

Memorandum



CITY OF DALLAS

DATE June 14, 2024

TO Honorable Members of the Transportation and Infrastructure Committee

SUBJECT **Department of Aviation Mission and Goals**

Please find attached information packet regarding the Department of Aviation. The packet outlines the departments' mission and goals. It also includes an overview of revenue, expenditures, performance measures, and department statistics.

If you have any questions or concerns, please contact Patrick Carreno, Director of Aviation, at patrick.carreno@dallasgov.

A handwritten signature in blue ink, appearing to read 'M. Al-Ghafry'.

Majed A. Al-Ghafry, P.E.
Assistant City Manager

[Attachment]

c: Kimberly Bizzor Tolbert, City Manager (I)
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Deputy City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager

Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager (I)
Robin Bentley, Assistant City Manager (I)
Jack Ireland, Chief Financial Officer
Elizabeth Saab, Chief of Strategy, Engagement and Alignment (I)
Directors and Assistant Directors

Department of Aviation

Transportation & Infrastructure
June 17, 2024

The logo of the City of Dallas, featuring a stylized 'D' with a three-leaf plant inside, set against a dark blue background with a fine white grid pattern.

City of Dallas

Patrick Carreno, Director
Sheneice Hughes, Assistant Director
Department of Aviation



Review the Department of Aviation for FY24 Budget with the follow items:

- Revenues
- Expenditures
- FY24 goals
- Staffing concerns (reorg)
- Any other changes at Aviation



Role of the Department / Fact Sheet



▪ Mission

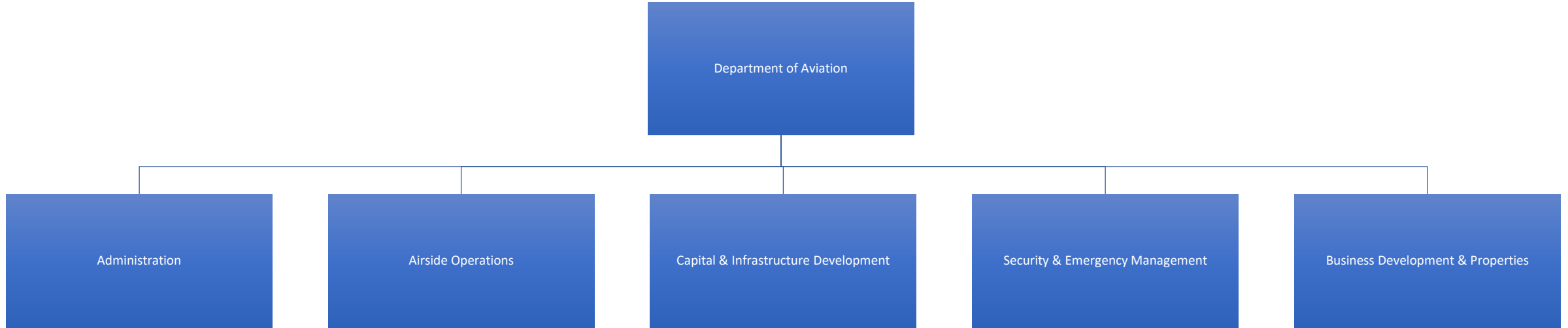
- Create innovative airport experiences by promoting safety and comfort, valuing our employees, developing our facilities, recognizing our unique role in the Dallas Community, and contributing positive economic impact.

▪ Department Goals

- Increase the public's knowledge about Aviation's (AVI) virtual and live events by responding to media requests within 24 hours and using social media to promote events
- Deepen the relationship with the community by conducting regular neighborhood meetings, providing communication tools, and publishing up-to-date information regarding airport projects
- Update the Voluntary Noise Program for DAL to enhance the noise reduction goal to reduce the impact of the Airport's operations on the surrounding neighborhoods
- Enrich the quality of life for the residents of Dallas and enhance the cultural appeal to city visitors by integrating high-quality visual art and performances into public spaces
- Provide award-winning food, beverage, and retail experiences for the visitors and employees at Dallas Love Field (DAL) and Dallas Executive Airport (RBD) to create excellent customer service and economic vitality
- Undertake a Terminal Area Master Plan at DAL to balance capacity, and optimize infrastructure and resources in an operationally, financially, and environmentally sustainable manner



Organizational Chart



Aviation Total Budget – Sources of Revenue



Enplanements: Enplanements are the most important air traffic metric, because more than 80% of Aviation revenues are generated directly or indirectly from enplaned passengers. Typically, Aviation generates less than 20% of total operating revenues from non-passenger aeronautical activities.

	2019	2020	2021	2022	2023	2024
TOTAL Revenues	\$ 147,419,835.59	\$ 127,328,328.05	\$ 142,535,402.49	\$ 164,697,858.36	\$ 188,063,356.82	\$ 110,116,102.93
TOTAL Enplanements	8,310,451	5,062,470	5,634,142	7,841,299	8,673,629	4,351,773
SPE	\$ 17.74	\$ 25.15	\$ 25.30	\$ 21.00	\$ 21.68	\$ 25.30

Top Revenue Drivers



Airline Revenues: More than 60%

- Landing fees (Commercial & GA) – **21%**
- Terminal Rent – **40%**



Non-Airline Revenues: Less than 40%

- Parking fees – **(14%)**
- Concessions sales – **(7%)**
- Car Rentals – **(5%)**
- TNC – **1%**
- Other Leases on the airfields (Ground Rent) – **12%**



Position Overview



Positions	FY 2023-24 Budget	FY 2024-25 Planned	Change
Aviation Operating Fund (0130)	366	371	5
Transportation Regulation for Hire	5	5	0
Total	371	376	5

- **Current status as of 6.5.2024:** Filled: 314, Vacant: 58, Temp: 17
- The current vacant positions will be re-classed at a higher level to support the anticipated increase in enplanements and efficiencies.
- Reclassification of all trade positions to meet the job market demands for the airport industry
- The Department will continue to limit temporary employees during the fiscal year.
- Overtime will be expected to meet service levels until vacancies decrease.



Budget Summary by Service



Service	FY 2022-23 Actual	FY 2023-24 Adopted Budget	FY 2023-24 Forecast*	FY 2024-25 Planned Budget
Dallas Love Field	\$103,326,272	\$128,872,691	\$129,182,741	\$134,717,561
Debt Service and Capital Transfer	\$44,968,092	\$51,103,168	\$51,112,930	\$49,092,120
Dallas Executive Airport	\$8,677,694	\$4,310,694	\$3,990,882	\$4,310,694
Transportation Regulation	\$497,497	\$546,131	\$546,131	\$546,131
Expense Total	\$157,469,555	\$184,832,684	\$184,832,684	\$188,666,506

*January 2024 Forecast



Operating Expense and Revenue



Service/Division	FY 2022-23 Actual	FY 2023-24 Adopted Budget	FY 2023-24 Forecast*	FY 2024-25 Planned Budget
Personnel Services	\$24,172,487	\$31,661,545	\$28,823,922	\$34,352,072
Supplies - Materials	\$10,183,673	\$11,224,138	\$11,784,875	\$13,241,154
Contractual – Other Services	\$126,991,222	\$133,453,664	\$131,015,753	\$136,713,901
Capital Outlay	\$2,814,371	\$14,940,059	\$19,654,856	\$9,851,436
Reimbursements	\$(7,692,198)	\$(6,446,722)	\$(6,446,772)	\$(5,492,057)
Department Expense Total	\$157,469,555	\$184,832,684	\$184,832,684	\$188,666,506
Department Revenue Total	\$188,606,978	\$182,592,444	\$186,590,045	\$188,631,645

*January 2024 Forecast

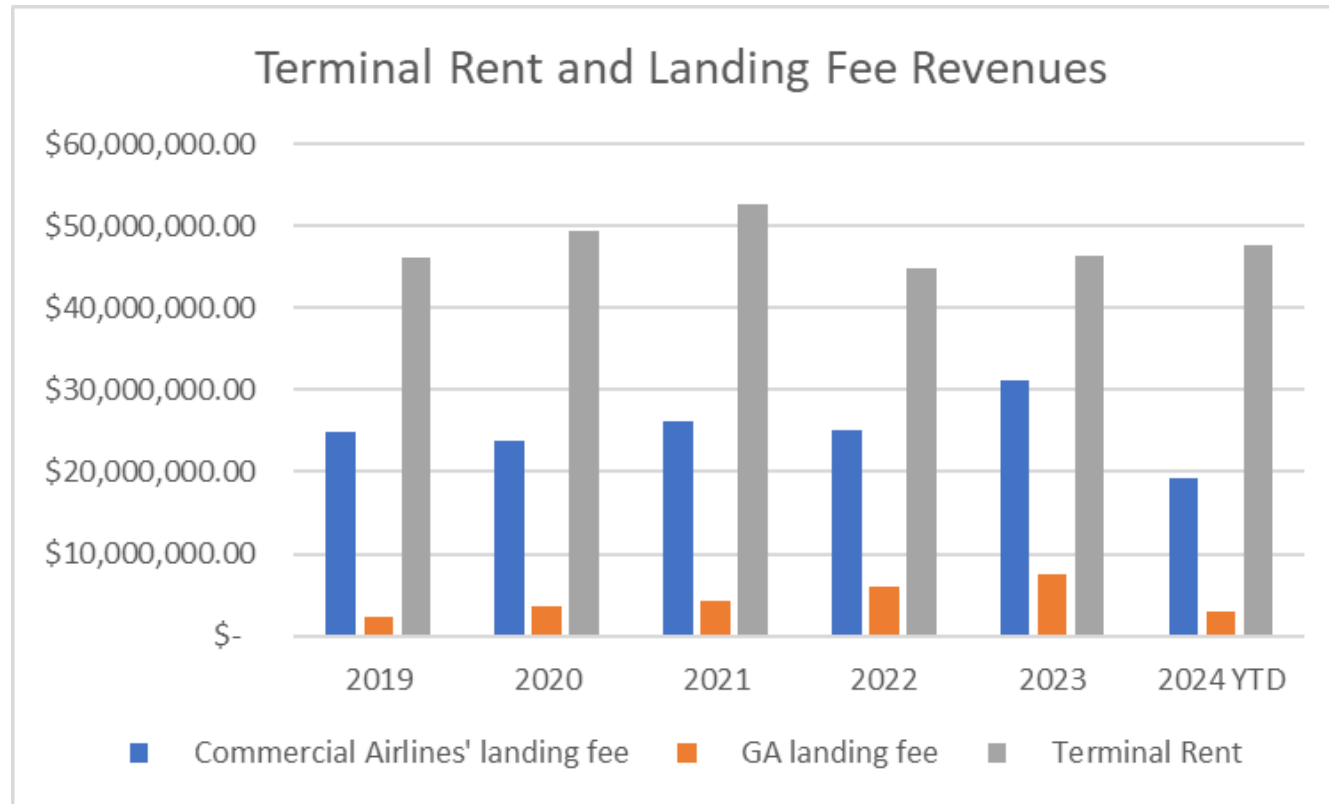


Revenue Overview – Airlines Revenues



Terminal Rent & Landing Fee Revenues collected in the last five years

Airlines' Revenues	2019	2020	2021	2022	2023	2024 YTD
Commercial Airlines' landing fee	\$ 24,964,691.00	\$ 23,694,988.00	\$ 26,124,909.00	\$ 25,113,791.00	\$ 31,146,148.00	\$ 19,132,078.00
GA landing fee	\$ 2,246,462.00	\$ 3,570,011.00	\$ 4,341,054.00	\$ 6,090,690.00	\$ 7,560,055.00	\$ 3,064,064.00
Terminal Rent	\$ 46,145,471.50	\$ 49,327,455.00	\$ 52,602,849.00	\$ 44,796,864.00	\$ 46,338,871.79	\$ 47,707,884.64



Revenue Overview – Non-Airlines Revenues



Concessions, Parkings, TNC

Concession	2019	2020	2021	2022	2023	2024 YTD
Food/Beverage	\$ 9,638,407.63	\$ 5,908,369.97	\$ 6,528,128.27	\$ 10,173,503.41	\$ 8,232,959.13	\$ 5,282,991.51
Retail	\$ 4,780,960.32	\$ 2,854,820.05	\$ 3,073,589.16	\$ 4,831,371.85	\$ 3,047,856.22	\$ 2,121,357.72
Advertising & Misc.	\$ 1,634,897.69	\$ 1,649,792.54	\$ 1,190,246.44	\$ 1,637,808.66	\$ 1,627,900.97	\$ 1,188,192.75
DEA	\$ 12,497.38	\$ 13,441.78	\$ 10,735.98	\$ 12,504.75	\$ 13,782.78	\$ 8,491.87

Parking	2019	2020	2021	2022	2023	2024 YTD
Garage A & B & C	\$ 25,127,761.20	\$ 15,314,323.48	\$ 17,993,963.70	\$ 30,109,217.77	\$ 36,465,938.06	\$ 18,101,705.21
Employee parking - LV Connection	\$ 631,007.61	\$ 747,258.14	\$ 727,905.84	\$ 713,151.15	\$ 827,305.97	\$ 506,012.09
Valet	\$ 3,244,552.50	\$ 1,724,818.38	\$ 1,575,140.46	\$ 2,838,758.08	\$ 3,251,462.97	\$ 1,860,120.17
Total Parking Revenue	\$ 29,003,321.31	\$ 17,786,400.00	\$ 20,297,010.00	\$ 33,661,127.00	\$ 40,544,707.00	\$ 20,467,837.47

Ground Transportation and TNC	2019	2020	2021	2022	2023	2024 YTD
Car Rental	\$ 10,554,906.70	\$ 6,965,379.39	\$ 9,575,855.41	\$ 12,168,055.58	\$ 10,185,993.98	\$ 4,985,430.59
TNC	\$ 744,798.32	\$ 1,829,107.45	\$ 1,680,265.05	\$ 3,308,281.29	\$ 3,860,855.57	\$ 1,785,395.79



Performance Measures



Measure	FY 2022-23 Actual	FY 2023-24 Target	FY 2023-24 Forecast*	FY 2024-25 Target
Customer ratings of their satisfaction (on a scale of 1-5) at a 4.6 or above.	4.6	4.6	4.7	4.9
Increase the Concession Sales Per Enplaned Passenger to \$3.68 through constant analysis and rebranding of Food & Beverage and Retail options	\$4.52	\$5.10	\$5.50	\$5.80
Increase in square footage of new development at DEA.	10%	10%	10%	10%
In Transportation Regulation, the percentage of customer complaints resolved within 15 days of submission in the Transportation Regulation Division.	100%	100%	100%	100%

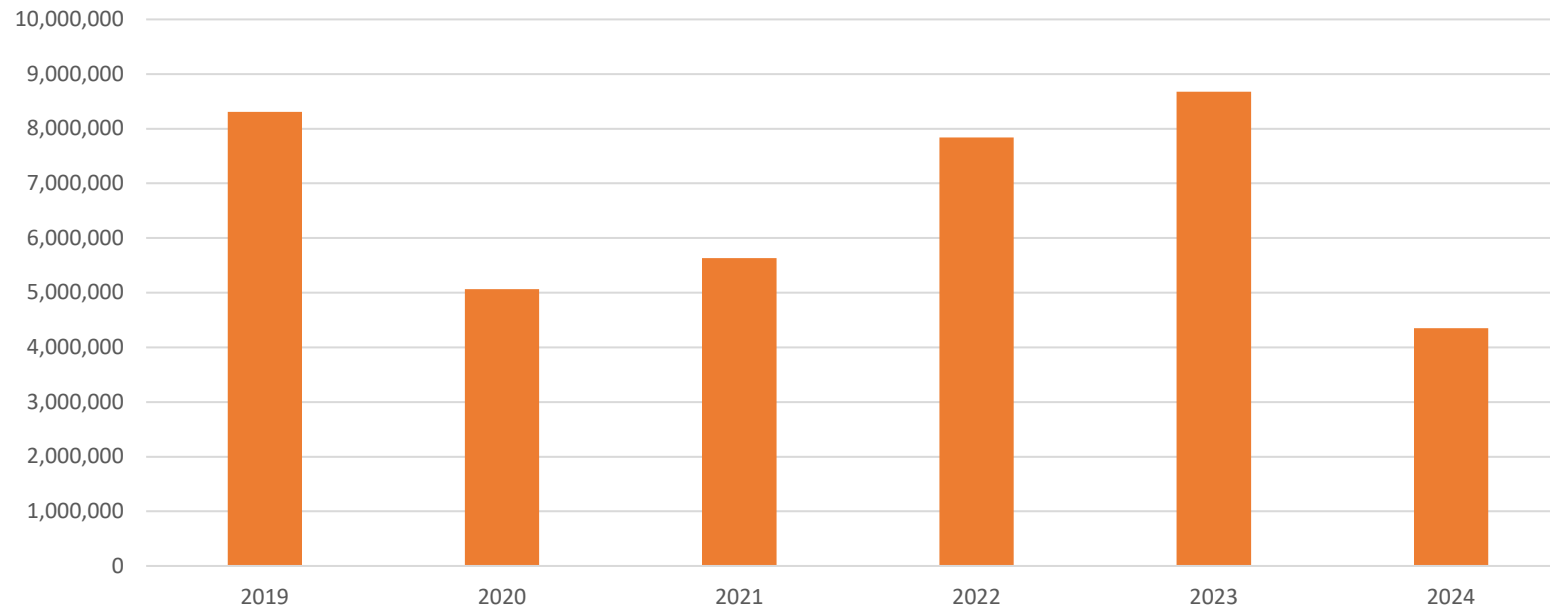


Passenger Statistics



- DAL is expecting to change from a medium-hub airport to the a large hub airport in FY25

TOTAL Enplanements



	2019	2020	2021	2022	2023	2024 Mid-year
TOTAL Enplanements	8,310,451.00	5,062,470.00	5,634,142.00	7,841,299.00	8,673,629.00	4,351,773.00

* 8.8 million is approximately considered a large hub



Update on Aviation Debt



\$130 MM

2012 Special Facilities Bond (SWA backed)—eligible for refunding in October 2022

\$180 MM

2015 / General Aviation Revenue Bonds (GARBs)

\$190 MM

2017 GARBs

\$255 MM

2021 GARBs

\$150 MM

Commercial Paper Program (Capital projects)

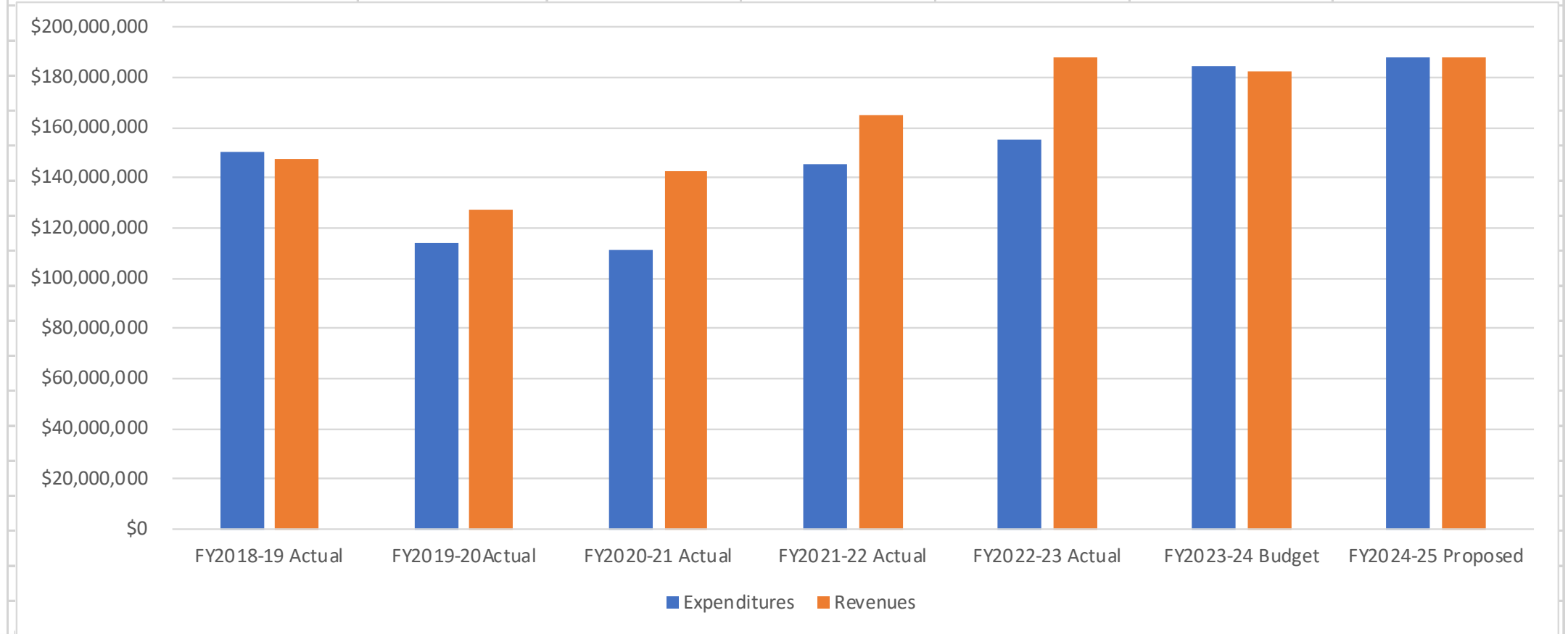
TOTAL DEBT: \$905 MM



Aviation Budget Historical Data Overview



	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Actual	FY2021-22 Actual	FY2022-23 Actual	FY2023-24 Budget	FY2024-25 Proposed
Expenditures	\$150,037,850	\$114,196,607	\$111,235,742	\$145,614,026	\$154,975,865	\$184,286,553	\$188,049,468
Revenues	\$147,419,836	\$127,328,328	\$142,535,402	\$164,697,858	\$188,063,357	\$182,046,313	\$188,049,468



Use and Lease Agreement with Southwest Airlines



There is always a true up at the end of the year.

- If we spend less than forecasted or earn more than forecasted, we pay the airlines.
- If we spend more than forecasted or earn less than forecasted, the airlines pay us.

DOA's Budget / Finance Team meets with the SWA Airport Affairs Team three times a year:

- Forecast: revenue projections and expenditure projections
- Mid-Year: check in to see how much we have spent and earned
- Final: final revenues and expenditures, true up (+ or -)



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