1	10.7	-2.4	-18%
US Airways / US Airways Express	20.5	20.0	-0.5	-2%
Total DTW	614.5	587.2	-27.3	-4%

Figure 22: Average Daily Departures at Metro Airport September 2010 to September 2011

Departures – Top U.S. Airports

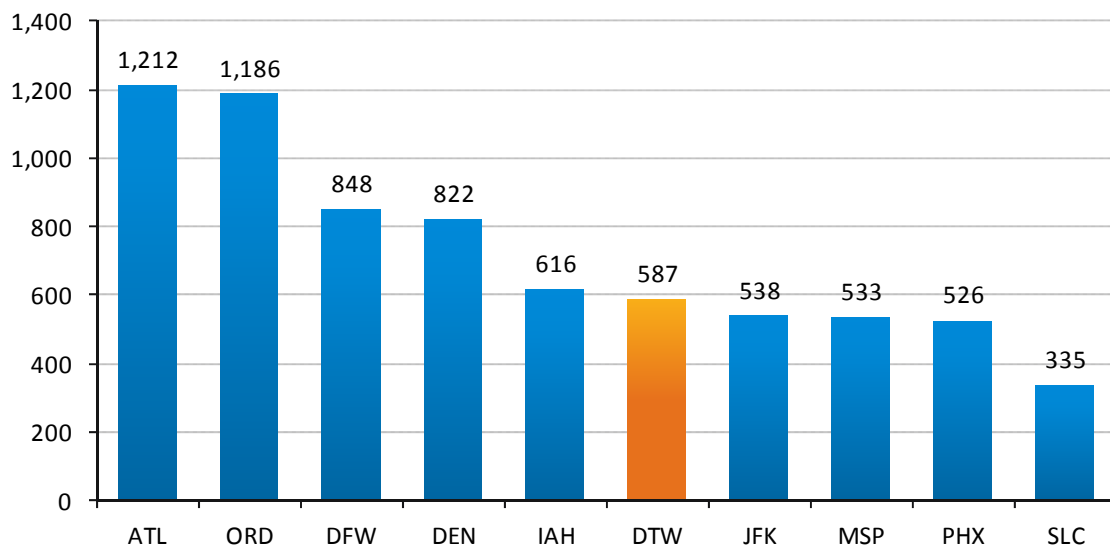


Figure 23: Metro Airport & Peer Airports Scheduled Daily Departures

Daily Departures Percentage Change – Detroit Metro Airport & Peer Airports

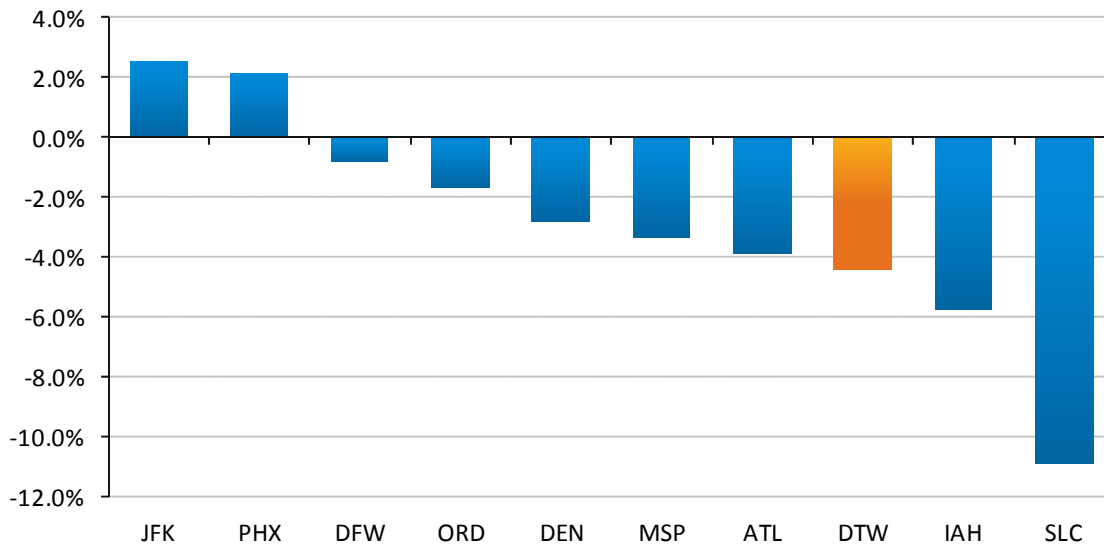


Figure 24: Metro Airport & Peer Airports Percent Change in Daily Departures September 2010 to September 2011

Passenger Traffic – Top U.S. & Canadian Airports

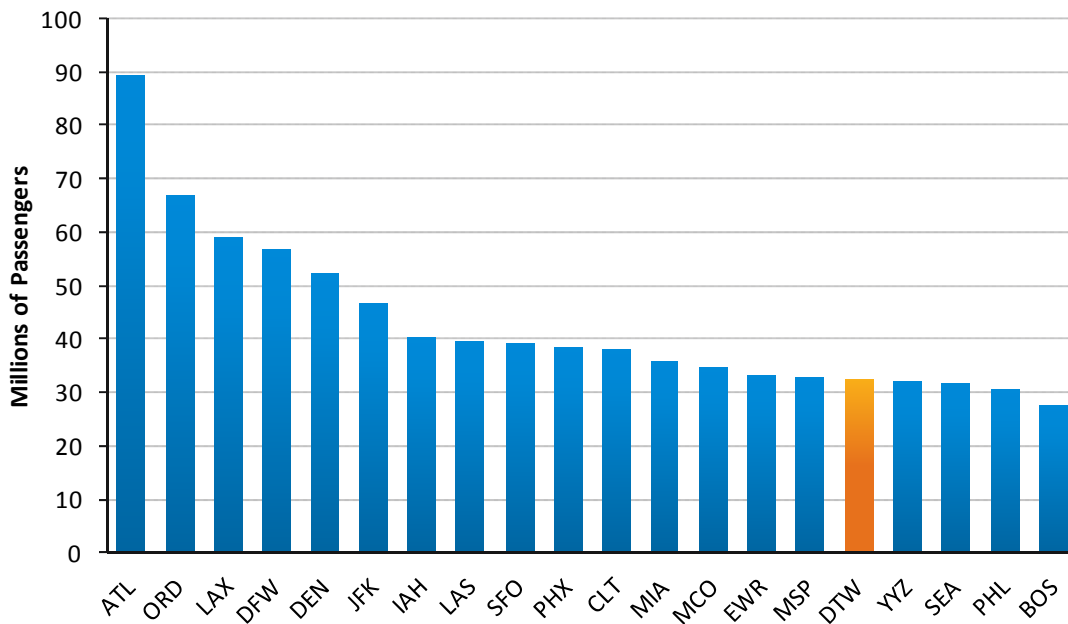


Figure 25: Metro Airport & Peer Airports Passenger Traffic CY 2010

Operations – Top U.S. Airports

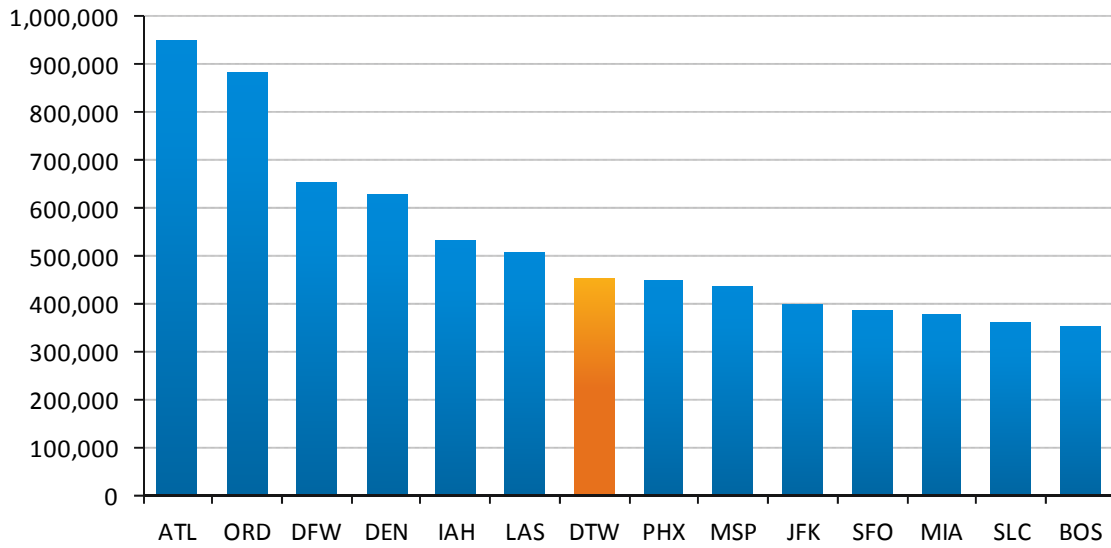


Figure 26: Metro Airport & Peer Airports Annual Aircraft Operations CY 2010

On-Time Percentage – Top U.S. Airports

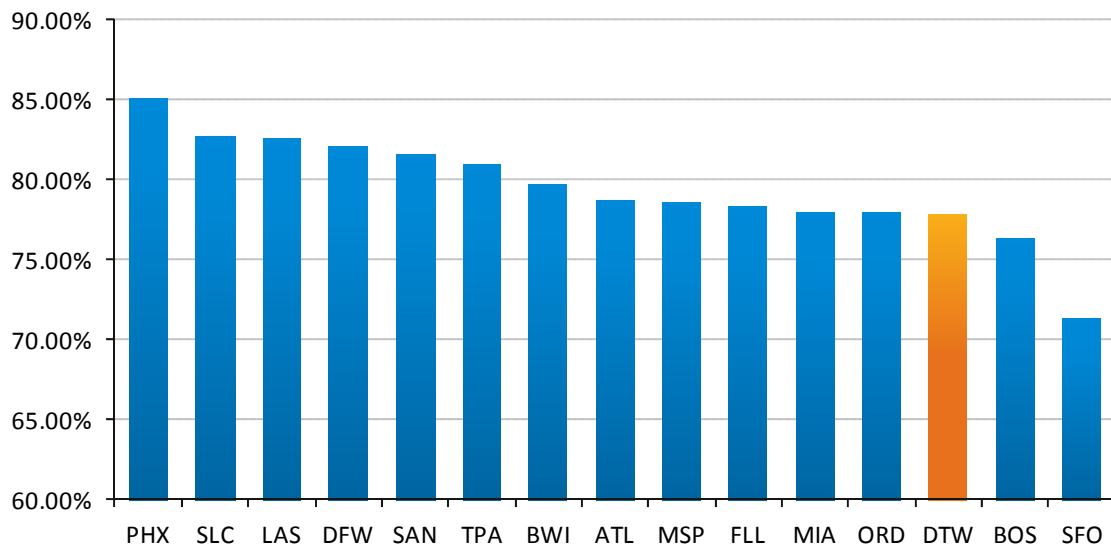


Figure 27: Metro Airport & Peer Airports On-time Percentage CY 2010

Airport Codes

Code	City / Airport Name
ATL	Atlanta, GA: Hartsfield-Jackson
BOS	Boston, MA: Logan International
BWI	Baltimore, MD: Baltimore/Washington International Thurgood Marshall
CLT	Charlotte, NC: Charlotte Douglas International
CVG	Cincinnati, OH: Cincinnati/ Northern Kentucky International
DEN	Denver, CO: Denver International
DFW	Dallas/Ft. Worth, TX: Dallas/Ft. Worth International
DTW	Detroit, MI: Detroit Metro Wayne County
EWR	Newark, NJ: Newark Liberty International
FLL	Fort Lauderdale, FL: Fort Lauderdale International
IAH	Houston, TX: Houston Intercontinental
JFK	New York, NY: Kennedy International
LAS	Las Vegas, NV: McCarran International
LAX	Los Angeles, CA: Los Angeles International
MCO	Orlando, FL: Orlando International
MEM	Memphis, TN: Memphis International
MIA	Miami, FL: Miami International
MSP	Minneapolis/St. Paul, MN: Minneapolis St Paul International
ORD	Chicago, IL: O'Hare
PHL	Philadelphia, PA: Philadelphia International
PHX	Phoenix, AZ: Sky Harbor International
SAN	San Diego, CA: San Diego International Lindbergh Field
SEA	Seattle, WA: Seattle/Tacoma International
SFO	San Francisco, CA: San Francisco International
SLC	Salt Lake City, UT: Salt Lake International
TPA	Tampa, FL: Tampa International
YYZ	Toronto, Canada: Pearson International

Appendix B: Detroit Metro Airport Rates & Charges

	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget
Airfield Activity and Fees			
Enplanements	15,700,000	16,100,000	16,600,000
Airline Cost per Enplanement	\$ 9.61	\$ 9.91	\$ 9.94
Landed Weights (1,000 lbs.)	19,800,000	21,000,000	21,600,000
Signatory Landing Fee	\$ 3.57	\$ 3.73	\$ 3.13
Non-Signatory Landing Fee	\$ 4.46	\$ 4.66	\$ 3.91
South Terminal Activity and Fees			
Terminal Rental Rates			
Signatory Airline	\$ 59.00	\$ 60.00	\$ 62.00
Non-Signatory Airline	\$ 68.00	\$ 69.00	\$ 72.00
International Facility Use Fee	\$ 5.00	\$ 5.00	\$ 5.00
North Terminal Activity and Fees			
Terminal Rental Rates			
Signatory Airline	\$ 76.00	\$ 68.00	\$ 128.00
Non-Signatory Airline	\$ 88.00	\$ 78.00	\$ 148.00
International Facility Use Fee	\$ 5.00	\$ 5.00	\$ 5.00
Shared Use Per Enplaned Passenger (Sig)	\$ 3.62	\$ 2.97	\$ 4.91
Shared Use Per Enplaned Passenger (Non-Sig)	\$ 4.16	\$ 3.42	\$ 5.65
Common Use Gate Fee*			
Signatory Airline	\$ 224.00	\$ 190.00	\$ 349.00
Non-Signatory Airline	\$ 258.00	\$ 219.00	\$ 402.00
Overnight Aircraft Parking			
Common Use Gates**			
Signatory Airline - Overnight	\$ 200.00	\$ 200.00	\$ 200.00
Non-Signatory Airline - Overnight	\$ 230.00	\$ 230.00	\$ 230.00
Signatory Airline - Hourly Rate	\$ 40.00	\$ 40.00	\$ 40.00
Non-Signatory Airline - Hourly Rate	\$ 50.00	\$ 50.00	\$ 50.00
Remote Hardstand Aircraft Parking			
Signatory Airline - Overnight	\$ 100.00	\$ 100.00	\$ 100.00
Non-Signatory Airline - Overnight	\$ 125.00	\$ 125.00	\$ 125.00
Signatory Airline - Hourly Rate	\$ 20.00	\$ 20.00	\$ 20.00
Non-Signatory Airline - Hourly Rate	\$ 25.00	\$ 25.00	\$ 25.00

Notes:

* Common Use Gate Fee is for Narrow Body Equivalent aircraft. Fee is adjusted based on actual aircraft size; refer to "Definitions Section" of Airport Use & Lease Agreement.

** Please refer to WCAA Gate Access Procedures for North Terminal Common Use Gates

Figure 28: Detroit Metro Airport Rates and Charges

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Appendix C: Glossary

Abbreviations

Appendix A provides a glossary of abbreviations and key terms that are referenced in the budget document. In addition, some abbreviations and terms not referenced in the budget document are provided as a reference for commonly used terminology as it relates to the aviation industry.

AAAE	American Association of Airport Executives	ASDEIII	Airport Surface Detection System Program
ACH	Automatic Clearing House (Standard Bank Wire Transfer)	ASQ	Airport Service Quality-worldwide customer satisfaction survey sponsored by ACI
ACI	Airports Council International of North America	ATA	Air Trade Area (also Air Transportation Association)
ACM	Airport Certification Manual	ATMS	Advanced Traffic Management System
ADF	Airport Development Fund (also Aircraft Deicing Fluid)	ATC	Air Traffic Control
ADO	FAA Airport District Office	AVI	Automatic Vehicle Identification
A/E	Architecture/Engineering	BGR	Boarding Gate Readers
AED	Automated External Defibrillator	C/A	Construction/Alteration
AIP	Airport Improvement Program	CAD	Computer Aided Design
ALO	Airline Liaison Office	CASM	Cost per Available Seat Mile
ALP	Airfield Layout Plan (or Airport Layout Plan)	CBA	Collective Bargaining Agreement
AOA	Aircraft Operations Area	CEO	Chief Executive Officer
APO	Aviation Policy and Plans Office	CFO	Chief Financial Officer
AR	Airport Revenue Bonds	CFR	Code of Federal Regulations
ARFF	Aircraft Rescue and Firefighting	CIP	Capital Improvement Program
ASAP	Airport Safety and Program Preservation	CLEMIS	Courts Law Enforcement Management Information Systems

Appendix C: Glossary

CM	Construction Manager	EEO	Equal Employment Opportunity
CMMS	Computerized Maintenance Management System	EEOC	Equal Employment Opportunity Commission
CMRS	Concessions Management Revenue System	EDS	Explosive Detection System
COBRA	Consolidated Omnibus Budget Reconciliation Act	EIS	Environmental Impact Study
CPE	Cost Per Enplanement	EMS	Emergency Medical Services
CUPP	Common Use Passenger Processing	EOC	Emergency Operations Center
CUPPS	Common Use Passenger Processing System	EPAX	Enplaned Passenger
CUSS	Customer Use Self-Service (for kiosks in airports)	ETDS	Explosive Trace Detection System
CUTE	Common Use Terminal Equipment	FAA	Federal Aviation Administration
CY	Calendar Year	FAQ	Frequently Asked Questions
DAAAC	Detroit Airline Airport Affairs Committee	FAR	Federal Aviation Regulation
DANTEC	Detroit Airlines North Terminal Consortium	FASB	Financial Accounting Standards Board
Davis-Bacon	The Davis-Bacon Act of 1931 is federal legislation which established the requirement for paying "prevailing wages"	FBO	Fixed Based Operator
DBE	Disadvantaged Business Enterprise	FF&E	Furniture Fixtures & Equipment
DCS	Departure Control System	FG	Federal Grant (from the FAA)
DF	Drug Forfeiture Fund	FIS	Federal Inspection Station
DTW	Industry code for Detroit Metro Airport	FHWA	Federal Highway Administration Grant
DWSD	Detroit Water and Sewerage Department	FOD	Foreign Object Debris (or Foreign Object Damage)
EA	Environmental Analysis	FOIA	Freedom of Information Act (1966) pertains to fulfillment of requests for government records
		FP&A	Financial Planning & Analysis
		FTE	Full Time Equivalent
		FTZ	Free Trade Zone

FY	Fiscal Year	LAN	Local Access Network
GA	General Aviation	LED	Light Emitting Diode
GARB	General Airport Revenue Bond	LOI	Letter of Intent, a multiyear commitment or promise by the FAA to fund a large project at a particular airport
GASB	Government Accounting Standards Board	LTD	Long Term Disability
GFOA	Government Finance Officers Association	MDCR	Michigan Department of Civil Rights
GMP	Guaranteed Maximum Price	MDEQ	Michigan Department of Environmental Quality
GPRC	Gate Planning and Review Committee (Applies to DTW – North Terminal)	MDOT	Michigan Department of Transportation
GTC	Ground Transportation Center	MERC	Michigan Employment Relations Commission
HAZMAT	Hazardous Materials	MII	Majority-in-Interest
HIPAA	Health Insurance Portability and Accountability Act of 1996	MIOSHA	Michigan Occupational Safety and Health Administration
HVAC	Heating Ventilation and Air Conditioning System	MITSC	Michigan Intelligent Transportation System Center
HR	Human Resources	MUFIDS	Multi-User Flight Information Display System
IATA	International Air Transportation Association	MUNIS	Financial management software used by the Authority
IFR	Instrument Flight Rules	NBEG	Narrow Body Equivalent Gates
IFUF	International Facility Use Fee	NCCI	National Council on Compensation Insurance, Inc.
ILLWAS	Low level wind shear alert system	NOTAM	Notice to Airmen
ILS	Instrument Landing System (radio-based guidance system)	NPDES	Natural Pollutant Discharge Elimination System
IMS	Inventory Management System	NTR	North Terminal Redevelopment Project
ISO	International Organization for Standards		
IT	Information Technology		
ITS	Intelligent Transportation System		

Appendix C: Glossary

NWA	Northwest Airlines	PCCS	Procurement/Contract Compliance System
OCC	Operations Control Center	P-Card	Procurement Charge Card
OIG	Office of the Inspector General	PFC	Passenger Facility Charge
O&D	Origin & Destination	PM	Preventative Maintenance (also Project Manager)
O&M	Operating and Maintenance (generally refers to fund for operating expenses)	PMT	Project Management Team
Order 5500.1	FAA order providing guidance and procedures to be used in the administration of the Passenger Facility Charge (PFC) program	PRASM	Passenger Revenue per Available Seat Mile
OPEB	Other Post-Employment Benefits	RASM	Revenue per Available Seat Mile
OSHA	Occupational Safety and Health Administration (Federal)	RevPar	Revenue Per Available Room
PAE	Public Affairs and the Environment Division	RFID	Radio Frequency Identification
Part 77	Code of Federal Regulations – Title 14 (Aeronautics and Space): Objects Affecting Navigable Airspace	RFP	Request for Proposal
Part 139	Code of Federal Regulations – Title 14 (Aeronautics and Space): Certification of Airports	RFQ	Request for Qualifications
Part 150	Code of Federal Regulations – Title 14 (Aeronautics and Space): Airport Noise Compatibility Planning	ROI	Return on Investments
Part 158	Code of Federal Regulations – Title 14 (Aeronautics and Space): Passenger Facility Charges	RON	Rest Over Night (airplane parked at gate overnight)
Part 1542	Code of Federal Regulations – Title 49 (Transportation): Airport Security	R&R	Renewal and Replacement Fund
PAX	Passengers	RSA	Runway Safety Area
		RSIP	Residential Sound Insulation Program
		RW	Runways
		SCAN	In-pavement surface sensor system
		SG	State Grant (Michigan)
		SOP	Standard Operating Procedure
		SWPP	Stormwater Pollution Plan
		TBD	To Be Determined
		TIN	Taxpayer Identification Number

<p>Title VI Federal legislation (Civil Rights Act of 1964) that prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance</p> <p>Title 49 Code of Federal Regulations parts 23 & 26 – guidance providing for the inclusion of disadvantaged business enterprises for programs receiving federal financial assistance</p> <p>TPA Third-Party Administration</p> <p>TRACON Terminal Radar Approach Control (FAA Control Tower)</p> <p>TSA Transportation Security Administration</p> <p>TW Taxiways</p>	<p>USDOT United States Department of Transportation</p> <p>VALE Voluntary Airport Low Emission</p> <p>VEBA Voluntary Employee Beneficiary Association</p> <p>VLJ Very Light Jet</p> <p>WC Wayne County</p> <p>WCAA Wayne County Airport Authority</p> <p>WMD Weapons of Mass Destruction</p> <p>WMP Wildlife Management Plan</p> <p>WWTP Wyandotte Wastewater Treatment Plant</p> <p>YIP Industry code for Willow Run Airport</p>
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Key Terms

The terms noted below were added to assist the unfamiliar reader to better understand certain aviation terminology or other terms used in the budget document.

Airline Revenues - Landing fee revenues and terminal rental revenues.

Airport Improvement Program (AIP) - The Airport and Airway Improvement Act of 1982 created the Airport Improvement Program (AIP) to provide grants for airport improvement projects, including projects that would increase airport capacity. Increasing airport capacity is one way to reduce aircraft delays and better accommodate passenger and cargo traffic. AIP funds are provided through three categories: entitlement, set-aside, and discretionary funds. Grants cannot extend beyond the AIP's authorization period. FAA distributes entitlement funds by formula to specific airports and states. Set-aside and discretionary funds are distributed by type of project to any eligible airport sponsor. The airport sponsor is the public agency or private entity that owns or operates the airport. Set-aside subcategories include reliever airports, non-primary commercial service airports, airport noise compatibility programs,

integrated airport system plans, and the Military Airport Program. A congressionally mandated percentage of total AIP funds are allocated to each set-aside subcategory.

Airport Master Plan - A comprehensive study that describes short-, medium-, and long-term plans for airport development.

Airport Service Region (ASR) - The primary geographical area served by an airport. In the case of Detroit Metro, the ten counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne (the Detroit-Ann Arbor-Flint CMSA) constitute the Airport Service Region.

Air Trade Area (ATA) – See Airport Service Region

Aviation Trust Fund - Fund established by Congress to pay for improvements to the nation's airports and air traffic control system. Money in the fund comes solely from users of the system - primarily a tax on domestic airline tickets.

Balanced Budget – The Airport Authority defines a balance budget as current revenues equal to current expenditures plus available fund balance. Detroit Metro airport has a residual funding structure. Under this structure the Signatory Airlines have guaranteed to pay the expenses of the airport therefore the operating fund is guaranteed to be balanced with current revenues always equaling expenditures. No reserve or fund balance is ever required.

Capital Improvement Program (CIP) - An ongoing program of major capital projects which are required to replace, reconstruct, or rehabilitate assets which have reached the end of their service life; or to add, expand, or improve facilities or infrastructure. The projects allow the airport to continue to meet the needs of the passengers, the airlines, and the regulatory agencies that oversee it.

Cargo - Anything other than passengers, carried for hire, including both mail and freight.

Catchment Area – See Airport Service Region (ASR).

Compensatory – this refers to the rate-setting methodology employed under the airport's airline Use and Lease Agreement, whereby the airport operates "at risk" without any airlines ensuring to keep the airport financially sufficient. It is the airport's responsibility to budget conservatively to ensure payment of all of its costs and that certain revenues are sufficient to satisfy rate covenant coverage requirements.

Concession Revenues - Revenues collected from terminal concessions, public parking, on-airport and off-airport rental car companies, hotels, and ground transportation operators.

Connecting Flight - A flight requiring passengers to change aircraft and/or airlines at an intermediate stop.

Deregulation - The term commonly used in referring to the Airlines Deregulation Act of 1978, which ended government regulation of airline routes and rates.

Department of Transportation (DOT) - Establishes the nation's overall transportation policy. Under its umbrella there are ten administrations whose jurisdictions include highway planning, development and construction; urban mass transit; railroads; aviation; and the safety of waterways, ports, highways, and oil and gas pipelines. The Department of Transportation (DOT) was established by act of October 15, 1966, as amended (49 U.S.C. 102 and 102 note), "to assure the coordinated, effective administration of the transportation programs of the Federal Government" and to develop "national transportation policies and programs conducive to the provision of fast, safe, efficient, and convenient transportation at the lowest cost consistent therewith." The FAA is a unit of the DOT.

Domestic Passengers - Passengers flying into or out of Detroit Metro Airport on a flight with an origin or destination within the 50 states and all U.S. territories. (WCAA supplies this standard definition with one exception: passengers pre-clearing U.S. Customs at the originating airport, mostly certain Canadian cities, are counted as domestic arrivals and they do not utilize the Airport's FIS).

Enplanements - The number of passengers boarding a flight, including origination, stopovers and connections.

Federal Aviation Administration (FAA) - The government agency responsible for air safety and operation of the air traffic control system. The FAA also administers a program, which provides grants from the Airport and Airway Trust Fund for airport development. Formerly the Federal Aviation Agency, the Federal Aviation Administration was established by the Federal Aviation Act of 1958 (49 U.S.C. 106) and became a component of the Department of Transportation in 1967 pursuant to the Department of Transportation Act (49 U.S.C. app. 1651 note). The Administration is charged with: 1) regulating air commerce in ways that best promote its development and safety and fulfill the requirements of national defense; 2) controlling the use of navigable airspace of the United States and regulating both civil and military operations in such airspace in the interest of safety and efficiency; 3) promoting, encouraging, and developing civil aeronautics; 4) consolidating research and development with respect to air navigation facilities; 5) installing and operating air navigation facilities; 6) developing and operating a common system of air traffic control and navigation for both civil and military aircraft; and 7) developing and implementing programs and regulations to control aircraft noise, sonic boom, and other environmental effects of civil aviation.

Hybrid – this is the rate-setting methodology employed under the airport's airline Use and Lease Agreement, whereby an airport employs both residual and compensatory methodologies. In most cases, an airport sets rates on the airfield using a residual approach, while setting rates on the landside using a compensatory approach.

Impose Only PFC Approval – FAA approval to collect PFC funds for future use on a specific PFC-eligible project. A separate request to the FAA must then be submitted for the FAA to approve the spending of those PFCs (i.e. convert the PFCs to Impose and Use status).

Impose and Use PFC Approval – FAA approval to collect and spend PFC funds on a specific PFC-eligible project.

International Passengers - Passengers flying into or out of Detroit Metro Airport on a flight with an origin or destination outside the 50 states and all U.S. territories. (WCAA supplies this standard definition with one exception: passengers pre-clearing U.S. Customs at the originating airport, mostly certain Canadian cities, are counted as domestic arrivals and they do not utilize the Airport's FIS).

Itinerant Operations – All aircraft arrivals and departures, other than local operations.

Landing Fee Revenues - Revenues collected from aircraft landings.

Large Aircraft – Aircraft of more than 12,500 pounds maximum certificated takeoff weight. (FAR Part 1)

Large Hubs – Those airports that account for at least 1 percent of the total passenger enplanements

Local Operations – As pertaining to air traffic operations, aircraft operating in the local traffic pattern or within sight of the tower; aircraft known to be departing for, or arriving from, flight in local practice areas located within a 20-mile radius of the control tower; aircraft executing simulated instrument approaches or low passes at the airport.

Majority-in-Interest (MII) - “Majority-in-Interest of the air carriers” means either (1) 75 percent of the Signatory Airlines who together have landed 51 percent of the total landed weight of all such Signatory Airlines during the immediately preceding calendar year (as such weight is reflected by official Airport records), or (2) 51 percent of the Signatory Airlines who have together landed 75 percent of the total landed weight of all such Signatory Airlines during the immediately preceding calendar year (as such weight is reflected by official Airport records).

Majority-in-Interest Clauses – Found in some airport use agreements which give the airlines accounting for a majority of traffic at an airport the opportunity to review and approve or veto capital projects that would entail significant increases in the rates and fees they pay for the use of airport facilities.

Non-Signatory Carriers - Airlines that have not signed the Airport/Airline Lease and Use Agreement.

Origin & Destination (O&D) - Passengers who begin or end their trip at a specific airport.

Non-Airline Revenue – This is operating revenue strictly derived from non-aeronautical activities, such as automobile parking revenue, rental car revenue, and concessions revenue. Operating revenue derived from passenger airline carriers, cargo airline carriers, lease revenues from aircraft maintenance facilities, and fuel farm revenues would not be counted as part of non-airline revenues.

Passenger Airline Revenue – Refers to operating revenue strictly derived from passenger airline carriers; revenue derived from cargo airline carriers are excluded.

Passenger Facility Charges (PFCs) - A tax authorized by Congress, approved by the Federal Aviation Administration, assessed by airports, and collected by airlines as an add-on to the passenger airfare. It is designed to help pay for airport improvements that enhance safety and capacity and is not revenue for airlines.

Pay-as-you-go – Refers to PFCs that are spent on project costs.

Rate Setting Methodology – There are three possible rate-setting methodologies typically found in an airport’s airline Use and Lease Agreement:

Residual – airline tenants and users (the airlines) collectively assume financial risk by ensuring payment of all airport costs not covered by non-airline revenue sources; this obligation effectively ensures certain revenues sufficient to satisfy all operating and maintenance costs and rate covenant coverage requirements.

Compensatory – Airports operates at risk without any airlines ensuring to keep the airport financially sufficient; it is the airport’s responsibility to set budget at a level to ensure payment of all costs and that certain revenues are sufficient to satisfy rate covenant coverage requirements.

Hybrid – Airport employs both residual and compensatory methodologies; in most cases, an airport sets rates on airfield usage using residual approach, while setting rates on the landside using a compensatory approach.

Residual – See Rate Setting Methodology.

Revenue Passenger Enplanement - The number of passengers boarding a flight, including origination, stopovers and connections, which actually paid for the flight. This does not include frequent flier awards, crew, or anyone who did not actually pay for the flight.

Sarbanes-Oxley - The Sarbanes-Oxley Act of 2002 is federal legislation which established requirements for annual assessment of the effectiveness of internal financial auditing controls.

Signatory Airlines - Airlines that have signed the Airport/Airline Lease and Use Agreement.

Terminal Rental Revenues - Revenues collected from airlines for terminal space rentals.

Through Passengers - Passengers flying into and out of Detroit Metro Airport without changing aircraft.

Total Cargo - Loaded and unloaded air freight, airmail, and small air package shipments.

Total Passengers - Sum of domestic, international, and through passengers.

Traffic Movements – Landings and takeoffs of an aircraft.

Unrestricted Cash and Investments from Audit – Audited cash and investments that are uncommitted, which can be used for anything. This means funds held in the operations and maintenance reserve and the debt service reserve would be excluded.

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Appendix E: Fiscal Year 2012 Budget Resolution

RESOLUTION

No. 11 - ____

APPROVAL OF WAYNE COUNTY AIRPORT AUTHORITY FISCAL YEAR 2012 BUDGET

By Board Member _____

WHEREAS, the Wayne County Airport Authority (the "Authority"), pursuant to the Aeronautics Code of the Michigan Public Airport Authority Act, being MCL 259.108 – 259.125c, (the "Aeronautics Code") is vested with the power and authority to undertake the management and operation of the Detroit Metropolitan Wayne County Airport and Willow Run Airport (the "Airports"); and

WHEREAS, the Wayne County Airport Authority is governed by the Wayne County Airport Authority Board (the "Board"); and

WHEREAS, the Aeronautics Code requires that prior to the beginning of each fiscal year, the Board shall prepare a budget containing an itemized statement of the estimated current operational expenses and the expenses for capital outlay including funds for the operation and development of the Airports under the jurisdiction of the Board, and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year or which have previously matured and are unpaid, and an estimate of the revenue of the Authority from all sources for the ensuing fiscal year; and

WHEREAS, the Aeronautics Code further requires that money of the Authority be deposited, invested, and paid by the Chief Financial Officer only in accordance with policies, procedures, ordinances or resolutions adopted by the Board; and

WHEREAS, the Aeronautics Code further requires that a vote of a majority of the members of the Board serving at the time of the vote is necessary to approve or amend the annual budget; and

WHEREAS, the Board desires to, among other things, approve the annual budget for fiscal year 2012;

NOW THEREFORE, BE IT RESOLVED, that the Wayne County Airport Authority Board hereby approves:

1. The annual operating budgets for the Detroit Metropolitan Airport Fund, the Willow Run Airport Fund and the Westin Hotel Fund for the fiscal year beginning October 1, 2011 and ending September 30, 2012, as prepared by the Chief

Financial Officer of the Authority and reviewed by the Board, copies of which are attached to this resolution;

2. The Wayne County Airport Authority Five Year Capital Improvement Plan for Detroit Metropolitan and Willow Run Airports for fiscal years 2012-2016, a copy of which is attached to this resolution.

All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are and the same hereby are rescinded.

This Resolution was supported by Board Member _____ and carried by the following vote:

AYES: _____

NAYS: _____

DATE: September 29, 2011



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY