WCAA FY2022 Business Plan

Chad Newton, Chief Executive Officer
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INTRODUCTION

Air travel throughout the world will face great challenges in order to rebound from the Coronavirus pandemic. The Wayne County Airport Authority's Business Plan for FY 2022 is designed to help us navigate back to some semblance of normalcy.

To ensure our business operations remain competitive, we intend to further simplify our strategic pillars in a way that maintains airport facilities, promotes growth to enhance our airport system, cares for our passengers, develops our employees, and drives innovation along with our aerospace partners.

Our vision remains the same as last year, to be the best airport in the world for all passengers who travel through Detroit Metropolitan Wayne County Airport. We will continue to strive for higher standards in our five focus areas: passenger experience, operational excellence, financial stewardship, people development, and regional engagement.

We will adhere to the core values of our Board by exceeding the needs of our passengers, being responsible for our actions, promoting safety and quality in everything we do to support the organization, having integrity by living up to our promises, and including all people living in our community to participate in our efforts.
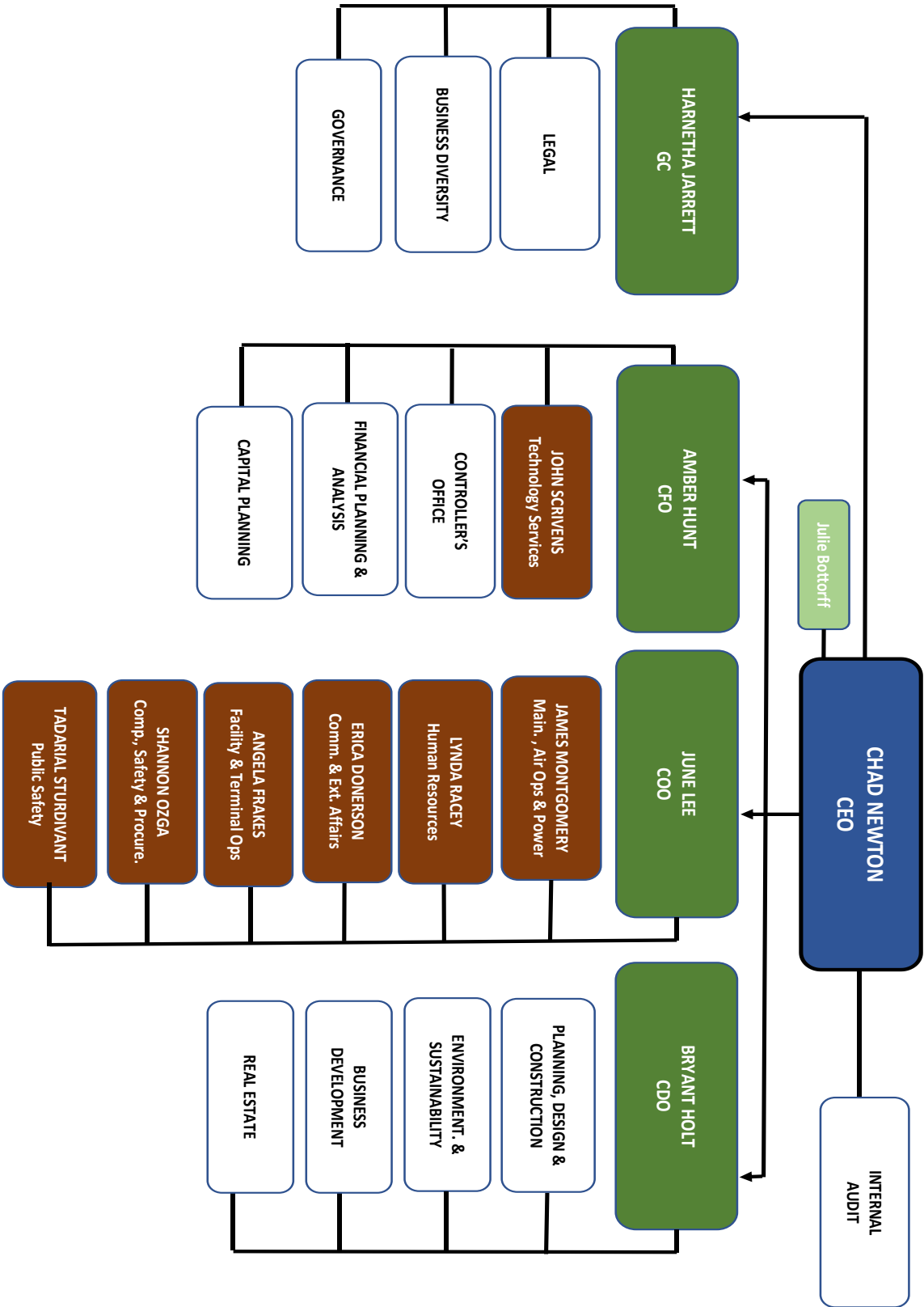
The approved budget for $385.5 million will be executed amongst our four business divisions 1) Administration and Operations 2) Finance and Technology, 3) Infrastructure and Planning, and 4) Governance. Each business division will determine how we organize, prioritize and fund deliverables based on a well defined business criterion:

- Priority 1 – Regulatory/Compliance/Safety
- Priority 2 – Lifecycle/Revenue/Efficiency
- Priority 3 – Enhancement/Continuous Improvement

The information that follows summarizes the Airport Authority's Business Plan and key performance measures required to deliver the FY 2022 business objectives. My team recognizes the need to continuously work collaboratively. The hallmark of our success has always been based on trust, frequent and open communication, and accountability.

Chad Newton, Chief Executive Officer
Wayne County Airport Authority

ORGANIZATION CHART

CHAD NEWTON — CEO

HARNETHA JARRETT — GC
- GOVERNANCE
- BUSINESS DIVERSITY
- LEGAL

AMBER HUNT — CFO
- CAPITAL PLANNING
- FINANCIAL PLANNING & ANALYSIS
- CONTROLLER'S OFFICE
- JOHN SCRIVENS — Technology Services

JUNE LEE — COO
- TADARIAL STURDIVANT — Public Safety
- SHANNON OZGA — Comp., Safety & Procure.
- ANGELA FRAKES — Facility & Terminal Ops
- ERICA DONERSON — Comm. & Ext. Affairs
- LYNDA RACEY — Human Resources
- JAMES MONTGOMERY — Main., Air Ops & Power

BRYANT HOLT — CDO
- REAL ESTATE
- BUSINESS DEVELOPMENT
- ENVIRONMENT. & SUSTAINABILITY
- PLANNING, DESIGN & CONSTRUCTION

Julie Bottorff

INTERNAL AUDIT

ROLES & RESPONSIBILITIES

- **Chief Executive Officer (CEO)**; who is the airport sponsor of WCAA ^ ** #

- **Chief Operating Officer (COO)**; who is responsible for departments that operate the airport 24/7/365^ **

- **Chief Financial Officer (CFO)**; who is responsible for managing the hotel, financial stewardship, and budget planning ^ ** #

- **Chief Development Officer (CDO)**; who is responsible for strategic planning, master development plan and infrastructure of airport system: DTW & YIP^ ** ~ #

- **General Counsel (GC)**; who is responsible for the legal office, lobbyist, board governance and business diversity unit^

- **Vice President, Technology Services**, who is responsible for enterprise information platforms **

- **Vice President, Airfield Operations & Maintenance**, who is responsible for airfield operations, maintenance and power systems ** "

- **Vice President, Facilities & Terminal Operations**, who is responsible for concessions, ground transportation and coordination with terminal management contractors ** +

- **Vice President, Human Resources**, who is responsible for employee hiring, benefits & compensation, labor, and employee relations, as well as organizational development

- **Vice President, Communications & External Affairs**, who is responsible for marketing, public relations, customer experience and community outreach

- **Vice President, Compliance, Safety & Procurement**, who is responsible for oversight of procurement, compliance, risk, and safety^

- **Vice President, Public Safety**, who is responsible for oversight of fire department, police department, security, and special services **

^ = Board Prep Committee   ** = Capital Improvement Committee   # = DAAAC
  + = Airport Council   ~ = Airport Zoning Commission   "= Airfield Operations Meeting

PERFORMANCE MEASURES

AIRPORT AUTHORITY PERFORMANCE MEASUREMENTS

We will stretch our organization performance goals by expanding criterias. Each department will identify key measures to help influence the output of our five focus areas. These five focus areas will continue to serve as the basis for our Board goals and "Pay-for-Performance" program.

Bonus Distribution: If Airport Authority achieves 100% of its goals:

	Airport Authority Performance	**Individual Performance**
Vice Presidents	75%	25%
Directors	60%	40%
At-Will	15%	85%

1. **Customer Experience (20%)**
   - Measure: Customer Experience Scoring Index
   - Source: Airport Service Quality (ASQ)
   - Deliverable: Customer Satisfaction Index ≥ 4

2. **Financial Stewardship (20%)**
   - Measure: Cost Per Enplanement
   - Source: Multiple Financial Systems
   - Deliverable: Projected Budget CPE ≤ $10.56

3. **Operational Excellence (20%)**
   - Measure: Operational Performance Index
   - Source: MAXIMO/LMS/MUNIS
   - Deliverable: Operational Performance Index ≥ 90%

4. **People Development (20%)**
   - Measure: Defined Six Critical Skills
   - Source: Learning Management System (LMS)
   - Deliverable: Employee Completion of Six Critical Skills ≥ 90%

5. **Regional Engagement (20%)**
   - Measure: Small Business Enterprise (SBE) Participation
   - Source: Defined in MUNIS
   - Deliverable: Aggregate Contract Value ≥ 20%

HORIZON 1: FY2022 – CUSTOMER EXPERIENCE

Drive Airport Quality Service Score

Leverage new technology to help improve how we manage the quality and cleanliness of our public facilities to enhance the passenger experience

Equip terminal facilities with the latest monitoring technology to enhance the customer experience

This initiative will ensure the Airport Authority maintains or exceeds its airport quality service status in the industry

North Terminal Renaming Initiative

Complete renaming of the Warren Cleage Evans Terminal to coincide with the ceremony to honor Mr. Evans

Install new signage on roadways, parking deck facilities and terminal buildings

New signage will provide better wayfinding throughout DTW Campus

Parking Deck Optimization

Optimize parking deck systems to provide ease of maneuverability and parking space availability that drives customer satisfaction

Evaluate parking deck vehicular circulation, determine best ingress/egress and Transportation Network Company (TNC) integrations

This initiative will optimize utilization of parking facility to yield maximum parking revenue while expanding passenger ground transportation options

Criteria/Owner

Enhancement-Continuous Improvement/Frakes

Criteria/Owner

Enhancement-Continuous Improvement/Lee

Criteria/Owner

Lifecycle-Revenue-Efficiency/Hunt

HORIZON 1: FY2022 – FINANCIAL STEWARDSHIP

Enterprise Resource Planning (ERP) System	**Criteria/Owner**
Begin the process of evaluating a new Enterprise Resource Planning (ERP) system that facilitates full integration between new and legacy WCAA management systems	Lifecycle-Revenue-Efficiency/Hunt
Utilize a selection committee to evaluate multiple off-the-shelf ERP systems to determine best product suitable for WCAA	
An off-the-shelf product will allow Airport Authority to integrate other platforms compatible with legacy technologies	

Attract Landside Real Estate	**Criteria/Owner**
Proactively seek out opportunities to capitalize on airport properties both on-airport and off-airport land in order to reduce overall operating expenses	Lifecycle-Revenue-Efficiency/Holt
New Business Development/Real Estate approach will proactively seek out investors and developers	
New business opportunities will provide new revenue streams	

Short-Term Rental Car Company Agreement	**Criteria/Owner**
Complete agreement for new rental car short-term consolidation plan as we formalize the long-term Mobility Terminal strategy	Lifecycle-Revenue-Efficiency/Lee
Complete ground lease agreement extension to provide more time to develop long-term strategy	
This initiative will afford the Airport Authority and Rental Car Companies an opportunity to position DTW for the future as it relates to passenger mobility	

HORIZON 1: FY2022 – OPERATIONAL EXCELLENCE

Safety Management System (SMS)   Criteria/Owner

Scope order of task to prepare WCAA for   Regulatory-Compliance-Safety/Ozga
adopting Safety Management System (SMS)
is a top priority across the organization

Establish team to pull together requirements with
a cross-section of departments to determine how to
deploy four pillars for SMS

This initiative will ensure the Airport Authority
is on track to meet its regulatory obligations

Execute Capital Improvement Plan   Criteria/Owner

Successfully execute capital projects approved   Lifecycle-Revenue-Efficiency/Holt
on the Weighted Majority by Airlines and Board

Align staffing resources to successfully complete
maintenance and operational projects as approved
on the FY 2022 Budget

Quality System Measurements   Criteria/Owner

Quality measurements and Project Management   Lifecycle-Revenue-Efficiency/Hunt
Reporting utilize Key Performance Indicators (KPI) to
improve productivity to help reduce waste and rework

Evaluate current systems to take advantage of
increased understanding of available process
measurements to enhance understanding and
evaluation of business processes

This initiative will produce efficient and effective
business processes

HORIZON 1: FY2022 – PEOPLE DEVELOPMENT

Great Place to Work

Criteria/Owner

Working towards becoming a great place to work starts with leadership

Enhancement-Continuous Improvement/Racey

We want to ensure all employees have an opportunity to give their input and be a part of the decisions as much as possible

If successful, this initiative will ensure the Airport Authority can be certified as a Great Place to Work

Diversified Workforce

Criteria/Owner

Ensure that employees and candidates have an equal opportunity for employment free from bias and prejudice in the workplace

Enhancement-Continuous Improvement/Racey

Develop a robust training program for all employees and hiring managers about implicit bias and the benefits of a diverse and inclusive workforce. Create partnerships and outreach efforts to expand our talent pool of underrepresented populations

Review selection process and remove barriers in hiring and promotion including job descriptions and assessment tools and consider career paths and mentoring to promote opportunity

HORIZON 1: FY2022 – REGIONAL ENGAGEMENT

Safety Crossing

Criteria/Owner

Implement a comprehensive road crossing initiative to ensure the safety of our passengers and enhanced public safety presence

Regulatory-Compliance-Safety/Sturdivant

Revise Procurement Ordinance

Criteria/Owner

Revise WCAA Procurement Ordinance to make it easier for companies to do business with the Airport Authority

Regulatory-Compliance-Safety/Ozga

This initiative will empower the Airport Authority to increase small business enterprise (SBE) participation

HORIZON 2: FY2023 – FY2024

CUSTOMER EXPERIENCE

<u>Evans Terminal Sky Cap Program</u>   Owner: Frakes

- Evaluate offering program at Evans Terminal
- WCAA must work with airline partners
- Will enhance customer experience

<u>Rental Car Consolidation (Long-term)</u>   Owner: Holt

- Develop strategy with rental car companies
- WCAA must seek stakeholder concurrence
- Will decide future rental car plan

FINANCIAL STEWARDSHIP

<u>Central Inventory Management</u>   Owner: Hunt

- Sort & organize four-wall inventory
- Integrate into MAXIMO
- Will reduce operating cost

<u>Implement Enterprise Management System (ERP)</u>   Owner: Scrivens

- Conduct employee user accepting testing and training
- Secure training manuals & technical support
- Will improve financial management & accounting

OPERATIONAL EXCELLENCE

<u>Autonomous Guidance Systems</u>   Owner: Scrivens

- Utilize guidance systems to automate tasks
- Automate Airfield Mowing & Snow Removal
- Will improve timely completion of routine tasks

<u>Implement Safety Management System (SMS)</u>   Owner: Ozga

- Meet FAA safety management system standards
- Pass FAA compliance inspection
- Will support safety best practices

<u>DTW Maintenance Building Plan</u>   Owner: Holt

- Develop plan to improve maintenance facilities.
- Combined with new construction & refurbishing buildings
- Will improve operational efficiencies

HORIZON 2: FY2023 – FY2024

OPERATIONAL EXCELLENCE

<u>Update Asset Management Planning Documents</u>   Owner: Holt

- Update Asset Management Plan (AMP)
- Establish budget for consultant support
- Updated AMP will align with Capital Planning

PEOPLE DEVELOPMENT

<u>Workforce Readiness</u>   Owner: Racey

- Ensure we have talent readiness at all levels
- Create robust succession plan
- Will ensure organizational continuity

<u>Leadership Academy</u>   Owner: Racey

- Re-establish leadership development program
- Train personnel
- Will ensure quality leadership & management teams

REGIONAL ENGAGEMENT

<u>DTW: Electrification Planning</u>   Owner: Holt

- Construct new EV electrical infrastructure
- WCAA must seek signatory airlines approval
- Concept will generate airport revenue

<u>WCAA: Marketing & Branding Program</u>   Owner: Donerson

- Solicit private firms to develop a marketing and branding program
- WCAA must seek Board approval
- Concept will enhance Authority's image

<u>WCAA: SBE Mentorship/Apprentice Program</u>   Owner: Jarrett

- The Airport Authority wants to launch a mentorship/apprentice program to increase inclusion for under-represented groups to participate in airport contracts
- The CEO must seek approval from the Board and airline partners to support the program
- This initiative could potentially add cost to capital construction projects

HORIZON 3: BEYOND 2024

To achieve our vision to become the best airport in the world for the millions of passengers who travel through Detroit Metropolitan Airport, beginning with the leadership team. To help management visualize where the organization is going, and when, beyond the current planning horizons. Looking ahead will help us:

- o Ensure our airport system remains competitive, this document will expand on our long-range Horizon 3 initiatives in a way that ensures the needs of our airport facilities, employees, and passengers are aligned with the growth of the airport and our airline partners.

- o Understand the airline industry's evolving needs and expectations, the Airport Authority must align with market trends to improve safety, leverage technology for the traveling passenger's enjoyment, and optimize airport functions and operational processes and procedures.

- o Guide the leadership team, our strategic planning model falls into four strategic management areas: 1) Financial Management 2) Business Management, 3) Infrastructure Management and 4) Risk Management.

The Horizon 3 initiatives allow senior management to effectively plan, fund, and procure the desired outcome in the form of goods and services required by key stakeholders.

The Horizon 3 topics contained in this plan are not all-inclusive but represents a summary of essential aspects required to achieve a viable and sustainable airport system in the Detroit region.

The leadership team must maintain a high level of service, find ways to retain talent, and ensure adherence to federal, state, and local regulatory and compliance requirements.

The leadership team is committed to collaborating across areas of the organization to help prioritize, budget, and allocate resources to accomplish the organization's objectives.

HORIZON 3: BEYOND 2024

To enable the leadership team to categorize Horizon 3 initiatives, four strategic management pillars will serve as the guiding principles to capture future requirements.

- **Financial Management**
  Addresses matters of treasury, capital budget, and how WCAA structures capital debt, as well as managing working capital for payroll, accounting, human resources, operations and maintenance.

- **Business Management**
  Addresses the tactical implementation and strategic planning of the organization's practices, policies, guidelines and procedures used in the development and deployment of business activities.

- **Infrastructure Management**
  Addresses the lifecycle of infrastructure assets (e.g., airfield pavement, roads, bridges and tunnels, as well as structural facilities) that maintains the planning horizon and adherence to rehabilitation standards according to federal, state and local government agencies.

- **Risk Management**
  Addresses all effects of uncertainty on organizational objectives, followed up by coordinated departmental efforts, funded budgets, and allocated resources to minimize, monitor and control the impending impact from disrupting the sustain well-being of business activity.

As initiatives move from Horizon 3 to Horizon 2 and onto the Business Plan Horizon 1, each business division will determine based on Customer Experience, Financial Stewardship, Operational Excellence, People Development, and Regional Engagement, how we organize, prioritize and fund initiatives:

Funding Criterion
Priority 1 – Regulatory/Compliance/Safety
Priority 2 – Lifecycle/Revenue/Efficiency
Priority 3 – Enhancement/Continuous Improvement

HORIZON 3: FINANCIAL MANAGEMENT

DTW: Passenger Facility Charge Applications

The Airport Authority can reclaim potential Passenger Facility Charges (PFC) from the FAA, via an amendment process. The successful completion of the application will enable the CFO to restructure the airport's debt service profile. The CFO must seek approval from the FAA to determine if DTW qualifies for reimbursement. This initiative will yield an influx of cash and change the trajectory of DTW annual debt service by accelerating repayment.

DTW: Mobility Terminal

The rental car companies expressed a desire to construct a Consolidated Rental Car Facility (CONRAC) aka Mobility Terminal as part of DTWs long-term strategy.

WCAA: Airport Development Fund (ADF)

The Airport Authority wants to increase ADF to balance capital projects across calendar years. The CFO will work with CDO to formulate annual requirements. This initiative will help manage cash flow for capital construction projects.

YIP: Alliance Michigan (Hillwood ERN)

An agreement to develop business opportunities at YIP by rebranding to Alliance Michigan, a family of Hillwood-Sterling Group managed properties. Alliance Michigan will generate airport revenue growth.

HORIZON 3: BUSINESS MANAGEMENT

DTW: Smoke Lounge

Solicit private firms to develop a business for the purposes of enhancing customer experience of certain demographics. WCAA must seek Board Approval. Concept will generate airport revenue.

DTW: Casino

Solicit private firms to develop a business for the purposes of enhancing customer experience of certain demographics. WCAA must seek Board Approval. Concept will generate airport revenue.

DTW: Training Facility

Plan for an expansion opportunity at the Fire Pit Simulator to offer a training facility. The training facility could also serve as a conference center. Concept will generate airport revenue.

DTW: Customer Service Center

Solicit private firms to develop a business for the purposes of providing a Customer Service Center near the Evans Terminal. Concept will provide roadway congestion relief and generate airport revenue.

HORIZON 3: INFRASTRUCTURE MANAGEMENT

DTW: Evans Terminal Refresh Construction

Solicit Construction of Evans Terminal Refresh (Phases 2 – 3). WCAA must seek Signatory Airlines Weighted Majority approval. Concept will enhance customer experience and improve efficiency.

DTW: Terminal Operations Manual Update

Update changes to Terminal Operations Manual which serves as the policy repository for Evans Terminal Carriers.

DTW: Power System PEER

Work towards Performance Excellence in Electrical Renewal (PEER) Certification.

WCAA: Drone Application

Seek different methods to utilize drone technology throughout the airport system.

YIP: Administration Building/Concession Program

Promote Willow Run Airport. Concept will generate airport revenue.

HORIZON 3: RISK MANAGEMENT

WCAA: Sensitive Security Information

The Airport Authority will develop plan to enhance security measures to reduce risk effectively. Risk Level: Medium – High

WCAA: Workforce and Succession Planning

The Airport Authority may be at risk if we do not address the talent gap and close the new hire to retiree ratio. Risk poor quality and loss of legacy knowledge. Risk Level: Medium – High

WCAA: Environmental Mitigation Plan

The Airport Authority may be at risk in the future due to various environmental issues that might arise at both campuses. Some level of mitigation may be required. Risk Level: Medium – High