

PRELIMINARY REVIEW
OF
AIRPORT MANAGEMENT QUALIFICATIONS,
RESPONSIBILITIES, AND COMPENSATION
DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

PREPARED FOR
THE JOINT LEGISLATIVE SELECT COMMITTEE
ON THE WAYNE COUNTY DETROIT METROPOLITAN AIRPORT

April 26, 2000

The Honorable Glenn D. Steil
Michigan Senate
Co-Chairperson, Joint Legislative Select Committee
1020 Farnum Building
Lansing, Michigan
and
The Honorable James L. Koetje
Michigan House of Representatives
Co-Chairperson, Joint Legislative Select Committee
N1093 House Office Building
Lansing, Michigan

Dear Senator Steil and Representative Koetje:

This is our special report on our preliminary review of Airport Management Qualifications, Responsibilities, and Compensation at the Detroit Metropolitan Wayne County Airport (the Airport). This report is in response to a request from the Joint Legislative Select Committee on the Wayne County Detroit Metropolitan Airport (the Committee) that we perform a preliminary review of the Airport.

The Committee identified seven general issue areas for us to consider in our preliminary review. This report on Airport management qualifications, responsibilities, and compensation addresses one of the seven issue areas.

This special report contains a background, purpose of report, overview of Airport management, scope of preliminary review, comments, and various exhibits.

Our procedures were of limited scope. Therefore, our review should not be considered an audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

We are available to present this special report to the Committee upon request. If this is the Committee's desire or if you have any questions or concerns regarding this review, please contact me.

AUDITOR GENERAL

This page left intentionally blank.

TABLE OF CONTENTS

AIRPORT MANAGEMENT QUALIFICATIONS, RESPONSIBILITIES, AND COMPENSATION DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

	<u>Page</u>
Report Letter	1
Background	4
Purpose of Report	5
Overview of Airport Management	5
Scope of Preliminary Review	6
Comments	6
Management Qualifications, Responsibilities, and Compensation	6
Request for Information	9
Exhibits*	11
Exhibit A - Department of Airports Management Structure	13
Exhibit B - Qualifications and Compensation Summary	14
Exhibit C - Request for Information and Documentation	16
Exhibit D - Response to Information Request	19
Exhibits E-1 through E-18 - Management Resumes	20

** All exhibits of the Wayne County Detroit Metropolitan Airport Preliminary Review Reports are available by contacting the Office of the Auditor General in writing and specifying the exact exhibits that you would like to receive. Your written request, with your name and address, must be sent to: The Office of the Auditor General, 201 N. Washington Square, 6th Floor, Lansing, Michigan, 48913.*

PRELIMINARY REVIEW OF AIRPORT MANAGEMENT QUALIFICATIONS, RESPONSIBILITIES, AND COMPENSATION AT THE DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

BACKGROUND

In 1928, the Wayne County Airport was established pursuant to Act 182, P.A. 1927, which authorized political subdivisions, such as Wayne County, to acquire land for the operation of an airport. Renamed the Detroit-Wayne Major Airport in 1947 and the Detroit Metropolitan Wayne County Airport in 1958, the Airport was put under the authority of the Wayne County Road Commission (WCRC) in 1958. Also in 1958, WCRC established the Office of Public Services (OPS), which consisted of three divisions: Roads, Parks, and Airports. OPS acted as the parent department of the Detroit Metropolitan Wayne County Airport. With the abolishment of WCRC and OPS in 1986, the home rule chartered government of Wayne County established the Department of Public Services (DPS). The Division of Airports was transferred to DPS in 1986 and remained under DPS until 1997. In 1997, the Wayne County Executive was granted approval by the Wayne County Commission under the 1997 Reorganization Plan for the creation of the Department of Airports (see Exhibit A). The Plan called for the creation of two deputy directors and six divisions within the Department (Public Safety, Operations, Maintenance and Power, Administration and Airport Affairs, External Relations, and Properties and Facilities). Currently, the Wayne County Commission is considering the 2000 Reorganization Plan. This Plan would elevate the Concessions and Quality Assurance Program to a division and create a director position for this new division.

The Airport today is operated under the authority of the Aeronautics Code of the State of Michigan (Sections 259.1 - 259.208 of the *Michigan Compiled Laws*). Section 259.126 of the *Michigan Compiled Laws* authorizes political subdivisions, such as Wayne County, to operate airports.

The Airport is served by all major domestic airlines and serves as a "hub" for Northwest Airlines, which operates 60 of the Airport's 103 aircraft gates. The Airport currently consists of three passenger terminals (one international terminal and two domestic terminals) as well as an on-site user-financed parking operation that is managed by a private contractor. The Airport presently has five runways (three north-south runways and two crosswind runways).

With the completion of the \$10.8 million expansion to its Concourse A in November 1999, the Airport increased its number of aircraft gates to 103. In addition, the Airport and Northwest Airlines formulated an agreement in October 1996 to construct a new terminal complex, located southwest of the existing passenger terminal, called the Midfield Terminal Project. It includes a terminal building consisting of a terminal, a connecting link, an East Concourse with 66 jet aircraft gates, a passenger tunnel, and a West Concourse with 8 jet aircraft gates and 25 commuter aircraft gates; a new parking structure; an energy plant; a south entry road to the airport; a sixth runway, apron, and taxiways; and support facilities. The Midfield Terminal is scheduled for completion at the end of calendar year 2001.

PURPOSE OF REPORT

This special report is in response to a request from the Joint Legislative Select Committee on the Wayne County Detroit Metropolitan Airport that we perform a preliminary review of the Airport. The Committee identified seven general issue areas for us to consider in our preliminary review. This report contains the results of our preliminary review covering the general issue area of Airport management qualifications, responsibilities, and compensation.

OVERVIEW OF AIRPORT MANAGEMENT

Airport management consists of an appointed director, deputy directors, division directors, and assistant division directors who are responsible for managing the major divisions at the Airport. The major divisions include Public Safety, Operations, Maintenance and Power, Administration and Airport Affairs, External Relations, Concessions and Quality Assurance, and Properties and Facilities. Activities within the

divisions include personnel and labor relations; security; fire and rescue; field maintenance; equipment repair; strategic planning; facilities and property management; airside, landside, and environmental operations; and public, media, and community relations.

The Director of Airports resigned effective May 1, 2000. The Wayne County Executive appointed a new director effective May 1, 2000.

SCOPE OF PRELIMINARY REVIEW

Our procedures were of limited scope. Therefore, our review should not be considered an audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

We obtained and summarized various documentation related to Airport management organization, qualifications, responsibilities, and compensation.

COMMENTS

Management Qualifications, Responsibilities, and Compensation

Procedure:

We requested documentation for existing Airport management qualifications, job descriptions and responsibilities, and compensation packages (see Exhibit C).

Comment:

The Airport responded by submitting an organizational chart (see Exhibit A), employee resumes (see Exhibits E-1 through E-18), salary and salary ranges for each position, and the fringe benefit plan for executive employees.

The Airport affirmed in writing that no formal job descriptions or qualifications existed for appointed positions (see Exhibit D). However, the following Airport

synopsis of the Airport's management positions highlights the roles of each individual:

- a. Director of Airports/Assistant County Executive for Airports - This individual directly reports to the Wayne County Executive, the Deputy Wayne County Executive, and the Chief of Staff for the County of Wayne; serves as Chief Liaison to the Wayne County Commission for airport matters; and is in charge of all federal, State, and local governmental affairs. The Director of Airports is the chief management officer for the Airport and the Willow Run Airport.
- b. Deputy Director of Airports/Operations and Public Safety - This individual is responsible for the day-to-day operations of the following divisions: Public Safety, Operations, and Maintenance and Power. This deputy is the Chief Law Enforcement Officer for the Airport and the Willow Run Airport. In the absence of the Director of Airports, this individual shares the role of Acting Director of Airports with the Deputy Director of Airports/Administration and Airport Affairs.
- c. Deputy Director of Airports/Administration and Airport Affairs - This individual is responsible for the day-to-day operations of the following divisions: Administration and Airport Affairs, External Relations, Concessions and Quality Assurance, and Properties and Facilities. In the absence of the Director of Airports, this individual shares the role of Acting Director of Airports with the Deputy Director of Airports/Operations and Public Safety.
- d. Airport General Counsel - The Airport General Counsel is responsible for all Airport related issues and for directing staff attorneys. The Airport General Counsel works for Wayne County's Department of Corporation Counsel. The Department of Airports pays for the salaries and operating budget of the Airport General Counsel. The Airport General Counsel reports directly to the Director of Airports, the Corporation Counsel, and the Deputy Corporation Counsel.
- e. Director and Assistant Director of Airport Finance - These individuals are directly responsible for all Airport financial matters and for directing Airport finance staff. The Director of Airport Finance and the Assistant Director of

Airport Finance work for Wayne County's Department of Management and Budget. The Department of Airports pays for the salaries and operating budget of the Director of Airport Finance. The Director of Airport Finance and the Assistant Director of Airport Finance report directly to the Director of Airports, the Chief Financial Officer for the County of Wayne, and the Deputy Chief Financial Officer for the County of Wayne.

- f. Director and Assistant Director of Public Safety - These individuals are responsible for the areas of police, fire and rescue, security, and central communications.
- g. Director and Assistant Director of Operations - These individuals are responsible for the areas of landside and airside operations, landside inspections, airside inspections, special activities/events, construction safety, and environmental operations.
- h. Director and Assistant Director of Maintenance and Power - These individuals are responsible for the areas of field maintenance, facilities maintenance, the power plant, equipment repair, contract maintenance, and snow removal.
- i. Director and Assistant Director of Administration and Airport Affairs - These individuals are responsible for the areas of personnel, labor relations, grants, Disadvantaged Business Enterprise Programs, tenant relations, contract review, training, and the Intern Program.
- j. Director and Assistant Director of External Relations - These individuals are responsible for the areas of media relations, community relations, public information, environmental compliance, the Sound Insulation and Neighborhood Compatibility Program, special projects, statistics, and the Customer Service Program.
- k. Director of Concessions and Quality Assurance - This individual is responsible for the areas of the Food and Beverage Program, the Retail Program, the Duty-Free Program, the Services Program (business centers, pay phones, cellular telephones, and shoeshines), the Hotel Program, the Ground Transportation Program, contract compliance enforcement, tenant design

review, and the proposal and award of all concession contracts. At the time of our review, the Concessions and Quality Assurance Program was administered under the Administration and Airport Affairs Division.

- I. Director of Properties and Facilities - This individual is responsible for the areas of facilities planning, physical property management, project management, plan review, and construction inspection.

Procedure:

We reviewed the documentation received from the Airport and summarized the information by position, civil service status, prior airport-related experience, position-related experience, education, salary, and salary range.

Comment:

See summary schedule (Exhibit B).

Request for Information

On February 10, 2000, the Office of the Auditor General requested information and documentation regarding management qualifications, job descriptions and responsibilities, and compensation packages. The Airport responded on February 28, 2000 to the request for information and documentation.

The draft report was shared with the Airport on April 4, 2000. In response, the Airport provided additional information regarding management qualifications, job roles and responsibilities, and compensation packages on April 10, 2000.

THIS PAGE INTENTIONALLY BLANK

EXHIBITS

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT
Qualifications and Compensation Summary

Position	Civil Service Status	Position Held By Incumbent Since	Prior Airport-Related Experience
Director of Airports	Appointed	1998	
Division Director - Airport Finance	Appointed	1995	
Deputy Director - Airport Operations and Public Safety	Appointed	1985	
Deputy Director - Administration and Airport Affairs	Appointed	1998	Division Director of Properties and Facilities (1988-1998)
Airport General Counsel	Appointed	1978	Assistant Corporation Counsel (1963-1978)
Division Director - Public Safety	Appointed	1997	Acting Chief, Executive Commander, and Commander of Airport Police; Commander of Special Response Unit (1992-1997)
Division Director - Operations	Appointed	1997	Assistant Director, Manager, and Supervisor of Operations; Assistant Chief of Airport Security (1981-1997)
Division Director - Maintenance and Power	Appointed	1997	Assistant Director, Maintenance (1990-1997)
Division Director - Administration and Airport Affairs	Appointed	1997	
Division Director - External Relations	Appointed	1997	Manager, Community Relations (1986-1997)
Division Director - Concessions and Quality Assurance	Appointed	1997	
Division Director - Properties and Facilities	Appointed	1998	Planning and Design Consultant at 15 airports
Assistant Division Director - Airport Finance	Appointed	1998	
Assistant Division Director - Public Safety	Appointed	1997	Director of Central Communications; Executive Commander of Airport Police; Security Manager (1987-1997)
Assistant Division Director - Operations	Appointed	1997	Department Manager of Airfield, Landside, and Terminal Operations; Operations Supervisor; Police Dispatcher; Police Officer (1974-1997)
Assistant Division Director - Maintenance and Power	Appointed	1997	
Assistant Division Director - Administration and Airport Affairs	Appointed	1997	Assistant Director of Administration (1986-1997)
Assistant Division Director - External Relations	Appointed	1999	Department Executive - External Relations (1992-1999)

DPS = Wayne County Department of Public Services.

* Salary does not include fringe benefits. Fringe benefits include health, optical, dental, and life insurance; long-term disability; annual and sick leave; and a retirement plan. Other benefits, such as assignment of vehicles, parking preference, etc., may be available but are not identified in the fringe benefit plan.

** Employee names were removed from the resumes. Otherwise, the resumes appear as they were received.

Position-Related Experience	Education	Current Salary *	Current Salary Range	Exhibit **
Chief manager of all Wayne County department heads (1991-1998)	B.A., Liberal Arts	\$ 128,558	\$91,621 - \$148,273	E-1
Financial Services Manager and Deputy Finance Director of Canton Township (1986-1995)	M.P.A., B.A., Public Administration	\$ 94,268	\$63,336 - \$102,482	E-2
Assistant Director of Administration, DPS (1985); Law Enforcement Officer (1973-1984)	M.A., B.A., Liberal Studies	\$ 112,317	\$82,538 - \$133,449	E-3
Private consultant for airports (Atlanta)	B.S., Architecture, A.I.A.	\$ 105,221	\$82,538 - \$133,449	E-4
	B.S., Engineering, J.D. Law	\$ 115,613	\$70,285 - \$113,469	E-5
Law Enforcement Officer (1965-1992)	B.S., Business, B.A., Law Enforcement	\$ 96,410	\$70,285 - \$113,469	E-6
Detroit Police Commander (1977-1982)	B.S., Police Administration	\$ 96,410	\$70,285 - \$113,469	E-7
	M.A., Interdisciplinary Technology, B.S., Political Science	\$ 96,410	\$70,285 - \$113,469	E-8
Director of Administration, DPS (1987-1997); Director of Labor Relations, City of Livonia (1986-1987)	B.A., Education	\$ 104,389	\$70,285 - \$113,469	E-9
Deputy Director Public Information, County of Wayne (1983-1986)	M.A., Remedial Reading, B.A., Education	\$ 96,410	\$63,336 - \$102,482	E-10
	B.A., French	\$ 98,569	\$70,285 - \$113,469	E-11
	B.S., Architecture, A.I.A.	\$ 96,410	\$70,285 - \$113,469	E-12
Finance Director, City of Hazel Park (1993-1998)	C.P.A., B.S., Business	\$ 69,770	\$54,406 - \$88,005	E-13
Law Enforcement Officer (1975-1987)	M.A., Liberal Studies, B.S., Business	\$ 89,266	\$60,297 - \$97,231	E-14
	B.S., Special Education	\$ 89,266	\$60,297 - \$97,231	E-15
Deputy Director of Equipment, DPS (1987-1997); Foreman of Equipment Division, Wayne County Road Commission (1972-1987)		\$ 89,266	\$60,297 - \$97,231	E-16
Director of Administration, DPS (1985-1986); Acting Personnel Director, Wayne County General Hospital (1984-1985)	B.S.	\$ 89,266	\$60,297 - \$97,231	E-17
Press Secretary, Wayne County Executive's Office (1990-1992)		\$ 89,266	\$60,297 - \$97,231	E-18