

Michigan Aeronautics Commission

Director's Report

March 20, 2014
Lansing, Michigan

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Office of Aeronautics

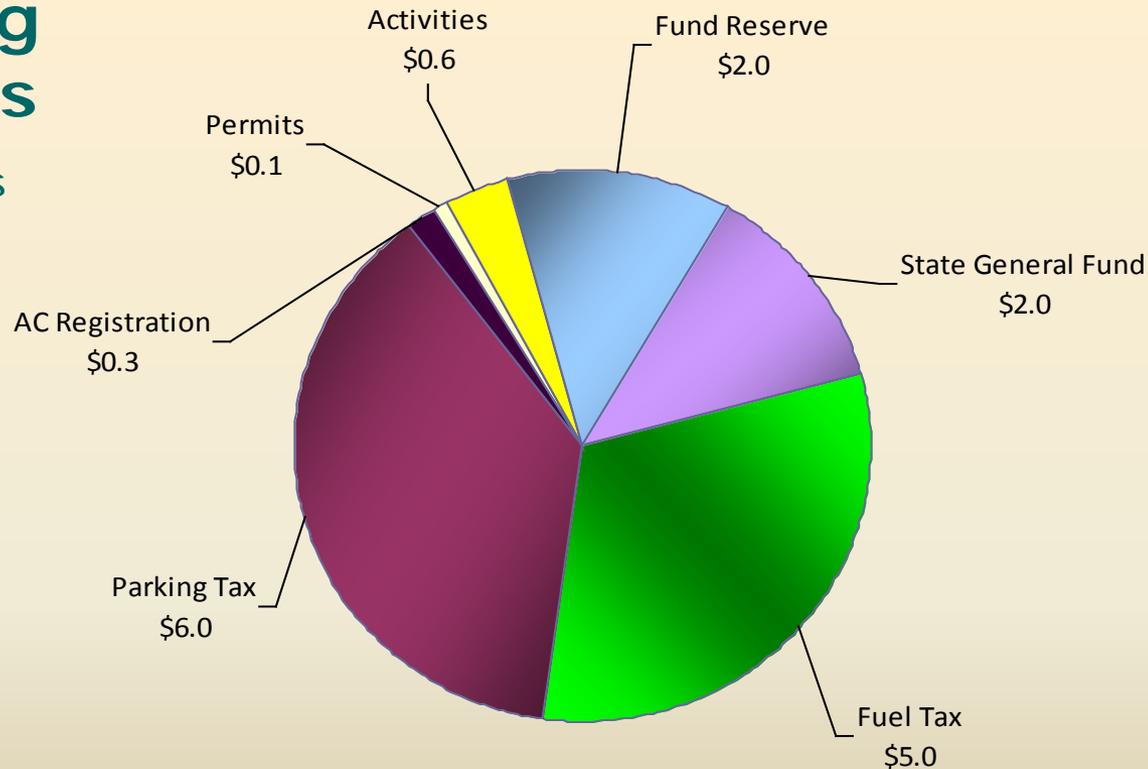
2014 Appropriation & 2015 Estimates

◆ REVENUES	2014	2015
	(million)	(million)
– Fuel Tax	\$5.5	\$5.0
◆ Since 1929 3¢ per gallon (1.5¢ refunded to airlines)		
– Activities	1.5	1.0
– Aero Fund Reserve	2.0	2.0
– Parking Tax	6.0	6.0
– General Fund	<u>0.0</u>	<u>2.0</u>
◆ Total Revenues	\$15.0	\$16.0

FY 2015 Aeronautics Budget

Funding Sources

In millions
(Rounded)



Total: \$16 million

Office of Aeronautics

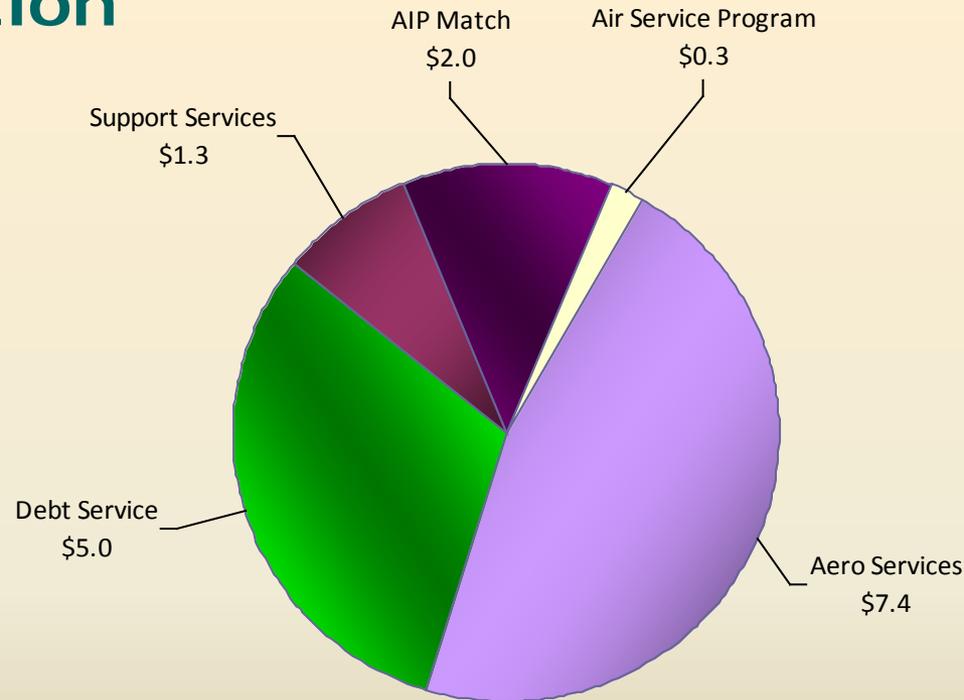
2014 Appropriation & 2015 Estimates

◆ EXPENSES	2014	2015
	(million)	(million)
– ASAP Debt Service	\$4.1	\$5.0
– IDG's/IT/Support	1.3	1.3
– Aeronautic Services	7.3	7.4
– Air Service Program	0.1	0.3
– AIP	<u>2.2</u>	<u>2.0</u>
Total Expenses	\$15.0	\$16.0

FY 2015 Aeronautics Budget

Appropriation

In millions
(Rounded)



Total: \$16 million

Aeronautics Budget Highlights

- ◆ Capital outlay changes to reflect estimated revenue
 - Projected \$200 million shortfall over 5 years
- ◆ Local and Federal Funds unchanged
- ◆ State Aeronautics Fund reduced to balance the available revenue
- ◆ Governor's Recommendation includes \$2.0 million of General Fund to match Federal Aid

2015 Aeronautics Challenges

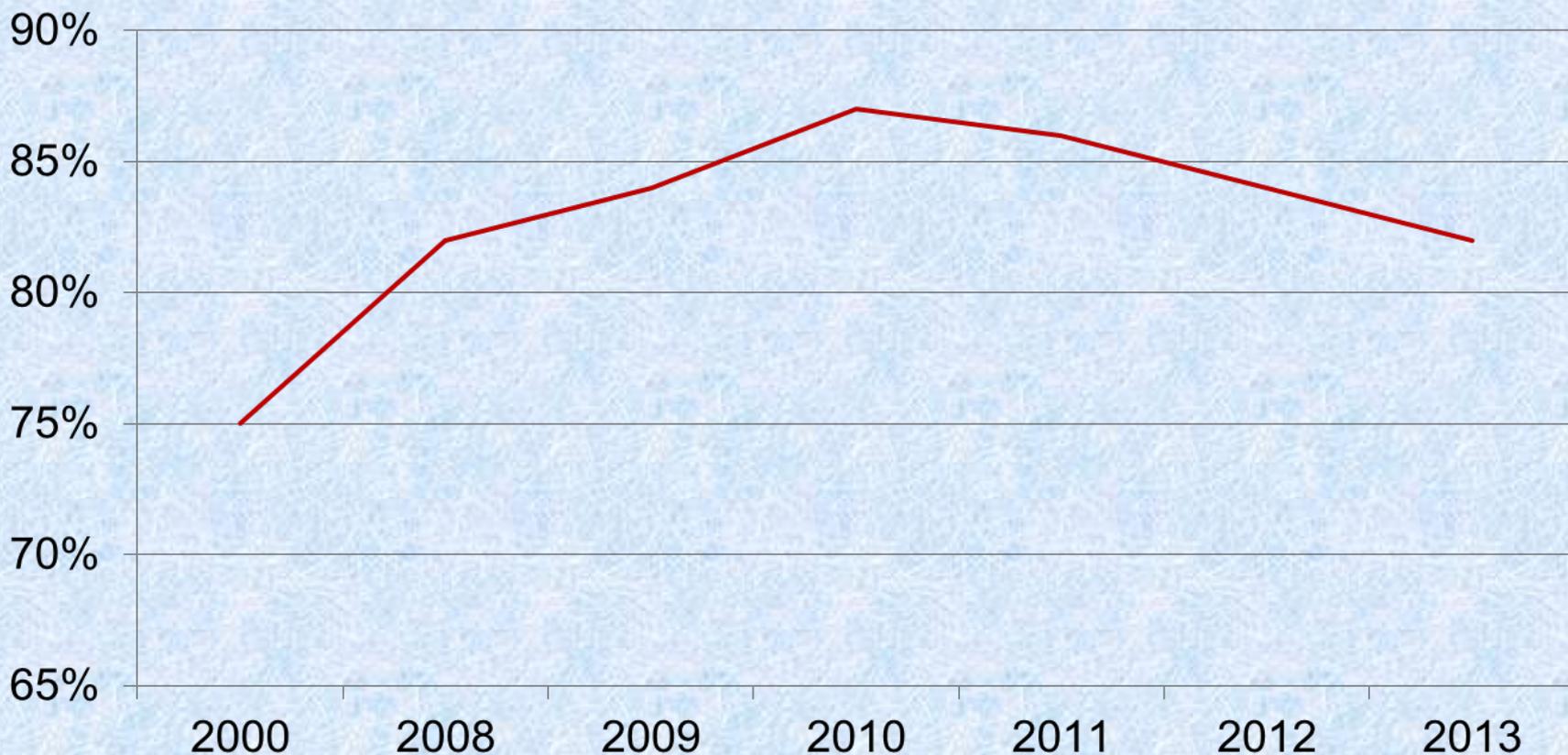
- ◆ Declining Fuel Tax Revenue
 - 3 cents per gallon since 1929
 - 1.5 cents per gallon rebate to air carriers
- ◆ Zero remaining fund balance
- ◆ Increase in Debt Service
- ◆ Federal Reauthorization
 - Changes in funding levels
 - Changes in Non-Primary Entitlements
 - Changes in Passenger Facility Charges
 - Changes in match



Assess the Current Challenge

Airport Pavement Condition in Decline

Pavements in “Good or Better” Condition



FY15 Governor's Recommended Budget Summary

- ◆ No new revenue package
- ◆ Innovative within resources available
- ◆ Includes \$254 million of General Fund
 - \$2 million for Aeronautics
- ◆ Matches all Federal Aid
- ◆ Address further decline of asset conditions
 - Roads, bridges, rails, runways
- ◆ Need for stable sustainable revenue
 - HB 4571, 4572 & 4677 (H-4)

And also . . .

- ◆ FAA/MDOT Congressional Briefing (March 11)
- ◆ MBAA/MAAE Legislative Day (March 18)
- ◆ Michigan Airport Conference (Feb. 19-20)



2014 Michigan Airports Conference Survey Information

- ◆ How many winter conferences have you attended?
 - First Time 10
 - 1–3 6
 - 4–7 14
 - 8+ 14

- ◆ How would you rate the following on a scale of 1-5?
 - Registration 4.62
 - Session Content 4.24
 - Vendors 4.76
 - Facility 4.83
 - Cost 4.49
 - Networking Opportunities 4.83
 - Meals 4.44
 - Overall Conf. Experience 4.59

- ◆ Do you plan to attend this conference next year?
 - Yes 43
 - No 1 (Retiring)

2014 Michigan Airports Conference Survey Information

◆ Suggestions for improvement:

- More GA focus
- Less use of acronyms
- New topics (trends, forecasting industry)
- More programs for little airports
- More time for roundtable
- More breakout sessions – 4
- Better transition from exhibits to sessions
- Concurrent sessions
- Have non-sugar snacks
- Have speaker biography and contact information
- 5 minute mingle before lunch / meet people around you / ice – breaker / networking
- Presentation depicting a business model for GA airports, especially relating to revenue generation
- Newsletter keeping us up to date on topics that affect us

◆ Additional Comments:

- Always enjoyable
- Great opportunity to network – 2
- Great conference – 2

THANK YOU

QUESTIONS

MDOT wants to deliver outstanding customer service for Michigan's citizens.

Go to www.michigan.gov/mdot and click on
'How is MDOT Doing? Customer Satisfaction Survey.'
Your opinion is very important to us!



"Aviation is proof that given, the will, we have the capacity to achieve the impossible."

Eddie Rickenbacker