

San Diego County Regional Airport Authority
FY 2023 ADOPTED BUDGET &
FY 2024 APPROVED CONCEPTUAL BUDGET
San Diego CA



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Introductory Letter & Executive Summary



August 29, 2022

Gil Cabrera, Airport Authority Board Chair

Paul Robinson, Vice Chair

Nora Vargas

Marni von Wilpert

Paul McNamara

Johanna Schiavoni

Catherine S. Blakespear

Mary Casillas Salas

James Sly

Ex-Officio Members

Gayle Miller

Colonel Charles B. Dockery

Gustavo Dallarda

Dear Airport Authority Board Members:

Establishing the budget is a systematic and deliberative process reflecting the Airport Authority Board's continuous leadership and direction as expressed through the San Diego County Regional Airport Authority's (SDCRAA, or Airport Authority) Strategic Plan. This year, the Airport Authority continues to navigate through the novel coronavirus SARS-CoV-2 ("COVID-19") pandemic recovery that caused significant disruptions to domestic and international air travel as well as day-to-day business in the United States and internationally.

While the impact of COVID-19 has been immense, the Airport Authority remains committed to continuing the execution of our Strategic Plan. This Plan enables the Airport Authority to sustain its leadership position as a business-driven, passenger-centered, community-minded enterprise. It does so by aligning leadership and staff in their efforts to plan and build an enduring, resilient enterprise through effective management of financial, social, and environmental risks, opportunities, and obligations. Staff continues to explore creative methods to continue making progress with execution while cost-effectively utilizing resources.

Submitted herein is the Airport Authority's adopted Operating and Capital Budget for the Fiscal Year 2023 and approved Conceptual Budget for Fiscal Year 2024. The budget is the culmination of an extensive, collaborative effort, which included workshops with members of the Airport Authority Board and staff that evaluated the organization's operating and capital improvement needs and obligations. In addition, in developing the Fiscal Year 2023 Budget, the Airport Authority engaged in numerous industry discussions regarding the lingering impacts the COVID-19 pandemic will have on the aviation industry, including San Diego International Airport (SAN), and incorporated revenue and expense assumptions accordingly. The budget ensures adherence to the master and subordinate bond indenture requirements governing the Airport Authority's outstanding indebtedness and considers its obligations under state and federal law.

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Multi-year budgeting aims to facilitate the integration of strategic and financial planning and resource allocation. Last year, the Airport Authority Board approved the Fiscal Year 2023 Conceptual Budget, which was significantly revised through this year's budget process. After completion of the Airport Authority's budget preparation and evaluation process, a revised FY 2023 Budget was presented and discussed with the Airport Authority Board in May and June 2022 for review and formal adoption. In addition, the Fiscal Year 2024 Conceptual Budget was approved and will be revised to reflect any changes in initiatives, the aviation industry, and economic and geopolitical events next year. The budget supports operating San Diego International Airport as a world-class facility while maintaining the fiscal conservatism necessary to remain financially strong. In addition to supporting the Airport Authority's financial and operational requirements, the budget, to the extent prudent and practicable, also addresses the organization's responsibilities related to meeting the long-term aviation needs of the region:

- ➔ Studying, planning, and implementing capital improvements to meet SAN's current and future facility requirements, including the New Terminal 1 (see **Capital Program**).
- ➔ Serving as the region's Airport Land Use Commission (ALUC), a responsibility that includes developing comprehensive land use plans for the public-use and military airports in San Diego County.
- ➔ Strategically directing the allocation of resources to enable the Airport Authority to operate SAN in a manner that exceeds customer expectations while simultaneously executing its legislative mandates and regulatory requirements.

The Fiscal Year 2023 and Conceptual Fiscal Year 2024 Operating budget ("Budget") of \$383.3 million and \$399.2 million, respectively, marks the Airport Authority's 20th fiscal year operating budget.

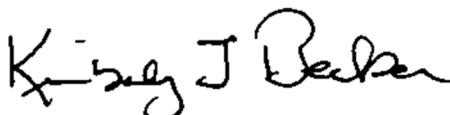
The Fiscal Year 2023 and Conceptual Fiscal Year 2024 total Revenue budgets are \$485.5 million and \$569.3 million, respectively.

The Capital Program is comprised of 1) The New Terminal 1 Program; and 2) The Capital Improvement Program (CIP). Collectively, these programs address SAN's current and future facility requirements and are budgeted at approximately \$3.9 billion.


Additional details are provided in the **Executive Summary**.

Maintaining the Airport Authority's strong and resilient financial position is paramount, and this budget accomplishes that initiative. Accordingly, every effort has been made to ensure the Fiscal Year 2023 Budget and the Fiscal Year 2024 Conceptual Budget reflect the resources required to execute the Airport Authority's strategies and initiatives as supported and directed by the Airport Authority Board.

Respectfully submitted,



Kimberly J. Becker
President | Chief Executive Officer



Scott M. Brickner, CPA
Vice President | Chief Financial Officer

Executive Summary

As SAN launches a new fiscal year, the Airport Authority Board continues to declare the existence of a state of local emergency because of the COVID-19 pandemic. This emergency declaration was first enacted on April 16, 2020. The declaration empowers the President and CEO of the Airport Authority to, among other things, (a) promulgate written orders and regulations necessary to maintain operations and ensure compliance with applicable federal, state, and local guidelines; (b) obtain vital supplies and equipment, such as personal protective equipment, needed for the protection of life and property; (c) waive any policy to the extent such waiver is prudent in responding to COVID-19, and (d) represent the Airport Authority in all dealing with public and private agencies on matters pertaining to the local emergency.

The COVID-19 pandemic and the related restrictions have negatively impacted international and domestic travel and travel-related industries, including airlines, concessionaires, and rental car companies serving SAN. Passenger airlines have experienced a downturn in demand, causing the cancellation of numerous flights and a dramatic reduction in network capacity. Currently, this reduction in demand and capacity is expected to continue in the near term, although with modest incremental improvement. Retail, food, and other service concessionaires located in terminal facilities at SAN have reported declines in sales. In addition, the reduction in air travel has negatively impacted ground transportation companies, rental car activity, and, consequently, the revenues of the Airport Authority.

Organizational Goals

The goals in our Strategic Plan set targets to measure the success of the Airport Authority. Each goal has a set of associated initiatives that guide the development and execution of the organization's annual plans and budgets. Collectively, they ensure our focus to continue evolving the Airport Authority into a passenger-focused, business-driven, and community-centered enterprise that effectively manages our financial, social, and environmental sustainability. The five strategic goals are as follows:

1. Customer - Exceed customers' expectations by introducing innovative service and facility enhancements.
2. Operations - Grow and efficiently manage capacity for future demand, landside and airside, including international facilities.
3. Community - Enhance community understanding of SAN as an economic engine and a portal for prosperity that enhances our quality of life.
4. Employee - Develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.
5. Financial - Execute a Plan of Finance that provides the financial resources necessary to achieve the 2023 Future State while maintaining the enterprise's strong financial position.

Guided by the above strategic goals, the FY 2023 and FY 2024 Conceptual Budgets reflect our aligned efforts based on three overarching focus areas: Advance the New T1, Transform the Customer Journey, and Optimize Ongoing Business. While the COVID-19 impact has been immense, the Strategic Plan goals and initiatives continue to guide the Airport Authority's path forward, but potentially at a slower pace.

As our highly skilled and engaged workforce executes annual plans, we are achieving milestones closer to goal attainment. We continue to communicate SAN's story as a regional economic driver, generating an estimated \$12 billion annual economic impact pre-COVID-19. As the recovery continues, SAN will return to this level of impact. Our airport will continue safe, secure, environmentally sound, and efficient operations. That will provide optimal air service options for the region.

Additional details are provided in the section titled ***Airport Authority Overview***.

Executive Summary

Passenger Satisfaction

At San Diego International Airport (SAN), passenger satisfaction is a top priority. Therefore, it is written into our mission: “We will plan for and provide air transportation services to the region with safe, effective facilities that exceed our customer expectations...”

While there are many ways to measure success in this area, the Airport Authority in 2020 looked to the ubiquitous JD Power Survey. In the JD Power Survey’s 2020 results for North American Airports, SAN scored a total customer satisfaction score of 778, the highest score given to San Diego International Airport since 2013. The average score for all Large-Hub airports was 786.

When the COVID-19 pandemic was declared, SAN quickly implemented health and safety measures outlined by the Center for Disease Control (CDC) and county and state health departments. Deemed the “Let’s Go Safely” program, the measures implemented throughout the airport campus included increased cleaning of high touchpoints, electrostatic spraying, signage on preventive health measures, floor decals, and seat separation signage to queue six-foot social distance, hand sanitizer stations, Plexiglas sneeze guards in specific public spaces, and face masks are required on all airport property.

In October 2020, SAN achieved Airports Council International’s Airport Health Accreditation which provides third-party verification and recognition of professional excellence in maintaining safe, hygienic facilities and promoting best practices that align with efforts across the aviation industry. SAN was one of the first eight US airports to achieve accreditation.

Economic and Operational Trends Affecting the Budget

Economic and industry trends drive passenger traffic and airline operations at SAN, directly impacting our operating environment and airport finances. Therefore, the enplaned passenger projections used in preparing this Budget were determined by evaluating Federal Aviation Administration (FAA) forecasts, recent trends, and airline schedules and service announcements.

The US economy continues to recover, and while some pockets of the economy remain dislocated, gross domestic product (GDP) is now approaching pre-pandemic levels. The recovery has been fueled by robust fiscal spending, accommodative monetary policy, and a swift vaccine rollout. These factors are beginning to moderate but should continue to provide tailwinds for the economy in the coming quarters. As a result, the current Bloomberg consensus estimate for CY 2021 US GDP growth is 6.9% (see *Figure 58* in **Supplemental Data**).

The Air Trade Area for SAN includes San Diego County, portions of neighboring Orange, Imperial, and Riverside Counties, and Baja California, Mexico. The Census Bureau estimates the population of San Diego County to be 3.28 million as of July 2021. The county is the second largest in California in terms of population, and the City of San Diego ranks as the second-largest city in the state. The majority of the county’s population is concentrated in its western portion adjacent to the ocean.

San Diego County has enjoyed a relatively stable economic climate during the past few years until the recent pandemic, which resulted in the closures of numerous businesses. In addition, the US Bureau of Labor Statistics notes that the county’s average unemployment rate for June 2022 was 3.2%, compared to 3.9% for the State of California.

For Calendar Year (CY) 2021, U.S. airlines generated a net loss after tax of approximately \$2.8 billion (and a pre-tax operating loss of \$17.4 billion) compared to a net loss of \$35.0 billion in 2020; and net profits of \$14.8 billion

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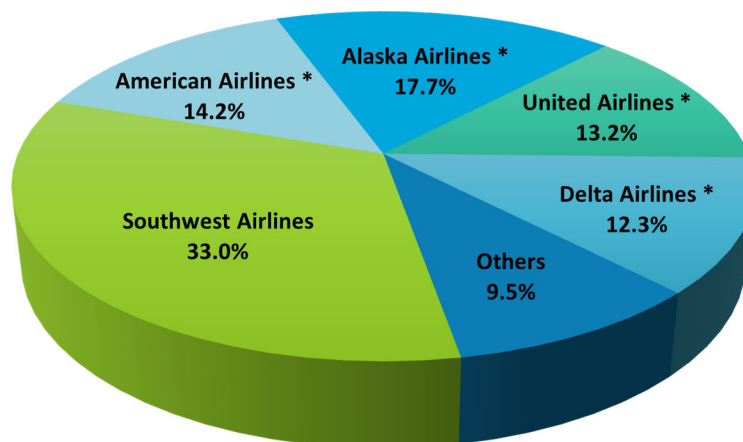
in 2019 and \$11.8 billion in 2018. The airline industry realized a stronger recovery in domestic capacity in the second half of 2021 compared to the first half, reaching 90% of 2019 levels by the end of the year. Despite the arrival of the new COVID-19 Omicron variant, capacity remained stable. Major cancellations became the main focus as airlines struggled with staff shortages.

Based on experience, future airline traffic at SAN will likely continue to be affected by various forces and events. These include local, national and international economic policies, geopolitical events, world health emergencies, federal regulatory and legislative actions, the financial health of the airline industry, fuel prices, and natural disasters. The Airport Authority cannot accurately predict the long-term operational and financial effect these factors may have on air travel. As a result, any long-term forecast the Airport Authority makes may vary materially from the actual results.

Given these uncertainties, it is beneficial for an airport to be served by a diverse carrier base that includes both legacy carriers and low-cost carriers. As a result, SAN is an origin-and-destination airport where no one carrier dominates and where a significant number of low-cost carriers serve the market. In CY 2021, air service was provided by 16 passenger airlines. Southwest Airlines, the largest carrier, served 33.0% of the passengers who traveled through SAN (see *Figure 1*); its lead in market share is expected to continue.

In CY 2021, low-cost carriers accounted for 49.7% of seat capacity and 44.6% of enplaned passengers. In addition, their presence in certain markets stimulates pricing competition among all carriers, typically stimulating demand through lower fares.

SAN Enplaned Passengers in CY 2021



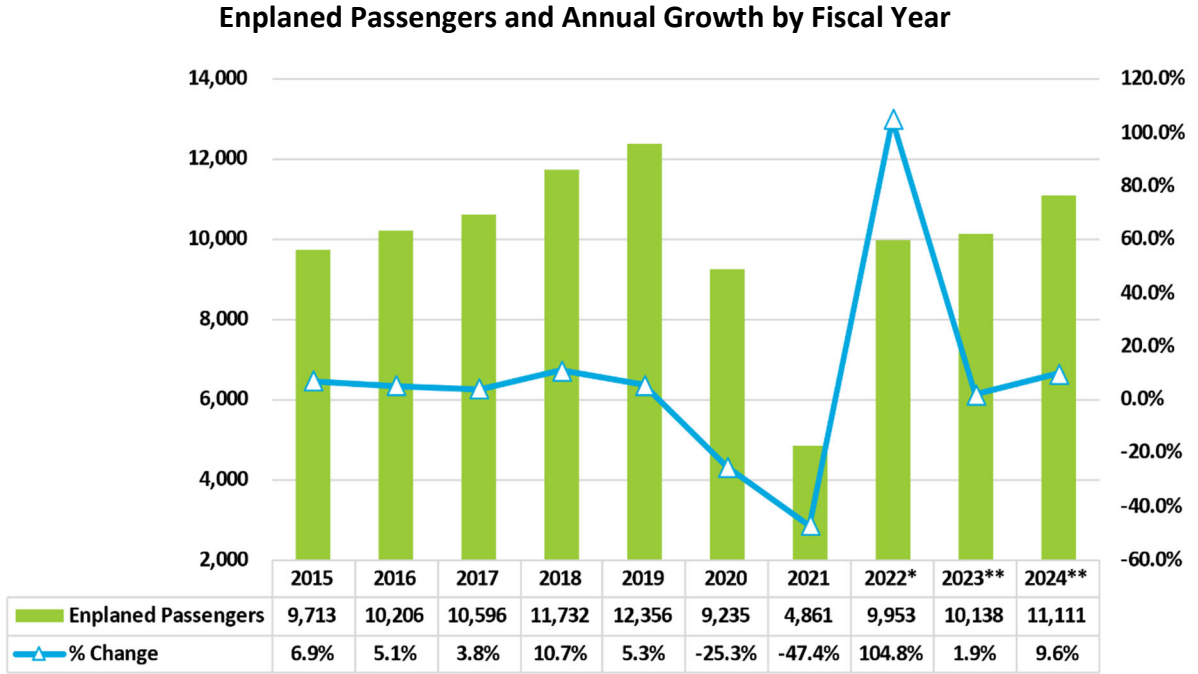
**Including regional affiliates*

Figure 1 - SAN Enplaned Passengers by Carrier

Passengers departing from SAN before COVID-19 could fly nonstop to 64 domestic and nine international destinations. FY 2021 saw the addition of new nonstop air service to *Bozeman, MT; Cancun, Mexico; Jackson Hole, WY; Kalispell, MT; Missoula, MT; Norfolk, VA; Pasco, WA; Phoenix/Mesa, AZ; Edmonton, Canada; Des Moines, IA; Lihue, HI, and Santa Barbara, CA*. In FY 2021, SAN offered nonstop service to 70 domestic and four international destinations. In addition, the Airport Authority's Air Service Development team continues to pursue recovery of and expand international and domestic opportunities. All these economic and industry factors are reflected in the FY 2023 Budget and the FY 2024 Conceptual Budget, which are predicated on the

Executive Summary

current trend of passenger enplanements, as shown in *Figure 2*. In FY 2023, enplaned passenger traffic at SAN is projected to increase to 10.1 million. Likewise, Enplaned passengers are projected to increase by 9.6% to 11.1 million in the FY 2024 Conceptual Budget.



* Unaudited FY 2022

** Budgeted FY 2023 & FY 2024

Figure 2 - Enplaned Passenger and Annual Growth

Executive Summary

Budget Process

The Airport Authority operates from July 1 through June 30 Fiscal Year. The annual budget cycle includes the preparation of two budgets: one to be adopted by the Airport Authority Board for the next fiscal year and a conceptual budget for the subsequent fiscal year that the Airport Authority Board approves but does not adopt. The budget process usually begins in October, with senior management collaborating with the Airport Authority Board to update, review, and formulate the strategies and initiatives to drive business performance. From October to January, the management team engages in cross-functional discussions to arrive at key decisions and agreements. The effort is designed to align divisional requirements with the Airport Authority's overall strategies and initiatives. The Airport Authority Board is consulted continually to solicit input and direction throughout the process. As appropriate, strategic planning workshops and detailed briefings on the proposed Operating and Capital Program Budgets are held with the Airport Authority Board.

In January, the budget staff reviews financial results for the first six months of the fiscal year. In February and March, departments submit budget requests reflecting operational needs and programs to achieve the Airport Authority's strategies and initiatives. Meetings are held with each division to review their budget requests and weigh the cost/benefit impact, where appropriate.

To fund the Budget adequately and maintain the Airport Authority's strong financial condition, the Finance Management team prepares a revenue budget that incorporates budget expenditure requests into the rate-setting formula to determine projected rates, fees, and charges to the airlines' other tenants.

From April to June, proposed operational and capital program budgets are distributed to the Airport Authority Board. In addition, a budget workshop is held to review the budgets for input and guidance. The budget workshop is open to the public for any comments. The Airport Authority Board adopts the Budget as a whole and may be amended as required, with Airport Authority Board approval, at any time during the year.

Figure 3 - SDCRAA Budget Calendar

Calendar Period	Action
<p>October – February</p>	<p>Review, update and formulate Authority strategies, goals and initiatives.</p> <p>Strategic Budget Workshops held with the Board, as appropriate.</p> <p>Cross-functional meetings to balance divisional operating requirements with strategies, goals and initiatives.</p>
<p>February – March</p>	<p>Departments draft objectives consistent with overall Authority strategies, goals and initiatives.</p> <p>Divisions update operating and capital budget plans and needs.</p> <p>Finance & Risk Management staff reviews prior year's conceptual budget and prepares initial version of revenue budget and subsequent year's conceptual revenue budget.</p> <p>Departments develop and submit budget.</p> <p>Finance & Risk Management staff consolidates results and evaluates major variances between the approved conceptual budget and the preliminary budget proposal.</p> <p>Budget meetings with divisions and CFO to review and discuss staffing and expense requests.</p> <p>Proposed staffing levels and proposed expenditures are reviewed and evaluated, and changes are made to requests in formulating the budget.</p>
<p>March – April</p>	<p>Budget meetings with President/CEO to review and discuss staffing and expense requests.</p> <p>Analysis prepared showing the major variance from the last adopted budget and approved conceptual budget to the preliminary budget proposal.</p>
<p>April – June</p>	<p>Final draft of the budget, and subsequent year's conceptual budget, is reviewed with CEO.</p> <p>Meeting held with airlines to present operating and capital budgets and resulting proposed airline rates and charges.</p> <p>Proposed operational and capital program budgets are distributed to Authority Board for review and direction.</p> <p>Budget workshop held with the Authority Board to review proposed budgets and provide input and guidance.</p> <p>Formal budget document is submitted to Authority Board for adoption.</p> <p>Formal budget is adopted and subsequent year conceptual budget is approved by the Authority Board.</p>

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Financial Plan

The financial plan, which includes the FY 2023 Budget and the FY 2024 Conceptual Budget, is influenced by several factors. Primary factors include the San Diego County Regional Airport Authority Act, which is the Airport Authority's enabling legislation and costs associated with near-term improvements at SAN. Other significant factors affecting the Airport Authority's financial planning include the airline operating lease agreement (AOLA), master and subordinate bond indentures, a Memorandum of Understanding with the California Attorney General, and various federal funding levels.

The Airport Authority reached a 10-year agreement with its airline partners, effective July 1, 2019. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport. Additional details are provided on page 19.

The Airport Authority derives its operating revenue from airline and non-airline revenue. The airline agreement discussed later in this narrative section provides further details on rates and charges. Non-airline operating revenue budgeted numbers were derived by analyzing the current agreements, recent trends, projected future events, enplanements growth, and historic revenue patterns.

Non-operating revenue of the Airport Authority is comprised of interest income, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), Build America Bonds (BAB) interest rebates, and grant reimbursements (including federal relief funding).

The Airport Authority's debt management policy is developed to ensure compliance with the master and subordinate bond indentures, which dictate the terms of the Airport Authority's outstanding debt and establishes various reserves, as described in the Fund Balance and Debt Service sections of the Budget book. Therefore, funding the required reserve balances affects the fund equity portion of the Budget and rate-setting process.

Detailed descriptions are provided in the section titled ***Overview of Financial Policies and Guidelines***.

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Budget Summary

The following table summarizes the forecasted revenue and expenses of the FY 2023 Budget and FY 2024 Conceptual Budget before depreciation, bond principal repayment, and capital equipment outlay.

<i>(In Thousands)</i>	FY 2021 Actuals	FY 2022 Budget	FY 2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	%	FY 2024 Conceptual Budget	Inc / (Dec) FY24 Budget vs FY23 Budget	%
					Change			Change
Operating Revenue								
Airline Revenue								
Landing Fees	\$ 34,046	\$ 33,619	\$ 45,581	\$ 11,961	35.6%	\$ 55,200	\$ 9,619	21.1%
Aircraft Parking Fees	8,542	8,466	11,395	2,930	34.6%	13,800	2,405	21.1%
Building Rentals	83,090	93,420	133,213	39,793	42.6%	148,045	14,831	11.1%
Security Surcharge	-	-	-	-	0.0%	-	-	0.0%
Common Use Fees	7,369	7,927	11,105	3,178	40.1%	10,004	(1,101)	-9.9%
Other Aviation Revenue	823	(2,500)	(5,186)	(2,686)	107.4%	(4,457)	730	-14.1%
Total Airline Revenue	133,870	140,932	196,108	55,176	39.2%	222,592	26,484	13.5%
Non-Airline Revenue	82,075	96,108	142,288	46,180	48.0%	154,305	12,018	8.4%
Terminal Rent Non-Airline	2,589	2,608	2,592	(16)	-0.6%	2,594	2	0.1%
Terminal Concessions	10,754	13,236	24,358	11,122	84.0%	27,226	2,868	11.8%
Rental Car License Fees	16,973	18,711	33,616	14,905	79.7%	35,443	1,827	5.4%
License Fees - Other	3,369	4,235	6,275	2,040	48.2%	6,939	664	10.6%
Parking Revenue	22,238	26,061	35,349	9,288	35.6%	38,477	3,129	8.9%
Ground Transportation Permits and Citations	5,209	7,197	14,335	7,138	99.2%	17,571	3,236	22.6%
Ground Rentals	19,260	22,616	23,776	1,160	5.1%	24,001	225	0.9%
Grant Reimbursements	344	386	296	(90)	-23.4%	296	-	0.0%
Other Operating Revenue	1,338	1,059	1,691	633	59.8%	1,758	67	4.0%
Total Non-Airline Revenue	82,075	96,108	142,288	46,180	48.0%	154,305	12,018	8.4%
Total Operating Revenue	215,944	237,040	338,396	101,356	42.8%	376,897	38,502	11.4%
Operating Expenses								
Personnel Costs	52,922	51,355	56,775	5,420	10.6%	61,536	4,761	8.4%
Contractual Services	24,977	33,128	46,720	13,592	41.0%	49,532	2,812	6.0%
Safety and Security	35,086	36,385	38,064	1,679	4.6%	39,873	1,809	4.8%
Space Rental	10,267	10,652	10,501	(151)	-1.4%	10,506	5	0.1%
Utilities	11,730	14,693	16,556	1,862	12.7%	18,067	1,512	9.1%
Maintenance	9,111	11,342	12,170	828	7.3%	12,584	414	3.4%
Operating Equipment & Systems	425	302	1,045	743	245.9%	399	(646)	-61.8%
Operating Supplies	450	618	706	88	14.3%	739	33	4.7%
Insurance	1,519	1,813	2,005	192	10.6%	2,324	319	15.9%
Employee Development	442	803	854	52	6.4%	891	37	4.3%
Business Development	209	1,849	2,953	1,103	59.7%	3,422	469	15.9%
Equipment Rentals and Repairs	3,120	3,952	3,910	(41)	-1.0%	4,098	188	4.8%
Tenant Improvements	260	336	692	356	106.1%	725	33	4.8%
Total Operating Expenses before Depreciation & Amortization	150,515	167,228	192,952	25,723	15.4%	204,696	11,745	6.1%
Income from Operations before Depreciation & Amortization	65,429	69,812	145,444	75,633	108.3%	172,201	26,757	18.4%
Non-Operating Revenue/(Expenses)								
Passenger Facility Charges	22,110	23,962	40,078	16,116	67.3%	43,863	3,785	9.4%
Customer Facility Charges	15,755	20,609	31,284	10,674	51.8%	34,293	3,010	9.6%
QHP Revenue	12,293	15,347	19,065	3,718	24.2%	19,665	600	3.1%
QHP Expense	(15,526)	(17,504)	(21,166)	(3,662)	20.9%	(21,767)	(601)	2.8%
Interest Income	13,471	10,388	24,072	13,684	131.7%	25,873	1,801	7.5%
Interest Expense	(82,118)	(84,458)	(144,502)	(60,045)	71.1%	(145,892)	(1,389)	1.0%
Bond Amortization Costs	14,051	13,633	26,690	13,057	95.8%	26,072	(618)	-2.3%
Other Non Operating Revenue/(Expense)	(10,001)	(10)	(10)	-	0.0%	-	10	-100.0%
Total Non-Operating Revenue/(Expenses), Net	(29,964)	(18,032)	(24,490)	(6,458)	35.8%	(17,891)	6,598	-26.9%
Income/ (Loss) before Capital Grant Contributions and Federal Relief	35,464	51,779	120,955	69,175	133.6%	154,310	33,355	27.6%
Capital Grant Contributions	13,932	9,912	32,592	22,680	228.8%	68,672	36,080	110.7%
Net Income/ (Loss) before Federal Relief	49,396	61,691	153,547	91,855	148.9%	222,982	69,435	45.2%
Federal Relief	77,219	80,000	-	(80,000)	-100.0%	-	-	0.0%
Net Income/ (Loss) before Depreciation, Principal & Capital Outlay	\$ (27,823)	\$ 141,691	\$ 153,547	\$ 11,855	8.4%	\$ 222,982	\$ 69,435	45.2%

* Excludes principal payments on debt and capital outlay

Executive Summary

Total Operating revenues for FY 2023 are budgeted at \$485.5 million, an increase of \$88.2 million (22.2%) over the FY 2022 Budget. This revenue reflects two sources: 1) Airline revenue of \$196.1 million and 2) Non-Airline revenue of \$142.3 million. Airline revenue is derived primarily from landing fees, aircraft parking fees, building rentals, common use fees, and other aviation revenue. Non-Airline revenue comprises public parking and ground transportation fees, terminal and other concessions, rental car fees, ground rents, and other operating revenues. FY 2024 Operating revenues are budgeted at \$569.3 million, an increase of \$83.8 million (17.3%), of which \$222.6 million represents Airline revenue, and \$154.3 million is from Non-Airline revenue.

Total FY 2023 Airline revenue includes an increase of \$55.2 million (39.2%) compared to the FY 2022 Budget. This result is driven mainly by the Major Maintenance Fund (MMF) contribution and the Passenger Facility Charge accumulation for smoothing Airline Rents, Fees, and Charges as outlined in the AOLA for post DBO of the New T1.

Total FY 2024 Airline revenue is budgeted to increase by \$26.5 million (13.5%) compared to FY 2023. This increase is mainly due to higher operating and maintenance expenses, increase in debt service, and the Capital Grant contribution.

Total FY 2023 Non-Airline revenue projects a net increase of \$46.2 million (48.0%) from the FY 2022 Budget. The increases are primarily driven by: 1) increases of \$15.0 million in rental car license revenue and \$11.1 million in concessions revenue reflecting revenue budget based on gross sales; 2) an increase of \$9.3 million in parking revenue due to higher transactions and rates; 3) an increase of \$7.1 million in ground transportation revenue reflecting an increase in transactions per enplanement; 4) and an increase of \$2.0 million in in-flight and ground handling license revenue due to higher transactions per enplanement.

Total FY 2024 Non-Airline revenue is budgeted to increase by \$12.0 million (8.4%) compared to FY 2023. The increase is driven by an increase in enplanements reflecting increases of \$3.2 million in ground transportation revenue, \$3.1 million in parking revenue, \$2.9 million in concessions revenue, and \$1.8 million in rental car license revenue.

The divisional and departmental operating expense budgets of \$193.0 million, which address the Airport Authority's overall strategies, initiatives, and mandated obligations, reflect an increase of \$25.7 million (15.4%) in the FY 2023 operating expense budget from the FY 2022 Budget. In addition, FY 2024 operating expenses are projected to increase by \$11.7 million (6.1%) over the FY 2023 Budget.

The FY 2023 Operating Expense increase of \$25.7 million (15.4%) is driven by various factors. First, salaries and wages, including overtime and benefits, are projected to increase by \$5.4 million (14.7%) over the FY 2022 Budget, reflecting increases due to pay-for-performance, contracted wage, and salary adjustments. With higher capitalized labor expenses, personnel expenses resulted in a net increase of \$5.4 million (10.6%) in the FY 2023 Budget over the FY 2022 Budget for personnel expenses.

In FY 2023, Contractual Services is budgeted to have a net increase of \$13.6 million (41.0%) from the FY 2022 Budget, reflecting an increase in parking and employee shuttle operations and Rental Car Center (RCC) shuttles. FY 2023 Utility costs increased by \$1.9 million (12.7%), and Safety and security costs increased by \$1.7 million (4.6%). FY 2023 Business Development costs are projected to increase by \$1.1 million (59.7%), reflecting marketing and advertising costs.

FY 2024 Operating Expenses are budgeted to increase by \$11.7 million (6.1%); this increase reflects the hiring of vacant positions, wage and salary increases required under union contract agreements, and pay-for-performance increases for non-union employees. In addition, the non-personnel expenses increase is primarily driven by

Executive Summary

contractual services and safety and security costs.

FY 2023 Non-Operating revenue/(expense) is projected to decrease by \$6.5 million (35.8%) from the FY 2022 Budget, primarily reflecting an increase of \$60.0 million in interest expense due to Bonds issued in December 2021. This increase is partially offset by increased PFCs, CFCs, interest revenue, and higher Bond amortization. Capital Grant contributions are budgeted to increase by \$22.6M due to Federal grants associated with the New T1.

Additionally, there is no COVID federal relief in FY2023 compared to the \$80.0M that was in the FY 2022 budget

FY 2024 Non-Operating revenue/(expense) is budgeted to increase by \$6.6 million versus the FY 2023 Budget, primarily due to expected PFC and CFC revenue increases. In addition, capital Grant contributions associated with the New T1 are budgeted to increase in FY 2024 by \$36.1M.

Projected Fund Balance

The Airport Authority Fund Balance is generally defined as the difference between its assets and liabilities. The Airport Authority's fund balance statement projects that FY 2023 cash and investments will decrease by \$553.4 million to \$2.352 billion versus the FY 2022 Projected of \$2.905 billion. This decrease of 19.0% from the FY 2022 Projected is primarily due higher capital expenditures related to the Airport Development Plan (ADP). FY 2024 cash and investments are projected to decrease by \$580.0 million (24.7%) to \$1.772 billion, due to continued capital spending for the ADP.

Capital Program

The Airport Authority maintains a five-year Capital Program that is intended to address critical improvements and asset preservation of SAN. Capital Expenditures are anything with a useful life of more than one year and a cost greater than \$5,000. The Airport Authority's current Capital Program includes projects started before FY 2023, as well as new projects to be undertaken at SAN between FY 2023 and FY 2027, including the New Terminal 1 (New T1), at an estimated total cost of approximately \$3,871.9 million (see additional information in "New T1" section below).

Potential capital projects are developed and evaluated based on both their compatibility with the five-year Strategic Plan, as well as their consistency with the following criteria:

- Safety
- Security
- Regulatory
- Capacity
- Customer Service
- Cost Containment
- Revenue Enhancement

Executive Summary

Anticipated funding sources for the projects in the Capital Program include AIP and TSA grants, PFCs, CFCs (including CFC-backed Special Facility Bonds), airport cash, and the MMF established under the new AOLA, airport revenue bonds, and a short-term variable-rate commercial loan.

Sources of Funds

In thousands

Airport Revenue Bonds	\$3,135,023
Airport Cash	347,802
Federal Grants	280,706
Major Maintenance Fund	104,217
Other	4,007
Passenger Facility Charges	107
Total Sources of Funds	<u>\$3,871,861</u>

Uses of Funds by Location

In thousands

Terminal	\$2,781,156
Landside & Ancillary	558,227
Airside	382,141
Administrative	150,337
Total Use of Funds	<u>\$3,871,861</u>

Projected FY 2023 Capital Program expenditures total \$725.0 million, and projected FY 2024 expenditures are \$868.8 million. Further discussion of these expenditures and detailed descriptions can be found in the section titled **Capital Program**.

Replacement of Terminal 1

While we pride ourselves on providing a first-class passenger experience, we acknowledge that is not always possible in the 54-year-old Terminal 1. That is why the Airport Authority is continuing progress with the New T1 program that will replace Terminal 1 with a larger, more efficient facility that enhances the airport experience. The New T1 project includes airfield enhancements, significant improvements to roadways serving the airport, and a designated transit station area on airport property that will allow the airport to connect to any regional transportation solution ultimately identified by our regional partners.

The New T1 program will optimize the 661-acre airport site to accommodate demand while maintaining high passenger satisfaction levels. Construction began in the second half of 2021—the first phase is scheduled to open in the second half of 2025, and the project will be completed in 2027.

Executive Summary

Airline Operating Lease Agreement (AOLA)

The Airport Authority has AOLAs with passenger airlines and cargo carriers operating at SAN. The AOLAs cover rate-setting mechanisms for the airfield and terminal facilities at SAN. The term commenced on July 1, 2019, and terminates on June 30, 2029.

The new agreement establishes the following fees for signatory airlines:

	Unit	FY 2023 Budget	FY 2024 Conceptual Budget
Landing Fee	1,000 lbs	\$3.69	\$4.15
Aircraft Parking Position Rental Rate	per space	\$155,509	\$188,326
Aircraft Parking Position Turn Fee	per turn	\$215.54	\$241.36
Aircraft Parking Position Overnight Fee	per overnight	\$646.62	\$724.07
Terminal Rental Rate	sq ft.	\$264.53	\$283.83
Joint Use Fee (90%)	per enplanement	\$7.05	\$7.23
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$732,282	\$823,228
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$159,192	\$178,963
Common Use Fee	per enplanement	\$1.58	\$1.33
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00

Non-signatory airlines will pay a 120% premium on the above rates except for FIS fees.

Figure 4 - Airline Rates, Fees, and Charges

Based on the fees above, the airline cost per enplaned passenger is forecasted to be \$18.61 for FY 2023 and \$19.29 for the FY 2024 Conceptual Budget.

The section titled **Budget Overview: Revenue** provides additional details regarding the agreement and rates, fees, and charges.

The agreement has no provisions that grant the airlines direct approval rights over capital projects, with the exception of certain transportation projects exceeding a \$300 million threshold, as defined in the AOLA. It also allows flexibility to meet the demands of varying airline activity and capacity for new entrant carriers. The terms of the new agreement financially support the execution of the New T1.

Outstanding Debt

As of July 1, 2022, the Airport Authority's outstanding long-term debt will consist of \$2,865.6 million of subordinate airport revenue bonds (Series 2017, 2019, 2020, and 2021 Bonds) and \$275.0 million of senior special facility revenue bonds. The Airport Authority does not have a legal debt limit. The master bond indenture requires the Airport Authority to establish certain reserves and to maintain net revenues (after the payment of operation and maintenance expenses) equal to at least 1.25 times annual senior lien debt service and subordinate net revenues at 1.10 times annual subordinate lien debt service. The Airport Authority Board-approved debt policy calls for minimum aggregate Debt Service Coverage of 1.40 times. The Airport Authority Board-approved target includes PFCs used to pay debt service and any federal relief used to pay the debt as Net

Executive Summary

Revenues, rather than deducting these items from debt service (the revenue method).

In July 2021, the Airport Authority and Bank of America NA agreed to a \$200.0M Subordinate Revolving Credit Agreement. As of the end of the Fiscal Year 2022, the Airport Authority had outstanding Subordinate Revolving Obligations of \$80.1M

Further discussion of the Airport Authority’s debt can be found in the Debt Service section of this document. Debt service coverage (generally consisting of operating revenue less operating expenses divided by principal and interest requirements for the fiscal year) is displayed in *Figure 5*. For FY 2023, debt service coverage on revenue method aggregate debt is projected to be 1.79 times and 2.00 times for FY 2024.

The following table shows debt service coverage on aggregate, senior and subordinate lien debt. The subordinate lien debt includes Series 2017, 2019, 2020, and 2021 Bond.

	FY 2021 Actuals	FY 2022 Budget	FY 2023 Budget	FY 2024 Conceptual Budget
Aggregate Debt Service Coverage - Revenue Method (x)	2.06	2.10	1.79	2.00
Senior Lien Debt Service Coverage (x)	17.50	8.64	17.17	6.87
Subordinate Lien Debt Service Coverage (x)	5.23	2.45	3.82	2.13

Figure 5 - Debt Service Coverage

Executive Summary

Sixteenth Consecutive Award of the GFOA Distinguished Budget Presentation Award

The Airport Authority received its seventeenth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual Budget for the fiscal year beginning July 1, 2021. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments in preparing budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

A governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device to receive this award.

This award is valid for one year only. However, we believe our current Budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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Airport Authority Overview



Airport Authority Overview

Board of Directors

Gil Cabrera, Airport Authority Board Chair

Paul Robinson, Vice Chair

Catherine S. Blakespear

Paul McNamara

Mary Casillas Salas

Johanna Schiavoni

James Sly

Nora Vargas

Marni von Wilpert

Ex-Officio Members

Colonel Thomas M. Bedell

Gustavo Dallarda

Gayle Miller

Executive Management Team

Kimberly Becker

PRESIDENT / CHIEF EXECUTIVE OFFICER

Amy Gonzalez

GENERAL COUNSEL

Lee Parravano

CHIEF AUDITOR

Scott Brickner

VICE PRESIDENT / CHIEF FINANCIAL OFFICER

Finance Division

Hampton Brown

VICE PRESIDENT / CHIEF REVENUE OFFICER

Revenue Management & Innovation Division

Jeff Rasor

VICE PRESIDENT / CHIEF OPERATIONS OFFICER (INTIRIM)

Operations Division

Angela Shafer-Payne

VICE PRESIDENT / CHIEF DEVELOPMENT OFFICER

Development Division

Airport Authority Overview

Director Staff

Monty Bell

DIRECTOR

Talent, Culture & Capability

Jessica Bishop

DIRECTOR

Information & Technology Services

Bob Bolton

DIRECTOR

Airport Design & Construction

Michelle Brega

SENIOR DIRECTOR

External Relations

Maya Dayan

DIRECTOR

Capital Financial Planning & Airline Relations

John Dillon

DIRECTOR

Finance & Risk Management

Matt Harris

DIRECTOR

Government Relations

Jonathan Heller

DIRECTOR

Communications

Jon Graves

DIRECTOR

Marketing & Air Service Development

David LaGuardia

DIRECTOR

Facilities Management

Mark Nichols

DIRECTOR

Ground Transportation

Amiel Porta

DIRECTOR (Interim)

Terminal Operations

Brendan Reed

DIRECTOR

Planning & Environmental Affairs

Tony Russell

DIRECTOR / AUTHORITY CLERK

Board Services

Dean Robbins

DIRECTOR (Interim)

Airside Operations

Elizabeth Stewart

DIRECTOR

Accounting

Jana Vargas

DIRECTOR

Procurement

Clint Welch

DIRECTOR

Aviation Security & Public Safety

Deanna Zachrisson

DIRECTOR

Revenue Generation & Partnership Development

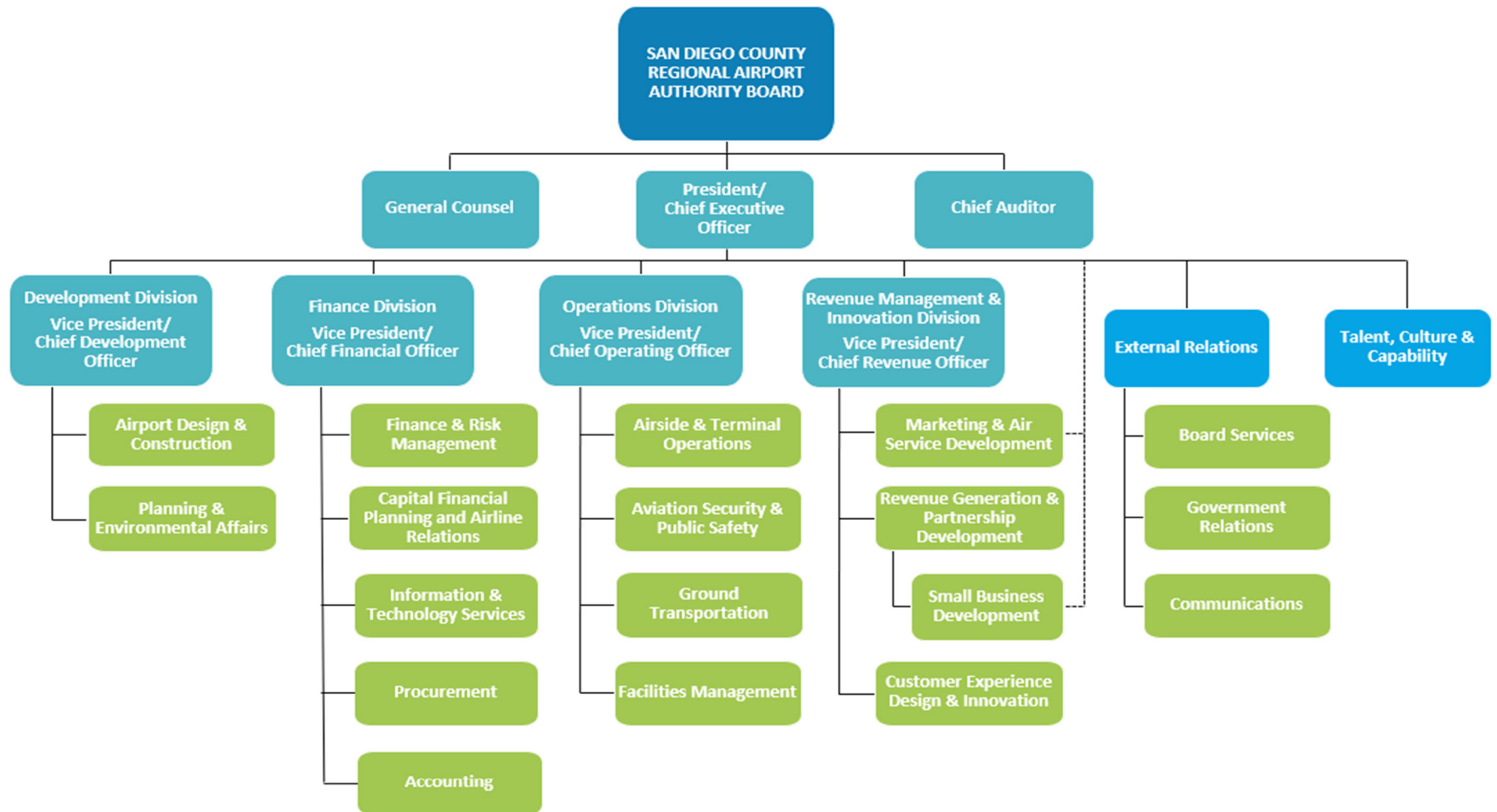
Vacant

DIRECTOR

Customer Experience Design & Innovation

Airport Authority Overview

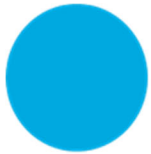
SDCRAA Organizational Structure



Airport Authority Overview

Organizational Strategies and Initiatives

The Airport Authority continues to make significant progress in executing its strategic plan that reaffirmed its long-term strategies. The Executive Leadership Team along with selected Airport Authority staff collaborates to set out a series of multi-year initiatives associated with each strategic goal. The five strategies and their associated goals are the guiding principles used for the allocation of scarce and restricted resources to SAN programs as part of the annual budget process.



Community

Enhance community understanding of SAN as an economic engine and portal for prosperity.



Financial

Execute a Plan of Finance that provides the financial resources necessary to achieve the FY 2022 Future State while maintaining the enterprise's strong financial position.



Customer

Exceed our customers' expectations by introducing innovative service and facility enhancements.



Operations

Grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.



Employee

Develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

Focus Areas

In an effort to successfully align and coordinate strategic plan initiatives that require integrated, cross-functional action plans, three over-arching focus areas were established to assure effective decision-making and resource-allocation:

1. Advance the New T1
2. Transforming the Customer Journey
3. Optimize Ongoing Business

These focus areas are guiding department goal setting efforts and guiding our budgeting process for the upcoming fiscal cycle.

Top Three Priorities

- Continuing to navigate through the significant impacts that COVID-19 has had on our business and operations. Working through the uncertainty of ongoing impacts and how to regain passenger confidence
- How to proceed with the New T1 upon obtaining the Maximum Contract Price
- Maintain employee safety, confidence, and engagement

Overview of Financial Policies & Guidelines



Financial Policies and Guidelines

Overview

The Airport Authority operates as an Enterprise Fund and prepares its budget on the accrual basis of accounting. The Airport Authority's annual audited financial statements are also prepared on the accrual basis. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Airport Authority has one fund with many revenue sources and operates as a separate and independent, local government entity.

The Airport Authority's budget process actively incorporates various financial policies and guidelines articulated by the Board and Executive Staff. The budget process and outcome is performance-based and focused on strategies, initiatives, and key operating financial indicators. The adopted budget gives the Airport Authority the legal basis for which to expend funds. The operating and capital budgets are discrete documents; however, there are certain expenses within the operating budget that support the capital budget. The incremental effect on the operating budget of capital projects is projected and taken into consideration when the operating budget and forecasts are developed.

All Airport Authority codes and policies can be accessed on the Airport Authority website at:

<https://www.san.org/airport-authority/codes-policies>

Balanced Budget: The Airport Authority will prepare a budget on an annual basis. The Airport Authority's definition of a balanced budget is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds. A balanced budget is an integral part of maintaining the Airport Authority's financial position. Strategies employed to attain this balance include cost reductions, personnel, and service efficiencies, developing and diversifying non-airline revenues and increasing fees to match program expenses.

Revenue: The Airport Authority will seek to maintain a diversified revenue stream with the goal of keeping airline rates and charges as reasonable as possible. The Airport Authority will establish, fix, prescribe and collect rates, fees, rentals, and charges in connection with the Airport System so that during each fiscal year net revenues (generally defined as operating revenue less operating expenses) equal at least 140% of aggregate annual debt service on outstanding bonds.

Interim Financial Reporting: The Airport Authority has established, and will continue to maintain, a standard of generally accepted accounting practices. The Airport Authority Board receives quarterly reports comparing actual versus budgeted revenue and expense activity.

Debt Management: Debt enables the funding for the Airport Authority to build projects that will subsequently be repaid from future revenues. The term "debt" is used in the policy to describe numerous types of financial obligations of the Airport Authority, which may include bonds, subordinate obligations, special facility obligations and other financings of the Airport Authority. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Airport Authority's access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity.

Financial Policies and Guidelines

On May 6, 2010, the Airport Authority adopted a “Debt Issuance and Management Policy” to govern the debt issuance and management policies and practices of the Airport Authority. The policy is reviewed and updated annually by the Board. The policy stipulates that the Airport Authority's debt issuance and management objectives be to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing bond covenant.
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost.
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Airport Authority.
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described in the policy.
- Provide the required secondary market disclosure to the rating agencies, institutional and retail investors via appropriate repositories.
- Comply with all federal and state laws and regulations, as well as bond indenture, tax compliance and reimbursement agreement covenants.
- Protect the assets and funds entrusted to the Airport Authority.

The Airport Authority reviews its outstanding debt, at least annually, for determining refinancing or restructuring opportunities, commensurate with applicable tax laws, to lessen its debt service costs. In order to consider refunding of an issue for economic purposes, a present value analysis must be prepared and minimum threshold for savings must be met. The Airport Authority will only issue long-term debt if it meets the required covenants of the outstanding bond indenture including the additional bonds test and reserve requirements.

When the Airport Authority finances capital projects by issuing long-term debt, it will pay back the bonds within a period not to exceed the estimated useful life of the project. The Airport Authority will not use long-term debt for current operations. The Airport Authority will maintain good communications with the bond rating agencies regarding its financial condition and will follow a policy of full disclosure in every financial report and offering prospectus. For Senior Lien Airport Revenue Bonds, it will strive to maintain ratings from at least two of the leading rating agencies and at a minimum seeks to maintain a rating in the highest category of “A” (e.g., A1 and A+).

On September 6, 2007, the Airport Authority adopted a “Policy Regarding the Use and Management of Derivative Products.” A derivative is a financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values. Derivative products can be an important interest rate management tool that, when used properly, can increase the Airport Authority's financial flexibility, provide opportunities for interest rate savings, alter the pattern of debt service payments, create variable rate exposure, change variable rate payments to fixed rate and otherwise limit or hedge variable rate payments.

This Derivatives Policy was constructed by Airport Authority staff and its financial advisor after obtaining and evaluating the policies of more than 25 major issuers, including airports and counties throughout the country. In addition, sources such as the Government Finance Officers Association, the national

Financial Policies and Guidelines

trade association for governmental entities and the credit rating agencies, who have written reports on the evaluation of credit risks associated with derivative products, were consulted.

The adopted policy provides for the following:

- Allows for the Airport Authority to use derivatives to increase its financing flexibility.
- Ensures that derivatives are used appropriately and not for speculative purposes.
- Provides detailed and conservative criteria regarding qualifications of firms making swap payments (counterparties) or providing financial guarantees, including collateral requirements and exposure limits, to ensure that the Airport Authority maintains maximum flexibility and security when negotiating a specific derivative agreement.
- Provides for detailed monitoring and evaluation on an ongoing basis to identify all actual and potential risks associated with outstanding and anticipated derivative agreements.
- Requires Board approval of each agreement based upon guidelines provided for in the policy.
- Enhances price transparency by requiring derivative products to be competitively bid (unless the Board approves an alternative method).
- Allows the Board the flexibility to change the policy in the future in response to market conditions, new products, or other factors.

To date, the Airport Authority has not entered into any derivative contracts associated with its current bond issues.

Liquidity/Reserves: The Airport Authority will maintain prudent unrestricted reserves as a backstop necessary to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Airport Authority’s budgeting and capital planning process.

The Airport Authority’s unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year (see *Figure 47* in Performance Indicators).

(in thousands)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Projected
Unrestricted & Undesignated Cash and Available Funds	\$ 209,652	\$ 256,469	\$ 229,731	\$ 292,336	\$ 386,267	\$ 322,300	\$ 390,719
Unrestricted & Designated for Specific Capital Projects & Other Commitments	\$ 31,271	\$ 25,792	\$ 39,294	\$ 26,209	\$ 11,686	\$ 22,472	\$ 16,385
O&M and R&R Reserves	\$ 57,872	\$ 60,780	\$ 62,346	\$ 62,912	\$ 63,145	\$ 62,380	\$ 65,948
Total Unrestricted & Available Funds per Board Policy	\$ 298,795	\$ 343,041	\$ 331,371	\$ 381,457	\$ 461,098	\$ 407,153	\$ 473,052
Operating Expenses	\$ 151,519	\$ 154,748	\$ 157,674	\$ 166,376	\$ 152,679	\$ 139,602	\$ 157,864
Days Cash on Hand	720	809	767	837	1,102	1,065	1,094

Figure 6 - FY 2016 to FY 2022 Projected and Historical Liquidity

Financial Policies and Guidelines

Budgetary Control: The Finance Committee of the Board oversees the financial performance and condition of the Airport Authority and reviews the operating and capital budget and financial plan, and major financial policies or actions of the Airport Authority. Board policy stipulates that the Finance Committee shall meet at least quarterly each year; however, the practice has been monthly reviews of the Airport Authority's financial performance by both the Finance Committee and the full Board.

Investments: The Airport Authority invests public funds in a manner that will provide the highest level of security while meeting the daily cash needs of the Airport Authority. The investment policies and practices of the Airport Authority are based upon prudent money management precepts and conform to all state and local statutes governing the investment of public funds.

The Airport Authority's Investment policy is reviewed annually and adopted by the Board. This annual review is performed to ensure the Airport Authority Board has continued oversight and approval of the policies, rules, and performance regarding the investment of Airport Authority funds. The policy adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§ 16429.1 and 53600 et seq. ("Code"). In addition, the Board delegates the Airport Authority to invest and manage the funds of the Airport Authority to the Airport Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. The existence of an approved investment policy demonstrates that the Airport Authority Board and staff are fiducially responsible; thereby, promoting trust and confidence from the public that it serves.

Capital Program: The capital program provides for the orderly development of the Airport Authority. Each year the President/Chief Executive Officer (CEO) submits to the Airport Authority Board a development program of desirable capital improvement projects that are within the Airport Authority's financial funding capability. The President/CEO identifies each capital improvement project as to its need. Factors to be considered may include, but are not necessarily limited to public need, useful life, and return on investment, maintenance and operating costs, construction costs, possible alternatives, and sources of funding.

Overview of Projected Fund Balance



Overview of Projected Fund Balance

The Airport Authority Fund Balance is generally defined as the difference between its assets and liabilities. The Airport Authority's fund balance statement projects that FY 2023 cash and investments will decrease by \$553.4 million to \$2.352 billion versus the FY 2022 Projected of \$2.905 billion. This decrease of 19.0% from the FY 2022 Projected is primarily due higher capital expenditures related to the ADP. FY 2024 cash and investments are projected to decrease by \$580.0 million (24.7%) to \$1.772 billion, due to continued capital spending for the ADP.

SDCRAA

Fund Equity Statement

(in thousands)

	FY 2021 Actuals	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget	FY 2024 Conceptual Budget
Beginning Fund Balance:	\$ 1,027,305	\$846,171	\$942,944	\$2,904,888	\$2,351,534
Source of Funds					
Operating Revenue:					
Receipts from customers	200,250	234,851	295,889	338,396	376,897
Total Operating Revenue	200,250	234,851	295,889	338,396	376,897
Non-Operating Revenue & Other Financing:					
Federal Grants received (excluding Quieter Home Program)	104,858	89,912	98,791	32,592	68,672
Passenger Facility Charges Receipts	16,777	23,962	37,594	40,078	43,863
Customer Facility Charges Receipts	14,506	20,609	29,511	31,284	34,293
Bond Proceeds	-	919,156	2,312,374	-	325,309
Principal Payments received on Notes Receivable	2,124	2,244	2,372	2,541	2,634
Interest Received from Notes Receivable & Investments	4,175	10,385	16,686	24,497	26,357
Other Funding Sources	1,684	23,178	4,826	4,774	5,228
Hydrant Fuel Cost Recovery	-	50,455	57,070	2,437	2,437
Total Non-Operating Revenue	144,124	1,139,900	2,639,325	138,202	508,794
Total Revenues	344,374	1,374,751	2,935,214	476,598	885,692
Use of Funds					
Operating Expenses:					
Payments to Suppliers & Employees	(126,967)	(159,526)	(159,526)	(136,177)	(143,902)
Total Operating Expenses	(126,967)	(159,526)	(159,526)	(136,177)	(143,902)
Non-Operating Expenses:					
Capital Expenditures	(122,888)	(93,966)	(34,877)	(77,104)	(169,805)
Capital Expenditures Financed from Bond Proceeds	(46,200)	(356,169)	(254,563)	(596,466)	(827,367)
Capital Expenditures Financed from Passenger Facility Charges ((11,100)	-	-	-	-
Capital Expenditures Financed from Major Maintenance Fund	(4,708)	(21,974)	(1,740)	(12,197)	(34,569)
Debt Refunding	-	-	(384,825)	-	(80,100)
Quieter Home Program, net and Joint Studies	861	(1,956)	(2,621)	(2,151)	(1,898)
Customer Facility Charges (CFC) Expenditures	(8,497)	(8,491)	(11,286)	(10,386)	(10,893)
Principal on Bonds and Variable rate debt paid	(31,560)	(33,005)	(37,676)	(43,385)	(44,840)
Interest and Debt Fees Paid (excl PFC funding)	(68,067)	(80,335)	(74,455)	(71,940)	(77,922)
Capitalized Interest Debt Service Payment	(9,313)	-	(6,797)	(75,130)	(69,210)
Airline Support Building Tenant Improvement	-	(9,119)	(4,026)	(4,140)	(4,257)
Payment of capital lease	(295)	(877)	(877)	(877)	(877)
Total Non-Operating Expenses	(301,768)	(605,892)	(813,743)	(893,776)	(1,321,737)
Total Expenses	(428,735)	(765,418)	(973,269)	(1,029,953)	(1,465,639)
Excess (Deficit) of Source over Use of Funds	(84,361)	609,333	1,961,945	(553,355)	(579,947)
Ending Fund Balance	\$942,944	\$1,455,504	\$2,904,888	\$2,351,534	\$1,771,586
Unrestricted Cash and Investments	\$341,580	\$341,581	\$503,844	\$584,307	\$499,090
Total Bonds Reserves	420,994	960,112	2,208,111	1,522,996	930,650
Total Other Restricted Funds	180,370	153,811	192,933	244,231	341,847
Total Reserves / Restricted Cash	\$ 601,363	\$ 1,113,923	\$ 2,401,044	\$ 1,767,227	\$ 1,272,497
Ending Fund Balance	\$942,944	\$1,455,504	\$2,904,888	\$2,351,534	\$1,771,586

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Financial Projections



Financial Projections

Based on the actual results experienced by the Airport Authority during FY 2021 and the budgets for FY 2022, FY 2023 and FY 2024, the following table shows projections for FY 2025.

Achievements of these projections are dependent upon the occurrence of a variety of future events, many of which are beyond the Airport Authority's control. Therefore, variations are to be expected and may be material.

<i>(in thousands)</i>	FY 2021 Actuals	FY 2022 Budget	FY 2023 Budget	FY 2024 Conceptual Budget	FY 2025 Projected
Total Airline Revenue	\$133,870	\$140,932	\$196,108	\$222,592	\$237,030
Total Non-Airline Revenue	82,075	96,108	142,288	154,305	179,158
Total Operating Revenue	215,944	237,040	338,396	376,897	416,188
Total Operating Expenses before Depreciation & Amortization	150,515	167,228	192,952	204,696	249,727
Income from Operations before Depreciation & Amortization	65,429	69,812	145,444	172,201	166,461
Non-Operating Revenue/(Expenses)					
Passenger Facility Charges	22,110	23,962	40,078	43,863	46,789
Customer Facility Charges	15,755	20,609	31,284	34,293	36,581
Quieter Home Program (Net) & Joint Studies	(3,233)	(2,156)	(2,101)	(2,102)	(4,721)
BAB Interest Rebate	-	-	-	-	-
CARES Act Grant	77,219	80,000	-	-	-
Interest Income	13,471	10,388	24,072	25,873	26,973
Interest Expense	82,118	84,458	144,502	145,892	131,067
Bond Amortization Costs	(14,051)	(13,633)	(26,690)	(26,072)	-
Other Non Operating Revenue/(Expense)	(10,001)	(10)	(10)	-	-
Total Other Non-Operating Revenue, Net	183,389	203,617	211,135	221,747	236,688
Income before Capital Grant Contributions	248,818	273,429	356,579	393,948	403,150
Capital Grant Contributions	13,932	9,912	32,592	68,672	7,000
Net Income before Depreciation, Principal & Capital Outlay	262,749	\$283,341	389,171	\$462,621	\$410,150

Financial Projections

	Unit	FY 2021 Actuals	FY 2022 Budget	FY 2023 Budget	FY 2024 Conceptual Budget	FY 2025 Projected
Landing Fee	1,000 lbs	\$4.38	\$3.55	\$3.69	\$4.15	\$4.29
Aircraft Parking Position Rental Rate	per space	\$117,685	\$110,963	\$155,509	\$188,326	\$207,047
Aircraft Parking Position Turn Fee	per turn	\$496.27	\$448.47	\$215.54	\$241.36	\$252.17
Aircraft Parking Position Overnight Fee	per overnight	\$1,488.82	\$1,345.40	\$646.62	\$724.07	\$756.50
Terminal Rental Rate	s q ft.	\$151.73	\$167.14	\$264.53	\$283.83	\$288.25
Joint Use Fee (90%)	per enplanement	\$10.26	\$8.62	\$7.05	\$7.23	\$6.93
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$536,112	\$565,800	\$732,282	\$823,228	\$841,238
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$110,994	\$120,668	\$159,192	\$178,963	\$182,878
Common Use Fee	per enplanement	\$2.17	\$1.82	\$1.58	\$1.33	\$1.28
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Cost Per Enplanement		\$26.18	\$21.51	\$18.61	\$19.29	\$19.29
Debt Service Coverage		2.06	2.10	1.79	2.00	2.36
Enplanements *		4,861	6,275	10,138	11,111	11,852
% Increase in Enplanements versus prior year		-47.4% ⁽¹⁾	29.1%	61.6%	9.6%	6.7%

Non-signatory airlines will pay 120% premium on the above rates except for FIS fees

** In thousands*

¹ *Comparison to prior year actuals*

Figure 7 - FY 2021 Actuals to FY 2025 Financial Projections

Budget Overview: Revenue



Revenue Overview

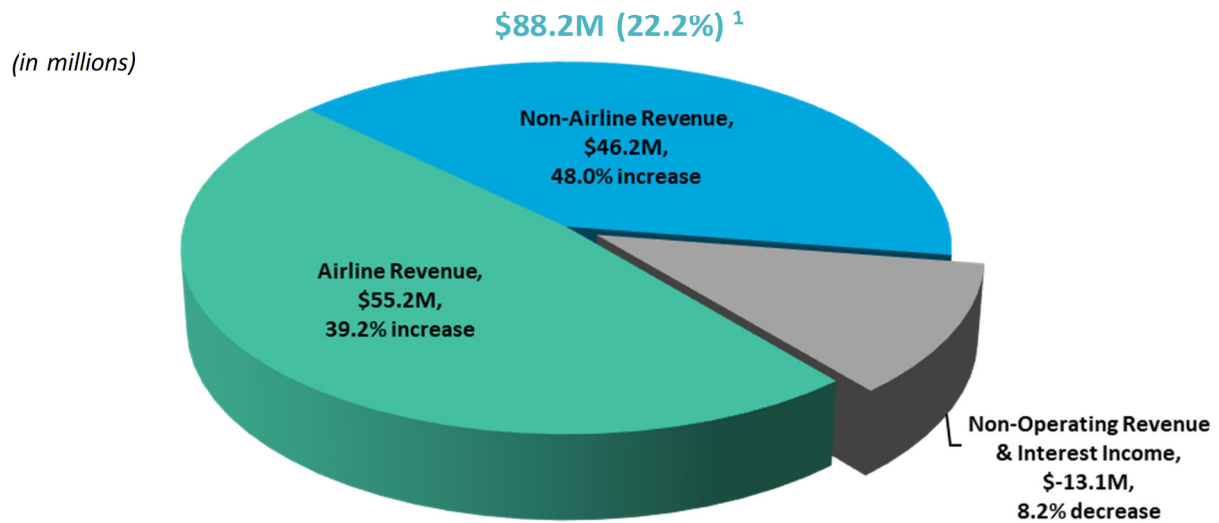
FY 2023 Revenue Budget – FY 2024 Conceptual Revenue Budget

<i>(in thousands)</i>	FY2021	FY2022	FY2023	Inc / (Dec)	%	FY2024	Inc / (Dec)	%
	Actuals	Budget	Budget	FY23 vs FY22 Budget	Change	Conceptual Budget	FY24 Conceptual vs FY23 Budget	Change
Operating Revenue								
Airline Revenue								
Landing Fees	\$ 34,046	\$ 33,619	\$ 45,581	\$ 11,961	35.6%	\$ 55,200	\$ 9,619	21.1%
Aircraft Parking Fees	8,542	8,466	11,395	2,930	34.6%	13,800	2,405	21.1%
Building Rentals	83,090	93,420	133,213	39,793	42.6%	148,045	14,831	11.1%
Common Use Fees	7,369	7,927	11,105	3,178	40.1%	10,004	(1,101)	-9.9%
Other Aviation Revenue	823	(2,500)	(5,186)	(2,686)	107.4%	(4,457)	730	-14.1%
Total Airline Revenue	133,870	140,932	196,108	55,176	39.2%	222,592	26,484	13.5%
Non-Airline Revenue								
Terminal Rent Non-Airline	2,589	2,608	2,592	(16)	-0.6%	2,594	2	0.1%
Terminal Concessions	10,754	13,236	24,358	11,122	84.0%	27,226	2,868	11.8%
Rental Car License Fees	16,973	18,711	33,616	14,905	79.7%	35,443	1,827	5.4%
License Fees - Other	3,369	4,235	6,275	2,040	48.2%	6,939	664	10.6%
Parking Revenue	22,238	26,061	35,349	9,288	35.6%	38,477	3,129	8.9%
Ground Transportation Permits and Citations	5,209	7,197	14,335	7,138	99.2%	17,571	3,236	22.6%
Ground Rentals	19,260	22,616	23,776	1,160	5.1%	24,001	225	0.9%
Grant Reimbursements	344	386	296	(90)	-23.4%	296	-	0.0%
Other Operating Revenue *	1,338	1,059	1,691	633	59.8%	1,758	67	4.0%
Total Non-Airline Revenue	82,075	96,108	142,288	46,180	48.0%	154,305	12,018	8.4%
Total Operating Revenue	215,944	237,040	338,396	101,356	42.8%	376,897	38,502	11.4%
Interest Income	13,471	10,388	24,072	13,684	131.7%	25,873	1,801	7.5%
Non-Operating Revenue								
Passenger Facility Charges	22,110	23,962	40,078	16,116	67.3%	43,863	3,785	9.4%
Customer Facility Charges	15,755	20,609	31,284	10,674	51.8%	34,293	3,010	9.6%
Quieter Home Program	12,293	15,347	19,065	3,718	24.2%	19,665	600	3.1%
Federal Relief	77,219	80,000	-	(80,000)	-100.0%	-	-	0.0%
Capital Grant Contributions	13,932	9,912	32,592	22,680	228.8%	68,672	36,080	110.7%
Total Non-Operating Revenue	131,898	149,831	123,019	(26,812)	-17.9%	166,494	43,475	35.3%
Total Revenue	\$ 361,314	\$ 397,258	\$ 485,486	\$ 88,228	22.2%	\$ 569,265	\$ 83,779	17.3%

* Other Operating Revenue includes finger printing fees, utilities reimbursements, service charges, equipment rental and miscellaneous revenue

Revenue Overview

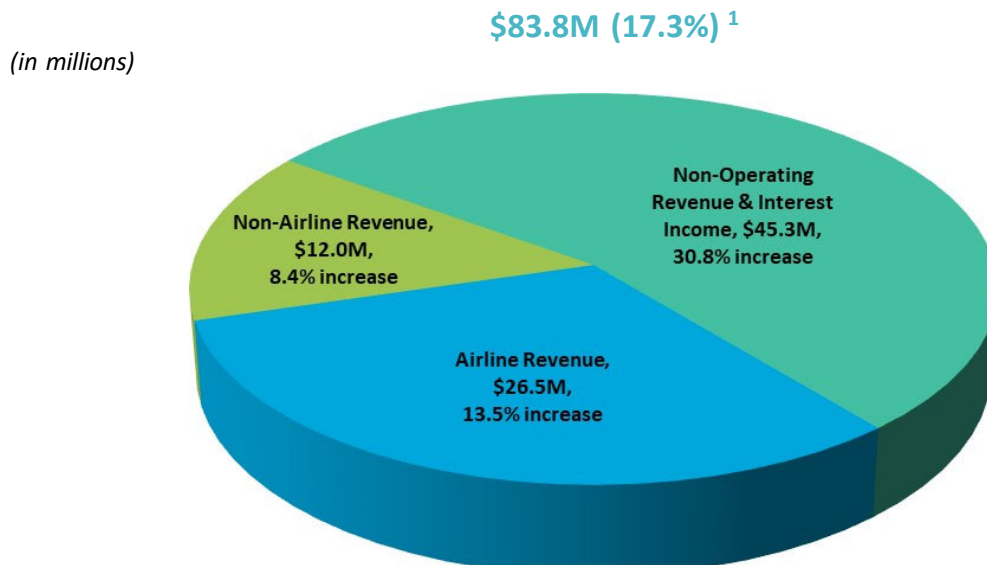
FY 2023 Budget Revenue Increase vs FY 2022 Budget



¹ Total may differ due to rounding

Figure 8 - FY 2023 Revenue Variance

FY 2024 Budget Revenue Increase vs FY 2023 Budget



¹ Total may differ due to rounding

Figure 9 - FY 2024 Revenue Variance

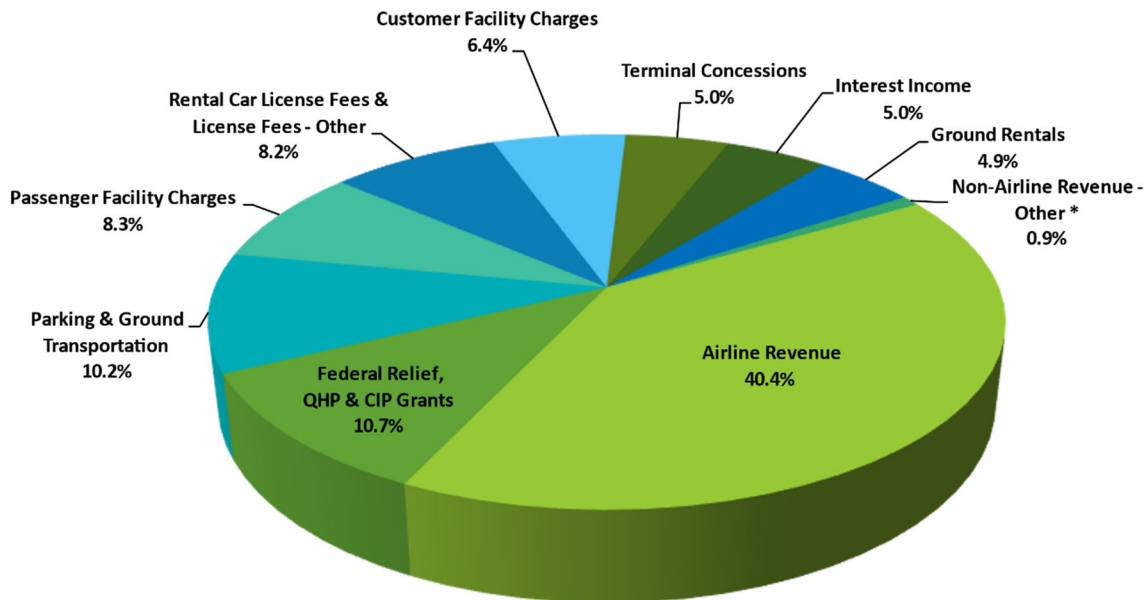
Revenue Overview

FY 2023 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2023 Budget
Airline Revenue	196,108
Federal Relief, QHP & CIP Grants	51,953
Parking & Ground Transportation	49,684
Passenger Facility Charges	40,078
Rental Car License Fees & License Fees - Other	39,891
Customer Facility Charges	31,284
Terminal Concessions	24,358
Interest Income	24,072
Ground Rentals	23,776
Non-Airline Revenue - Other *	4,284
Total Revenue ¹	\$485,486

¹Total may differ due to rounding



* Non-Airline Revenue - Other includes finger printing fees, utilities reimbursements, service charges, equipment rentals, terminal rent non-airline, and miscellaneous other revenues

Figure 10 - FY 2023 Revenue Budget by Sources

Revenue Overview

FY 2024 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2024 Conceptual Budget
Airline Revenue	222,592
QHP & CIP Grants	88,634
Parking & Ground Transportation	56,049
Passenger Facility Charges	43,863
Rental Car License Fees & License Fees - Other	42,381
Customer Facility Charges	34,293
Terminal Concessions	27,226
Interest Income	25,873
Ground Rentals	24,001
Non-Airline Revenue - Other *	4,353
	\$569,265

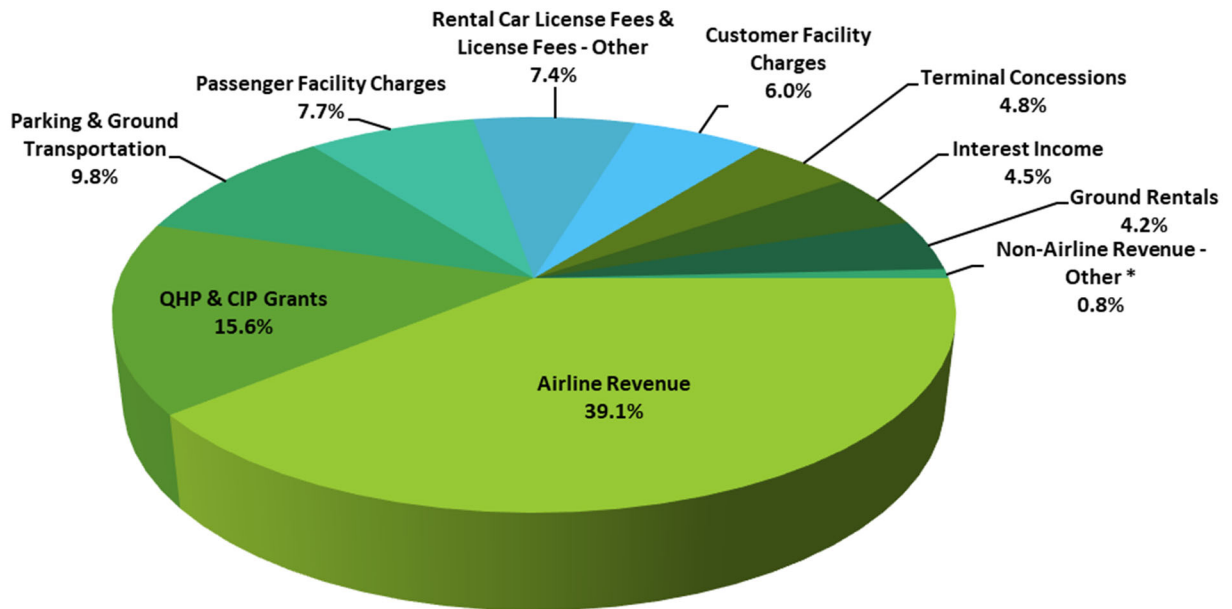


Figure 11 - FY 2024 Revenue Budget by Sources

Revenue Overview

Overview

Operating and Non-Operating revenues for FY 2023 are projected to be \$485.5M, an increase of \$88.2M (22.2%) above the FY 2022 Budget. FY 2024 Conceptual Operating and Non-Operating revenues are budgeted to increase by \$83.8M (17.3%) over the FY 2023 Budget.

Airline Operating Revenue

The Authority signed a 10-year Airline Operating and Lease Agreements with passenger airlines and cargo carriers operating at SAN. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport. The AOLA term commenced on July 1, 2019, and terminates on June 30, 2029, unless terminated earlier pursuant to the terms.

Pursuant to the AOLA, the landing fees at SAN are calculated based on a residual rate-setting methodology and the terminal rental rates are calculated based on a compensatory rate-setting methodology.

The AOLA includes signatory and non-signatory rate structure. Air Carriers that signed non-signatory agreement will be charged 120% premium on all signatory rates, fees, and charges, except for FIS fee.

Landing Fees

Landing Fees are revenues from passenger and cargo carriers for commercial aircraft landings at the Airport. The fee is set to recover 80% of the direct and allocated costs of the airfield, including maintenance and operation expenses and airfield security costs, debt service and amortization of capital investments, MMF and coverage charges. The balance is recovered from aircraft parking fees (see the following **Aircraft Parking and Turn Fees** section).

In FY 2023, landing fee revenues are projected to increase to \$45.6M, which is \$12.0M (35.6%) above the FY 2022 Budget due to increase airfield costs slightly offset by \$8.9M in Federal Relief. Estimated landed weight for FY 2023 is projected to increase to 12,299 (million-pound units), a 29.6% increase from 9,487 (million-pound units) in the FY 2022 Budget. The combination of higher landed weight and decreased net airfield FY 2023 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) of \$3.69

In FY 2024, landing fee revenues are projected to increase by \$9.6M (21.1%) to \$55.2M over the FY 2023 Budget. The increase reflects higher airfield operations expenses, debt service and MMF contribution. The FY 2024 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$4.15, a 12.5% increase over the FY 2023 budgeted landing fee, mainly reflecting a combination of increased net airfield costs and a 7.7% increase in projected landed weight to 13,242 (million-pound units).

Aircraft Parking and Turn Fees

Aircraft parking fees are projected to recover 20% of the direct and allocated costs of the airfield, including maintenance and operation expenses and airfield security, debt service, amortization of capital investments, MMF and coverage charges. This charge is assessed based on the number of aircraft parking positions

Revenue Overview

assigned to each air carrier at the terminal gates and in remote positions, as well as the number of turns made on common use gates. With aircraft parking positions a scarce resource at SAN, this cost recovery method rewards carriers who efficiently use their gates and schedule flights with departures outside the morning peak period.

In FY 2023, aircraft parking and turn fees are projected to generate revenues of \$11.4M, a \$2.9M (34.6%) increase over the FY 2022 Budget due to an increase in airfield operations expenses. FY 2023 aircraft position rental signatory rate is \$155,509 per space, aircraft parking position signatory turn fee is \$215.54 per turn and aircraft parking position signatory overnight fee is \$646.62 per overnight stay.

In FY 2024, aircraft parking and turn fees are projected to increase by \$2.4M (21.1%) over the FY 2023 Budget due to increase in net airfield costs.

Building Rentals

Building Rental revenue reflect recovery of terminal building costs, including terminal security, allocated to airline occupied facilities, debt service, amortization of capital investments, MMF and coverage charges. Building Rentals also includes Joint Use Fees.

In FY 2023 Budget Building Rentals revenues are projected to increase to \$133.2M, an increase of \$39.8M (42.6%) over the FY 2022 Budget. FY 2023 Building Rentals revenues reflect increases in terminal operations expenses, debt service and bond reserves requirement contributions, partially offset by use of federal relief funds. The FY 2023 signatory terminal rental rate is \$264.53 per square foot and the joint use fee is \$7.05 per enplanement.

In FY 2024, Building Rentals revenue is projected to increase by \$14.8M (11.1%) over the FY 2023 Budget due to higher operating and maintenance expenses, debt service, and MMF. The FY 2024 terminal rental signatory rate is projected to increase to \$283.83 per square foot and the joint use fee is \$7.23 per enplanement.

Common Use Fees

Common Use Fees include terminal rent of common use premises, common use systems, operating and maintenance expenses, debt service and amortization of capital investments and will be paid for by the airlines located in common use equipped terminals.

FY 2023 Common Use Fee revenue is projected to be \$11.1M, an increase of \$3.2M (40.1%) to FY 2022 Budget. FY 2023 Common Use Fee revenue primarily reflect an increase to terminal rental rate for common use premises. FY 2023 common use signatory fee is \$1.58 per enplanement.

In FY 2024, the charges will decrease by \$1.1M (-9.9%) over the FY 2023 Budget primary due to increases in terminal rental rate for common use premises and expenses for common use maintenance. The FY 2024 common use signatory fee is \$1.33 per enplanement.

Other Aviation Revenue

Fuel Franchise Fees includes fees on fuel delivered to aircraft by the Fixed Base Operator (FBO) and to non-participating airlines by the airline fuel consortium.

In FY 2023, Other Aviation revenue is projected to be \$-0.5M, a decrease of \$2.8M (-104.7%) over the FY 2022 Budget due to the Air Service Incentive Program.

Revenue Overview

In FY 2024, Other Aviation revenue is projected to remain relatively flat over the FY 2023 Budget.

Non-Airline Operating Revenue

Non-Airline Operating revenue budgeted numbers were derived by analyzing the current agreements, recent trends, projected future events and historic revenue patterns, taking into consideration the projected FY 2023 enplaned passenger traffic. The FY 2023 Budget assumes 10.1M enplaned passengers, which is a 61.4% increase over the FY 2022 Budget enplanements of 6.3M and a 6.7% increase over the FY 2022 year-end projected enplanements of 9.5M. FY 2024 enplanements are projected to grow to 11.1M, a 9.6% increase over the FY 2023 Budget enplanements.

Terminal Rent Non-Airline

Terminal Rent Non-Airline includes revenue from non-airline tenants like Smiths Detection, U.S. General Services Administration (Drug Enforcement Agency and TSA), MorphoTrust USA and others.

In FY 2023, Terminal Rent Non-Airline revenue is projected to be \$2.6M, in line with the FY 2022 Budget.

In FY 2024, Terminal Rent Non-Airline revenue is projected to remain relatively flat over the FY 2023 Budget.

Terminal Concessions

Terminal Concession revenue is generated from food/beverage and retail (including Duty Free) concessions operate under exclusive agreements with concessionaires under the Concession Development Program (CDP). The retail and food/beverage services offered at SAN provide a world-class shopping and dining experience for the millions of passengers who use SAN each year.

Concession revenue is based on percentage rent charged on food, beverage and merchandise sales and fixed rent for concessionaire storage/support space. Cost Recovery revenue is also generated by reimbursement for marketing costs, operations/maintenance costs and costs to operate the Receiving and Distribution Center (RDC).

Other Concession revenue includes advertising, common use lounge service, Wi-Fi, bank ATMs, money exchange services, baggage cart rentals, and shoeshine stands.

The FY 2023 Budget for Terminal Concessions is \$24.4M, an increase of \$11.1M (84.0%) over the FY 2022 Budget reflecting revenue based on gross sales. The increase is a result of increased passenger enplanements as demand for air travel has increased as the economy recovers from the COVID-19 pandemic.

FY 2024 revenues are budgeted at \$27.2M, an increase of 2.9M (11.8%) over the FY 2023 Budget due to an increase in projected enplanements.

Rental Car License Fee

Rental Car License Fee revenue includes fees received from rental car companies that conduct business at the Airport and cost recovery of operations/maintenance costs of the RCC. The agreement calls for rental car companies to pay the Airport Authority a fee equaling 10% of gross sales or their minimum annual guarantee (MAG), whichever is higher.

Revenue Overview

In FY 2023, rental car license fees are projected at \$33.6M, an increase of \$14.9M (79.7%) over the FY 2022 Budget reflecting revenue based on gross sales. The increase is a result of increased passenger enplanements as demand for air travel has increased as the economy recovers from the COVID-19 pandemic.

FY 2024 revenues are projected at \$35.4M, an increase of \$1.8M (5.4%) primarily due to an increase in enplanements partially offset by a decrease in transactions per originating passenger (OP).

License Fees – Other

License Fees – Other revenue is derived from in-flight catering services and ground handling operators.

Estimated in-flight catering and ground handling revenue is based on a percentage of the companies' gross sales per their agreements with the Airport Authority.

FY 2023 revenues are budgeted at \$6.3M, an increase of \$2.0M (48.2%) from the FY 2022 Budget due to an increase in enplanements.

In FY 2024, license fees revenues are projected to increase by \$0.7M (10.6%) to \$6.9M due to higher enplanements.

Parking

Parking revenue is generated from Airport parking lots in front of the terminals and valet services.

The FY 2023 revenue is budgeted at \$35.3M, an increase of \$9.3M (35.6%) from the FY 2022 Budget reflecting higher transactions per OP based on current trends.

The FY 2024 Budget is \$38.5M, a projected increase of \$3.1M (8.9%), primarily reflecting an increase in enplanements partially offset by a decrease in transactions per OP.

Ground Transportation Trip Fees and Citations

Ground Transportation revenue includes the taxi, shuttles, Transportation Network Company (TNC) and courtesy trip fees along with fees for permits issued limousines and commercial drivers operating at the airport. Citation revenue is generated from parking citations issued by the Airport Traffic Officers (ATOs) on the Airport terminal roadways.

FY 2023 revenue projections of \$14.3M, an increase of \$7.1M (99.2%) over the FY 2022 Budget mainly due to higher enplanements and transactions per OP based on current trends.

In FY 2024, these revenues are budgeted at \$17.6M, an increase of \$3.2M (22.6%) mostly reflecting increase in enplanements and higher transactions per OP.

Ground Rentals

Ground Rental Fixed revenue consists of fixed rent received for RCC lease rent, leased cargo facilities, fixed base operations and ancillary leases of various aviation and non-aviation uses.

FY 2023 revenue is budgeted at \$23.8M, an increase of \$1.2M (5.1%) over the FY 2022 Budget mainly due to recognition of fuel farm projects cost recovery and opening of ASB.

In FY 2024, revenues are budgeted at \$24.0M, an increase of \$0.2M (0.9%), primarily due to anticipated slight

Revenue Overview

CPI increase assumptions on other agreements.

Grant Reimbursements (Operating)

Grant Reimbursement revenue is received by the Airport Authority pursuant to an agreement with TSA to offset the cost of providing Law Enforcement Officers (LEO) at various TSA checkpoints and throughout the Airport.

The FY 2023 budget for Grant Reimbursement revenue is projected to decrease by \$0.09M compared to the FY 2022 Budget, at \$0.3M.

In FY 2024, Grant Reimbursements revenue is projected to stay flat over the FY 2023 Budget.

Other Operating Revenues

Other Operating revenues primarily include revenues to process employee fingerprints for new tenants, and any associated contractors or vendors who conduct business at the Airport. In addition, this category includes various miscellaneous revenues that do not fall into a specific category and are usually a one-time occurrence.

In FY 2023, these revenues are budgeted at \$1.7M, with an increase of \$0.6M over the FY 2022 Budget. In FY 2024, other operating revenue is projected to remain relatively flat over the FY 2023 Budget.

Interest Income

Interest Income revenue is derived from interest earned by the Airport Authority on discretionary funds and reserves established under the master trust indenture. This revenue also includes interest earned on notes paid by the Port District to the Airport Authority.

In FY 2023, interest income is budgeted at \$24.0M, a projected increase of \$13.6M (131.1%) from the FY 2022 Budget reflecting an increase in cash balances due to higher bond balances and an increase in interest rates. FY 2024 interest income revenues are projected to increase by \$1.9M (7.8%) over the FY 2023 Budget due to anticipated increase in interest rates partially offset by lower cash balances.

Non-Operating Revenue

Passenger Facility Charges (PFC)

PFC revenue is comprised of a \$4.50 charge (net \$4.39 to the Airport after deduction of \$0.11 for the airline-processing fee) paid by each ticketed passenger that boards an airplane at the Airport. The FY 2023 and FY 2024 Budget is based on the projected number of enplaned passengers at an estimated collection rate of 87%. Certain types of passengers, including military, are excluded from paying the PFCs.

FY 2023 PFC revenues are budgeted at \$40.1M, an increase of \$16.1M (67.3%) from the FY 2022 Budget due to higher enplaned passengers. FY 2024 PFC revenue are projected to increase by \$3.8M (9.4%) over the FY 2023 Budget due to an increase in enplaned passengers.

Customer Facility Charges (CFC)

CFCs revenue is collected by the car rental concessionaires and remitted to the Airport Authority according to

Revenue Overview

state law to support the consolidated RCC development project. In January 2018, in accordance with state statute, the collection methodology changed from \$7.50 per rental car transaction to \$9.00 per rental day (up to a maximum of five days).

For FY 2023, CFC revenues are projected at \$31.3M, an increase of \$10.7M (51.8%) over the FY 2022 Budget reflecting an increase in enplanements.

In FY 2024, CFC revenues are budgeted at \$34.3M, an increase of \$3.0M (9.6%) over the FY 2023 Budget primarily due to higher enplanements.

Quieter Home Program

The Quieter Home Program (QHP) is a residential sound insulation program for eligible single and multi-family dwellings located within the FAA-accepted SAN 65-decibel Community Noise Equivalent Level contour. The project is eligible for a maximum AIP funding of 80.0%. The American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2) increased AIP grants in FY 2022 to 100%, thereby eliminating the local match requirement.

Recognized grant revenue is related to available funding under grant awards received and the level of expenditures made each year. It is anticipated that the FY 2023 QHP revenue will be \$19.1M and FY 2024 QHP revenue will be \$19.7M.

Capital Grant Contributions

Capital grant contributions are FAA grant awards from a federal program that provides funding for approved capital projects. These projects are generally eligible for a maximum AIP funding of 75%. The FY 2023 capital grant contributions increased by \$22.7M (228.8%) due to grants related to the New T1 development project.

FY 2024 capital grant contributions are budgeted to increase by \$36.1M (110.7%) reflecting further grant funding for New T1 program.

Federal Relief

The American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2), signed into law by the President on March 11, 2021, includes \$8 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the coronavirus disease 2019 (COVID-19) pandemic.

To distribute these funds, the FAA has established the Airport Rescue Grants. In FY 2023 and FY 2024, there are no Federal Relief revenue.

Budget Overview: Expenses



Expense Overview

FY 2023 Expense Budget – FY 2024 Conceptual Expense Budget

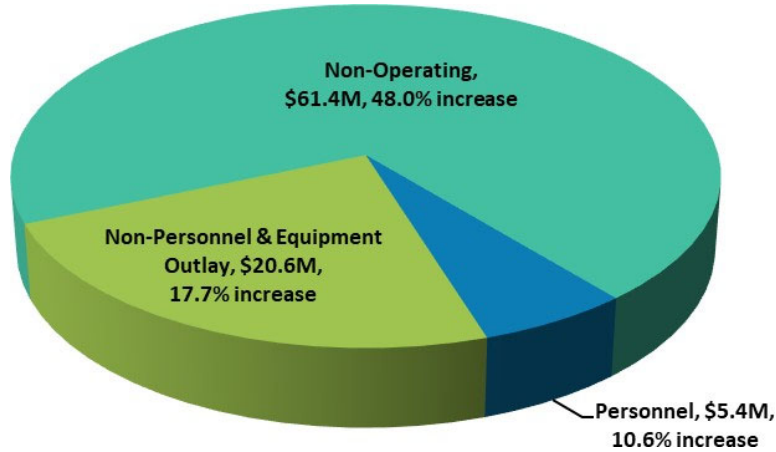
<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Proposed	% Change
Operating Expenses								
Salaries	\$ 35,655	\$ 37,099	\$ 42,535	\$ 5,437	14.7%	\$ 45,926	\$ 3,390	8.0%
Benefits	22,974	20,023	21,827	1,804	9.0%	23,755	1,928	8.8%
Subtotal	58,629	57,121	64,363	7,241	12.7%	69,681	5,318	8.3%
Less: Capitalized Labor Recharge	(5,112)	(5,125)	(6,893)	(1,767)	34.5%	(7,404)	(511)	7.4%
Less: QHP Labor Recharge	(595)	(641)	(695)	(54)	8.5%	(741)	(46)	6.7%
Total Personnel Costs	52,922	51,355	56,775	5,420	10.6%	61,536	4,761	8.4%
Contractual Services	24,977	33,128	46,720	13,592	41.0%	49,532	2,812	6.0%
Safety and Security	35,086	36,385	38,064	1,679	4.6%	39,873	1,809	4.8%
Space Rental	10,267	10,652	10,501	(151)	-1.4%	10,506	5	0.1%
Utilities	11,730	14,693	16,556	1,862	12.7%	18,067	1,512	9.1%
Maintenance	9,111	11,342	12,170	828	7.3%	12,584	414	3.4%
Operating Equipment & Systems	425	302	1,045	743	245.9%	399	(646)	-61.8%
Operating Supplies	450	618	706	88	14.3%	739	33	4.7%
Insurance	1,519	1,813	2,005	192	10.6%	2,324	319	15.9%
Employee Development	442	803	854	52	6.4%	891	37	4.3%
Business Development	209	1,849	2,953	1,103	59.7%	3,422	469	15.9%
Equipment Rentals and Repairs	3,120	3,952	3,910	(41)	-1.0%	4,098	188	4.8%
Tenant Improvements	260	336	692	356	106.1%	725	33	4.8%
Total Non-Personnel Costs	97,593	115,873	136,177	20,304	17.5%	143,161	6,984	5.1%
Total Operating Expenses	150,515	167,228	192,952	25,723	15.4%	204,696	11,745	6.1%
Joint Studies / Sound Attenuation	15,526	17,504	21,166	3,662	20.9%	21,767	601	2.8%
Debt Service	104,943	110,473	168,221	57,748	52.3%	172,092	3,871	2.3%
Legal Settlement Expense	161	10	10	-	0.0%	-	(10)	-100.0%
Other Non-Operating Expenses	430	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	121,060	127,987	189,397	61,411	48.0%	193,859	4,462	2.4%
Total Expenses	271,575	295,215	382,349	87,134	29.5%	398,556	16,207	4.2%
Equipment Outlay Expenditures	475	686	988	303	44.2%	667	(321)	-32.5%
Total Authority Expenses Incl Equip Outlay	\$ 272,051	\$ 295,901	\$ 383,337	\$ 87,436	29.5%	\$ 399,223	\$ 15,886	4.1%

Expense

FY 2023 Expense Budget Increase vs FY 2022 Budget

\$87.4M (29.5%)^{1gn}

(in millions)



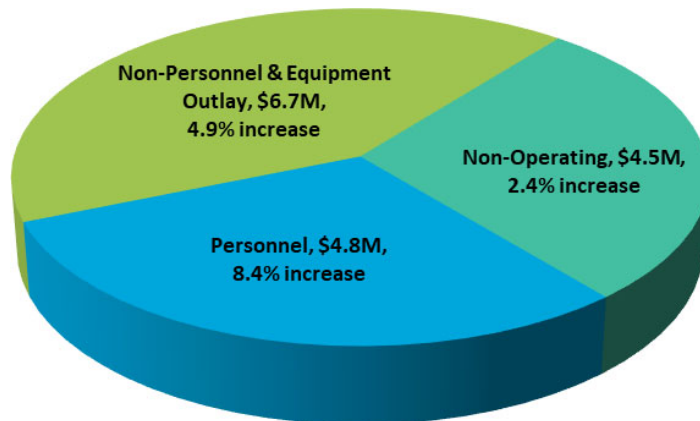
¹ Total may differ due to rounding

Figure 12 - FY 2023 Expense Variance

FY 2024 Conceptual Expense Budget Increase vs FY 2023 Budget

\$15.9M (4.1%)¹

(in millions)



¹ Total may differ due to rounding

Figure 13 - FY 2024 Expense Variance

Expense

Major Drivers of FY 2023 Budget

<i>(in thousands)</i>	Total Inc / (Dec) FY23 Budget vs FY22 Budget	Expense Category
Total Increase in Expenses	\$87,436	
Personnel:		
Pay-for-Performance, Contracted Wage Increases and Salary Adjustments	4,228	Salaries & Wages, Employee Benefits
Vacancy Recruitment	1,406	Salaries & Wages, Employee Benefits
Retirement	687	Employee Benefits
Health Insurance	338	Employee Benefits
Capitalized Labor increase	(1,822)	Capitalization
Other	581	Salaries & Wages, Employee Benefits
Total Increase / (Decrease) in Personnel	5,420	
Debt Service:		
Debt Service 2021 Bonds	73,682	Debt Service
Amortization on 2021 Bond Premiums	(13,057)	Debt Service
Cost Issuance	(3,000)	Debt Service
Net, other	123	Debt Service
Total Increase / (Decrease) in Debt Service	57,748	
Non Personnel:		
New T1 related expenses		
Community Outreach	633	Contractual Services, Business Development
New Admin Building IT Equipment	619	Operating Systems and Equipment
Ground Transportation Impacts	250	Contractual Services
Other	216	Contractual Services, Safety and Security, Operating Supplies, Business Development
Safety and Security		
Port District Law Enforcement - Harbor Police Department	936	Safety and Security
Guard Services	421	Safety and Security
Aircraft Rescue and Fire Fighting	313	Safety and Security
Terminal and Airside, Landside Operations and Maintenance		
Shuttle Operations	4,082	Contractual Services
Parking and Valet Operations	3,292	Contractual Services, Equipment Rentals and Repair
Rental Car Center (RCC) Shuttles	3,211	Contractual Services
Utilities	1,862	Utilities
Annual and Major Maintenance	982	Maintenance
Terminal Operations	751	Contractual Services
Concessions Management	485	Contractual Services
Maintenance Equipment and Vehicles	410	Equipment Outlay
FIS Facial Biometric	270	Equipment Outlay, Contractual Services, Equipment Rentals and Repairs
Credential Services	231	Contractual Services, Operating Equipment & Systems, Operating Supplies, Equipment Rentals and Repairs
Credit Card Fees	213	Contractual Services
Customer Experience Design & Innovation	178	Contractual Services
Green Oval Painting	(404)	Equipment Outlay, Maintenance Supply
Other Operating and Non-Operating Expenses		
Quieter Home Program (QHP)	3,662	QHP Expenses
Air Service Development Incentives, Advertising and Business Development	773	Business Development
License Fees, Systems and Operating Supplies	418	Operating Equipment & Systems, Operating Supplies, Equipment Rentals and Repairs
Tenant Improvements	356	Tenant Improvements
Insurance	192	Insurance
Space Rental	(151)	Space Rent
Other, net	66	
Total Increase / (Decrease)	\$87,436	

Expense

Major Drivers of FY 2024 Conceptual Budget

<i>(in thousands)</i>	Total Inc / (Dec) FY24 Budget vs FY23 Budget	Expense Category
Total Increase in Expenses	\$15,886	
Personnel:		
Pay-for-Performance and Contracted Wage Increases	1,828	Salaries & Wages, Employee Benefits
Vacancies recruitment, net of Capitalized Labor and Vacancy Savings	1,083	Salaries & Wages, Employee Benefits, Capitalization
Retirement	969	Employee Benefits
Health Insurance	881	Employee Benefits
Total Increase / (Decrease) in Personnel	4,761	
Debt Service:		
Cost of Issuance and Other fees	3,250	Debt Service
Amortization on Bond Premiums	618	Debt Service
Other, net	3	Debt Service
Total Increase / (Decrease) in Debt Service	3,871	
Non Personnel:		
New T1 related expenses		
Contractual Services	168	Contractual Services
Other	(50)	Contractual Services
New Admin Building IT equipment	(650)	Operating Systems and Equipment
Safety and Security		
Port District law enforcement - Harbor Police Department	1,501	Safety and Security
Aircraft Rescue and Fire Fight (ARFF)	269	Safety and Security
Guard Services	90	Safety and Security
Terminal and Landside Operations		
Utilities - gas, electric, and water	1,512	Utilities
Rental Car Center (RCC) buses	1,125	Contractual Services
Shuttle Operations	551	Contractual Services
Terminal Operations	352	Contractual Services
Parking Operations	279	Contractual Services
Annual and major maintenance and supplies	260	Maintenance
Green Oval Painting	154	Maintenance
Maintenance equipment and vehicles	(321)	Equipment Outlay
Other Operating and Non-Operating Expenses		
Quieter Home Program (QHP)	601	QHP Expenses
Marketing, Media Advertising, Sponsorships	593	Business Development, Contractual Services
Insurance	319	Insurance
Computer licenses and software	188	Equipment Rentals and Repairs
Air Service Development Incentives	161	Business Development
Credit Card Fees	97	Contractual Services
Other, net	54	
Total Increase / (Decrease)	\$15,886	

Expense

Overview

In FY 2023, SDCRAA total expenses, including debt service and equipment outlay, are projected to increase to \$383.3M from \$295.9M in the FY 2022 Budget. This represents an increase of \$87.4M (29.5%). The FY 2024 Conceptual Budget anticipates total expenses increasing to \$399.2M, representing an increase of \$15.9M (4.1%).

Operating Expenses

Personnel Expenses

Personnel Expenses include salary and wages, overtime and employee benefits, net of capitalized labor and non-operating costs associated with the QHP. Benefits include payroll taxes, retirement, health insurance, workers' compensation insurance, unemployment insurance, life insurance and short-term disability insurance.

In FY 2023, Salaries and Wages, including overtime, are projected to increase by \$5.4M (14.7%) over the FY 2022 Budget, reflecting wage and salary increases required under union contract agreements, pay-for-performance increases for non-union employees and inclusion of New T1 personnel support. Employee benefits are projected to increase by \$1.8M (9.0%) from the FY 2022 Budget, primarily reflecting an increase in retirement expense, retirees' medical benefits and health insurance premiums. These combined factors, together with higher capitalized labor expenses, resulted in a net increase of \$5.4M (10.6%) in the FY 2023 Budget over the FY 2022 Budget for personnel expenses.

In FY 2024, Salaries and Wages, including overtime, are projected to increase by \$3.4M (8.0%), reflecting wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. Employee benefits expenses are projected to increase by \$1.9M (8.8%) primarily reflecting increased costs associated with retirement and health benefits. These combined factors, together with higher capitalized labor expenses are projected to result in a net increase of \$4.8M (8.4%) in FY 2024.

Non-Personnel Expenses

Contractual Services

Contractual Services expense includes a variety of professional services such as operational, engineering, financial, legal, maintenance and other services.

In FY 2023, Contractual Services are budgeted to have a net increase of \$13.6M (41.0%) over the FY 2022 Budget, primarily due to an increase in parking and shuttle operations and RCC buses expenses due to increase in enplanements and start of New T1 program.

In FY 2024, Contractual Services are budgeted to increase \$2.8M (6.0%), primarily due to an increase in parking and shuttle operations.

Safety and Security

Safety and Security expenses are law enforcement, Aircraft Rescue and Fire Fighting (ARFF), paramedic, inspection/guard services and other similar services. Law enforcement services are provided under a service legal agreement with the San Diego Unified Port District. Fire, rescue, and emergency response services are

Expense

provided by the City of San Diego.

In FY 2023, Safety and Security costs are projected to increase by \$1.7M (4.6%) over the FY 2022 Budget. This is primarily due to increases in Port District Harbor Police Department law enforcement, guard services and ARFF.

FY 2024 Safety and Security costs are projected to increase by \$1.8M (4.8%) over the FY 2023 Budget, reflecting increases in Port District Harbor Police Department law enforcement, ARFF, and guard services.

Space Rental

Space Rental expense consists of lease payments for various properties contiguous to the Airport, including the former General Dynamics, Teledyne-Ryan (TDY), Harbor Island, and RCC/ACE Shuttle Bus Lease (Port Lease).

FY 2023 Space Rental expenses are projected to decrease by \$.2M (-1.4%) from the FY 2022 Budget due to the recent purchase of the California Street property.

FY 2024 Space Rental costs are projected to remain flat.

Utilities

Utilities expense includes gas, electric, water and telephone costs.

FY 2023 utilities costs are projected to increase by \$1.9M (12.7%) from the FY 2022 Budget primarily due to electricity rate increase from SDG&E and higher enplanements.

FY 2024 utilities costs are budgeted to increase by \$1.5M (9.1%) from the FY 2023 Budget due to anticipated electricity rate increase from SDG&E and higher enplanements.

Maintenance

Maintenance expense includes maintenance agreements, major maintenance projects, expendable stock and other material used to operate and maintain the Airport.

FY 2023 Maintenance expense is projected to increase by \$.8M (7.3%) from the FY 2022 Budget due primarily to contractual increases.

FY 2024 Maintenance expense is projected to increase by \$0.4M (3.4%) from the FY 2023 Budget due primarily to contractual increases.

Operating Equipment and Systems

Operating Equipment and Systems includes expenses such as computers, non-capitalized furniture, and office and safety equipment.

FY 2023 Operating Equipment and Systems expenses are projected to increase by \$.7M (245.9%) from the FY 2022 Budget due to new Administrative Building IT Equipment.

FY 2024 Operating Equipment and Systems expenses are projected to decrease by \$.6M (-61.8%) from the FY 2023 Budget due to the completion of new Administrative Building IT Equipment purchase.

Expense

Operating Supplies

Operating Supplies expense includes small tools, office and operating supplies and safety equipment.

FY 2023 Operating Supplies expenses are projected increase by \$.09M (14.3%) from the FY 2022 budget.

FY 2024 Operating Supplies expenses are projected to increase by \$.03M (4.7%) from the FY 2023 Budget.

Insurance

Insurance provides financial protection of the Airport Authority's assets from property and liability losses.

FY 2023 Insurance expense is projected to increase by \$0.2M (10.6%) from the FY 2022 Budget, due to increases in premiums and increase in property values due to phased completion of miscellaneous CIP projects.

FY 2024 Insurance expense is projected to increase by \$0.3M (15.9%) over the FY 2023 Budget, due to anticipated increases in premiums.

Employee Development

Employee Development includes recruiting expenses, staff training and development, book and periodical subscriptions, memberships in trade and professional organizations, seminars, registration fees, travel, tuition, and other staff-related expenses (e.g., service awards and uniforms).

FY 2023 Employee Development expense is projected increase by \$0.05M (6.4%) from the FY 2022 Budget.

FY 2024 Employee Development expense is projected to increase by \$0.04M (4.3%) from the FY 2023 Budget.

Business Development

Business Development expense includes marketing and promotional activity expenses related primarily to Airport Authority marketing programs and domestic and international air service development.

FY 2023 Business Development expense is projected to increase by \$1.1M (59.7%) from the FY 2022 Budget, primarily due to an increase in marketing and advertising costs.

FY 2024 Business Development expense is projected to increase by \$0.5M (15.9%) from the FY 2023 Budget.

Equipment Rentals and Repairs

Equipment Rentals and Repairs expense includes computer licenses, tenant improvement allowances, equipment leasing/rentals and office equipment repair.

FY 2023 Equipment Rentals and Repairs expense is projected to decrease by \$0.04M (-1.0%) from the FY 2022 Budget.

FY 2024 Equipment Rentals and Repairs expense is projected to increase by \$0.2M (4.8%) from the FY 2023 Budget.

Expense

Tenant Improvements

Tenant Improvement costs include airline related costs for gate relocations to other new or renovated facilities and Tenant Improvements costs for other tenants.

FY 2023 Tenant Improvements expense is projected to increase by \$0.4M (106.1%) from the FY 2022 Budget due to recurring additional staffing in anticipation of additional tenant improvements on Airside, in Terminals, and Landside.

FY 2024 Tenant Improvements expense is projected to increase by \$0.03M (4.8%) from the FY 2023 Budget also due to additional tenant improvements.

Non-Operating Expenses

Joint-Studies/Sound Attenuation

The Joint-Studies/Sound Attenuation expenses are costs associated with Airport facilities studies and QHP.

FY 2023 Joint-Studies/Sound Attenuation expense is projected to increase by \$3.7M (20.9%) from the FY 2022 Budget based on available level of grant funding.

FY 2024 Joint-Studies/Sound Attenuation expense is projected to increase by \$0.6M (2.8%) from the FY 2023 Budget.

Debt Service

Debt Service expenditures include interest and fees on the Airport Authority's variable debt program, interest and principal on outstanding Airport revenue bond debt, as well as trustee fees for both variable debt and revenue bonds.

FY 2023 Debt Service costs are projected to increase by \$58.0M (52.5%) from the FY 2022 Budget due to amortization of 2020 bond premiums and capitalized cost to New T1 project, offset by New T1 bonds, increased principal payments on 2019 bonds and cost of issuance of New T1 bonds.

FY 2024 Debt Service costs are projected to increase by \$3.9M (2.3%) from the FY 2023 Budget, primarily due to increased principal payments on 2019 bonds and New T1 debt.

Equipment Outlay

Equipment Outlay expense includes equipment requests costing \$5,000 or more, with a useful life of at least one year.

FY 2023 Equipment Outlay expenses are projected to increase by \$0.3M (44.2%) from the FY 2022 Budget due to replacement of equipment and installation of FIS Facial Biometrics.

FY 2024 Equipment Outlay expenses are projected to decrease by \$0.3M (-32.5%) from the FY 2023 Budget due to completion of FY23 equipment requests.

Expense Overview

FY 2023 Expense Budget by Division

(in thousands)

Divisions	FY 2023 Budget
Debt Service	\$168,221
Operations	129,385
Development	32,526
Revenue Management & Innovation	21,588
Finance	20,426
Executive	11,191
Total ¹	<u><u>\$383,337</u></u>

¹ Total may differ due to rounding

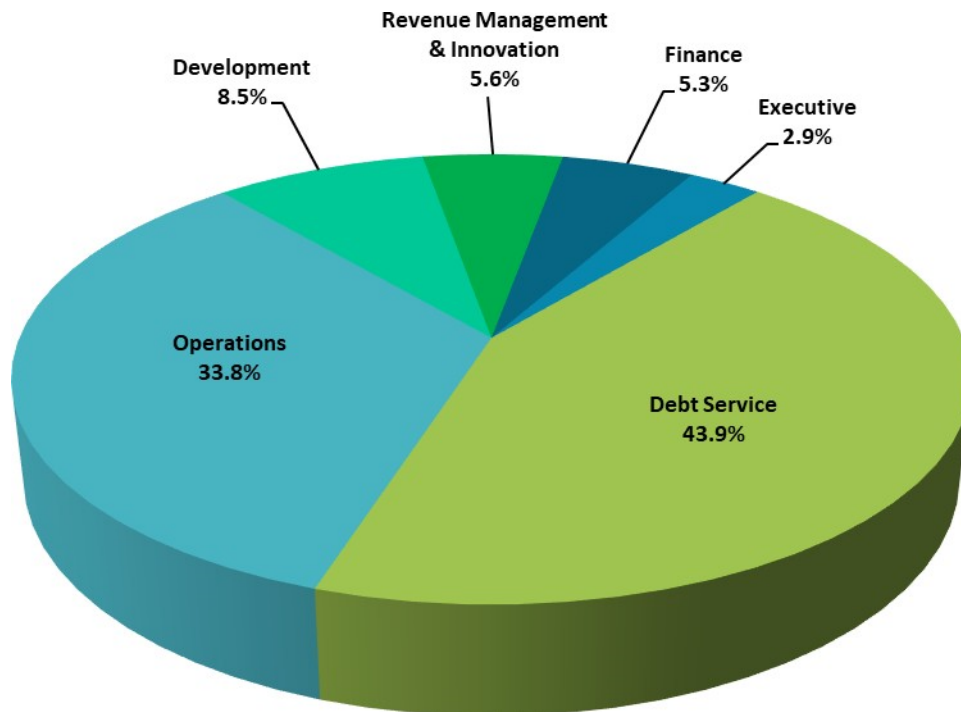


Figure 14 - FY 2023 Expense Budget by Division

Expense Overview

FY 2023 Expense Budget by Division

(in thousands)

Divisions	FY 2024 Conceptual Budget
Debt Service	\$172,092
Operations	136,989
Development	33,564
Revenue Management & Innovation	22,856
Finance	22,109
Executive	11,612
Total ¹	<u><u>\$399,223</u></u>

¹ Total may differ due to rounding

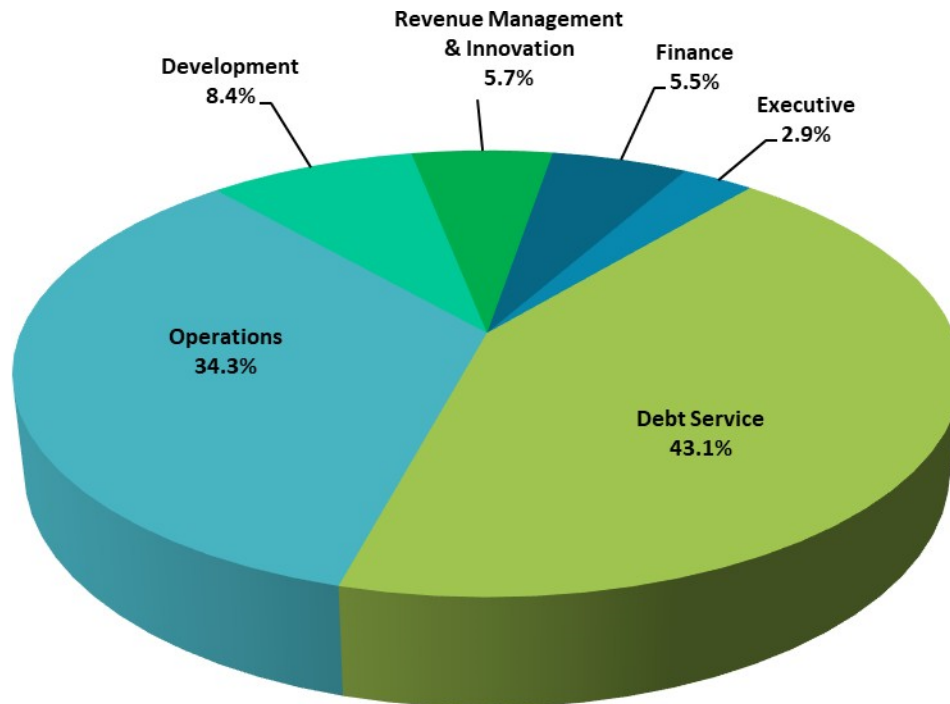


Figure 15 - FY 2024 Expense Budget by Division

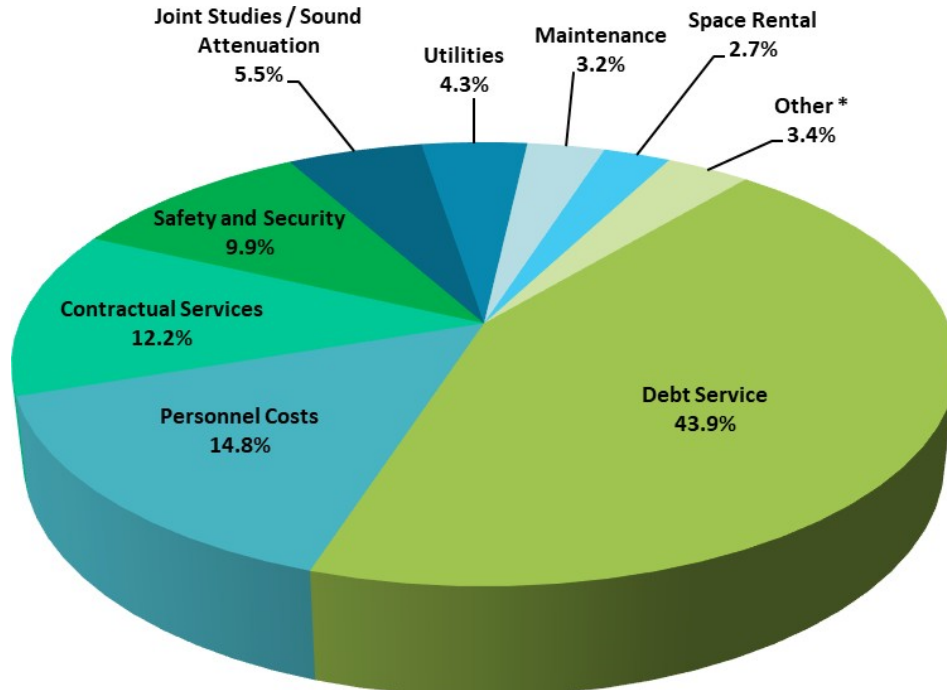
Expense Overview

FY 2023 Expense Budget by Category

(in thousands)

Category	FY 2023 Budget
Debt Service	\$168,221
Personnel Costs	56,775
Contractual Services	46,720
Safety and Security	38,064
Joint Studies / Sound Attenuation	21,166
Utilities	16,556
Maintenance	12,170
Space Rental	10,501
Other *	13,163
Total ¹	\$383,337

¹ Total may differ due to rounding



*Other includes equipment rentals and repairs, business development, employee programs, insurance, tenant improvements, operating equipment and supplies, and equipment outlay

Figure 16 - FY 2023 Expense Budget by Category

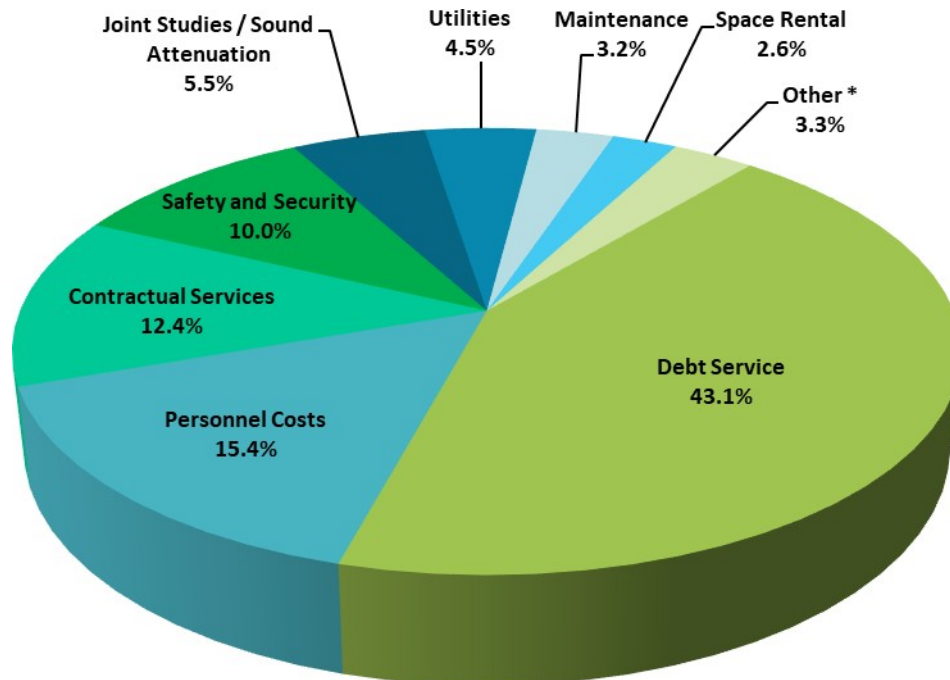
Expense Overview

FY 2023 Expense Budget by Category

(in thousands)

Category	FY 2024 Conceptual Budget
Debt Service	\$172,092
Personnel Costs	61,536
Contractual Services	49,532
Safety and Security	39,873
Joint Studies / Sound Attenuation	21,767
Utilities	18,067
Maintenance	12,584
Space Rental	10,506
Other *	13,265
Total ¹	\$399,223

¹ Total may differ due to rounding



*Other includes equipment rentals and repairs, business development, employee programs, insurance, tenant improvements, operating equipment and supplies, and equipment outlay

Figure 17 - FY 2024 Expense Budget by Category

Expense Overview

FY 2023 Expense Budget by Category

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers *	FY 2023 Budget New/ (Eliminated) ^	FY 2023 Budget	FY 2024 Budget New/ (Eliminated) ^	FY 2024 Conceptual Budget
Executive Division							
Board Services	5	7	-	(1)	6	-	6
Chief Auditor	7	7	-	-	7	-	7
Communications	10	7	(1)	-	6	-	6
Executive Office	2	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	2	3	1	-	4	-	4
Talent, Culture & Capability	18	18	-	(1)	17	-	17
Subtotal	50	50	-	(2)	48	-	48
Operations Division							
Aviation Security & Public Safety	18	20	-	1	21	-	21
Airside & Terminal Operations	25	26	-	1	27	-	27
Ground Transportation	71	71	-	-	71	-	71
Facilities Management	88	86	-	-	86	-	86
Subtotal	202	203	-	2	205	-	205
Finance Division							
Capital Financial Planning and Airline Relations	4	4	3	-	7	-	7
Accounting	12	12	-	-	12	-	12
Information & Technology Services	29	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	19	19	(3)	-	16	-	16
Subtotal	76	76	-	-	76	-	76
Development Division							
Airport Design & Construction	48	48	-	-	48	-	48
Planning and Environmental Affairs	29	29	-	-	29	-	29
Subtotal	77	77	-	-	77	-	77
Revenue Management & Innovation Division							
Customer Experience Design & Innovation	13	13	-	-	13	-	13
Marketing & Air Service Development	11	11	-	-	11	-	11
Revenue Generation & Partnership Development	15	15	-	-	15	-	15
Small Business Development	3	3	-	-	3	-	3
Subtotal	42	42	-	-	42	-	42
Total Positions	447	448	-	-	448	-	448

* See detailed information of the transfers in the divisional sections

Expense Overview

FY 2023 Expense Budget by Category

FY 2023 Personnel Budget by Division

FY 2023 Total Authorized Positions: 448

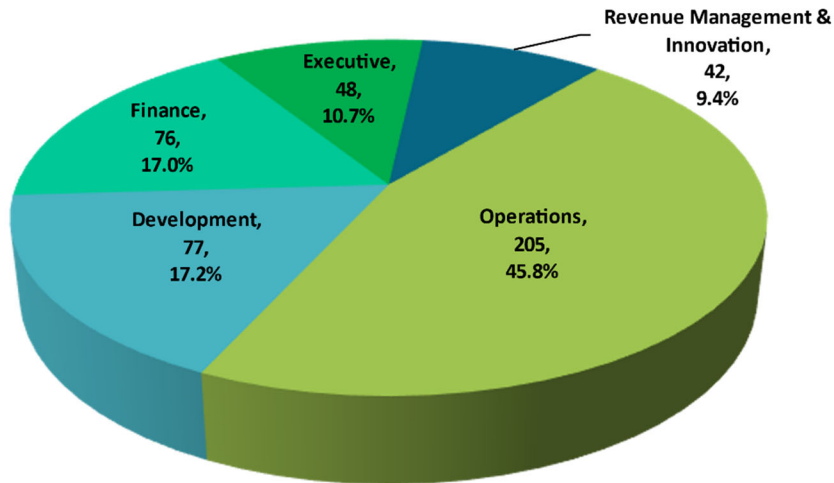


Figure 18 - FY 2023 Personnel Budget by Division

FY 2024 Personnel Conceptual Budget by Division

FY 2024 Total Authorized Positions: 448

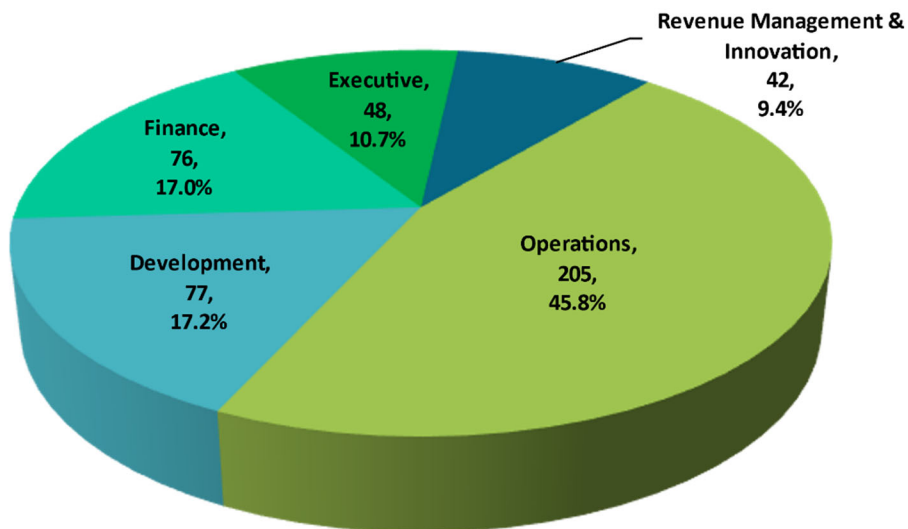


Figure 19 - FY 2024 Personnel Budget by Division

Expense Overview

FY 2023 Expense Budget by Category

FY 2023 Budget New Positions

<u>Division</u>	<u>Department</u>	<u>New Positions</u>
Operations	Airside & Terminal Operations	Administrative Assistant II
Operations	Aviation Security & Public Safety	Sr Airport Communications Center Specialist
	Total FY 2023 new positions	2

Figure 20 - FY 2023 Budget New Positions

FY 2023 Budget Eliminated Positions

<u>Division</u>	<u>Department</u>	<u>Eliminated Positions</u>
Executive	Board Services	Records Information Manager
Executive	Talent, Culture & Capability	Sr. Culture & Organizational Development Analyst
	Total FY 2023 eliminated positions	2

Figure 21 - FY 2023 Budget Eliminated Positions

Executive Division



Executive Division

Overview

The **Executive Division** provides leadership and direction to Authority staff in accomplishing the twelve-member Authority Board's strategies and initiatives. The **Authority Board** consists of nine voting members and three *ex-officio* members and is responsible for setting policies related to airport and Authority operations, airport land-use planning and the future air transportation planning needs of the region.

The nine voting Board members are appointed to staggered three-year terms by the Chair of the San Diego County Board of Supervisors, the Mayor of the City of San Diego and groups of mayors of the other cities in San Diego County. Compensation for each voting Board member is \$200 per day of service, with a maximum of eight days of service per month. The Board chair receives an additional \$500 stipend per month.

The following are descriptions of each group within the Executive Division.

The **Executive Office** is accountable to the Board of Directors to direct and manage the operations, activities and services of the airport and its related economic development activities. The CEO, as the leader of the organization, is responsible for providing strategic vision for the airport, developing key relationships in the industry, designing marketing strategies, and working closely with all stakeholders in guiding the airport's overall success. Success is measured by ability to enhance the reputation and financial position of the airport while sustaining safe, secure and efficient operations.

The Executive Office also coordinates technical and staff support to the Authority Board; conducts outreach to promote positive collaborative relationships with its business partners and the community; approves all contracts, deeds, leases and agreements that contractually bind the Authority and ensures that the region's long-term airport needs are identified and addressed.

The **Office of the General Counsel** provides professional legal advice, strategic counsel and representation to the Authority's Board and the various divisions and departments of the Authority. The Office of the General Counsel represents the Authority in all litigation and legal matters. It assists in the preparation and review of Authority leases, contracts, legal documents, ordinances and resolutions, Authority bonds and other instruments and approves as to legal form all such legal documents and instruments. The Office of the General Counsel advises the Board and management regarding compliance with applicable laws, codes, policies, regulations and requirements.

Further, the Office of the General Counsel selects and manages all outside legal counsel, and advises with the objective to limit liability and exposure to claims and lawsuits. The General Counsel reports directly to the Authority Board.

The **Office of the Chief Auditor** provides professional internal auditing services to promote full accountability, efficiency and effectiveness of services by the Authority to the traveling public and the airlines. The Office of the Chief Auditor reports to the Audit Committee of the Board. It performs audits in accordance with current professional standards and provides recommendations to enhance the Authority's internal controls. As authorized by the Board, the Office of the Chief Auditor administers the Authority Ethics Program and confidential Hotline Reporting System.

The Office of the Chief Auditor also assists management in maintaining the financial and operational integrity of the Authority, and analyzes and assesses the Authority's financial data, operations and programs for compliance with applicable laws, policies, procedures and mandates.

Executive Division

The **Talent, Culture & Capability (TCC)** department provides talent and workforce strategic planning that guides and supports effective business decisions, enhances organizational capabilities, and creates a culture of inclusion. The department manages talent acquisition while advancing employee diversity, equity, and inclusion, performance management, learning and development, compensation and benefits, employee and labor relations, HR data/technology, Safety, and Organizational Development. Through these services, the department assures continued organizational development, workforce engagement, and optimization.

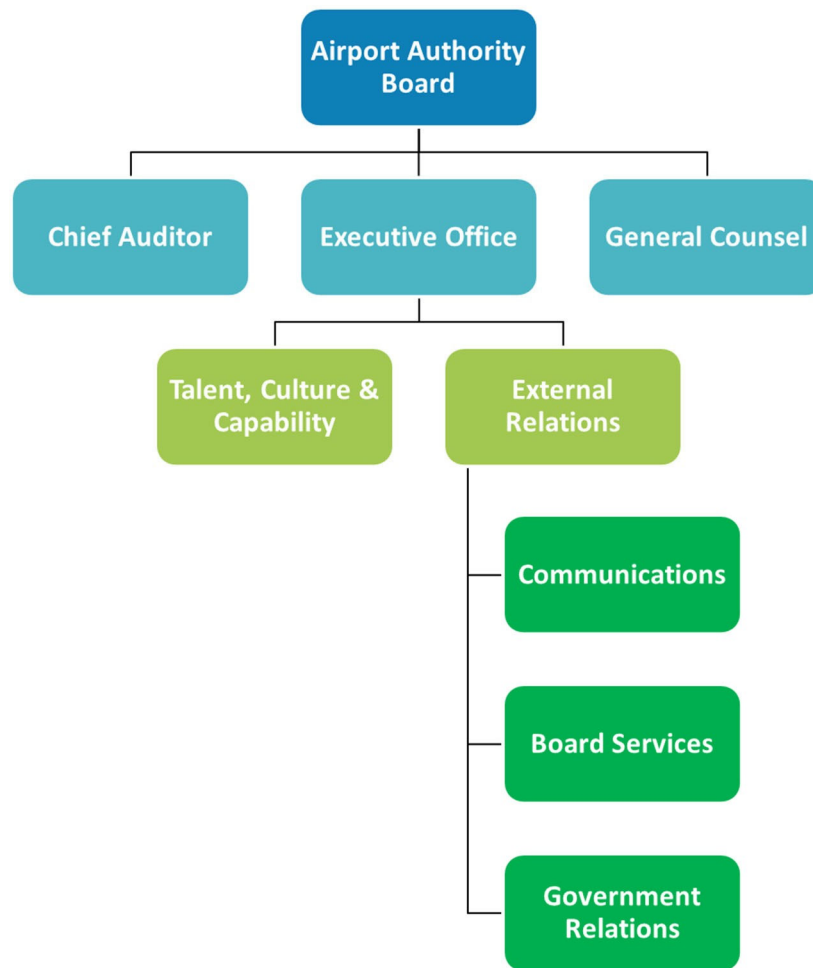
The **Communications** department develops and executes strategies for all communications and is the Airport Authority's designated point of contact for the media. Through public relations and community engagement programs, the department builds external relationships with various constituencies, including community and business leaders, the traveling public, and airport stakeholders. Department efforts are all aimed at helping shape public opinion on issues impacting the credibility, image, and reputation of the Airport Authority. The department also include the Records and Information Management team, responsible for establishing and maintaining the Authority's records program and coordinating public records requests.

The **Board Services** department provides guidance and ensures compliance with state and local laws and Authority codes and policies pertaining to the administration of public Board and Committee meetings, conflict of interest disclosure and records and information management. These laws include, but are not limited to, the Brown Act and Political Reform Act and the approved Records and Information Management Program. The department is also responsible for maintaining the Authority's Codes and Policies; coordinating communications with the Board of Directors, executive and senior staff; assuring an accountability framework and policies for, and management of, records and information governance; managing compliance with the Brown Act, as it relates to public Board and Committee meetings; managing Conflict of Interest filings and other filings required by the Political Reform Act; managing AB 1234 Ethics training as required by FPPC Regulations; and managing the Authority's Lobbyist Program.

The **Government Relations** department develops and oversees policy initiatives and objectives designed to represent and protect the Authority's interests with local, state, and federal agencies and constituents. The department develops and implements the Authority's legislative program and monitors and analyzes legislative and regulatory actions at the federal, state, and local levels. It also manages relationships with representatives and provides advocacy services, in conjunction with contracted advocates in Sacramento and Washington D.C., in support of important Authority initiatives and programs.

Executive Division

FY 2023 – FY 2024 Organizational Structure



Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
Executive Division							
Board Services	5	7	-	(1)	6	-	6
Chief Auditor	7	7	-	-	7	-	7
Communications ¹	10	7	(1)	-	6	-	6
Executive Office	2	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations ²	2	3	1	-	4	-	4
Talent, Culture & Capability	18	18	-	(1)	17	-	17
Total	50	50	-	(2)	48	-	48

¹ 1 position transferred to Government Relations

² 1 position transferred from Communications

Executive Division

FY 2023 Budget – FY 2024 Conceptual Budget Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 4,687	\$ 4,969	\$ 5,579	\$ 609	12.3%	\$ 5,853	\$ 275	4.9%
Benefits	2,522	2,438	2,582	144	5.9%	2,780	198	7.7%
Subtotal	7,209	7,407	8,161	754	10.2%	8,633	472	5.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	7,209	7,407	8,161	754	10.2%	8,633	472	5.8%
Contractual Services	1,516	1,533	1,633	100	6.5%	1,617	(15)	-0.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	-	0.0%	0	0	5.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	32	32	42	10	32.0%	47	5	11.4%
Operating Supplies	36	23	23	0	1.1%	23	(0)	-0.4%
Insurance	1	1	1	-	0.0%	1	-	0.0%
Employee Development	144	269	363	94	34.8%	373	10	2.7%
Business Development	348	504	663	159	31.6%	663	(1)	-0.1%
Equipment Rentals and Repairs	77	238	294	57	23.8%	255	(39)	-13.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	2,154	2,600	3,020	420	16.2%	2,979	(41)	-1.3%
Total Operating Expenses	9,363	10,007	11,181	1,174	11.7%	11,612	432	3.9%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	61	10	10	-	0.0%	-	(10)	-100.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	61	10	10	-	0.0%	-	(10)	-100.0%
Total Expenses	9,424	10,017	11,191	1,174	11.7%	11,612	422	3.8%
Equipment Outlay Expenditures	199	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 9,622	\$ 10,017	\$ 11,191	\$ 1,174	11.7%	\$ 11,612	\$ 422	3.8%

Executive Division

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$10,017	\$11,191
Personnel Costs		
Salary Adjustments and Pay for Performance	697	275
Burden (Benefits & Employer Taxes) for Current Staff	192	198
2 positions eliminated	(135)	-
Total Increase / (Decrease) in Personnel Costs	754	472
Non-Personnel Costs		
Leadership & Management Training	150	20
Business Development	109	25
Employee Development	94	10
Talent Management Software	45	(38)
Webcasts for Board Meetings	-	(12)
Government Relations and Public Relations Consultants	(16)	5
Legal Services	(93)	-
Other, net	131	(61)
Total Increase / (Decrease) in Non-Personnel Costs	420	(51)
Total Increase / (Decrease)	1,174	422
FY 2023 Budget / FY 2024 Conceptual Budget	\$11,191	\$11,612

Executive Division

FY 2023 Expense Budget by Department

(in thousands)

Departments	FY 2023 Budget
Talent, Culture & Capability	\$3,393
General Counsel	2,073
Chief Auditor	1,340
Government Relations	1,217
Communications	1,206
Board Services	1,005
Executive Office	958
Total ¹	\$11,191

¹Total may differ due to rounding

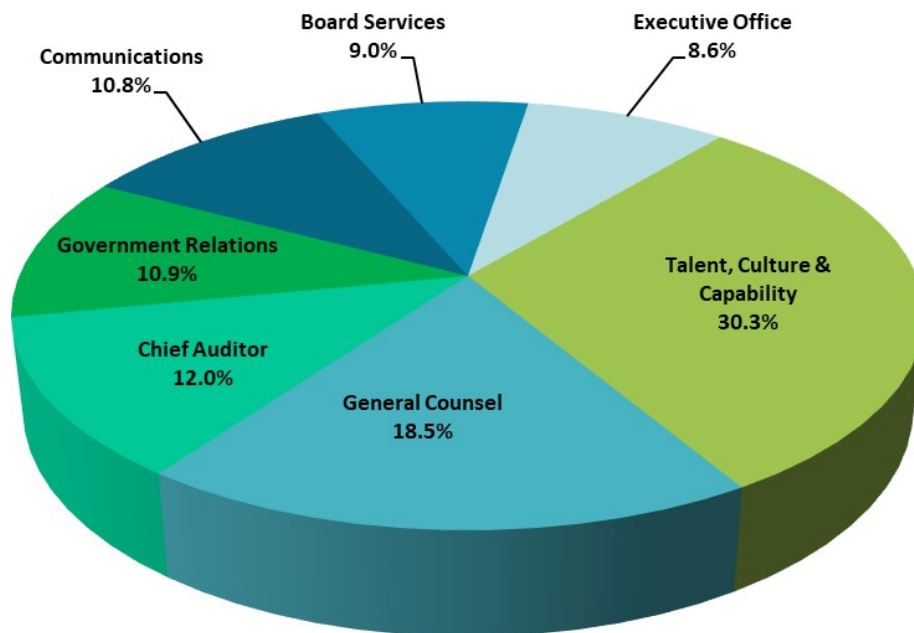


Figure 22 - FY 2023 Expense Budget by Department

Executive Division

FY 2024 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2024 Conceptual Budget
Talent, Culture & Capability	\$3,511
General Counsel	2,118
Chief Auditor	1,418
Government Relations	1,266
Communications	1,253
Board Services	1,055
Executive Office	990
Total ¹	\$11,612

¹Total may differ due to rounding

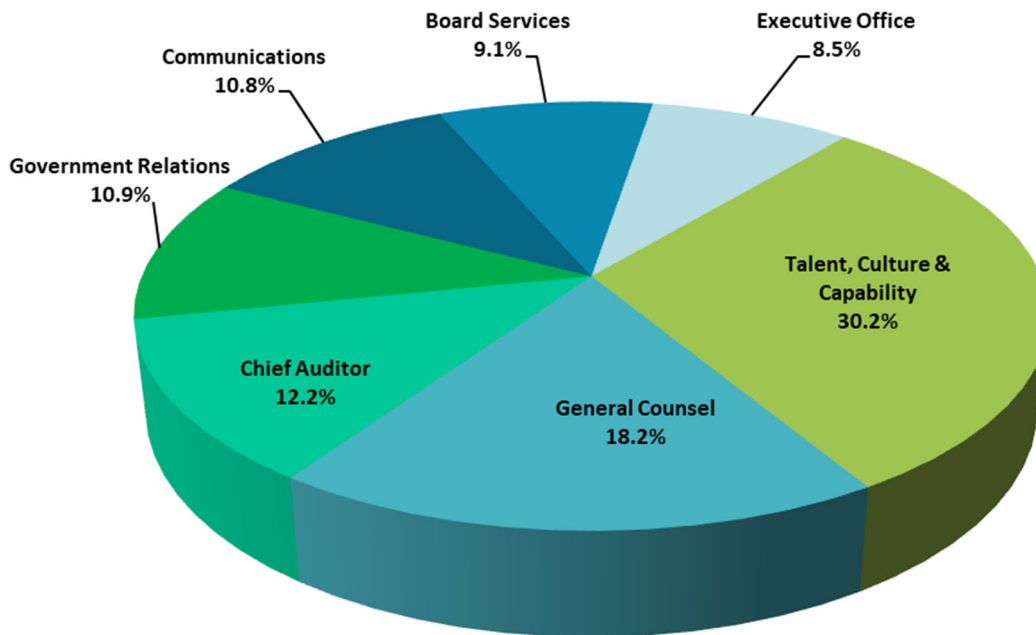


Figure 23 - FY 2024 Expense Conceptual Budget by Department

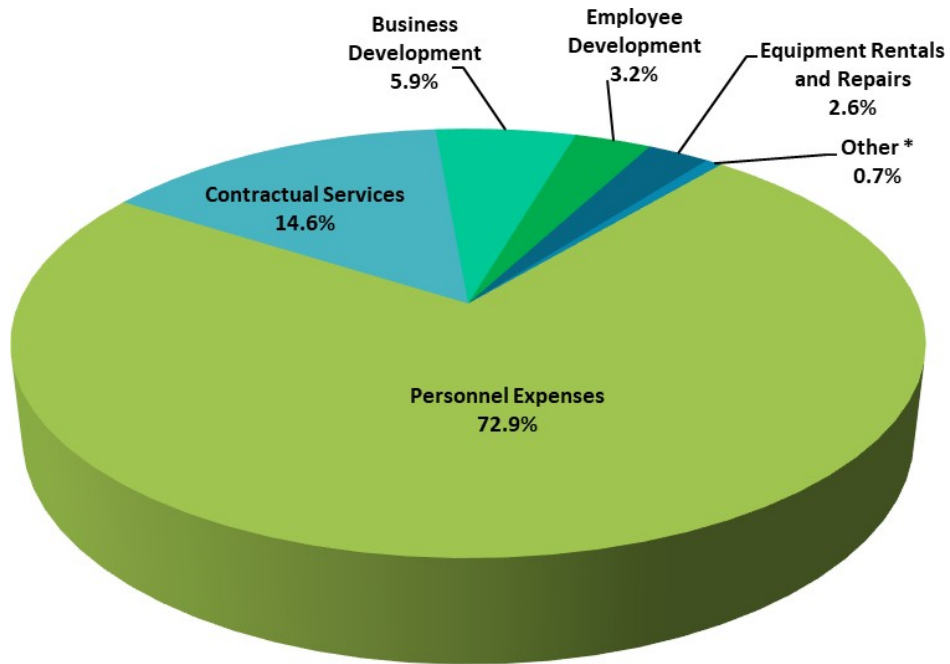
Executive Division

FY 2023 Expense Budget by Category

(in thousands)

Category	FY 2023 Budget
Personnel Expenses	\$8,161
Contractual Services	1,633
Business Development	663
Employee Development	363
Equipment Rentals and Repairs	294
Other *	77
Total ¹	<u><u>\$11,191</u></u>

¹Total may differ due to rounding



*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

Figure 24 - FY 2023 Expense Budget by Category

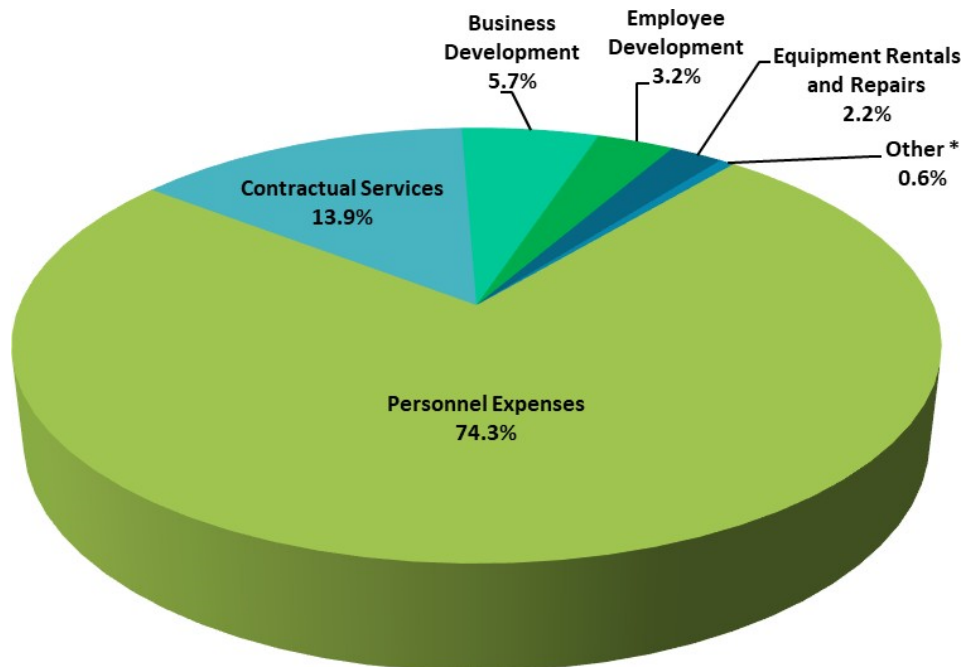
Executive Division

FY 2024 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2024 Conceptual Budget
Personnel Expenses	\$8,633
Contractual Services	1,617
Business Development	663
Employee Development	373
Equipment Rentals and Repairs	255
Other *	71
Total ¹	\$11,612

¹Total may differ due to rounding

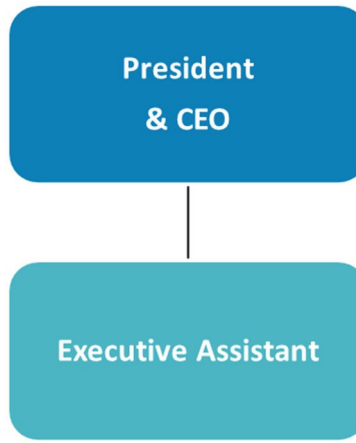


*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, legal settlements, etc.

Figure 25 - FY 2024 Expense Conceptual Budget by Category

Executive Division – Executive Office

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Executive Division – Executive Office

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 429	\$ 468	\$ 514	\$ 46	9.8%	\$ 540	\$ 26	5.0%
Benefits	206	185	191	5	2.9%	196	6	2.9%
Subtotal	635	653	705	51	7.9%	736	31	4.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	635	653	705	51	7.9%	736	31	4.4%
Contractual Services	23	20	20	-	0.0%	20	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	2	2	3	1	25.0%	3	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	10	21	25	3	14.4%	25	1	2.1%
Business Development	115	188	206	18	9.6%	206	-	0.0%
Equipment Rentals and Repairs	0	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	149	232	253	22	9.4%	254	1	0.2%
Total Operating Expenses	785	885	958	73	8.3%	990	32	3.3%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	785	885	958	73	8.3%	990	32	3.3%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 785	\$ 885	\$ 958	\$ 73	8.3%	\$ 990	\$ 32	3.3%

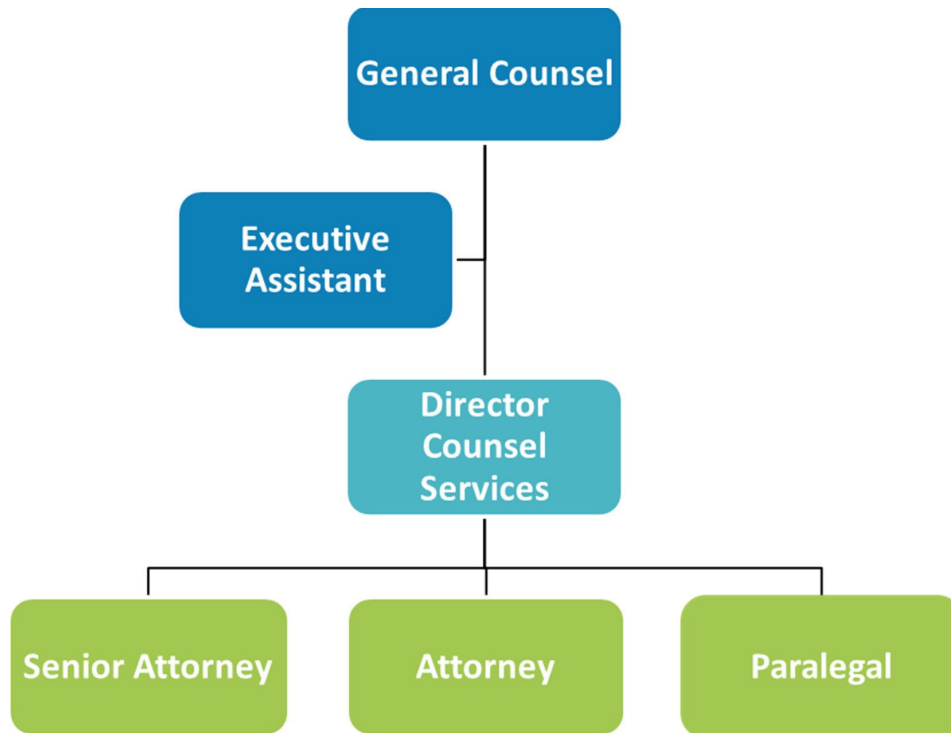
Executive Division – Executive Office

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$885	\$958
Personnel Costs		
Salary Adjustments and Pay for Performance	46	26
Burden (Benefits & Employer Taxes) for Current Staff	5	6
Total Increase / (Decrease) in Personnel Costs	51	31
Non-Personnel Costs		
Business Development	18	-
Other, net	4	1
Total Increase / (Decrease) in Non-Personnel Costs	22	1
Total Increase / (Decrease)	73	32
FY 2023 Budget / FY 2024 Conceptual Budget	\$958	\$990

Executive Division – General Counsel

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Executive Division – General Counsel

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
Operating Expenses								
Salaries	\$ 897	\$ 923	\$ 1,012	\$ 89	9.7%	\$ 1,062	\$ 50	4.9%
Benefits	476	409	455	46	11.2%	490	36	7.9%
Subtotal	1,373	1,332	1,467	135	10.1%	1,552	85	5.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,373	1,332	1,467	135	10.1%	1,552	85	5.8%
Contractual Services	498	575	512	(63)	-11.0%	482	(30)	-5.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	29	29	29	-	0.0%	29	-	0.0%
Operating Supplies	1	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	18	34	48	14	40.9%	48	-	0.0%
Business Development	4	6	6	-	0.0%	6	-	0.0%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	549	645	596	(49)	-7.6%	566	(30)	-5.0%
Total Operating Expenses	1,922	1,977	2,063	86	4.4%	2,118	55	2.7%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	61	10	10	-	0.0%	-	(10)	-100.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	61	10	10	-	0.0%	-	(10)	-100.0%
Total Expenses	1,983	1,987	2,073	86	4.3%	2,118	45	2.2%
Equipment Outlay Expenditures	125	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 2,108	\$ 1,987	\$ 2,073	\$ 86	4.3%	\$ 2,118	\$ 45	2.2%

Executive Division – General Counsel

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	<u>\$1,987</u>	<u>\$2,073</u>
Personnel Costs		
Salary Adjustments and Pay for Performance	89	50
Burden (Benefits & Employer Taxes) for Current Staff	46	36
Total Increase / (Decrease) in Personnel Costs	<u>135</u>	<u>85</u>
Non-Personnel Costs		
Legal Services	(93)	-
Other, net	44	(40)
Total Increase / (Decrease) in Non-Personnel Costs	<u>(49)</u>	<u>(40)</u>
Total Increase / (Decrease)	<u>86</u>	<u>45</u>
FY 2023 Budget / FY 2024 Conceptual Budget	<u>\$2,073</u>	<u>\$2,118</u>

Executive Division – General Counsel

FY 2022 Progress Report

1. Defend the ADP EIR.

Progress: Complete. Successfully defended the Airport Authority in CEQA litigation and prevented additional litigation under NEPA and the Coastal Act. Also successfully obtained all environmental entitlements to allow the ADP to move forward.

Strategic Goal:

- Operations, grow and efficiently manage capacity for future demand, both landside and airside, including international facilities.

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Defend the Part 150 and any challenges related to noise.

Progress: Complete. No challenge to Part 150.

Strategic Goal:

- Customer, exceed our customers' expectations by introducing innovative service and facility enhancements.

Strategic Initiative:

- 3C. Continue to focus on programs to reduce noise impacts

3. Provide timely legal advice to address the quickly changing environment due to COVID-19 impacts.

Progress: Ongoing. Continue to provide timely advice and counsel on all aspects of airport business.

Strategic Goal:

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

Strategic Initiative:

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

Executive Division – General Counsel

FY 2023 – FY 2024 Goals

1. Retention of current staff by ensuring increased compensation to reflect current market conditions.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 4D. Develop compensation and benefits programs for a multi-generational workforce that recognize individual strategic

2. Explore funding sources and legislation regarding future environmental -related costs

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20 year capital plan

3. Ensure construction of NT1 complies with all applicable legal and contractual requirements.

Strategic Plan Focus Area:

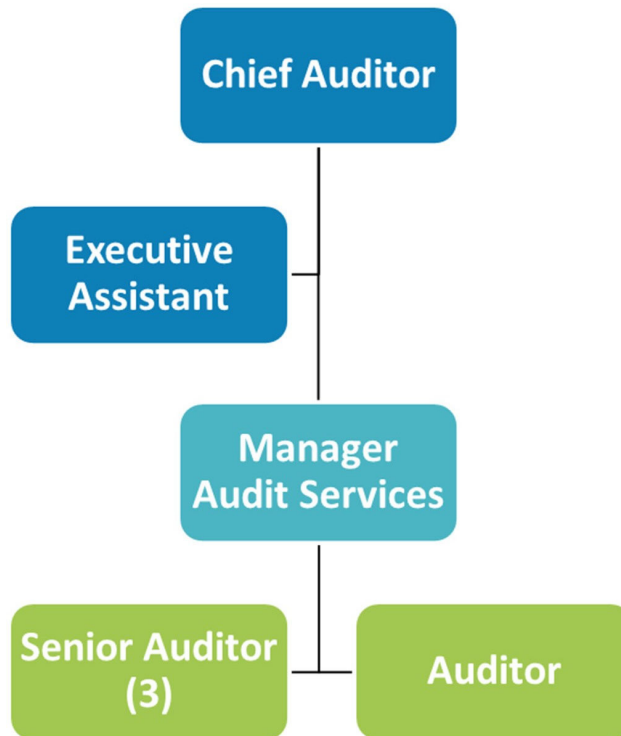
- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

Executive Division – Chief Auditor

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Executive Division – Chief Auditor

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 784	\$ 794	\$ 879	\$ 85	10.7%	\$ 923	\$ 44	5.0%
Benefits	387	394	399	5	1.2%	431	32	8.0%
Subtotal	1,171	1,188	1,278	90	7.6%	1,354	76	5.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,171	1,188	1,278	90	7.6%	1,354	76	5.9%
Contractual Services	0	20	25	5	25.0%	25	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	-	0.0%	0	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	0	1	0	25.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	7	14	16	3	20.4%	18	2	10.7%
Business Development	4	4	5	1	13.0%	5	-	0.0%
Equipment Rentals and Repairs	7	17	15	(2)	-11.6%	16	1	4.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	18	56	62	6	11.5%	65	3	4.2%
Total Operating Expenses	1,189	1,244	1,340	96	7.7%	1,418	79	5.9%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,189	1,244	1,340	96	7.7%	1,418	79	5.9%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 1,189	\$ 1,244	\$ 1,340	\$ 96	7.7%	\$ 1,418	\$ 79	5.9%

Executive Division – Chief Auditor

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$1,244	\$1,340
Personnel Costs		
Salary Adjustments and Pay for Performance	85	44
Burden (Benefits & Employer Taxes) for Current Staff	5	32
Total Increase / (Decrease) in Personnel Costs	90	76
Non-Personnel Costs		
3rd Party Audit Assurances	5	-
Other, net	1	3
Total Increase / (Decrease) in Non-Personnel Costs	6	3
Total Increase / (Decrease)	96	79
FY 2023 Budget / FY 2024 Conceptual Budget	\$1,340	\$1,418

Executive Division – Chief Auditor

FY 2022 Progress Report

1. Conduct audits that focus on the key risk areas of the Authority and its business partners.

Progress: The department developed a risk assessment objectively ranking auditable areas and developed an Audit Plan based on the risk assessment scoring. The Board approved the Audit Plan before the beginning of the fiscal year.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Achieve a department utilization rate equal to 70% for audit staff (excludes the Chief Auditor).

Progress: As of March 31, 2022, the department had a utilization rate of 65%.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Provide workable audit recommendations that help improve the Authority's operations, with 95% of audit recommendations agreed to by management.

Progress: As of March 31, 2022, management has agreed to 100% of the recommendations.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

4. Perform audit work in an efficient manner. Complete 80% of all audits within budgeted time, as established in the annual Audit Plan approved by the Board.

Progress: As of March 31, 2022, 100% of audit engagements have been completed within budgeted time.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

5. Conduct audit engagements in a manner that meets the expectations of the customer. Achieve an internal customer satisfaction ratio of 4.0 on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied.

Progress: As of March 31, 2022, we have achieved an internal customer satisfaction rating of 4.3.

Strategic Plan Focus Area:

Executive Division – Chief Auditor

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

6. Provide tools and training for staff to ensure adequacy and effectiveness of audits.

Progress: As of December 31, 2021, 100% of staff met their calendar year -Continuing Professional Education (CPE) requirements.

Strategic Goal:

- Employee, develop leaders and a workforce aligned to the needs of our Strategic Plan and an inclusive environment that reflects the diversity of our community.

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Executive Division – Chief Auditor

FY 2023 – FY 2024 Goals

1. Conduct audits and consulting engagements that focus on the key risk areas of the Authority.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Achieve a department utilization rate greater than 81% for audit staff (excludes Paid Time Off).

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Provide audit recommendations that improve Authority operations or reduce risk, with 95% of audit recommendations agreed to by management.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

4. Perform audit work in an efficient manner. Complete 80% of all audit and consulting engagements within budgeted time, as established in the annual Audit Plan approved by the Board.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

5. Conduct engagements in a manner that meets the expectations of the customer. Achieve an internal customer satisfaction rating of 4.0 on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

Executive Division – Chief Auditor

6. Provide training for audit staff to ensure adequate and effective audit and consulting engagements.

Strategic Plan Focus Area:

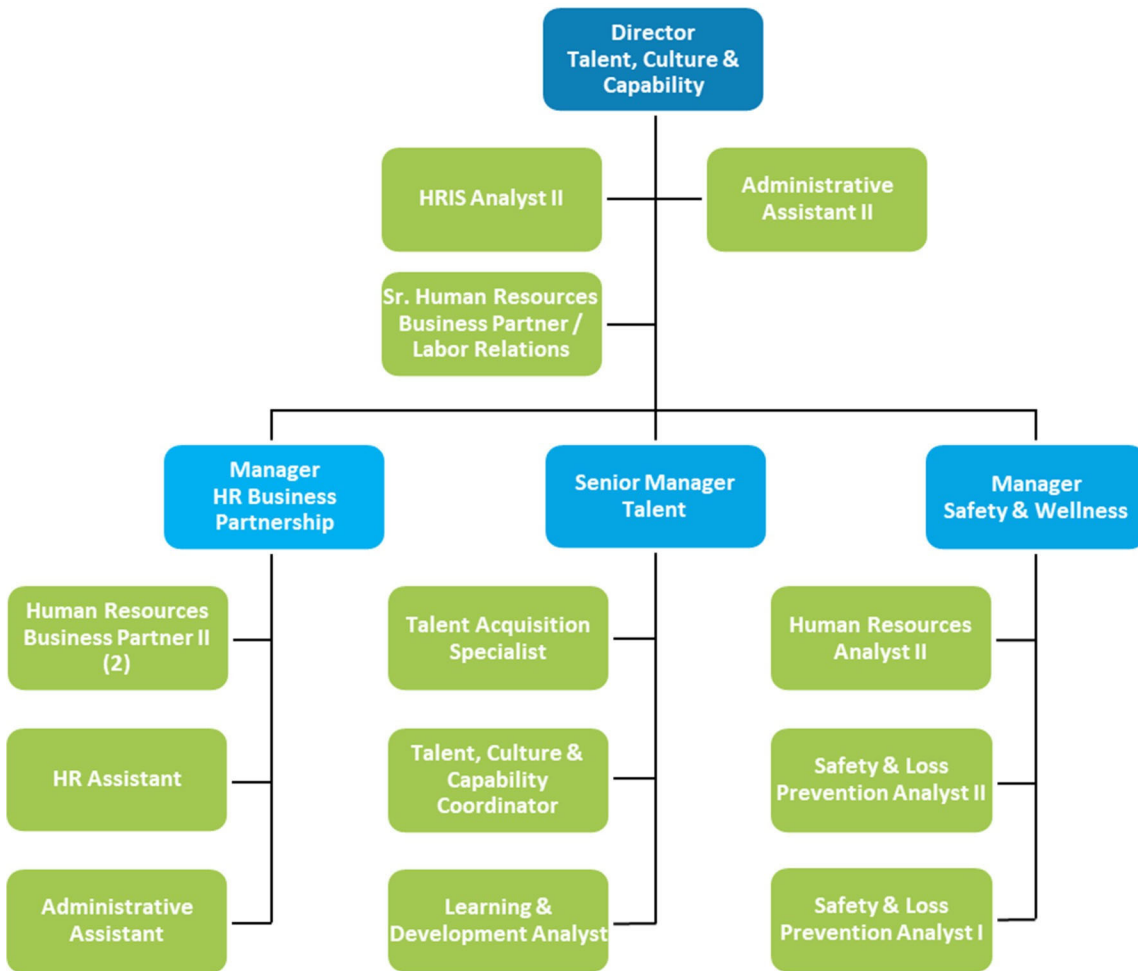
- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Executive Division – Talent, Culture & Capability

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Executive Division – Talent, Culture & Capability

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Proposed	%
Operating Expenses								
Salaries	\$ 1,321	\$ 1,422	\$ 1,594	\$ 172	12.1%	\$ 1,666	\$ 72	4.5%
Benefits	735	737	770	32	4.4%	833	63	8.2%
Subtotal	2,056	2,159	2,364	204	9.5%	2,498	134	5.7%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	2,056	2,159	2,364	204	9.5%	2,498	134	5.7%
Contractual Services	443	340	480	141	41.4%	502	22	4.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	2	3	3	-	0.0%	3	-	0.0%
Operating Supplies	30	13	12	(1)	-7.7%	12	-	0.0%
Insurance	1	1	1	-	0.0%	1	-	0.0%
Employee Development	83	147	213	66	45.2%	218	5	2.3%
Business Development	23	21	56	35	167.3%	56	-	0.0%
Equipment Rentals and Repairs	57	205	264	59	28.5%	221	(43)	-16.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	639	730	1,029	299	41.1%	1,013	(16)	-1.5%
Total Operating Expenses	2,695	2,889	3,393	504	17.4%	3,511	119	3.5%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	2,695	2,889	3,393	504	17.4%	3,511	119	3.5%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 2,695	\$ 2,889	\$ 3,393	\$ 504	17.4%	\$ 3,511	\$ 119	3.5%

Executive Division – Talent, Culture & Capability

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$2,889	\$3,393
Personnel Costs		
Salary Adjustments and Pay for Performance	172	72
Burden (Benefits & Employer Taxes) for Current Staff	32	63
1 eliminated position (salary and burden)	-	-
Total Increase / (Decrease) in Personnel Costs	204	134
Non-Personnel Costs		
Leadership & Management Training	150	20
Talent Management Software	45	(38)
Authority Talent Activities	35	-
Recruiting	30	-
Other, net	39	2
Total Increase / (Decrease) in Non-Personnel Costs	299	(16)
Total Increase / (Decrease)	504	119
FY 2023 Budget / FY 2024 Conceptual Budget	\$3,393	\$3,511

Executive Division – Talent, Culture & Capability

FY 2022 Progress Report

1. Refine workforce planning practices to anticipate and effectively address staffing and resource needs throughout the execution of the Airport Development Plan

Progress: Workforce planning strategy continues to address the needs of the New T1. Management and TCC identified future staffing needs based on milestones within the development phases. The next step is to continue working with Finance to refine the workforce plan further and ensure alignment with future phases through completion

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 4E. Determine innovative, flexible organizational staffing needs that reflect the ADP and capital program
2. Assess and implement competitive market based practices in compensation and total rewards to assure the Authority remains competitive externally and internally equitable.

Progress: We are in our compensation evaluation final stages based on competitive market data. Recommendations regarding implementation and future evaluation strategy along with a pay equity analysis will follow next.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 4D. Develop compensation and benefits programs for a multi-generational workforce that recognize individual strategic
3. Establish Diversity, Equity, and Inclusion Employee Committee, to create a workforce that is as diverse as the population the Airport Authority serves and a culture where everyone feels welcome and valued for the differences they bring.

Progress: The Diversity, Equity, and Inclusion Employee Committee have been established. The committee has performed a SWOT Analysis, reviewed Key Performance Indicators, developed a Short-Term Goal aligned with the 2017-2022 Operational Strategic Plan. They will review existing Policies, Codes, Standards & Procedures, Rules & Regulations, and Forms through a DEI lens. Begin developing Longer-Term Goal-Setting, for inclusion in the next Operational Strategic Plan and Outcome Tracking.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 4C. Attract a new generation of diverse employees and leaders

Executive Division – Talent, Culture & Capability

FY 2023 – FY 2024 Goals

1. Assess and implement competitive market-based practices in compensation and total rewards to assure the Authority remains competitive externally and internally equitable

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 4D. Develop compensation and benefits programs for a multi-generational workforce that recognize individual strategic contributions

2. Develop, refine and exercise employment practices that attract and retain a highly engaged, highly productive, diverse workforce, and strive for diversity at all levels in the organization that furthers innovation and problem-solving.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 4C. Attract a new generation of diverse employees and leaders

3. Develop and align training with management’s goals and objectives. Identifying knowledge gaps and ensuring our employees possess the necessary skills to help future-proof the organization while changing and improving individual performance.

Strategic Plan Focus Area:

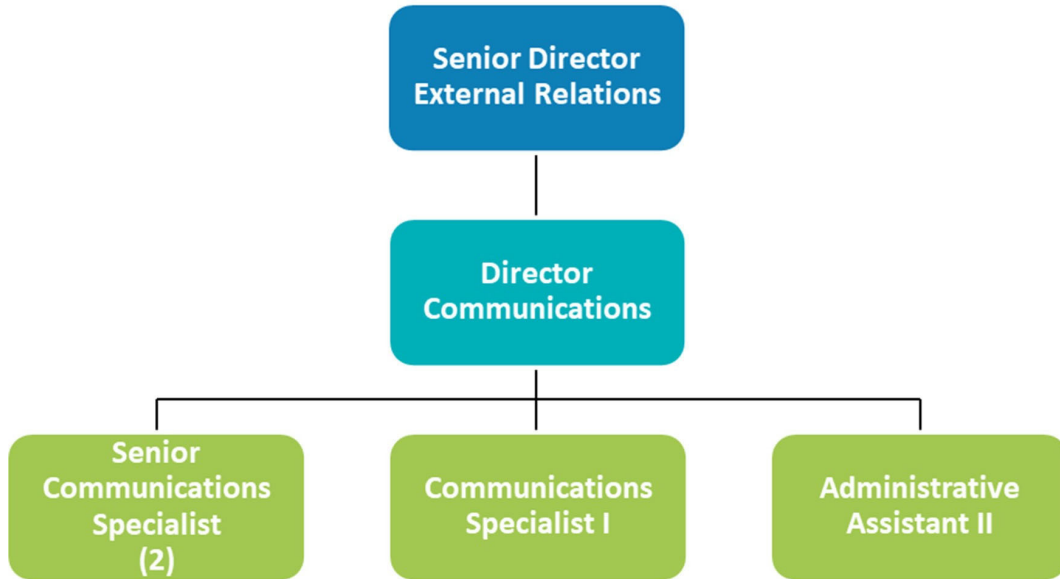
- Transform the Customer Experience

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Executive Division – Communications

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Executive Division – Communications

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Proposed	% Change
Operating Expenses								
Salaries	\$ 673	\$ 582	\$ 652	\$ 70	12.0%	\$ 685	\$ 33	5.0%
Benefits	389	284	309	25	8.8%	333	24	7.9%
Subtotal	1,062	866	961	95	11.0%	1,018	57	5.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,062	866	961	95	11.0%	1,018	57	5.9%
Contractual Services	71	25	50	25	100.0%	50	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	1	1	0	60.0%	1	(0)	-37.5%
Operating Supplies	1	3	3	0	15.8%	3	(0)	-6.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	12	19	19	0	0.8%	19	(1)	-2.6%
Business Development	47	82	171	89	108.2%	162	(9)	-5.0%
Equipment Rentals and Repairs	-	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	130	130	244	115	88.5%	235	(10)	-3.9%
Total Operating Expenses	1,193	996	1,206	210	21.1%	1,253	47	3.9%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,193	996	1,206	210	21.1%	1,253	47	3.9%
Equipment Outlay Expenditures	74	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 1,266	\$ 996	\$ 1,206	\$ 210	21.1%	\$ 1,253	\$ 47	3.9%

Executive Division – Communications

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	<u>\$996</u>	<u>\$1,206</u>
Personnel Costs		
Salary Adjustments and Pay for Performance	70	33
Burden (Benefits & Employer Taxes) for Current Staff	25	24
Total Increase / (Decrease) in Personnel Costs *	<u>95</u>	<u>57</u>
Non-Personnel Costs		
Authority Sponsorships	34	15
Other, net	81	(25)
Total Increase / (Decrease) in Non-Personnel Costs	<u>115</u>	<u>(10)</u>
Total Increase / (Decrease)	<u>210</u>	<u>47</u>
FY 2023 Budget / FY 2024 Conceptual Budget	<u>\$1,206</u>	<u>\$1,253</u>

* 1 position transferred to Government Relations

Executive Division – Communications

FY 2022 Progress Report

1. Refine and execute the New T1 outreach plan to communicate the economic, customer, and environmental benefits of a new Terminal 1.

Progress: Significant progress has been made toward this goal. The New T1 project was publicly launched with a groundbreaking event in mid-December, which garnered significant media attention. We have developed and launched two newsletters, New T1 Navigator Quarterly Update and New T1 Navigator Construction Alerts, designed to keep passengers and stakeholders updated on the latest benefits – and impacts – of the New T1 project. Additionally, a new website focused on the project, newT1.com, has been launched. These efforts have been closely aligned with a social media campaign and new paid media campaigns.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

2. Provide support to regional economic development partners and critical industry stakeholders. Build upon the previous successes with unpaid and social media to work with these partners to share the contributions of the airport to the economy through their channels.

Progress: Substantial progress was made toward this goal. Numerous partner agencies, including SANDAG, MTS, NCTD and others have shared news of the New T1 project and other Authority programs with their audiences through their customer-facing newsletters and on their social media platforms. New relationships have been formed and existing relationships strengthened to elevate the profile of the San Diego Flyer shuttle service and enhance its convenience for customers.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 3E. Raise awareness of significant projects through unpaid media opportunities

3. Provide presentations to regional partners to keep them updated and engaged on the airport’s latest news, accomplishments and endeavors.

Progress: Presentations to regional partners are ongoing. Authority executives have made more than 30 presentations to community groups, civic organizations, airport neighbors, and industry groups regarding the New T1 and other Authority programs in FY22 so far.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

Executive Division – Communications

FY 2023 – FY 2024 Goals

1. Continue to execute New T1 outreach program that is agile, and informs the public about the project’s benefit, progress and construction impacts related to the project

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 3E. Raise awareness of significant projects through unpaid media opportunities

2. Continue to engage with regional economic partners and critical industry stakeholders on regional economic growth.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

3. Continue to operationalize and enhance the Authority’s commitment to Diversity, Equity and Inclusion.

Strategic Plan Focus Area:

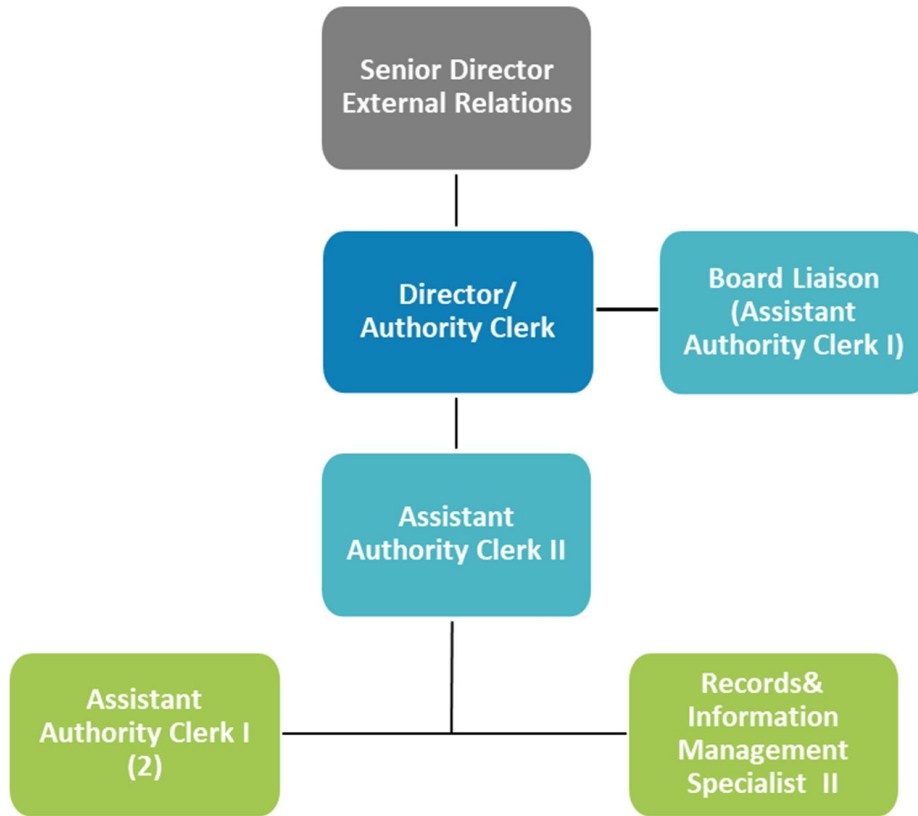
- Transform the Customer Experience

Strategic Initiative:

- 4C. Attract a new generation of diverse employees and leaders

Executive Division – Board Services

FY 2023 – 2024 Organizational Structure



Position in grey resides in the Communications department and is shown for structural purpose.

No personnel changes in FY 2024.

Executive Division – Board Services

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	%Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%Change
Operating Expenses								
Salaries	\$ 325	\$ 458	\$ 505	\$ 47	10.4%	\$ 535	\$ 30	5.9%
Benefits	177	246	251	5	2.1%	273	22	8.6%
Subtotal	501	704	756	52	7.4%	808	52	6.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	501	704	756	52	7.4%	808	52	6.8%
Contractual Services	128	146	155	8	5.5%	143	(12)	-7.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	-	10	10	0.0%	15	5	50.0%
Operating Supplies	2	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	6	22	25	3	16.1%	28	3	11.9%
Business Development	7	32	42	10	31.6%	42	-	0.0%
Equipment Rentals and Repairs	13	15	15	-	0.0%	18	3	20.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	156	217	248	32	14.5%	247	(1)	-0.4%
Total Operating Expenses	657	921	1,005	84	9.1%	1,055	51	5.0%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	657	921	1,005	84	9.1%	1,055	51	5.0%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 657	\$ 921	\$ 1,005	\$ 84	9.1%	\$ 1,055	\$ 51	5.0%

Executive Division – Board Services

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$921	\$1,005
Personnel Costs		
Salary Adjustments and Pay for Performance	135	30
Burden (Benefits & Employer Taxes) for Current Staff	52	22
1 eliminated position (salary and burden)	(135)	-
Total Increase / (Decrease) in Personnel Costs	52	52
Non-Personnel Costs		
Form 700 Automation	10	5
Electronic Content Management System (ECMS) Consultant*	5	-
Webcasts for Board Meetings	-	(12)
Other, net	17	6
Total Increase / (Decrease) in Non-Personnel Costs	32	(1)
Total Increase / (Decrease)	84	51
FY 2023 Budget / FY 2024 Conceptual Budget	\$1,005	\$1,055

* transferred from Communications department

Executive Division – Board Services

FY 2022 Progress Report

1. Convert Avigation Easements from hard copy to electronic and store in the ECMS to provide ready access to Authority employees.

Progress: 50% completed due to staff shortage

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Implement a system to facilitate the electronic filing of Form 700 for Designated Filers.

Progress: Incomplete due to budget constraints

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Provide access to onboarding documents and Board Member materials online.

Progress: Complete

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

4. Partner with I&TS to expand the functionality of Open Text 16.5 for all of its users.

Progress: In process

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

Executive Division – Board Services

FY 2023 – FY 2024 Goals

1. Complete the conversion of Avigation Easements from hard copy to electronic and store in the ECMS to provide ready access to Authority employees.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Implement a system to facilitate the electronic filing of Form 700 for Designated Filers.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Develop an advanced user training on the Use of the ECMS (OpenText 16.5)

Strategic Plan Focus Area:

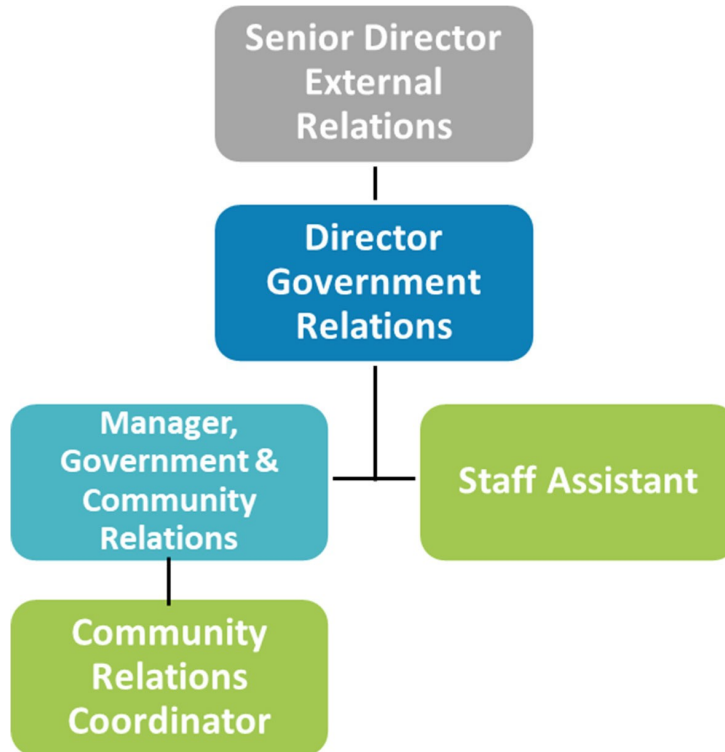
- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

Executive Division – Government Relations

FY 2023 – FY 2024 Organizational Structure



Position in grey resides in the Communications department and is shown for structural purpose.

No personnel changes in FY 2024.

Executive Division – Government Relations

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 258	\$ 323	\$ 422	\$ 100	31.0%	\$ 444	\$ 21	5.0%
Benefits	152	182	208	26	14.1%	224	16	7.6%
Subtotal	410	505	630	126	24.9%	667	37	5.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	410	505	630	126	24.9%	667	37	5.8%
Contractual Services	354	406	390	(16)	-3.9%	395	5	1.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	1	1	0	20.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	9	12	16	4	32.4%	16	-	0.0%
Business Development	149	172	179	7	4.0%	187	8	4.2%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	511	591	587	(5)	-0.8%	599	13	2.1%
Total Operating Expenses	921	1,096	1,217	121	11.0%	1,266	49	4.1%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	921	1,096	1,217	121	11.0%	1,266	49	4.1%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 921	\$ 1,096	\$ 1,217	\$ 121	11.0%	\$ 1,266	\$ 49	4.1%

Executive Division – Government Relations

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$1,096	\$1,217
Personnel Costs		
Salary Adjustments and Pay for Performance	100	21
Burden (Benefits & Employer Taxes) for Current Staff	26	16
Total Increase / (Decrease) in Personnel Costs *	126	37
Non-Personnel Costs		
Authority Memberships	4	5
Government Relations and Public Relations Consultants	(16)	5
Other, net	7	3
Total Increase / (Decrease) in Non-Personnel Costs	(5)	13
Total Increase / (Decrease)	121	49
FY 2023 Budget / FY 2024 Conceptual Budget	\$1,217	\$1,266

* 1 position transferred from Communications department

Executive Division – Government Relations

FY 2022 Progress Report

1. Communicate with and obtain support from the region’s elected officials and community leaders for the Airport Authority, San Diego International Airport, the Airport Development Plan and related environmental documents (NEPA/Coastal Development Permits), and other airport improvement projects. These efforts will include (a) working with other regional agencies and jurisdictions to obtain support and coordinate multi-jurisdictional planning activities; and (b) ensuring that leaders are well-informed of the importance and specific economic impact of SDIA to the San Diego region.

Progress: Work on this task was performed consistently throughout FY22. Particular focus was placed on the Airport Development Plan (now known as “The New T1”) as its final environmental approvals were sought and obtained. Outreach efforts in the months leading up to the California Coastal Commission’s consideration of the project resulted in the Commission receiving letters of support from many elected officials, industry, and community leaders. The Coastal Commission granted the necessary Coastal Development Permit. The NEPA process concluded in late October, with construction commencing on The New T1 project on November 1st. This goal then shifted toward a groundbreaking event to celebrate the commencement of the project. Elected and appointed officials representing Congress, the Federal Aviation Administration, State Legislature, California State Transportation Agency, and the City and County of San Diego spoke at the event, which was held in mid-December and attended by hundreds of leaders and key stakeholders. The second half of the fiscal year is focused on outreach during the initial phase of construction and other activities and interests of the Airport Authority.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth.

2. Advocate for funding for the Airport Authority and its projects at the Federal and State level, including: (a) seeking relief funding and other assistance related to the COVID-19 pandemic; (b) pursuing an increase in the Passenger Facility Charge limit; (c) seeking inclusion of Authority projects in eligibility criteria for grant programs and other funding mechanisms that may be included in legislation; (d) seeking substantial grant funding for the Quieter Home Program; and (e) identifying, submitting applications, and obtaining letters of support for grant opportunities.

Progress: Significant progress was made on this goal with the passage and signing into law of the Infrastructure Investment and Jobs Act in November 2021. The law included formula funding for San Diego International Airport totaling approximately \$130 million over five years. The law also created an Airport Terminal Program, which will provide \$5 billion in grants over five years. The New T1 project is well positioned to compete for funding under that program and outreach will be conducted in the later part of FY22 as that project’s details are announced. Additionally, work is underway to seek funding from State of California sources for Authority projects due to the State’s surplus and various new spending programs.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20 year capital plan

Executive Division – Government Relations

FY 2023 – FY 2024 Goals

1. Communicate with and obtain/maintain support from the region’s elected officials and community leaders for the Airport Authority, San Diego International Airport, the Airport Development Plan (“The New T1”), and other airport improvement projects. These efforts will include (a) working with other regional agencies and jurisdictions to obtain support and coordinate multi-jurisdictional planning activities; and (b) ensuring that leaders are well-informed of the importance and specific economic impact of SDIA to the San Diego region. Key activities to support this goal will be presentations and communications to Community Planning Groups and other regional community organizations, business entities and associations, and government agencies and committees.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

2. Advocate for funding for the Airport Authority and its projects at the Federal and State level, including: (a) pursuing an increase in the Passenger Facility Charge limit; (c) seeking inclusion of Authority projects in eligibility criteria for grant programs and other funding mechanisms that may be included in legislation; (d) seeking substantial grant funding for the Quieter Home Program; and (e) identifying, submitting applications, and obtaining letters of support for grant opportunities.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20 year capital plan

Development Division



Development Division

Overview

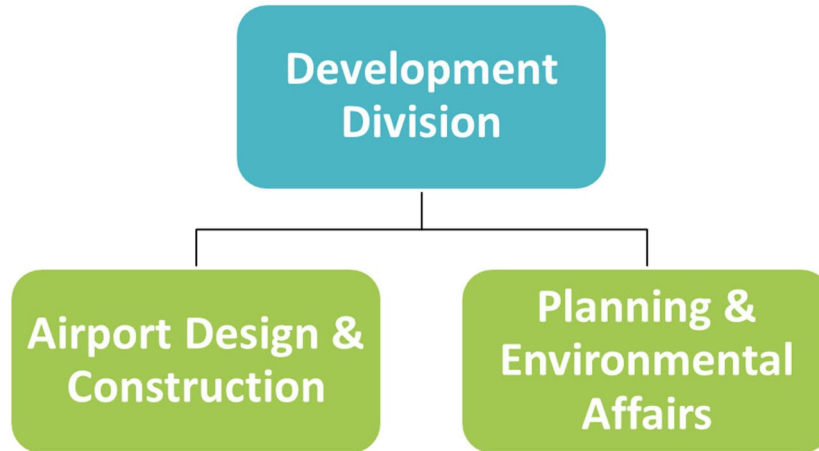
The **Development Division** is responsible for long-term airport facility and infrastructure planning, infrastructure design and construction, facilities compliance with current Federal, State, and Local codes and regulations and compliance with legislative mandates for environmental and land-use matters. The legislative compliance includes local, state and federal environmental laws, as well as providing support for the Authority Board in reviewing land use decisions in the areas surrounding the region's 16 airports. The division frequently coordinates with local, state and federal regulatory agencies, regional transportation partners and the construction industry to accomplish the Authority's goals.

The **Airport Design & Construction (ADC)** department implements the Authority's Capital Improvement Program (CIP), including the design and construction of the New T1 Program and other terminal, airside and landside improvements. In addition, the department delivers Major Maintenance Program (MMP) projects; provides technical and professional on-call services for CIP, MMP, tenant improvement and broader Authority needs including planning and implementation of the Computer Aided Drafting (CAD), Geographical Information System (GIS), and Lease plans; and provides construction inspection, review and oversight of tenant improvement projects to meet the needs of the airlines and concessionaires operating at the airport.

The **Planning & Environmental Affairs** department manages airport land use compatibility and master planning, environmental compliance, sustainability initiatives, and noise mitigation programs for the Airport Authority. The department conducts all short and long-range planning, including preparing and maintaining the airport layout plan for San Diego International Airport. The department ensures compliance with a variety of state and federal environmental laws, related to development project review, air and water quality, waste reduction, and endangered species management. It also administers all noise-related policies and programs, including the airport's departure curfew and community sound insulation efforts. Finally, the department supports the Airport Land Use Commission in ensuring compatibility between all 16 airports in San Diego County and future land use projects within their vicinity.

Development Division

FY 2023 – FY 2024 Organizational Structure



Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
Development Division							
Airport Design & Construction	48	48	-	-	48	-	48
Planning and Environmental Affairs	29	29	-	-	29	-	29
Total	77	77	-	-	77	-	77

Development Division

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
Operating Expenses								
Salaries	\$ 6,451	\$ 6,764	\$ 7,981	\$ 1,218	18.0%	\$ 8,399	\$ 418	5.2%
Benefits	3,328	3,576	3,841	264	7.4%	4,167	326	8.5%
Subtotal	9,780	10,340	11,822	1,482	14.3%	12,566	744	6.3%
Less: Capitalized Labor Recharge	(5,094)	(5,125)	(5,843)	(718)	14.0%	(6,207)	(364)	6.2%
Less: QHP Labor Recharge	(595)	(641)	(695)	(54)	8.5%	(741)	(46)	6.7%
Total Personnel Costs	4,091	4,574	5,284	710	15.5%	5,618	334	6.3%
Contractual Services	2,811	3,201	3,306	106	3.3%	3,327	20	0.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	14	10	10	-	0.0%	15	5	56.3%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,250	1,450	1,450	-	0.0%	1,453	3	0.2%
Operating Equipment & Systems	2	7	7	-	0.0%	7	0	3.1%
Operating Supplies	28	64	81	17	25.6%	83	2	2.5%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	89	192	84	(108)	-56.1%	93	9	10.2%
Business Development	25	112	192	80	72.0%	194	2	0.8%
Equipment Rentals and Repairs	259	254	254	0	0.1%	282	28	10.9%
Tenant Improvements	260	336	692	356	106.1%	725	33	4.8%
Total Non-Personnel Costs	4,738	5,625	6,077	451	8.0%	6,179	102	1.7%
Total Operating Expenses	8,829	10,199	11,360	1,161	11.4%	11,797	437	3.8%
Joint Studies / Sound Attenuation	15,526	17,504	21,166	3,662	20.9%	21,767	601	2.8%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	430	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	15,956	17,504	21,166	3,662	20.9%	21,767	601	2.8%
Total Expenses	24,784	27,703	32,526	4,823	17.4%	33,564	1,038	3.2%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 24,784	\$ 27,703	\$ 32,526	\$ 4,823	17.4%	\$ 33,564	\$ 1,038	3.2%

Development Division

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$27,703	\$32,526
Personnel Costs		
Salary Adjustments and Pay for Performance	1,218	418
Burden (Benefits & Employer Taxes) for Current Staff	264	326
Capitalization	(772)	(410)
Total Increase / (Decrease) in Personnel Costs	710	334
Non-Personnel Costs		
Quieter Home Program	3,662	597
Tenant Improvement Projects	356	33
Airport Land Use Compatibility Plans	150	(235)
Professional Services	(5)	217
Other, net	(50)	91
Total Increase / (Decrease) in Non-Personnel Costs	4,113	703
Total Increase / (Decrease)	4,823	1,038
FY 2023 Budget / FY 2024 Conceptual Budget	\$32,526	\$33,564

Development Division

FY 2023 Expense Budget by Department

(in thousands)

Departments	FY 2023 Budget
Planning & Enviromental Affairs	\$29,498
Airport Design & Construction	3,028
Total ¹	\$32,526

¹Total may differ due to rounding

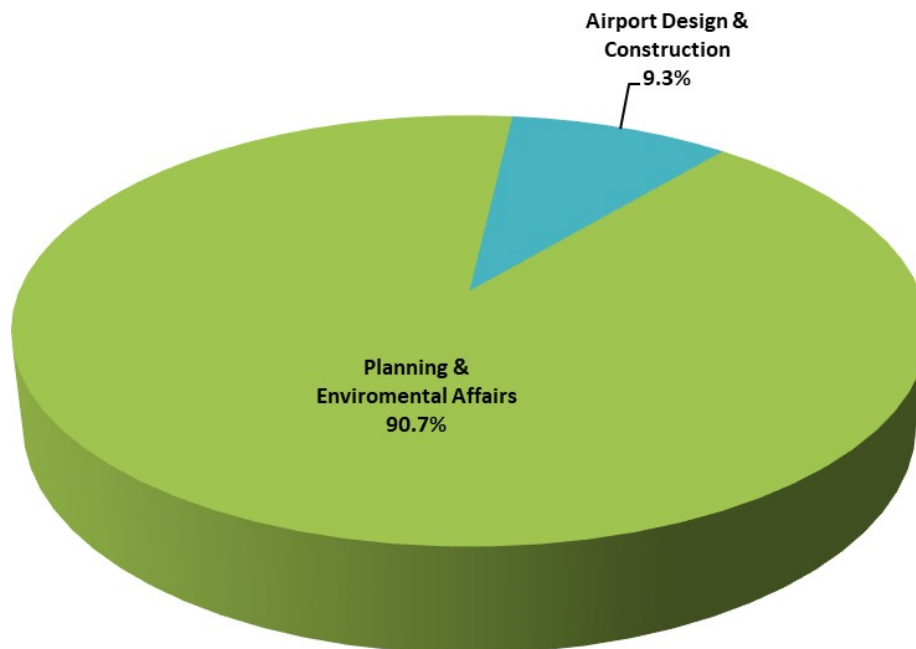


Figure 26 - FY 2023 Expense Budget by Department

Development Division

FY 2024 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2024 Conceptual Budget
Planning & Enviromental Affairs	\$30,338
Airport Design & Construction	3,226
Total ¹	\$33,564

¹Total may differ due to rounding

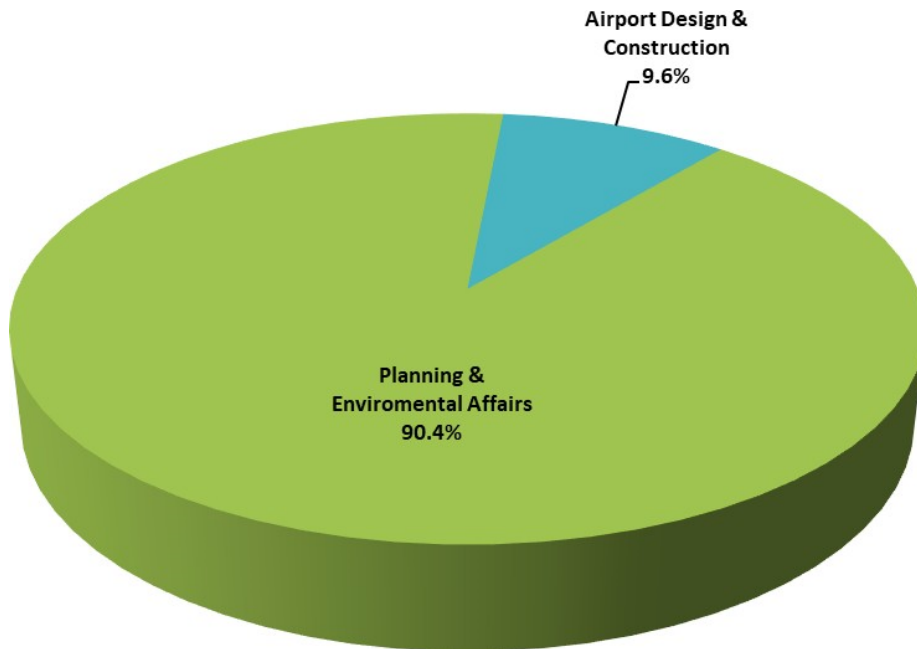


Figure 27 -- FY 2024 Expense Conceptual Budget by Department

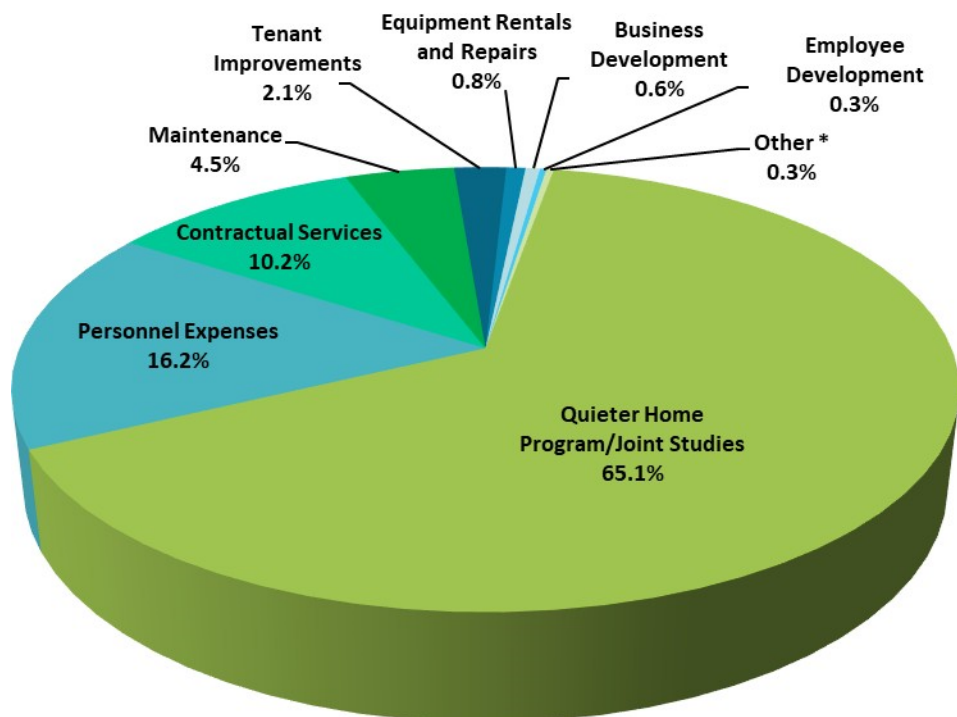
Development Division

FY 2023 Expense Budget by Category

(in thousands)

Category	FY 2023 Budget
Quieter Home Program/Joint Studies	\$21,166
Personnel Expenses	5,284
Contractual Services	3,306
Maintenance	1,450
Tenant Improvements	692
Equipment Rentals and Repairs	254
Business Development	192
Employee Development	84
Other *	97
Total ¹	\$32,526

¹Total may differ due to rounding



*Other includes operating equipment & systems, utilities and operating supplies, equipment rentals & repairs, etc.

Figure 28 - FY 2023 Expense Budget by Category

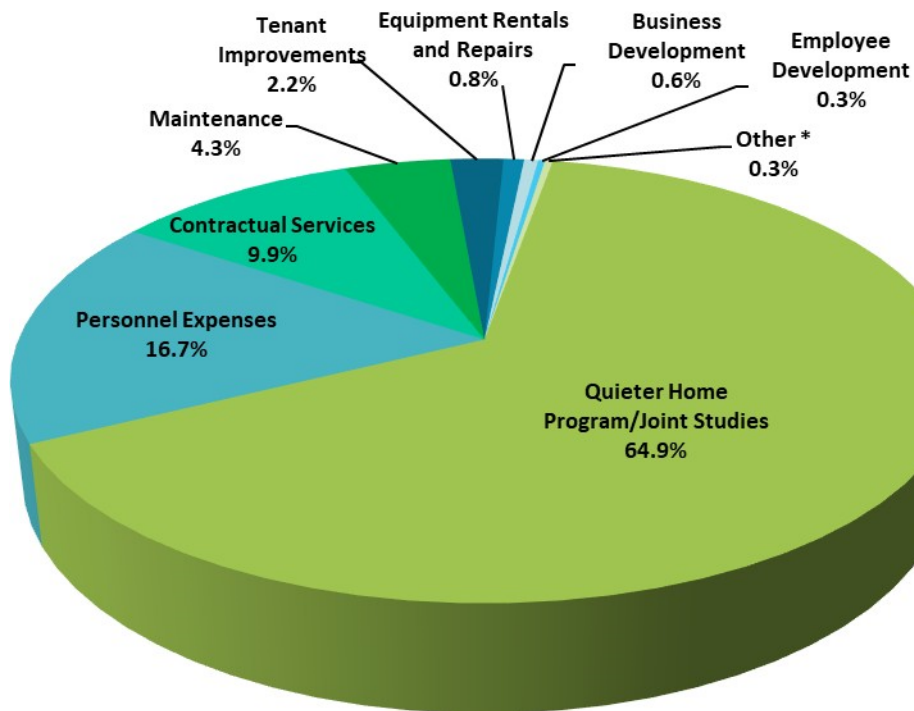
Development Division

FY 2024 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2024 Conceptual Budget
Quieter Home Program/Joint Studies	\$21,767
Personnel Expenses	5,618
Contractual Services	3,327
Maintenance	1,453
Tenant Improvements	725
Equipment Rentals and Repairs	282
Business Development	194
Employee Development	93
Other *	105
Total ¹	\$33,564

¹Total may differ due to rounding

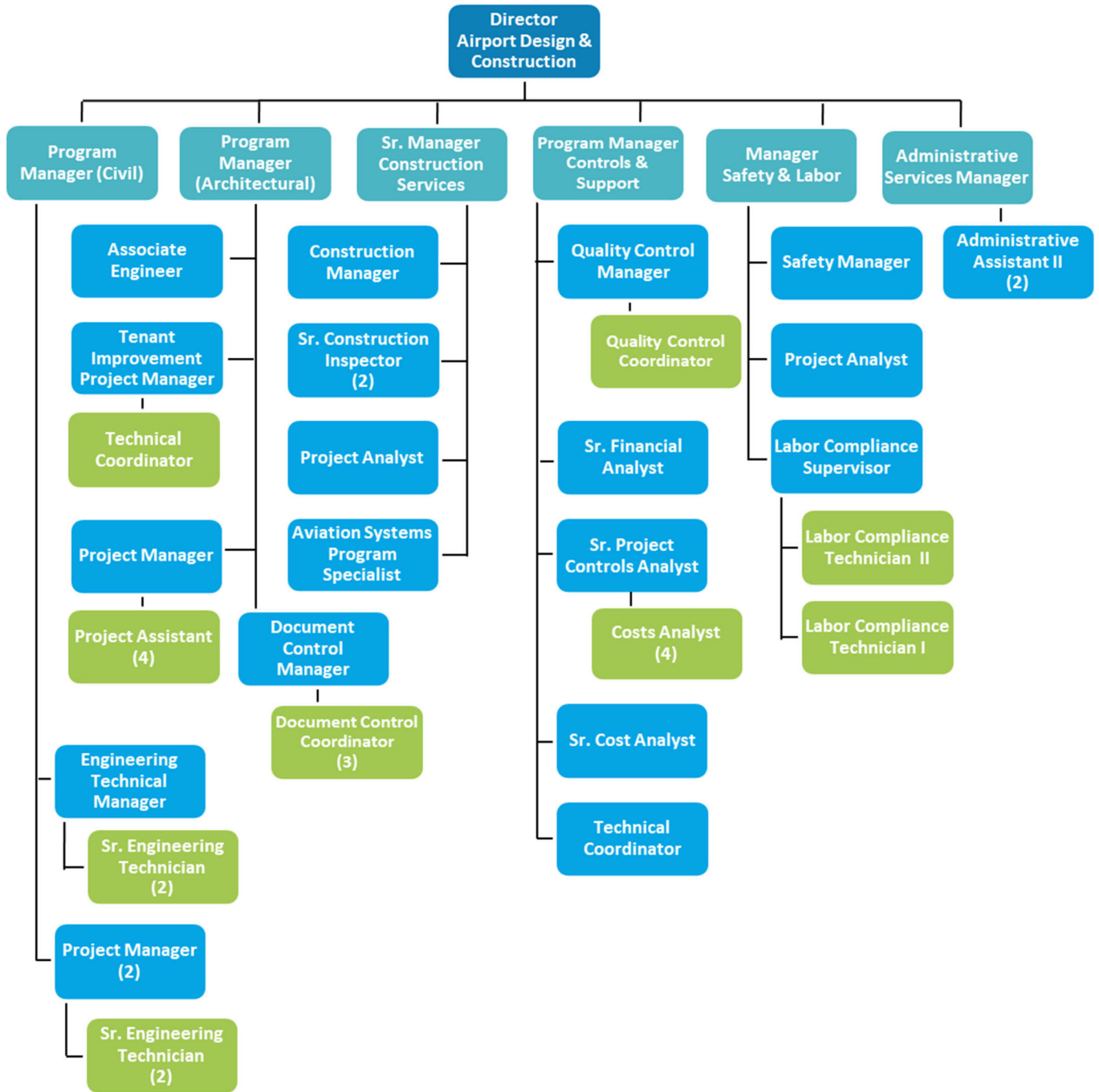


*Other includes operating equipment & systems, utilities and operating supplies, equipment rentals & repairs, etc.

Figure 29 - FY 2024 Expense Conceptual Budget by Category

Development Division – Airport Design & Construction

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Development Division – Airport Design & Construction

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021	FY2022	FY2023	Inc / (Dec)	%	FY2024	Inc / (Dec)	%
	Actuals	Budget	Budget	FY23 Budget	Change	Conceptual	FY24 Conceptual	Change
				vs FY22 Budget		Budget	vs FY23 Budget	
Operating Expenses								
Salaries	\$ 3,810	\$ 4,026	\$ 4,907	\$ 881	21.9%	\$ 5,157	\$ 250	5.1%
Benefits	1,948	2,187	2,416	229	10.5%	2,621	205	8.5%
Subtotal	5,758	6,213	7,322	1,110	17.9%	7,778	456	6.2%
Less: Capitalized Labor Recharge	(5,074)	(5,125)	(5,843)	(718)	14.0%	(6,207)	(364)	6.2%
Less: QHP Labor Recharge	(35)	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	650	1,087	1,479	392	36.0%	1,571	92	6.2%
Contractual Services	414	483	534	51	10.6%	594	59	11.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	(4)	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	5	5	-	0.0%	5	0	4.0%
Operating Supplies	15	35	51	17	47.8%	53	2	4.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	9	31	40	9	28.9%	42	2	6.1%
Business Development	5	17	30	13	76.6%	32	1	4.0%
Equipment Rentals and Repairs	99	96	96	0	0.1%	100	4	4.0%
Tenant Improvements	260	336	692	356	106.1%	725	33	4.8%
Total Non-Personnel Costs	797	1,002	1,449	446	44.5%	1,551	102	7.1%
Total Operating Expenses	1,447	2,090	2,928	838	40.1%	3,122	194	6.6%
Joint Studies / Sound Attenuation	-	100	100	-	0.0%	104	4	4.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	100	100	-	0.0%	104	4	4.0%
Total Expenses	1,447	2,190	3,028	838	38.3%	3,226	198	6.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 1,447	\$ 2,190	\$ 3,028	\$ 838	38.3%	\$ 3,226	\$ 198	6.6%

Development Division – Airport Design & Construction

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$2,190	\$3,028
Personnel Costs		
Salary Adjustments and Pay for Performance	881	250
Burden (Benefits & Employer Taxes) for Current Staff	229	205
Capitalization	(718)	(364)
Total Increase / (Decrease) in Personnel Costs	392	92
Non-Personnel Costs		
Tenant Improvement Projects	356	33
Professional Services	95	24
Other, net	(5)	49
Total Increase / (Decrease) in Non-Personnel Costs	446	106
Total Increase / (Decrease)	838	198
FY 2023 Budget / FY 2024 Conceptual Budget	\$3,028	\$3,226

Development Division – Airport Design & Construction

FY 2022 Progress Report

1. Based on the Board Approval of the Terminal and Roadways Contract (September 2020) for the New T1 Program (NT1 Phase 1) and the approved program budget of \$3B, ADC will complete the Validation Phase for Board approval of the Maximum Contract Price (MCP) to deliver the ADP Phase 1 (Terminal 1 Replacement) on the schedule approved by the Board.

Measures of success:

- Over the course of the program validation for the ADP Phase 1, proactively manage the schedule to ensure all milestone dates are met and the Maximum Contract Price is approved by the Board.
- Manage program requirements, and associated budget with the Design-Build team to complete the design and establish a schedule to arrive at a Guaranteed Maximum Price (GMP) that is less than the MCP.

Progress:

The New T1 schedule was proactively managed, ensuring that the Program Validation Phase was completed as scheduled. The Board approved the Maximum Contract Price on October 7, 2021. The design of the New T1 is tracking to a completion date that is set for the second half of 2022. The GMP is tracking as scheduled, expected to be submitted to the Authority in 2023.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. ADC will progress the New Authority Administration Building project and GMP/contract approval on time and within the Board approved budget/schedule while achieving project milestones necessary to complete all phases by end of summer 2023.

Measures of success:

- Over the course of the Authority Administration Building project, proactively manage the schedule to ensure all milestone schedule dates are met.
- Over the course of the Authority Administration Building project, proactively manage the Board approved budget and limit additional scope, preserving program reserve funds to protect end of project savings.
- Maintain an efficient, lean and cost-effective staff that will result in a staff budget cost within the program budget.

Progress:

The Authority Administration Building project is now in construction and all milestone dates have been met for this reporting period. The project budget is tracking according to plan and a MCP for the design-build contract is now in place.

Development Division – Airport Design & Construction

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 4C. Attract a new generation of diverse employees and leaders

3. ADC will complete phase 3 of the Hydrant Fueling system on time and within the Board approved budget, while achieving project milestones and project coordination necessary to start construction of the New Terminal 1, by Jan 2022.

Measures of success:

- Over the course of the Hydrant Fueling projects, proactively manage the schedule to ensure all milestone schedule dates are met.
- Over the course of the Hydrant Fueling projects, proactively manage the Board approved budget and limit additional scope, preserving program reserve funds to protect end of project savings.
- Maintain an efficient, lean and cost-effective staff that will result in a staff budget cost within the program budget.

Progress:

The Authority's portion of building the Hydrant Fueling System (phase 1 through phase 3) is on schedule for completion this reporting period and project budget is tracking as previously estimated.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

4. Throughout the year, continue to develop an efficient high performing ADC team while managing both the CIP/ADP. Ensuring robust communications for ADC employees and stakeholders (internal and external) to enhance the community's (public, professional, tenants and employees), understanding of the Authority's active projects, initiatives, and ADC team culture.

Measures of success:

- Timely completion of quarterly ADC CIPOC reports and briefings to the Board and senior management
- Timely completion of monthly construction progress updates
- Timely completion of program updates for Aviation Matters
- Timely completion of weekly updates to the President/CEO for the Board report
- Provide ADC jobsite tours for internal/external Stakeholders
- Provide communication of ADC program to external community groups

Development Division – Airport Design & Construction

- Provide communication of ADC workplace culture to potential employees (internal/external)
- Provide Hybrid office/telecommuting work culture that leverages experience from COVID-19

Progress:

The ADC Team has successfully progressed both the ADP (New Terminal 1) and the CIP throughout past year, while managing the challenges brought-on by COVID-19. All project updates are being made as required and communications to external community groups have been well received. A new monthly report was created for the New Terminal 1 (NT1) program, which is used by Authority's Executive Team to monitor the development of the program during the next seven years.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 4A. Create an effective succession and transition plan for ongoing leadership changes

Development Division – Airport Design & Construction

FY 2023 – FY 2024 Goals

1. Based on the Board Approval for the New Terminal 1 (NT1) Contract (September 2020) and the subsequent approval of the Maximum Contract Price (MCP) (October 2021), ADC will complete the design of the project and continue the negotiation of the Guaranteed Maximum Price (GMP) scheduled to conclude in late CY2023.

Measures of success:

- Over the course of the GMP negotiation, proactively manage the schedule to ensure all milestone dates are met.
- Manage program requirements, and associated budget with the Design-Build team to complete the design and establish a schedule to arrive at a Guaranteed Maximum Price (GMP) that is less than the MCP.
- Maintain an efficient, and cost-effective staff that will result in the appropriate level of performance and a staff cost within the program budget.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. ADC will progress the construction of the New Authority Administration Building project resulting in project execution that is on time and within the Board approved budget/schedule while achieving project milestones necessary to complete construction by end of summer 2023.

Measures of success:

- Over the course of the Authority Administration Building project, proactively manage the schedule to ensure all milestone schedule dates are met.
- Over the course of the Authority Administration Building project, proactively manage the Board approved budget and limit additional scope, preserving program reserve funds to protect end of project savings.
- Maintain an efficient, and cost-effective staff that will result in the appropriate level of performance and a staff cost within the program budget.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 4C. Attract a new generation of diverse employees and leaders

3. ADC will progress the construction of the ADP Airside Improvement project resulting in project execution that is on time and within the Board approved budget/schedule while achieving project milestones necessary to complete construction by end of 2027.

Development Division – Airport Design & Construction

Measures of success:

- Over the course of the ADP Airside Improvement project, proactively manage the schedule to ensure all milestone schedule dates are met.
- Over the course of the ADP Airside Improvement project, proactively manage the Board approved budget and limit additional scope, preserving program reserve funds to protect end of project savings.
- Maintain an efficient, and cost-effective staff that will result in the appropriate level of performance and a staff cost within the program budget.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

4. Throughout the year, continue to develop an efficient high performing ADC team while managing both the CIP/ADP. Ensuring robust communications for ADC employees and stakeholders (internal and external) to enhance the community's (public, professional, tenants and employees), understanding of the Authority's active projects, initiatives, and ADC team culture.

Measures of success:

- Timely completion of quarterly ADC CIPOC reports and briefings to the Board and senior management
- Timely completion of monthly construction progress updates
- Timely completion of program updates for Aviation Matters
- Timely completion of weekly updates to the President/CEO for the Board report
- Provide ADC jobsite tours for internal/external Stakeholders
- Provide communication of ADC program to external community groups
- Provide communication of ADC workplace culture to potential employees (internal/external)
- Provide Hybrid office/telecommuting work culture that leverages experience from COVID-19

Progress:

Strategic Plan Focus Area:

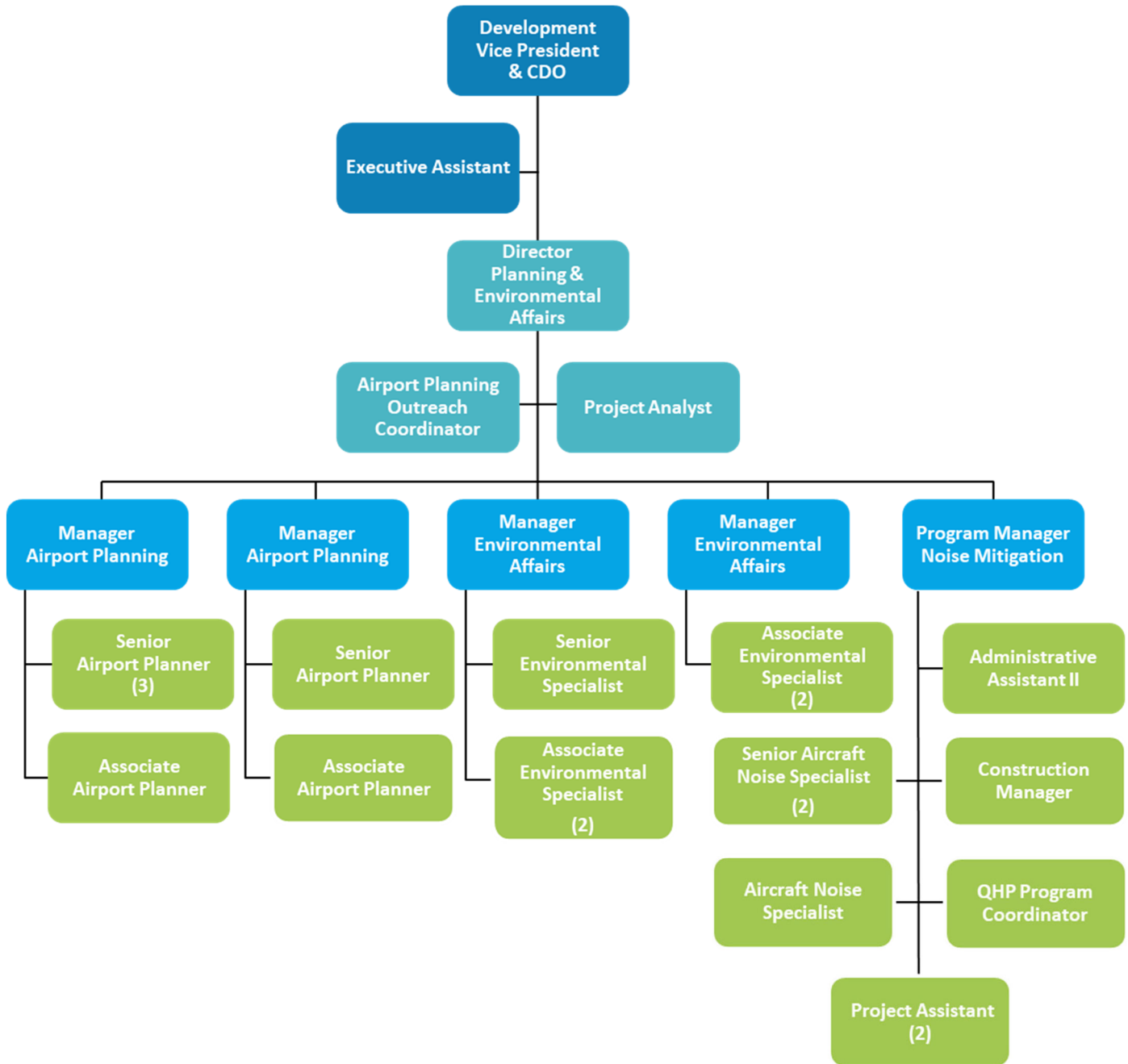
- Optimize Ongoing Business

Strategic Initiative:

- 4A. Create an effective succession and transition plan for ongoing leadership changes

Development Division – Planning & Environmental Affairs

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Development Division – Planning & Environmental Affairs

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021	FY2022	FY2023	Inc / (Dec)	%	FY2024	Inc / (Dec)	%
	Actuals	Budget	Budget	FY23 Budget	Change	Conceptual	FY24 Conceptual	Change
				vs FY22 Budget		Budget	vs FY23 Budget	
Operating Expenses								
Salaries	\$ 2,641	\$ 2,738	\$ 3,074	\$ 336	12.3%	\$ 3,242	\$ 168	5.5%
Benefits	1,380	1,389	1,425	36	2.6%	1,546	121	8.5%
Subtotal	4,022	4,127	4,499	372	9.0%	4,788	289	6.4%
Less: Capitalized Labor Recharge	(20)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	(560)	(641)	(695)	(54)	8.5%	(741)	(46)	6.7%
Total Personnel Costs	3,441	3,487	3,804	318	9.1%	4,047	242	6.4%
Contractual Services	2,398	2,718	2,772	55	2.0%	2,733	(39)	-1.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	14	10	10	-	0.0%	15	5	56.3%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,254	1,450	1,450	-	0.0%	1,453	3	0.2%
Operating Equipment & Systems	2	2	2	-	0.0%	2	-	0.0%
Operating Supplies	13	30	30	-	0.0%	30	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	80	161	45	(117)	-72.4%	51	6	13.9%
Business Development	20	95	162	67	71.1%	162	0	0.2%
Equipment Rentals and Repairs	160	158	158	0	0.1%	182	24	15.2%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	3,941	4,623	4,628	5	0.1%	4,628	(0)	0.0%
Total Operating Expenses	7,382	8,110	8,433	323	4.0%	8,675	242	2.9%
Joint Studies / Sound Attenuation	15,526	17,404	21,066	3,662	21.0%	21,663	597	2.8%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	430	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	15,956	17,404	21,066	3,662	21.0%	21,663	597	2.8%
Total Expenses	23,337	25,513	29,498	3,985	15.6%	30,338	839	2.8%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 23,337	\$ 25,513	\$ 29,498	\$ 3,985	15.6%	\$ 30,338	\$ 839	2.8%

Development Division – Planning & Environmental Affairs

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$25,513	\$29,498
Personnel Costs		
Salary Adjustments and Pay for Performance	336	168
Burden (Benefits & Employer Taxes) for Current Staff	36	121
Capitalization	(54)	(46)
Total Increase / (Decrease) in Personnel Costs	318	242
Non-Personnel Costs		
Quieter Home Program	3,662	597
Airport Land Use Compatibility Plans	150	(235)
Professional Services	(101)	193
Other, net	(44)	42
Total Increase / (Decrease) in Non-Personnel Costs	3,667	597
Total Increase / (Decrease)	3,985	839
FY 2022 Budget / FY 2023 Conceptual Budget	\$29,498	\$30,338

Development Division – Planning & Environmental Affairs

FY 2022 Progress Report

1. Complete the federal environmental and state coastal review processes for the Airport Development Plan during FY 2022.

Progress: The Planning & Environmental Affairs Department successfully completed the environmental entitlements process for the Airport Development Plan (ADP) during Fiscal Year 2022. The final Coastal Development Permit for the ADP, specifically for the new Terminal 1, T1 Parking Plaza, and Roadway Improvement components, was issued on September 30th and all related “special conditions” have since been satisfied to enable the start of the project’s construction. In addition, the Federal Aviation Administration (FAA) published a “Finding of No Significant Impact” for the ADP on October 22nd, thus concluding the federal agency’s project review under the National Environmental Policy Act (NEPA).

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Engage the City of San Diego, Port District of San Diego, developers, and surrounding communities to solicit feedback on the SDIA Airport Land use Compatibility Plan update during FY 2022.

Progress: The Planning & Environmental Affairs Department continued to provide guidance to the City of San Diego and the Port of San Diego on the current Airport Land Use Compatibility Plan (ALUCP) for San Diego International Airport. In particular, the Airport Authority collaborated with the City of San Diego during Fiscal Year 2022 on Land Development Code modifications, which have since enabled the City to formally implement the ALUCP. While the comprehensive update to the SAN ALUCP has been delayed due to the COVID pandemic, Authority staff expects to initiate the process in late Fiscal Year 2022 by notifying key stakeholders of important upcoming milestones and engagement opportunities.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3C. Continue to focus on programs to reduce noise impacts

3. Ensure compliance with the National Pollution Discharge Elimination System (NPDES) permits for stormwater runoff associated with the development of numerous airport facilities during FY 2022, as well as continue progress towards the Airport Authority’s Water Quality Improvement Plan FY 2026 goals for copper and zinc.

Progress: During Fiscal Year 2022, the Planning & Environmental Affairs Department led implementation of the Authority’s comprehensive Water Stewardship Plan, which seeks to

Development Division – Planning & Environmental Affairs

conserve water, improve local water quality, and increase resilience to flooding. In addition, the Authority expanded its weekly sweeping of key airfield and parking lot “hot spots” and its inspection of airport tenant and construction areas. These efforts contributed to the Airport Authority successfully meeting and surpassing its Water Quality Improvement Plan interim goals for reducing dissolved copper and zinc concentration exceedances in collected storm water samples from SAN.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2B. Complete and begin implementation of the Sustainability Management Plan
4. Facilitate Ground Support Equipment (GSE) emission reductions by supporting the procurement of renewable diesel and installation of airside charging infrastructure during FY 2022.

Progress: As part of its implementation of the SAN Carbon Neutrality Plan and SAN Clean Transportation Plan, the Planning & Environmental Affairs Department pursued numerous initiatives related to low carbon, zero-emission vehicles. The Department successfully secured funding through the FAA’s Voluntary Airport Low Emissions (VALE) grant program to install 78 airside charging ports around Terminal 2, which will result in airlines transitioning 74 GSE to all-electric technologies. In addition, the Airport Authority continued to support the SAN Fuel Consortium’s planned replacement of onsite traditional diesel with “renewable” diesel, which is expected to occur by the end of Fiscal Year 2022.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2B. Complete and begin implementation of the Sustainability Management Plan
5. Continue the increased pace of annual residential sound insulation (400 dwelling units) through the “Quieter Home Program” and start the non-residential program by completing one property during FY 2022.

Progress: During Fiscal Year 2022, the Planning & Environmental Affairs Department is expected to complete improvements in approximately 300 dwelling units through the SAN Quieter Home Program. In addition, the new Quieter Non-Residential Program was launched, with its first project - a Point Loma church with an attached school - entering into construction phase. Finally, the Airport Authority successfully submitted an updated Part 150 Noise Exposure Map and Noise Compatibility Program to the FAA, which will help ensure continued federal funding eligibility for SAN’s sound insulation programs.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3C. Continue to focus on programs to reduce noise impacts

Development Division – Planning & Environmental Affairs

FY 2023 – FY 2024 Goals

1. Make substantial progress on required “Opening Day” CEQA mitigation measures and Coastal Development Permit special conditions for the New Terminal 1 project, including off-airport roadway improvements and the United Airlines Terminal Hangar reassembly, by the end of Fiscal Year 2024.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Complete administrative draft updates to the Airport Land Use Compatibility Plan for San Diego International Airport (SAN), based on external stakeholder feedback and the new Airport Layout Plan, by the end of Fiscal Year 2024.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3C. Continue to focus on programs to reduce noise impacts

3. Ensure compliance with the National Pollution Discharge Elimination System (NPDES) permits for stormwater runoff associated with the New Terminal 1 development during FY 2023, as well as continue progress towards the Airport Authority’s Water Quality Improvement Plan FY 2026 goals for copper and zinc.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2B. Complete and begin implementation of the Sustainability Management Plan

4. To inform a future update to the SAN Strategic Energy Plan, develop potential net zero emission pathways for onsite stationary sources, such as the Airport’s Central Utility Plant, by the end of Fiscal Year 2023.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2B. Complete and begin implementation of the Sustainability Management Plan

5. Continue the increased pace of annual residential (400 dwelling units) and non-residential (complete construction on one property and design on a second property) sound insulation,

Development Division – Planning & Environmental Affairs

as well as launch a portable noise monitoring pilot program in the community in Fiscal Year 2023.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3C. Continue to focus on programs to reduce noise impacts

Finance Division

YOU KNOW THIS
WHEN YOU JUST
DISCERN AN
island IN
THE
DISTANCE.

BEFORE THEY MAPPED
THE OCEANS
DEPTHS
A BUILDER WELDED SHEETS OF STEEL
AND WILLED A
SHIP THAT
floats.

YOU ARE MEANT TO TELL A
story

YOU KNOW THIS
WHEN YOU PAUSE TO LOOK ACROSS THE
SKY—

AND FEEL YOUR THOUGHTS UNFOLDING
AND FEEL THE BENEATH YOUR SKIN.

pulse

Finance Division

Overview

The **Finance Division** provides airline management, accounting, procurement, information technology, financial planning, budgeting, risk management, financial reporting, capital funding, and treasury services for the organization. The division provides essential support functions for the enterprise and assures the successful execution of the Airport Authority's plan of finance with the goal of enhancing the financial position of the Authority Airport Authority; increasing annual operating revenue; and maintaining strong, financial metrics that meet policy targets. In addition, the division supports preparedness for economic, geopolitical, industry, or other shocks that present downside risks to the business.

The **Accounting** department is responsible for maintenance, reporting and management of all General Ledger accounts and provides cost accounting services in support of the Authority's financial goals and objectives. The department is also responsible for timely and accurate reporting that complies with Generally Accepted Accounting Principles (GAAP); in-depth transaction review and strict adherence to Authority policies; consistent, organized, and systematic recordkeeping to provide detailed support of Authority financial history; and effective internal controls designed to safeguard Authority assets.

The **Capital Financial Planning & Airline Relations** department negotiates and manages airline and airfield lease and operating agreements to assure effective utilization and management of Authority resources, as well as partnering with Airport Design and Construction department to optimize capital financial planning, reporting and forecasting efforts. The department leads and coordinates Authority efforts at identifying all available grant opportunities; manages FAA applications for AIP grants and PFCs and oversees all federal grant awards for compliance with usage and reporting requirements.

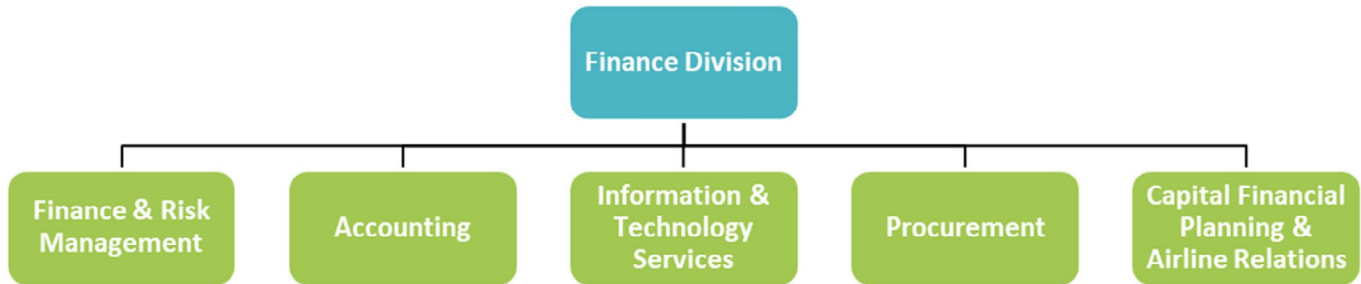
The **Finance & Risk Management** department develops and administers the Operating Budget and strives to maintain a fiscally sound and sustainable organization that conforms to financial management best practices. It provides for beneficial treasury management; forecasts revenue and expenditures; maintains the Authority's insurance programs; manages Authority investments and cash; administers PFCs and CFCs revenue; maintains an effective debt management program; and delivers financial advisory services to all Authority departments.

The **Information & Technology Services (ITS)** department operates the Authority's information technology infrastructure, including hardware, software and communications technology and provides the strategic direction for all Information Technology decisions for the Authority. The department provides information technology services including internet services, desktop computing, websites, telephone connection and hosted system services to all Authority departments. ITS provides the airlines with Flight Information Display System (FIDS), Wi-Fi, paging, common use services (CUSS kiosks, CUPPS workstations) at the elevated departure roadway, gates, and ticket counters.

The **Procurement** department provides a competitive contracting process that promotes innovation and industry best practices while ensuring its contracting actions adhere to published Authority policies and the highest standards of integrity and ethical conduct. The department researches product and service resources, provides business outreach and education; and manages solicitations, price and contract negotiations and contract awards in a legal, ethical, and transparent manner. The department also manages the Procurement card program (P-card); shipping, receiving, and surplus; and warehouse operation.

Finance Division

FY 2023 – FY 2024 Organizational Structure



Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
Finance Division							
Capital Financial Planning & Airline Relations ¹	4	4	3	-	7	-	7
Accounting	12	12	-	-	12	-	12
Information & Technology Services	29	29	-	-	29	-	29
Procurement	12	12	-	-	12	-	12
Finance & Risk Management ²	19	19	(3)	-	16	-	16
Total	76	76	-	-	76	-	76

¹ 3 positions transferred from Finance & Risk Management

² 3 positions transferred to Capital Financial Planning & Airline Relations

Finance Division

FY 2023 Budget – FY 2024 Expense Conceptual Budget Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 6,310	\$ 6,098	\$ 5,595	\$ (503)	-8.3%	\$ 6,925	\$ 1,330	23.8%
Benefits	7,379	3,748	4,005	257	6.9%	4,364	359	9.0%
Subtotal	13,689	9,846	9,600	(246)	-2.5%	11,289	1,689	17.6%
Less: Capitalized Labor Recharge	-	-	(253)	(253)	0.0%	(272)	(19)	7.4%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs *	13,689	9,846	9,347	(499)	-5.1%	11,017	1,670	17.9%
Contractual Services	2,440	3,418	4,267	848	24.8%	4,595	328	7.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	484	634	653	19	2.9%	653	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	333	124	833	709	574.1%	183	(650)	-78.1%
Operating Supplies	103	119	176	58	48.6%	179	3	1.5%
Insurance	1,517	1,812	2,004	192	10.6%	2,323	319	15.9%
Employee Development	53	78	109	30	38.7%	117	8	7.8%
Business Development	(308)	81	577	496	609.7%	577	(0)	0.0%
Equipment Rentals and Repairs	1,979	2,315	2,361	46	2.0%	2,466	105	4.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	6,601	8,581	10,979	2,398	27.9%	11,092	113	1.0%
Total Operating Expenses	20,290	18,427	20,326	1,899	10.3%	22,109	1,783	8.8%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
Total Expenses	20,290	18,427	20,326	1,899	10.3%	22,109	1,783	8.8%
Equipment Outlay Expenditures	53	-	100	100	0.0%	-	(100)	-100.0%
Total Authority Expenses Incl Equip Outlay	\$ 20,343	\$ 18,427	\$ 20,426	\$ 1,999	10.8%	\$ 22,109	\$ 1,683	8.2%

* Personnel costs include vacancy savings for the Authority

Finance Division

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$18,427	\$20,426
Personnel Costs		
Burden (Benefits & Employer Taxes) for Current Staff	257	359
Salary Adjustments and Pay for Performance	(503)	1,330
Capitalization	(253)	(19)
Total Increase / (Decrease) in Personnel Costs *	(499)	1,670
Non-Personnel Costs		
New Terminal 1 (NT1) Operating Expenses	1,503	(481)
Credit Card Fees	213	97
Insurance Premiums	192	319
Accounts Payable (AP) Automation and Optimization	149	(99)
Enterprise Resource Planning Software Hosting	85	50
Authority Equipment Needs	60	-
Investment & Financial Advisor	51	-
Grants Consultant	50	-
Other, net	195	127
Total Increase / (Decrease) in Non-Personnel Costs	2,498	13
Total Increase / (Decrease)	1,999	1,683
FY 2023 Budget / FY 2024 Conceptual Budget	\$20,426	\$22,109

* Personnel costs include vacancy savings for the Authority

Finance Division

FY 2023 Expense Budget by Department

(in thousands)

Departments	FY 2023 Budget
Information & Technology Services	\$8,909
Finance & Risk Management	6,513
Accounting	1,926
Procurement	1,700
Capital Financial Planning and Airline Relations	1,162
Other *	216
Total ¹	\$20,426

* Includes New T1 Operating Budget & increase in Paid Time Off Balance

¹Total may differ due to rounding

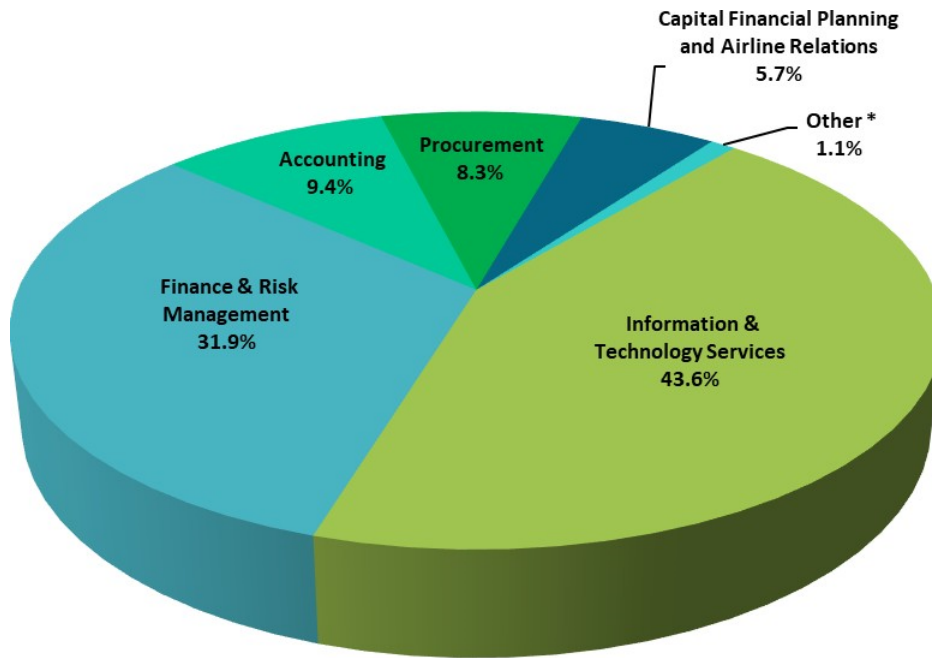


Figure 30 - FY 2023 Expense Budget by Department

Finance Division

FY 2024 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2024 Conceptual Budget
Information & Technology Services	\$9,436
Finance & Risk Management	7,095
Accounting	1,893
Procurement	1,798
Capital Financial Planning and Airline Relations	1,374
Other *	512
Total ¹	\$22,109

* Includes Vacancy Savings partially offset by New T1 Operating Budget

¹Total may differ due to rounding

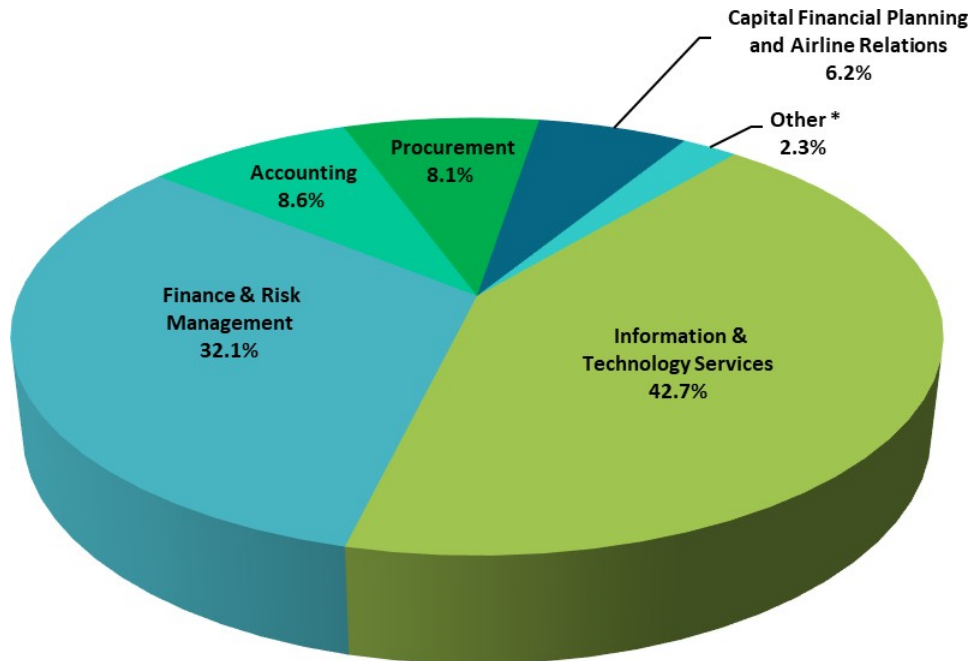


Figure 31 - FY 2024 Expense Conceptual Budget by Department

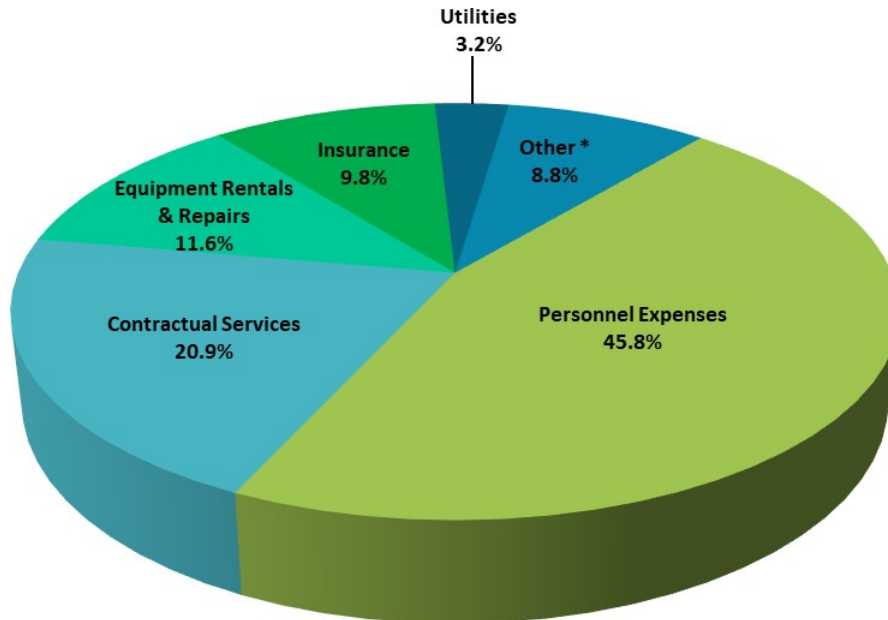
Finance Division

FY 2023 Expense Budget by Category

(in thousands)

Category	FY 2023 Budget
Personnel Expenses	\$9,347
Contractual Services	4,267
Equipment Rentals & Repairs	2,361
Insurance	2,004
Utilities	653
Other *	1,795
Total ¹	<u><u>\$20,426</u></u>

¹Total may differ due to rounding



*Other includes business and employee development, operating supplies, operating equipment & systems, etc.

Figure 32 - – FY 2023 Expense Budget by Category

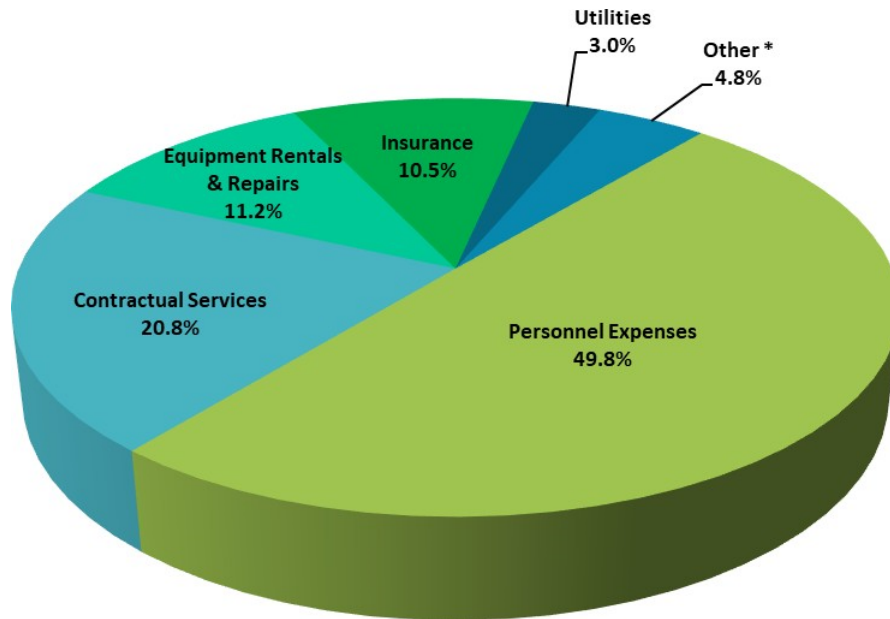
Finance Division

FY 2024 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2024 Conceptual Budget
Personnel Expenses	\$11,017
Contractual Services	4,595
Equipment Rentals & Repairs	2,466
Insurance	2,323
Utilities	653
Other *	1,056
Total ¹	\$22,109

¹Total may differ due to rounding

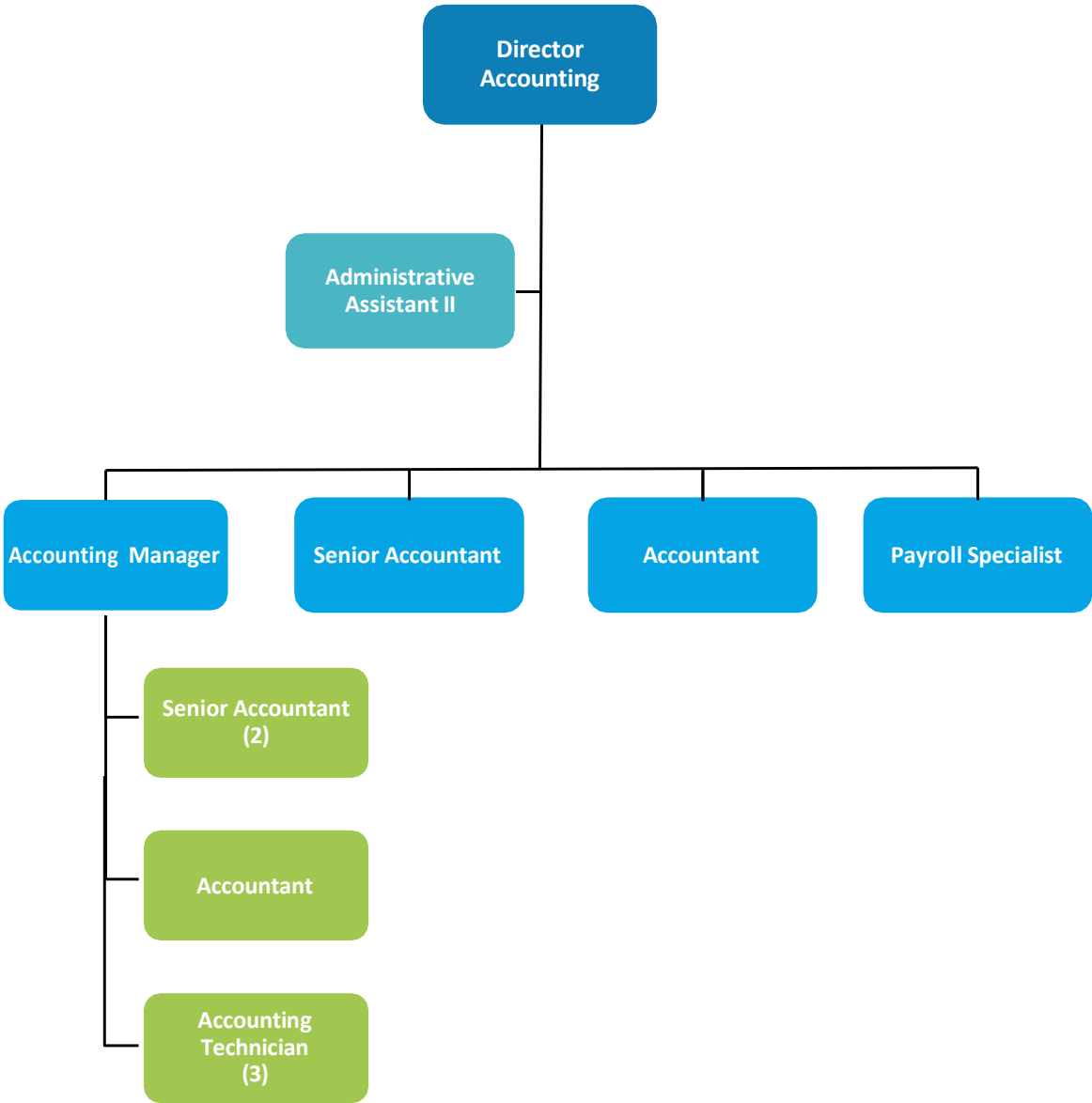


*Other includes business and employee development, operating supplies, operating equipment & systems, etc.

Figure 33 - FY 2024 Expense Conceptual Budget by Category

Finance Division – Accounting

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024

Finance Division – Accounting

FY 2023 Budget – FY 2024 Expense Conceptual Budget Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 825	\$ 971	\$ 1,019	\$ 47	4.9%	\$ 1,069	\$ 51	5.0%
Benefits	504	511	532	21	4.1%	578	45	8.5%
Subtotal	1,329	1,482	1,551	69	4.6%	1,647	96	6.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,329	1,482	1,551	69	4.6%	1,647	96	6.2%
Contractual Services	142	177	206	29	16.4%	173	(33)	-16.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	3	2	(1)	-33.3%	2	-	0.0%
Operating Supplies	2	4	2	(2)	-52.9%	3	1	60.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	2	8	12	4	42.7%	14	2	17.1%
Business Development	(320)	56	36	(20)	-36.0%	36	-	0.0%
Equipment Rentals and Repairs	-	-	18	18	0.0%	19	1	3.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	(174)	248	275	28	11.1%	246	(30)	-10.7%
Total Operating Expenses	1,155	1,730	1,826	96	5.6%	1,893	67	3.6%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,155	1,730	1,826	96	5.6%	1,893	67	3.6%
Equipment Outlay Expenditures	-	-	100	100	0.0%	-	(100)	-100.0%
Total Authority Expenses Incl Equip Outlay	\$ 1,155	\$ 1,730	\$ 1,926	\$ 196	11.3%	\$ 1,893	\$ (33)	-1.7%

Finance Division – Accounting

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$1,730	\$1,926
Personnel Costs		
Salary Adjustments and Pay for Performance	47	51
Burden (Benefits & Employer Taxes) for Current Staff	21	45
Total Increase / (Decrease) in Personnel Costs	69	96
Non-Personnel Costs		
Accounts Payable (AP) Automation	118	(99)
Auditing & Actuarial Services	28	(33)
Other, net	(18)	3
Total Increase / (Decrease) in Non-Personnel Costs	128	(130)
Total Increase / (Decrease)	196	(33)
FY 2023 Budget / FY 2024 Conceptual Budget	\$1,926	\$1,893

Finance Division – Accounting

FY 2022 Progress Report

1. Implementation of GASB Statement No. 87, *Leases* for the fiscal year ending June 30, 2021, including collaborating with the Finance Budget team to work through the implications on the budget and rate setting.

Progress: At the onset of the COVID-19 pandemic the Government Accounting Standards Board postponed the effective date of its Statement No. 87, *Leases* by 18 months. The new effective date for the Authority is fiscal year ending June 30, 2022. Staff continues to gather, evaluate, and compute all Authority leases in preparation for the FY 2022 implementation.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

2. Provide innovative solutions to improve efficiency of accounting functions and support organizational priorities.

- New T1 job cost set up and coding
- Automation of accounts payable processing
- Develop improved methods for processing concessions data gathering and billing
- Assist with implementation of workforce management software

Progress: Accounting, in collaboration with other departments has worked to establish a detailed coding methodology to carefully track and record the New T1 projects costs.

In response to the COVID-19 pandemic, the Accounting Department quickly adopted to remote processing which required developing methods to complete accounting processes electronically. This required close collaboration with all departments across the Authority. Next steps are to evaluate additional software options to utilize AI to further automate processes.

The Accounts Receivable Statistics Module of the ERP was set up to gain additional functionality and increase data analytics capabilities.

Accounting staff assisted with the set-up of workforce management system, with implementation anticipated in late FY21.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Finance Division – Accounting

3. Continued excellence in financial reporting and stringent internal controls that result in a clean audit with no findings.

Progress: The FY 2020 audit was completed on time and with no findings.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

Finance Division – Accounting

FY 2023 – FY 2024 Goals

1. Contribute to the Authority’s strong financial standing by providing accurate and timely financial reporting and stringent internal controls that result in a clean audit with no findings.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

2. Provide innovative solutions that support the optimization of business processes and improve the ability to efficiently operate remotely through the automation of accounts payable processes.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Implementation of GASB Statement No. 87, *Leases* for the fiscal year ending June 30, 2022.

Strategic Plan Focus Area:

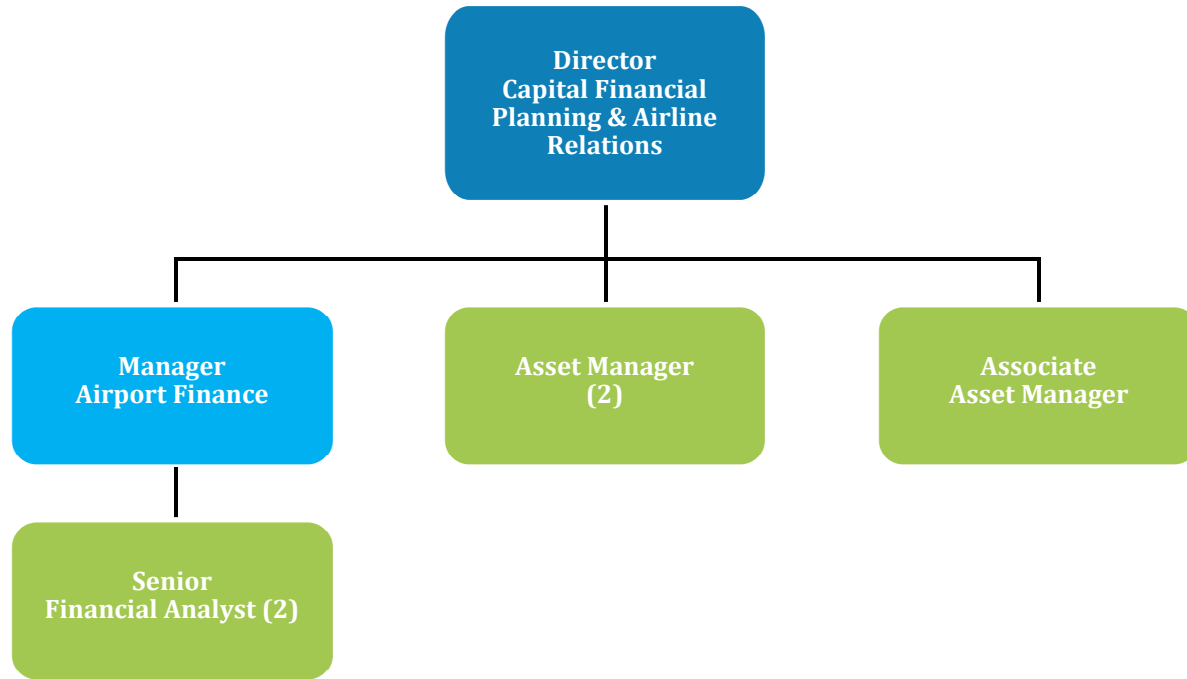
- Optimize Ongoing Business

Strategic Initiative:

- 5A. Ensure Plan of Finance is flexible, nimble, and able to proactively address future changes

Finance Division – Capital Financial Planning and Airline Relations

FY 2023 - FY 2024 Organizational Structure



No personnel changes in FY 2024.

Finance Division – Capital Financial Planning and Airline Relations

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
Operating Expenses								
Salaries	\$ 324	\$ 322	\$ 757	\$ 435	135.1%	\$ 897	\$ 140	18.4%
Benefits	163	146	335	189	129.2%	408	73	21.9%
Subtotal	487	468	1,092	624	133.2%	1,305	213	19.5%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	487	468	1,092	624	133.2%	1,305	213	19.5%
Contractual Services	1	-	50	50	0.0%	50	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	-	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	-	1	10	9	655.6%	10	-	0.0%
Business Development	1	4	8	4	94.1%	8	-	0.0%
Equipment Rentals and Repairs	1	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	2	7	69	63	952.2%	69	-	0.0%
Total Operating Expenses	490	475	1,162	687	144.6%	1,374	213	18.3%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	490	475	1,162	687	144.6%	1,374	213	18.3%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 490	\$ 475	\$ 1,162	\$ 687	144.6%	\$ 1,374	\$ 213	18.3%

Finance Division – Capital Financial Planning and Airline Relations

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$475	\$1,162
Personnel Costs		
Salary Adjustments and Pay for Performance *	435	140
Burden (Benefits & Employer Taxes) for Current Staff	189	73
Total Increase / (Decrease) in Personnel Costs	624	213
Non-Personnel Costs		
Grants Consultant	50	-
Other, net	13	-
Total Increase / (Decrease) in Non-Personnel Costs	63	-
Total Increase / (Decrease)	687	213
FY 2023 Budget / FY 2024 Conceptual Budget	\$1,162	\$1,374

* 3 positions transferred from Finance & Risk Management

Finance Division – Capital Financial Planning and Airline Relations

FY 2022 Progress Report

1. Implement the new Airline Fuel Consortium Lease.

Progress: The Fuel Lease has been implemented and the projects required to be completed by the Consortium are in process.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Implement the new Airline Support Building lease along with the transition of the Airlines from the existing facilities to the new one.

Progress: All four Airlines submitted executed leases. They are all in the process of completing their tenant improvements. All airlines will be moved into the new building prior to July 5, 2021.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

Finance Division – Capital Financial Planning and Airline Relations

FY 2023 – FY 2024 Goals

1. Partner with Airside and Terminal Operations and our Airline stakeholders in the implementation of outbound passenger biometric technology deployment.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Partner with the Airlines, ADC, and the Design Build Team to create a process that will enable a successful buildout of the Airline spaces in the new T1.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

3. Update the Authority 20-year Capital Budget through a facilitated Stakeholder meeting. In addition, partner with Airport Design and Construction to establish revised cost estimates for the projects in the 20-year capital program.

Progress: With the onset of the COVID 19 Pandemic the focus of the Authority’s Capital Program was limited to essential projects and the New T1.

Strategic Plan Focus Area:

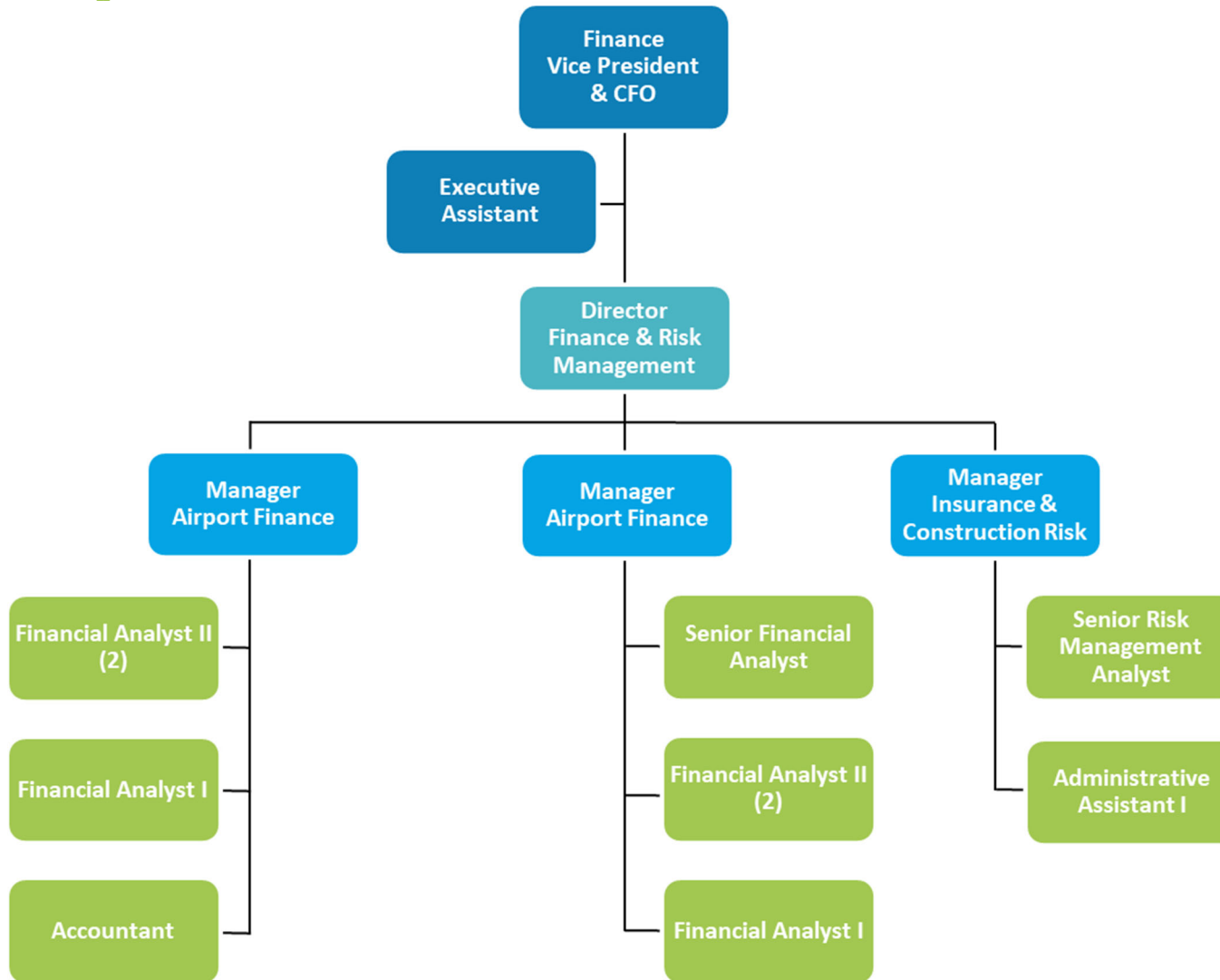
- Optimize Ongoing Business

Strategic Initiative:

- 2D. Implement a sustainable 20-year capital plan

Finance Division – Finance & Risk Management

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Finance Division – Finance & Risk Management

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 1,662	\$ 1,611	\$ 1,784	\$ 173	10.7%	\$ 1,878	\$ 94	5.3%
Benefits	787	844	875	31	3.7%	948	72	8.3%
Subtotal	2,449	2,456	2,659	204	8.3%	2,826	166	6.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	2,449	2,456	2,659	204	8.3%	2,826	166	6.2%
Contractual Services	1,149	1,266	1,672	406	32.1%	1,766	94	5.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	3	7	8	1	7.1%	8	-	0.0%
Insurance	1,517	1,812	2,004	192	10.6%	2,323	319	15.9%
Employee Development	12	22	34	12	52.1%	37	3	7.3%
Business Development	4	10	18	9	88.2%	18	(0)	-0.4%
Equipment Rentals and Repairs	118	119	119	-	0.0%	119	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	2,803	3,235	3,854	619	19.1%	4,270	416	10.8%
Total Operating Expenses	5,252	5,691	6,513	823	14.5%	7,095	582	8.9%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	5,252	5,691	6,513	823	14.5%	7,095	582	8.9%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 5,252	\$ 5,691	\$ 6,513	\$ 823	14.5%	\$ 7,095	\$ 582	8.9%

Finance Division – Finance & Risk Management

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

(in thousands)

	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	<u>\$5,691</u>	<u>\$6,513</u>
Personnel Costs		
Salary Adjustments and Pay for Performance *	173	94
Burden (Benefits & Employer Taxes) for Current Staff	31	72
Total Increase / (Decrease) in Personnel Costs	<u>204</u>	<u>166</u>
Non-Personnel Costs		
Credit Card Fees	213	97
Insurance Premiums	192	319
Investment & Financial Advisor	51	-
Accounts Payable Optimization	31	-
Other, net	132	(0)
Total Increase / (Decrease) in Non-Personnel Costs	<u>619</u>	<u>416</u>
Total Increase / (Decrease)	<u>823</u>	<u>582</u>
FY 2023 Budget / FY 2024 Conceptual Budget	<u>\$6,513</u>	<u>\$7,095</u>

* 3 positions transferred to Capital Financial Planning and Airline Relations

Finance Division – Finance & Risk Management

FY 2022 Progress Report

1. Establish a new Variable Debt Program that will provide adequate interim funding for New T1 prior to the next Bond issuance.

Progress: Based on the Market conditions it was determined in consultation with the Authority’s Financial Advisor to hold off issuing the Variable Debt RFP. The RFP will be released in March 2021 with Board Approval in June 2021 or July 2021.

Strategic Plan Focus Area:

- a. Advance the New T1

Strategic Initiative:

- b. 5C. Evaluate multiple funding methods for the Capital Program (New T1 and CIP)

2. Work with the Authority’s Construction Broker to create & bind the Owners Construction Insurance Program (OCIP) for New T1. In addition, create and bind the Builders Risk policies for New T1 and evaluate other insurance coverages to further mitigate risk to the Authority.

Progress: The issuance of the OCIP is predicated on the project being approved to move forward with construction. Staff anticipates binding these insurance coverages in line with the Board approval of the New T1 Contract Maximum Price.

Strategic Plan Focus Area:

- a. Optimize Ongoing Business

Strategic Initiative:

- b. 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

Finance Division – Finance & Risk Management

FY 2023 – FY 2024 Goals

1. Establish a new Underwriter Pool and issue the first tranche of Bonds to fund the New T1.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

- 5C. Evaluate multiple funding methods for the Capital Program (New T1 and CIP)

2. Create a reporting and tracking process for New T1 Operating & Non-Operating expenses.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

3. Collaborate with Revenue Generation on the new concessions program and parking strategy by providing input into business terms and financial modeling needed to ensure the programs meet the Authority's financial objectives.

Strategic Plan Focus Area:

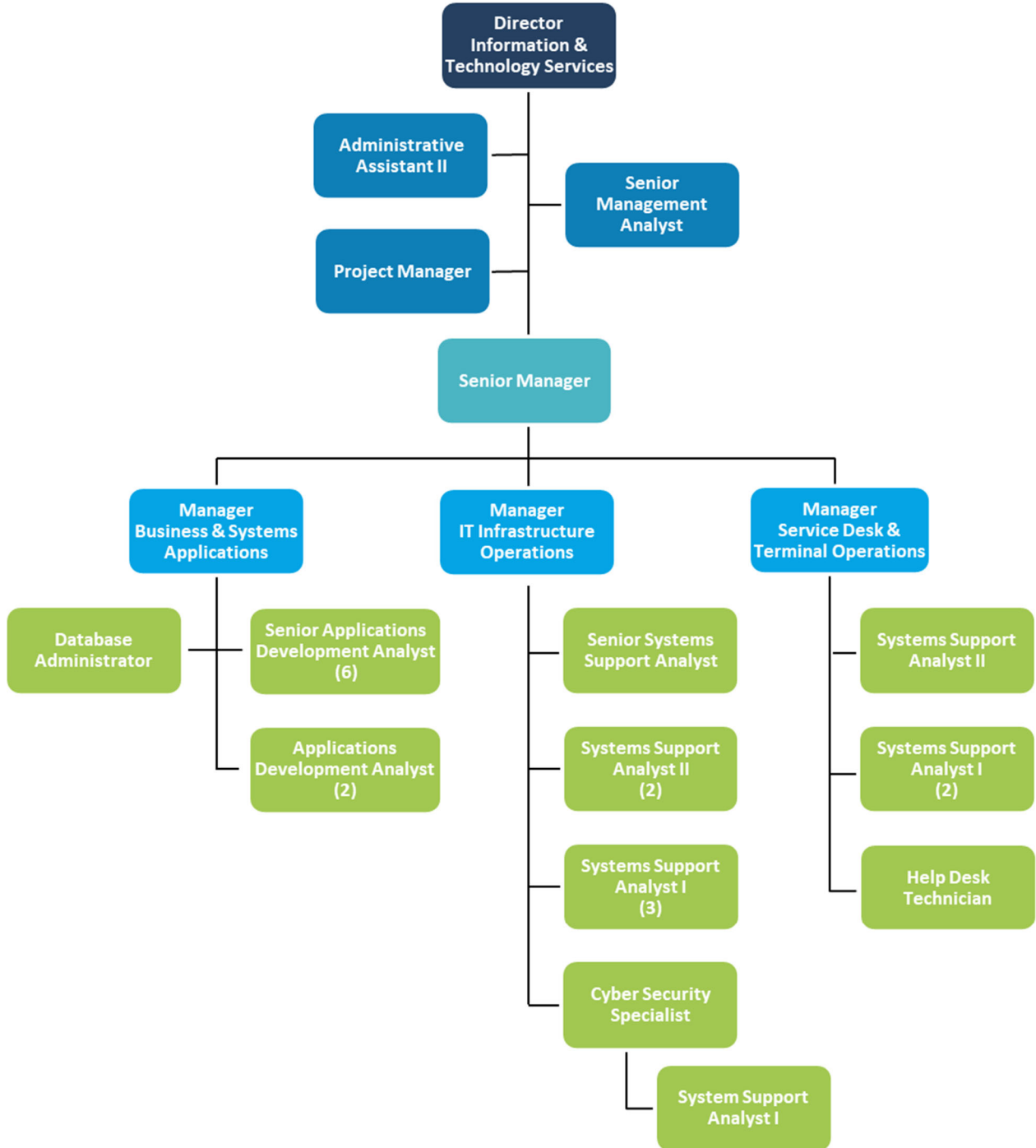
- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

Finance Division – Information & Technology Services

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Finance Division – Information & Technology Services

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021	FY2022	FY2023	Inc / (Dec)	%	FY2024	Inc / (Dec)	%
	Actuals	Budget	Budget	FY23 Budget	Change	Conceptual	FY24 Conceptual	Change
				vs FY22 Budget		Budget	vs FY23 Budget	
Operating Expenses								
Salaries	\$ 2,492	\$ 2,376	\$ 3,131	\$ 755	31.8%	\$ 3,321	\$ 189	6.1%
Benefits	1,260	1,245	1,477	232	18.6%	1,628	151	10.2%
Subtotal	3,752	3,622	4,608	987	27.2%	4,948	340	7.4%
Less: Capitalized Labor Recharge	-	-	(253)	(253)	0.0%	(272)	(19)	7.4%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	3,752	3,622	4,355	733	20.2%	4,676	322	7.4%
Contractual Services	1,125	1,343	1,368	25	1.9%	1,468	100	7.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	484	634	653	19	2.9%	653	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	333	120	180	60	50.0%	180	-	0.0%
Operating Supplies	86	67	126	59	88.1%	126	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	34	37	40	4	9.8%	42	2	5.0%
Business Development	3	3	6	3	96.8%	6	-	0.0%
Equipment Rentals and Repairs	1,819	2,155	2,180	26	1.2%	2,284	104	4.8%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	3,882	4,359	4,554	195	4.5%	4,760	206	4.5%
Total Operating Expenses	7,635	7,981	8,909	928	11.6%	9,436	528	5.9%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	7,635	7,981	8,909	928	11.6%	9,436	528	5.9%
Equipment Outlay Expenditures	53	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 7,688	\$ 7,981	\$ 8,909	\$ 928	11.6%	\$ 9,436	\$ 528	5.9%

Finance Division – Information & Technology Services

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

(in thousands)

	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$7,981	\$8,909
Personnel Costs		
Salary Adjustments and Pay for Performance	755	189
Burden (Benefits & Employer Taxes) for Current Staff	232	151
Capitalization	(253)	(19)
Total Increase / (Decrease) in Personnel Costs	733	322
Non-Personnel Costs		
Enterprise Resource Planning Software Hosting	85	50
Authority Equipment Needs	60	-
IT Licenses, Maintenance and Support	41	104
Other, net	9	52
Total Increase / (Decrease) in Non-Personnel Costs	195	206
Total Increase / (Decrease)	928	528
FY 2023 Budget / FY 2024 Conceptual Budget	\$8,909	\$9,436

Finance Division – Information & Technology Services

FY 2022 Progress Report

1. Replace our aging network infrastructure with optimal technology to provide additional growth capacity, redundancy, and security. Enhance the construction program management tool PMWeb by providing additional training to staff to increase adoption, enhance reporting and workflows, refining the integrations with E1 and creating new integrations with ECMS and Primavera 6.

Progress: The AVSec Network Redesign CIP was approved by the Board in July of 2020. I&TS has received the network infrastructure and is in the process of programming the equipment. Training for PMWeb has been conducted to increase staff adoption, reports and workflows have been enhanced and integrations with E1 have been refined. We are currently in the process of documenting all the E1 to PMWeb integrations and their associated dependencies.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

2. Optimize solutions to enable Authority staff to effectively telecommute to maintain physical distancing when necessary. Collaborate with internal and external stakeholders in the design of innovative technology solutions for the new admin building and the terminal 1 replacement as conditions allow. Engage strategic partners on cellular 5G so that we can make informed technology decisions.

Progress: I&TS has optimized the telecommuting experience for staff by implementing MS Teams to enhance collaboration, Adobe eSign to efficiently route documents for signature and deployed VPNs (Virtual Private Networks) with two-factor authentication to ensure cybersecurity for staff working remotely. We have collaborated with internal and external stakeholders in the design of innovative technology solutions for the new admin building and the terminal 1 replacement including passenger processing systems and enhanced Wi-Fi. We have engaged strategic partners on cellular 5G and will solicit for a lead mobile network operator in March of 2021.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

Finance Division – Information & Technology Services

3. Continue prioritizing cybersecurity initiatives including remediating findings from the DHS NCATS (National Cybersecurity Assessments and Technical Services) audit, NIST (National Institute of Standards Technology) audit of the AVSec network, baggage handling system, and building automation systems (HVAC) and maintain PCI compliance ensuring all credit card data is properly secured.

Progress: We have collaborated with internal and external stakeholders to remediate the findings from the DHS NIST audit. We are 100% complete on the Wi-Fi, 80% complete on the HVAC, 60% complete on the baggage handling system and 90% complete on the AVSec network NIST findings. We have submitted the necessary evidence to renew PCI compliance for our credit card processing systems.

Strategic Plan Focus Area:

Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Finance Division – Information & Technology Services

FY 2023 – FY 2024 Goals

1. In support of the New T1, replace our aging network infrastructure with optimal technology to provide additional growth capacity, redundancy, and security. Enhance the construction program management tool PMWeb by improving operational efficiency through process standardization, enhancing user experience by implementing PMWeb's version 6 features, establishing a robust data governance model to improve data quality, and developing new datasets, metrics, and executive dashboards by leveraging the Authority's business intelligence data warehouse.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Optimize solutions to enable Authority staff to effectively telecommute to maintain physical distancing and employee safety. Partner with ADC and joint venture teams to refine the design of innovative technology solutions in the new administrative building and terminal 1 replacement. Collaborate with the lead MNO (Mobile Network Operator) in the design of 5G cellular infrastructure airport wide.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Continue prioritizing cybersecurity initiatives including remediating findings from the DHS NCATS (National Cybersecurity Assessments and Technical Services) audit, NIST (National Institute of Standards Technology) audit of the AVSec network, baggage handling system, and building automation systems (HVAC) and maintain PCI compliance ensuring all credit card data is properly secured.

Strategic Plan Focus Area:

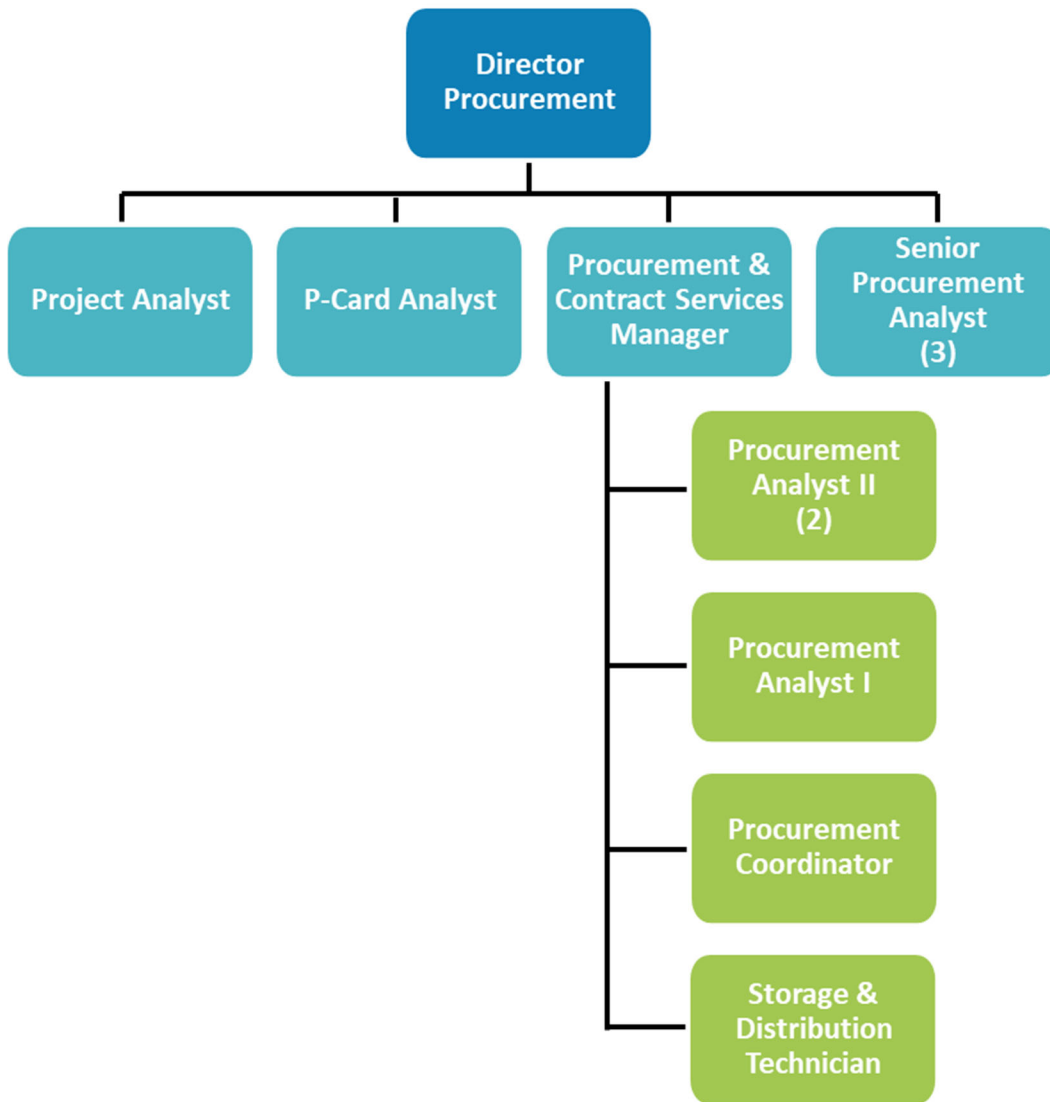
- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Finance Division – Procurement

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Finance Division – Procurement

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 1,007	\$ 983	\$ 1,055	\$ 72	7.3%	\$ 1,108	\$ 53	5.0%
Benefits	545	549	521	(27)	-5.0%	564	43	8.2%
Subtotal	1,551	1,532	1,577	45	2.9%	1,672	96	6.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,551	1,532	1,577	45	2.9%	1,672	96	6.1%
Contractual Services	24	32	17	(15)	-46.8%	16	(2)	-8.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	1	1	0	10.0%	1	-	0.0%
Operating Supplies	12	40	40	-	0.0%	42	2	3.9%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	6	10	13	3	27.8%	15	2	15.4%
Business Development	5	9	9	0	5.8%	9	0	0.5%
Equipment Rentals and Repairs	41	42	44	2	6.0%	45	1	1.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	87	133	124	(9)	-6.9%	126	3	2.1%
Total Operating Expenses	1,638	1,665	1,700	35	2.1%	1,798	98	5.8%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,638	1,665	1,700	35	2.1%	1,798	98	5.8%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 1,638	\$ 1,665	\$ 1,700	\$ 35	2.1%	\$ 1,798	\$ 98	5.8%

Finance Division – Procurement

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$1,665	\$1,700
Personnel Costs		
Salary Adjustments and Pay for Performance	72	53
Burden (Benefits & Employer Taxes) for Current Staff	(27)	43
Total Increase / (Decrease) in Personnel Costs	45	96
Non-Personnel Costs		
Temp Staffing	(16)	-
Other, net	7	3
Total Increase / (Decrease) in Non-Personnel Costs	(9)	3
Total Increase / (Decrease)	35	98
FY 2023 Budget / FY 2024 Conceptual Budget	\$1,700	\$1,798

Finance Division – Procurement

FY 2022 Progress Report

1. Work in partnership with key stakeholders to determine appropriate procurement methods for advancement of New T1 projects and services that incorporate innovative industry trends and sound contracting practices in accordance with the agreed upon schedule.

Progress: In support of the New T1, contracts already executed include Commissioning Services, Architectural and Engineering Services, Coastal Consulting services, six (6) Artist contracts, and the Terminal and Roadways Design Build Contract. A Request for Qualifications was completed for concession approaches and for the Administration Building which shortlisted teams qualified to respond to Request for Proposals.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Work in partnership with key stakeholders to determine appropriate procurement methods for optimizing business efficiencies, improving services, and supporting financial, social, and environmental, obligations and opportunities.

Progress: Procurement serves as a centralized resource to manage and facilitate the selection and contract award process in accordance with Authority policies, innovative industry trends and sound contracting practices. Significant efforts were made in response to the Covid 19 pandemic to reduce non-essential spending and further negotiate existing contracts prior to executing renewal options. The department continues to achieve cost savings on new contracts through competition and negotiations. Contract negotiations also result in value added services, operational efficiencies, and cost containment for the Authority. An average savings of 14% has been achieved through competition and an average savings of 3% has been achieved through additional contract negotiations.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Promote the Authority’s Brand Promise to the local business community through outreach, engagement, and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participating in various contractor outreach and supplier training events.

Progress: Procurement continues to participate in various local contractor outreach, networking and training events sponsored by the Authority and various local business associations.

All the solicitations facilitated by Procurement in FY21 document small, local, veteran, and disadvantaged business participation. Outreach plans include preferences under policy 5.12 or inclusionary methods. As of February, 506 new vendors have registered in the Authority’s vendor

Finance Division – Procurement

database since 7/1/2020 as a result of outreach by Procurement and Small Business Development. Of the 24 projects solicited since 7/1/2020, 1,471 vendors have actively participated by downloading an opportunity; 20% are certified Small Business Enterprises (SBEs), 28% are self-claimed Local Business Enterprises (LBEs), 8% are certified local businesses, 7% are certified Disadvantaged Business Enterprises (DBEs) and 3% are Veteran-owned Small Business (VOSB) or Service-Disabled Veteran Small Business (SDVSB) certified.

The following summary reflects 23 executed contract awards for a total of \$34,993,768.84 resulting from competitive solicitations that closed since 7/1/2020.

- Certified Local Businesses received 3 awards (12.5%) for a total of \$13,830,052 (40%)
- Local Business Enterprises received 6 awards (25%) for a total of \$31,088,260 (89%)
- Certified SBE's received 5 awards (21%) for a total of \$14,011,252 (40%)
- Certified DBE's received 0 awards
- VOSB/SDVSB's received 0 awards

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

Finance Division – Procurement

FY 2023 – FY 2024 Goals

1. Work in partnership with key stakeholders to determine appropriate procurement methods for advancement of New T1 projects and services that incorporate innovative industry trends and sound contracting practices in accordance with the agreed upon schedule.

Strategic Plan Focus Area:

- Advance the New T1

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Continue to navigate through the significant impacts that COVID 19 has had on our business and operation by collaborating with key stakeholders to determine appropriate procurement methods for contracting opportunities that reduce non-essential spending, optimize business efficiencies, improve services, and that support financial, social, environmental and safety, obligations.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Promote the Authority’s Brand Promise to the local business community and support the inclusion and utilization of diverse suppliers to fairly compete and participate in the performance of all Authority Contracts through outreach, engagement, and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participating in various contractor outreach and supplier training events.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

Operations Division



Operations

Overview

The **Operations Division** is responsible for complying with legislative mandates and operating requirements for the airport and the Airport Authority and keeps the traveling public, stakeholders and all levels of government informed and up to date on Authority activities. The division frequently coordinates with regulatory agencies, elected officials and the public to accomplish the Authority's goals. This includes coordination and implementation of local, state and federal laws, and state and federal aviation security rules and regulations. The division works to meet the safety, operational and informational needs of the traveling public, both landside and airside tenants, and key stakeholders.

The **Airside & Terminal Operations** department oversees the myriad of daily activities occurring on the airfield, terminal, and landside with responsibility for maintaining a safe, secure environment in which the airport's tenants can operate. The department manages these activities in accordance with federal and state regulations, local ordinances and the airport's Rules and Regulations. It participates in the inspection of terminal buildings and select facilities to identify any maintenance and safety deficiencies to ensure operating standards are being met; ensures the prompt reporting of any deficiencies identified; and assures all contract requirements are met.

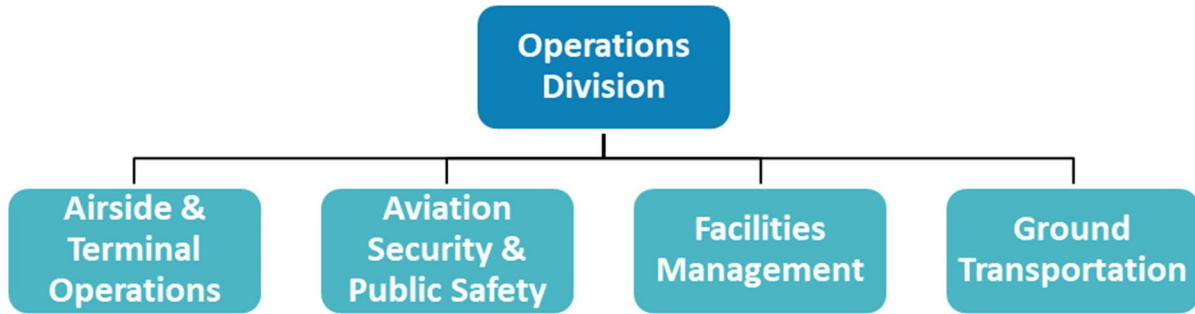
The **Aviation Security & Public Safety (AVSEC & PS)** department implements all required FAA and TSA security programs and security equipment improvements; manages the Service Level Agreement with Harbor Police; coordinates with all Homeland Security and state agencies for passenger inspection services; develops, administers and implements the Airport Security Program and Airport Emergency Plan; operates the Authority's Security Operations Center and Airport Communications Center; and ensures high level of emergency/crisis preparedness through coordination with local, state and federal agencies.

The **Facilities Management (FMD)** department maintains airport infrastructure and responds to all airport and tenant service requests. The department plans and executes the Major Maintenance Program and assists Airport Design and Construction in the execution of the CIP. It also manages campus utilities and the central utility plant, including the operation and maintenance of the 12-KV electrical distribution system. The department also manages fleet services for all authority vehicles and equipment; and provides lifecycle asset management through preventative maintenance, facilities condition analysis and planned capital replacement. The department provides services at all hours of the day and night, 365 days a year.

The **Ground Transportation (GT)** department is responsible for all pedestrian and vehicle landside operations from the terminal curb and roadways to the parking lots and into the community – getting passengers and guests on and off the airport. This includes operations of the Terminal 2 Parking Plaza, customer and employee parking lots, and terminal transportation islands, all of which require coordinated private vehicle, shuttle and bus, and commercial vehicle services. GT oversees the airport's commercial transportation service providers, including, taxicabs, transportation network companies (TNCs), Hotel/Motel, Off-Airport Parking and Rental Car shuttles, limousines and other courtesy and commercial vehicles. GT issues permits for all ground transportation service provider vehicles. GT manages the Rental Car Center (RCC) busing operation in coordination with the RCC bus contractor; and manages the airport parking card program for stakeholders and employees. GT also oversees the Airport Traffic Officer (ATO) staff, who ensure curbside and roadway safety, code compliance, customer service, and efficient ingress/egress for all airport landside operations.

Operations Division

FY 2023 – FY 2024 Organizational Structure



Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
Operations Division							
Aviation Security & Public Safety	18	20	-	1	21	-	21
Airside & Terminal Operations	25	26	-	1	27	-	27
Ground Transportation	71	71	-	-	71	-	71
Facilities Management	88	86	-	-	86	-	86
Total	202	203	-	2	205	-	205

Operations Division

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021	FY2022	FY2023	Inc / (Dec)	%	FY2024	Inc / (Dec)	%
	Actuals	Budget	Budget	FY23 Budget	Change	Conceptual	FY24 Conceptual	Change
				vs FY22 Budget		Budget	vs FY23 Budget	
Operating Expenses								
Salaries	\$ 14,863	\$ 15,666	\$ 18,524	\$ 2,858	18.2%	\$ 19,561	\$ 1,037	5.6%
Benefits	7,984	8,499	9,236	737	8.7%	10,059	823	8.9%
Subtotal	22,847	24,166	27,761	3,595	14.9%	29,620	1,860	6.7%
Less: Capitalized Labor Recharge	(19)	-	(97)	(97)	0.0%	(103)	(5)	5.5%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	22,828	24,166	27,663	3,498	14.5%	29,518	1,854	6.7%
Contractual Services	16,504	22,627	34,552	11,924	52.7%	36,667	2,115	6.1%
Safety and Security	35,086	36,385	38,064	1,679	4.6%	39,873	1,809	4.8%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	11,246	14,059	15,902	1,844	13.1%	17,414	1,512	9.5%
Maintenance	7,861	9,892	10,720	828	8.4%	11,131	411	3.8%
Operating Equipment & Systems	32	102	125	23	22.8%	121	(4)	-3.1%
Operating Supplies	280	403	417	14	3.5%	445	28	6.8%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	136	196	216	19	9.8%	219	4	1.7%
Business Development	20	117	144	27	22.8%	158	14	9.6%
Equipment Rentals and Repairs	776	949	693	(256)	-27.0%	775	83	11.9%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	71,940	84,731	100,833	16,102	19.0%	106,804	5,970	5.9%
Total Operating Expenses	94,768	108,897	128,497	19,600	18.0%	136,322	7,825	6.1%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	94,768	108,897	128,497	19,600	18.0%	136,322	7,825	6.1%
Equipment Outlay Expenditures	224	686	888	203	29.6%	667	(221)	-24.9%
Total Authority Expenses Incl Equip Outlay	\$ 94,991	\$ 109,582	\$ 129,385	\$ 19,803	18.1%	\$ 136,989	\$ 7,604	5.9%

Operations Division

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$109,582	\$129,385
Personnel Costs		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	2,742	1,037
Burden (Benefits & Employer Taxes) for Current Staff	682	823
2 New Positions (Salary & Benefits)	171	0
Capitalization	(97)	(5)
Total Increase / (Decrease) in Personnel Costs	3,498	1,854
Non-Personnel Costs		
Shuttle Operations	4,082	551
Parking and Valet Operations	3,292	147
Rental Car Center (RCC) Shuttles	3,211	1,125
Utilities	1,830	1,512
Major, Annual Maintenance and Supplies	982	257
Port District Law Enforcement - Harbor Police Department	936	1,501
Terminal Operations	751	352
Guard Services	421	90
Aircraft Rescue and Fire Fight (ARFF)	313	269
FIS Facial Biometric	270	(207)
Maintenance Equipment and Vehicles	265	85
Security & Credentialing Cost	231	1
Green Oval Painting	(404)	154
Other, net	125	(89)
Total Increase / (Decrease) in Non-Personnel Costs	16,305	5,749
Total Increase / (Decrease)	19,803	7,604
FY 2023 Budget / FY 2024 Conceptual Budget	\$129,385	\$136,989

Operations Division

FY 2023 Expense Budget by Department

(in thousands)

Departments	FY 2023 Budget
Facilities Management	\$39,541
Ground Transportation	37,003
Aviation Security & Public Safety	35,582
Airside & Terminal Operations	17,259
Total ¹	<u><u>\$129,385</u></u>

¹Total may differ due to rounding



Figure 34 - FY 2023 Expense Budget by Department

Operations Division

FY 2024 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2024 Conceptual Budget
Facilities Management	\$42,367
Ground Transportation	39,433
Aviation Security & Public Safety	37,225
Airside & Terminal Operations	17,964
Total ¹	\$136,989

¹Total may differ due to rounding

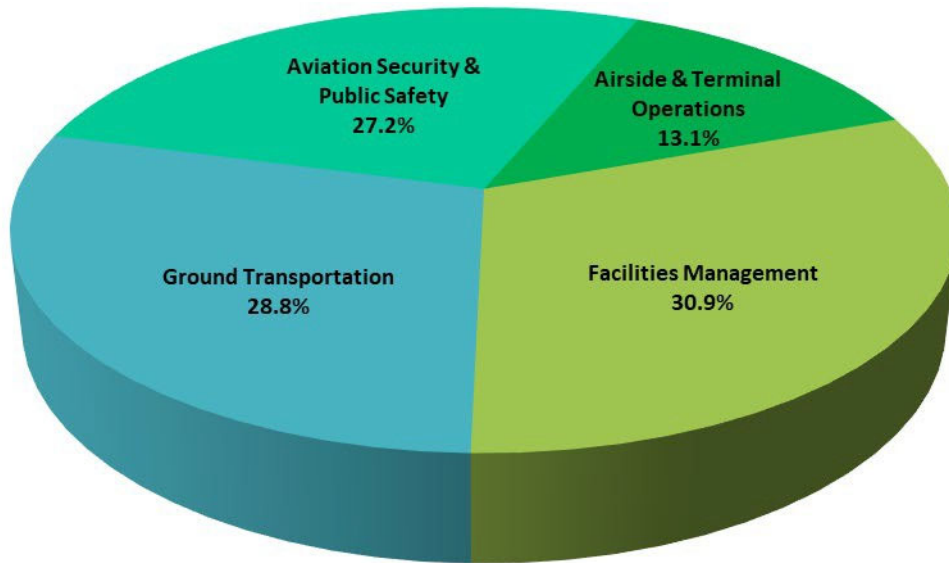


Figure 35 - FY 2024 Expense Conceptual Budget by Department

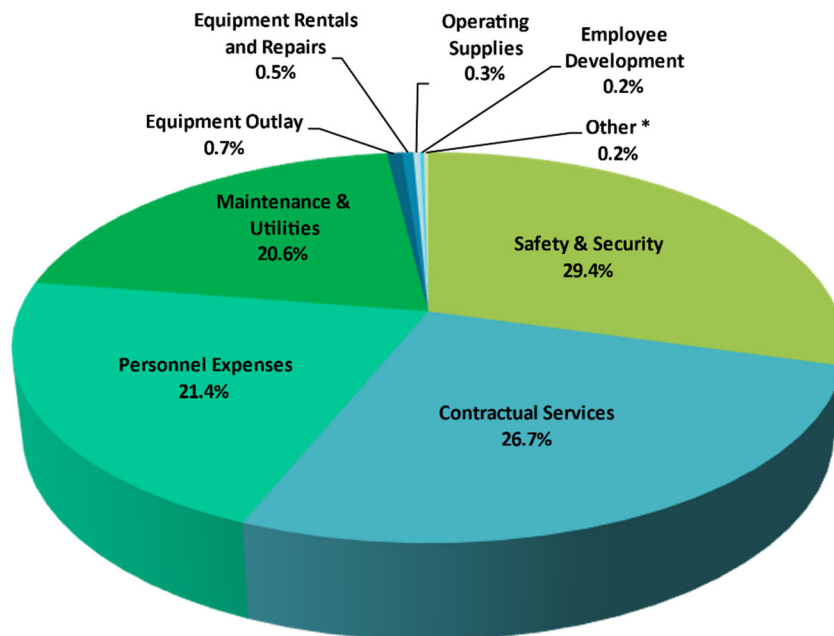
Operations Division

FY 2023 Expense Budget by Category

(in thousands)

Category	FY 2023 Budget
Safety & Security	\$38,064
Contractual Services	34,552
Personnel Expenses	27,663
Maintenance & Utilities	26,623
Equipment Outlay	888
Equipment Rentals and Repairs	693
Operating Supplies	417
Employee Development	216
Other *	269
Total ¹	\$129,385

¹Total may differ due to rounding



*Other includes operating equipment & systems, business development, etc.

Figure 36 - FY 2023 Expense Budget by Category

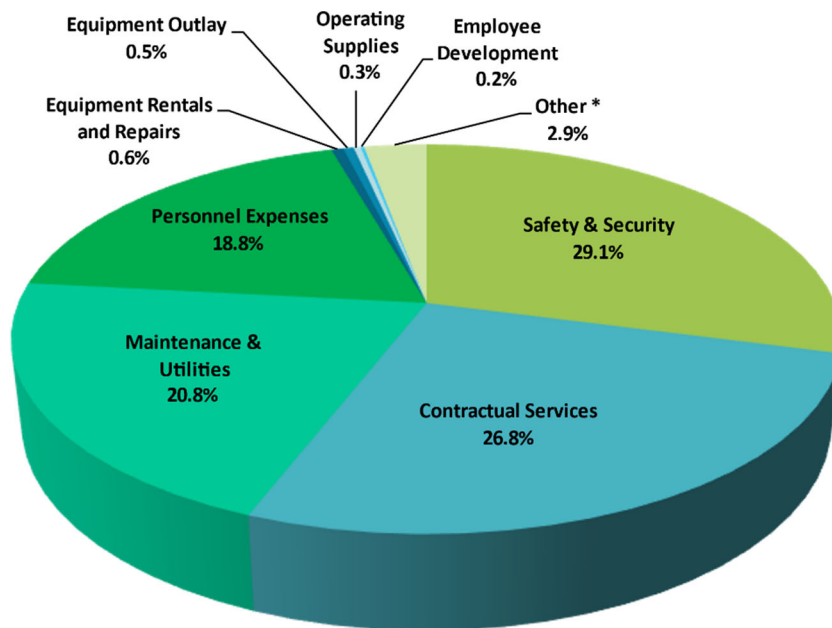
Operations Division

FY 2024 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2024 Conceptual Budget
Safety & Security	\$39,873
Contractual Services	36,667
Maintenance & Utilities	28,545
Personnel Expenses	25,814
Equipment Rentals and Repairs	775
Equipment Outlay	667
Operating Supplies	445
Employee Development	219
Other *	3,984
Total ¹	\$136,989

¹Total may differ due to rounding

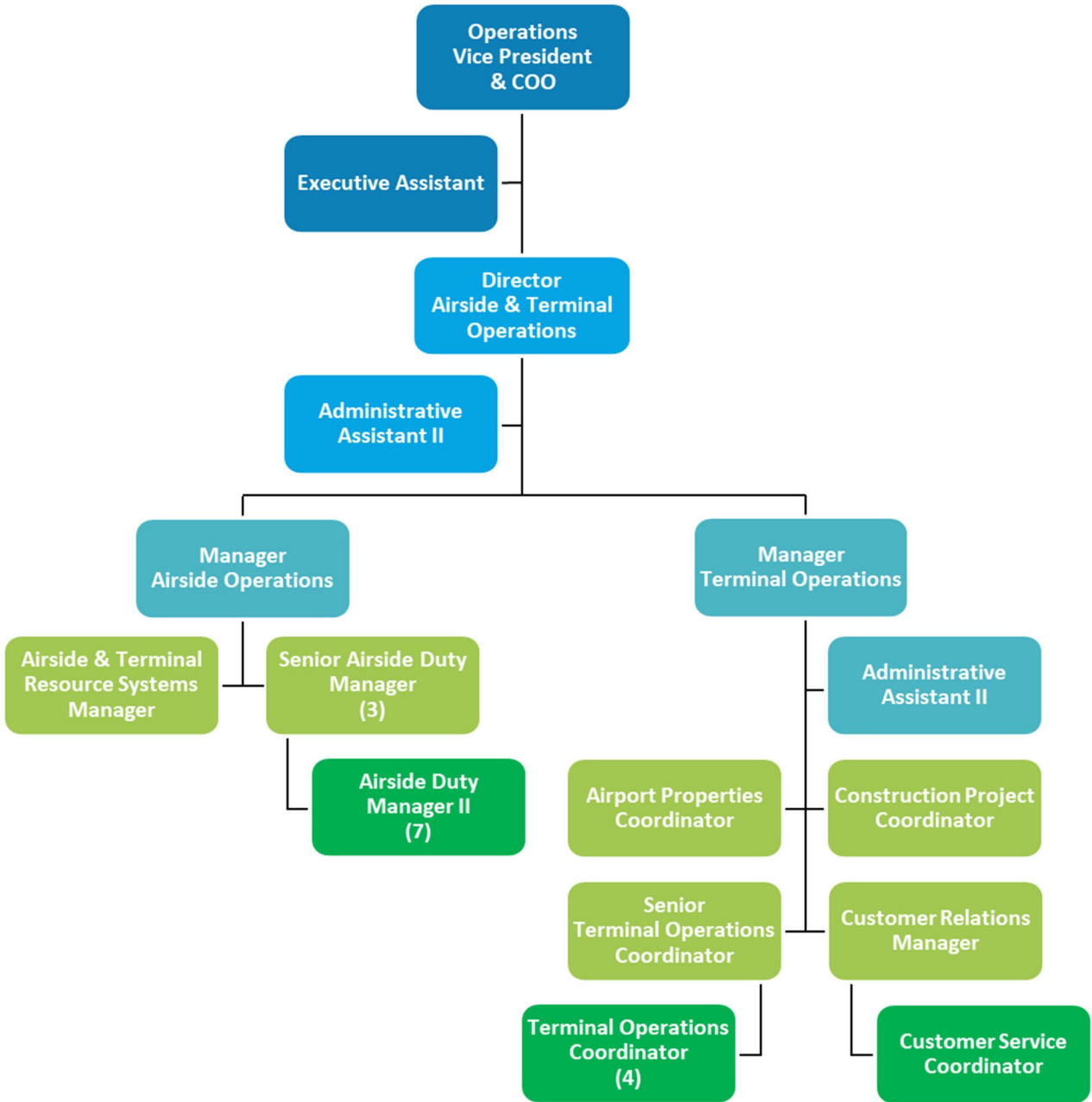


*Other includes operating equipment & systems, business development, etc.

Figure 37 - FY 2024 Expense Conceptual Budget by Category

Operations Division – Airside & Terminal Operations

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Operations Division – Airside & Terminal Operations

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	%	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
Operating Expenses								
Salaries	\$ 2,674	\$ 2,595	\$ 3,153	\$ 558	21.5%	\$ 3,303	\$ 150	4.8%
Benefits	1,344	1,337	1,480	143	10.7%	1,597	117	7.9%
Subtotal	4,019	3,932	4,633	701	17.8%	4,900	267	5.8%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	4,019	3,932	4,633	701	17.8%	4,900	267	5.8%
Contractual Services	3,921	4,274	5,125	852	19.9%	5,413	288	5.6%
Safety and Security	6,313	6,547	6,860	313	4.8%	7,129	269	3.9%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	11	11	0	3.0%	12	1	5.0%
Operating Supplies	33	30	33	3	10.4%	34	2	5.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	20	41	40	(2)	-4.6%	42	2	5.0%
Business Development	8	78	87	9	11.4%	91	4	5.0%
Equipment Rentals and Repairs	274	293	328	35	12.0%	343	15	4.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	10,570	11,273	12,484	1,210	10.7%	13,064	580	4.6%
Total Operating Expenses	14,589	15,205	17,117	1,911	12.6%	17,964	847	4.9%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	14,589	15,205	17,117	1,911	12.6%	17,964	847	4.9%
Equipment Outlay Expenditures	-	-	143	143	0.0%	-	(143)	-100.0%
Total Authority Expenses Incl Equip Outlay	\$ 14,589	\$ 15,205	\$ 17,259	\$ 2,054	13.5%	\$ 17,964	\$ 705	4.1%

Operations Division – Airside & Terminal Operations

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$15,205	\$17,259
Personnel Costs		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	514	150
Burden (Benefits & Employer Taxes) for Current Staff	123	117
1 New Position (Salary & Burden)	64	-
Total Increase / (Decrease) in Personnel Costs	701	267
Non-Personnel Costs		
Terminal Operations	751	352
Aircraft Rescue and Fire Fight (ARFF)	313	269
FIS Facial Biometric	270	(207)
Other, net	19	24
Total Increase / (Decrease) in Non-Personnel Costs	1,353	438
Total Increase / (Decrease)	2,054	705
FY 2023 Budget / FY 2024 Conceptual Budget	\$17,259	\$17,964

Operations Division – Airside & Terminal Operations

FY 2022 Progress Report

1. Deliver operational subject matter expert analysis and support for the ADP’s Airside, Terminal & Roadways, and Administration Building projects.

Progress: Delivered operational subject matter experts for the administration building and ADP’s airside, terminal, landside and roadway projects through 60% design.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Implement outbound passenger biometric technology for air carriers.

Progress: The international gate outbound passenger biometric technology project has been placed on hold by the ELT. SITA has been selected to install this technology and remains under contract until such time the project is taken off hold.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Ensure that SDIA is operated in compliance with FAA FAR Part 139 requirements. Success for this goal will be achieved if both (1) the annual FAA Certification inspection does not identify any Part 139 violations that are subject to civil penalty, and (2) there are no SDIA airfield incidents/accidents that are attributed to Part 139 compliance.

Progress: During FY22 SDIA has operated in compliance with FAA Part 139 requirements. The FAA Certification inspection did not identify any Part 139 violations and there were no SDIA airfield incidents/accidents attributed to Part 139 compliance.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

4. Oversee the construction and coordination activities associated with the removal and replacement of the EMAS.

Progress: The EMAS was successfully removed and replaced in FY22.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

Operations Division – Airside & Terminal Operations

FY 2023 - FY 2024 Goals

1. Provide operational subject matter expert analysis and support for the ADP's airside, terminal, landside, roadways and new administrative building projects

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Ensure that SDIA is operated in compliance with FAA FAR Part 139 requirements. Success for this goal will be achieved if both (1) the annual FAA Certification inspection does not identify any Part 139 violations that are subject to civil penalty, and (2) there are no SDIA airfield incidents/accidents that are attributed to Part 139 compliance.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

3. Provide monthly comprehensive communication of all SDIA's projects (phasing, progress and impacts) to our airline tenants and stakeholders.

Strategic Plan Focus Area:

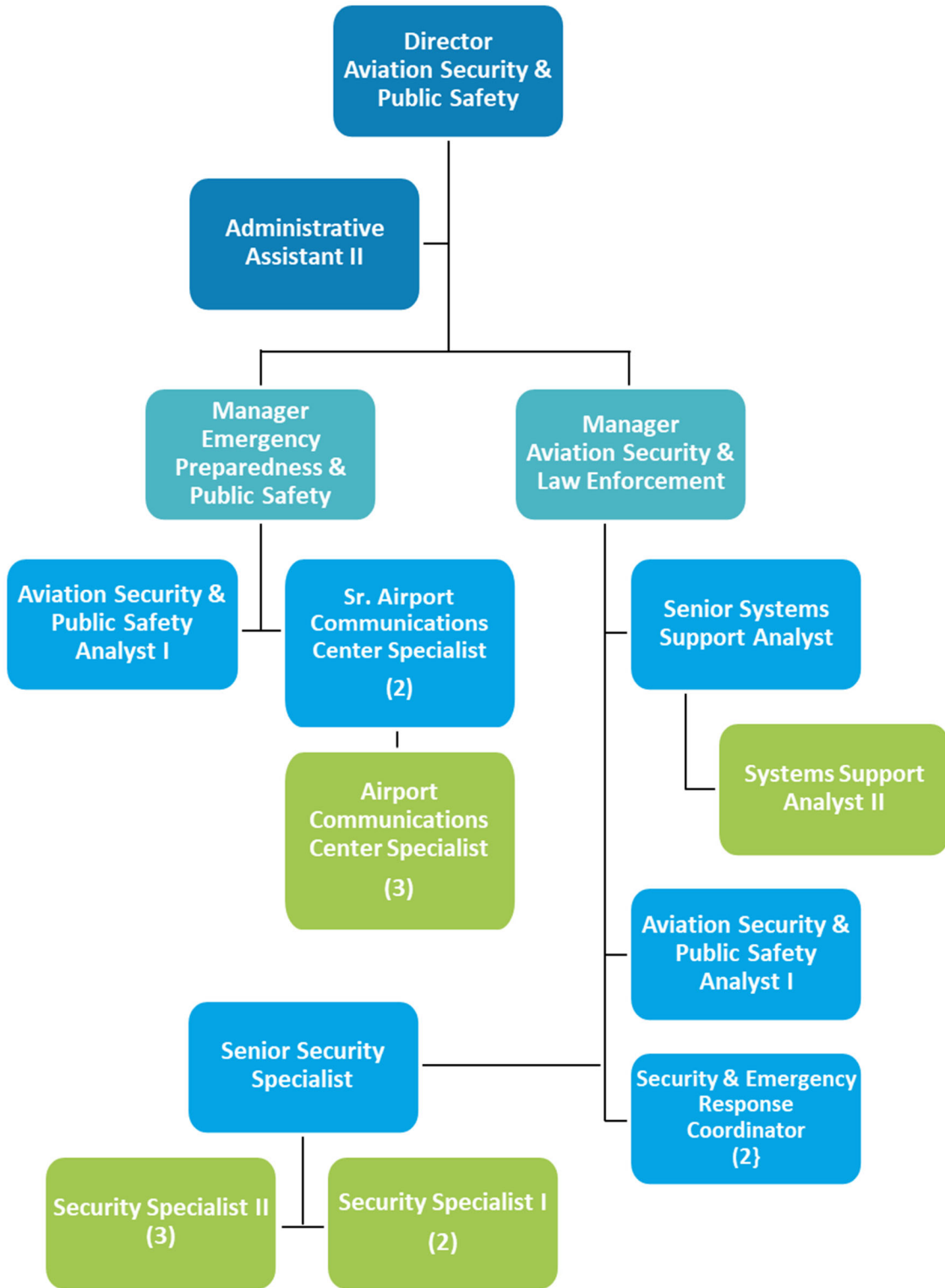
- Optimize Ongoing Business

Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers

Operations Division – Aviation Security & Public Safety

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Operations Division – Aviation Security & Public Safety

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	%
Operating Expenses								
Salaries	\$ 1,504	\$ 1,545	\$ 1,996	\$ 451	29.2%	\$ 2,084	\$ 87	4.4%
Benefits	725	839	951	111	13.2%	1,025	74	7.8%
Subtotal	2,229	2,385	2,947	562	23.6%	3,108	162	5.5%
Less: Capitalized Labor Recharge	-	-	(97)	(97)	0.0%	(103)	(5)	5.5%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	2,229	2,385	2,850	465	19.5%	3,006	156	5.5%
Contractual Services	385	530	692	162	30.5%	696	4	0.6%
Safety and Security	28,773	29,839	31,205	1,366	4.6%	32,744	1,540	4.9%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	1	-	1	1	0.0%	-	(1)	-100.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	21	44	66	23	52.4%	67	0	0.1%
Operating Supplies	146	199	218	19	9.4%	245	27	12.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	8	25	28	4	14.8%	31	3	9.5%
Business Development	1	6	7	1	17.7%	17	9	134.4%
Equipment Rentals and Repairs	181	173	197	23	13.4%	264	67	34.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	29,516	30,816	32,413	1,598	5.2%	34,063	1,650	5.1%
Total Operating Expenses	31,745	33,200	35,263	2,063	6.2%	37,069	1,806	5.1%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	31,745	33,200	35,263	2,063	6.2%	37,069	1,806	5.1%
Equipment Outlay Expenditures	224	276	319	44	15.9%	156	(164)	-51.2%
Total Authority Expenses Incl Equip Outlay	\$ 31,969	\$ 33,476	\$ 35,582	\$ 2,107	6.3%	\$ 37,225	\$ 1,643	4.6%

Operations Division – Aviation Security & Public Safety

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$33,476	\$35,582
Personnel Costs		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	379	87
1 New Position (Salary & Burden)	106	-
Burden (Benefits & Employer Taxes) for Current Staff	77	74
Capitalization	(97)	(5)
Total Increase / (Decrease) in Personnel Costs	465	156
Non-Personnel Costs		
Port District Law Enforcement - Harbor Police Department	936	1,501
Guard Services	421	90
Security & Credentialing Cost	231	1
Other, net	53	(107)
Total Increase / (Decrease) in Non-Personnel Costs	1,642	1,486
Total Increase / (Decrease)	2,107	1,643
FY 2023 Budget / FY 2024 Conceptual Budget	\$35,582	\$37,225

Operations Division – Aviation Security & Public Safety

FY 2022 Progress Report

1. Ensure that SAN continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness and Airport Certification by planning and conducting annual tabletop exercises in compliance with FAR Part 139.325(g)(4) for FY 2021 (April 2021) and FY 2022 (April 2022).

Progress: Due to the pandemic, the FAA required mass-casualty field exercise that was scheduled to take place in April 2020 (FY20) was postponed to January 2021 (FY21). Consequently, the FAA required Part 139 tabletop exercise won't take place until October 2021 (FY22).

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

2. The Authority's current Video Management System's (VMS) latest software update is being released and the current version will no longer be supported. The software release is a new product and is not capable of supporting the current and evolving needs of Authority. For FY 2021, the department will finalize a replacement solution that is a mature product and is better suited to support the growing demands of the Authority.

Progress: The Authority continues to work with ADC and the New T1 design team to finalize a VMS replacement. Although a final decision has not been made, the staff is actively working on a solution that will satisfy the Authority's needs while ensuring the network and VMS security. As there are multiple uncontrollable factors, AVSEC may not identify a replacement VMS until FY 22.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Operations Division – Aviation Security & Public Safety

FY 2023 – FY 2024 Goals

1. Ensure that SAN continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness and Airport Certification by planning and conducting annual tabletop exercises in compliance with FAR Part 139.325(g)(4) for FY 2022 (October 2021) and FY 2023 (October 2022).

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

2. Ensure that SDIA’s Aviation Security Department develops and executes strategies to ensure departmental New T1 readiness pertaining to staffing levels, airport badging, contracts, construction activities, regulatory compliance, and maintaining operational excellence.

Strategic Plan Focus Area:

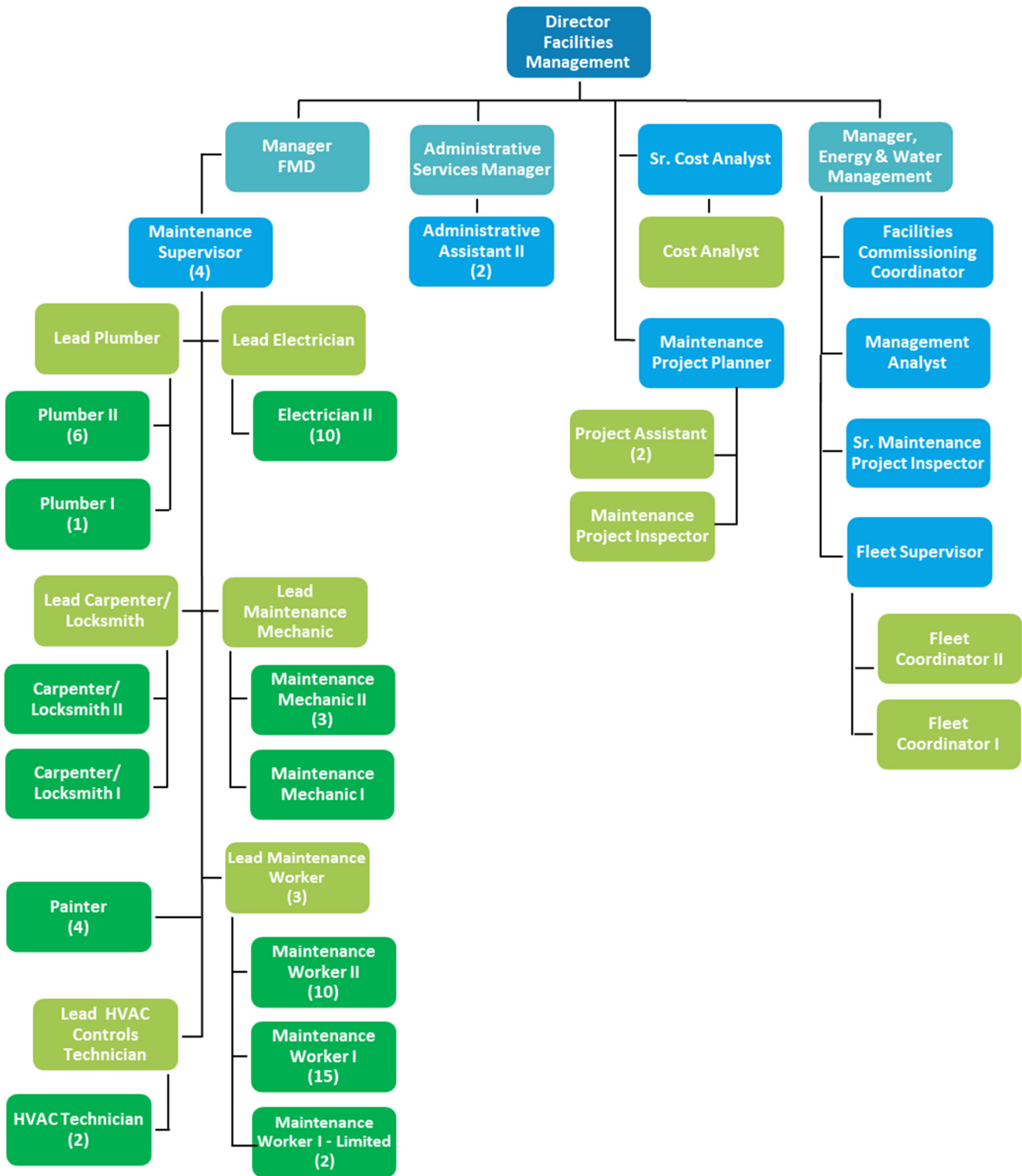
- Advance the New T1

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Operations Division – Facilities Management

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Operations Division – Facilities Management

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 6,677	\$ 7,086	\$ 8,071	\$ 986	13.9%	\$ 8,550	\$ 478	5.9%
Benefits	3,617	3,787	3,980	192	5.1%	4,345	366	9.2%
Subtotal	10,294	10,873	12,051	1,178	10.8%	12,895	844	7.0%
Less: Capitalized Labor Recharge	(19)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	10,276	10,873	12,051	1,178	10.8%	12,895	844	7.0%
Contractual Services	144	204	228	23	11.4%	208	(20)	-8.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	11,242	14,056	15,886	1,830	13.0%	17,398	1,512	9.5%
Maintenance	7,861	9,892	10,720	828	8.4%	11,131	411	3.8%
Operating Equipment & Systems	1	45	45	-	0.0%	40	(5)	-10.2%
Operating Supplies	64	109	94	(15)	-13.8%	94	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	57	69	75	6	8.6%	74	(1)	-1.3%
Business Development	1	7	23	16	237.0%	23	-	0.0%
Equipment Rentals and Repairs	18	58	45	(13)	-22.4%	45	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	19,386	24,439	27,115	2,675	10.9%	29,012	1,897	7.0%
Total Operating Expenses	29,662	35,313	39,166	3,853	10.9%	41,907	2,741	7.0%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	29,662	35,313	39,166	3,853	10.9%	41,907	2,741	7.0%
Equipment Outlay Expenditures	-	360	375	15	4.2%	460	85	22.7%
Total Authority Expenses Incl Equip Outlay	\$ 29,662	\$ 35,673	\$ 39,541	\$ 3,868	10.8%	\$ 42,367	\$ 2,826	7.1%

Operations Division – Facilities Management

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

(in thousands)

	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	<u>\$35,673</u>	<u>\$39,541</u>
Personnel Costs		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	986	478
Burden (Benefits & Employer Taxes) for Current Staff	192	366
Total Increase / (Decrease) in Personnel Costs	<u>1,178</u>	<u>844</u>
Non-Personnel Costs		
Utilities	1,830	1,512
Major, Annual Maintenance and Supplies	982	257
Maintenance Equipment and Vehicles	265	85
Green Oval Painting	(404)	154
Other, net	17	(26)
Total Increase / (Decrease) in Non-Personnel Costs	<u>2,690</u>	<u>1,982</u>
Total Increase / (Decrease)	<u>3,868</u>	<u>2,826</u>
FY 2023 Budget / FY 2024 Conceptual Budget	<u>\$39,541</u>	<u>\$42,367</u>

Operations Division – Facilities Management

FY 2022 Progress Report

1. Provide relevant training to staff and explore career development opportunities through the mentorship program to align with New T1 staffing needs.

Progress: In support of the Airport Development Plan "New T1" the Facilities Management Department "FMD" has engaged in cross-departmental training and existing staff development through the mentorship program. Currently, FMD has two full-time staff members on temporary assignment mentoring with the Airside and Terminal Operations Department to be fully adept with Terminal Operations with anticipation of the New T1. Internally, FMD has a Maintenance Worker mentoring within the Electrical department to ensure full Electrician coverage once New T1 make-ready projects are underway. This will maximize staff efficiency and bandwidth while also minimizing overtime.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 4E. Determine innovative, flexible organizational staffing needs that reflect the ADP and capital program

2. Evaluate renewal of on-call contracts to determine if business processes & operational need necessitate the need for multiple contractors

Progress: FMD has reviewed on-call contracts and will review projects on a case by case basis to either award project work to contractor or to bring work in house to facilities staff. With regards to future contracts, agreements will be advertised with the flexibility to allow authority to increase/decrease services with a predetermined fee schedule calculation adjustment.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Continue to explore and implement innovative and sustainable maintenance solutions consistent with the Authority's strategic plan and operational needs.

Progress: FMD painters to paint the airfield ovals instead of using a contractor, thereby saving the Authority over \$300K every year that oval painting is required.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

Operations Division – Facilities Management

FY 2023 – FY 2024 Goals

1. Provide relevant training to staff and explore career development opportunities through the mentorship program to align with ADP staffing needs.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 4E. Determine innovative, flexible organizational staffing needs that reflect the ADP and capital program

2. Evaluate renewal of on-call contracts to determine if business processes & operational need necessitate the need for multiple contractors

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Continue to explore and implement innovative and sustainable maintenance solutions consistent with the Authority's strategic plan and operational needs.

Strategic Plan Focus Area:

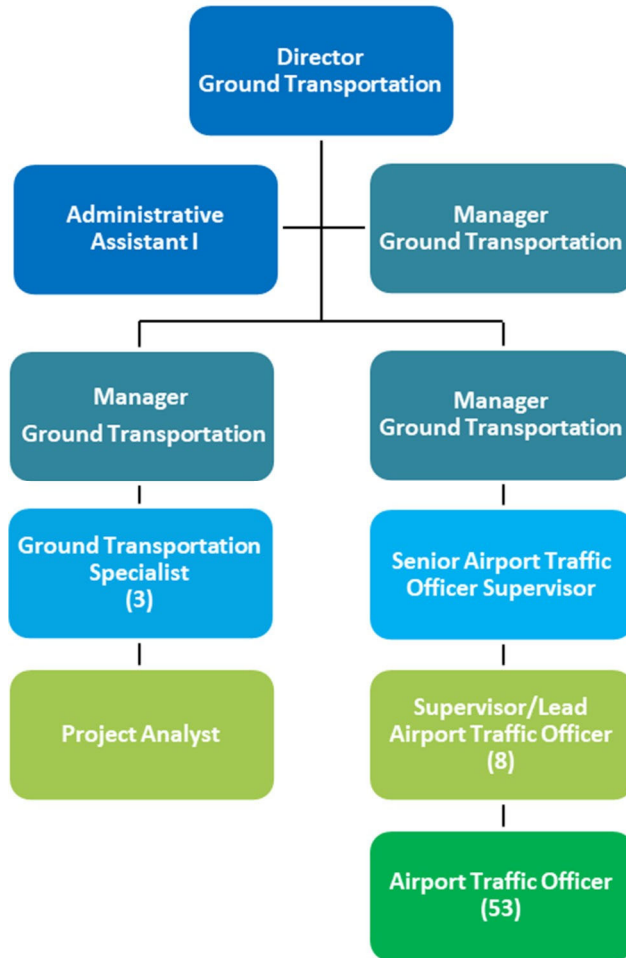
- Transform the Customer Experience

Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

Operations Division – Ground Transportation

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Operations Division – Ground Transportation

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 4,007	\$ 4,441	\$ 5,304	\$ 863	19.4%	\$ 5,625	\$ 321	6.1%
Benefits	2,298	2,535	2,826	291	11.5%	3,092	266	9.4%
Subtotal	6,304	6,976	8,130	1,154	16.5%	8,717	588	7.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	6,304	6,976	8,130	1,154	16.5%	8,717	588	7.2%
Contractual Services	12,053	17,619	28,507	10,888	61.8%	30,350	1,843	6.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	3	3	16	13	390.9%	16	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	9	3	3	0	3.0%	3	-	0.0%
Operating Supplies	37	65	72	7	11.0%	72	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	51	61	72	11	18.9%	72	-	0.0%
Business Development	10	26	27	1	3.0%	27	-	0.0%
Equipment Rentals and Repairs	304	425	123	(302)	-71.0%	123	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	12,467	18,203	28,822	10,619	58.3%	30,664	1,843	6.4%
Total Operating Expenses	18,772	25,179	36,951	11,773	46.8%	39,382	2,430	6.6%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	18,772	25,179	36,951	11,773	46.8%	39,382	2,430	6.6%
Equipment Outlay Expenditures	-	50	52	1	3.0%	52	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 18,772	\$ 25,229	\$ 37,003	\$ 11,774	46.7%	\$ 39,433	\$ 2,430	6.6%

Operations Division – Ground Transportation

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	<u>\$25,229</u>	<u>\$37,003</u>
Personnel Costs		
Salary Adjustments, Pay for Performance and Contracted Wage Increases	863	321
Burden (Benefits & Employer Taxes) for Current Staff	291	266
Total Increase / (Decrease) in Personnel Costs	<u>1,154</u>	<u>588</u>
Non-Personnel Costs		
Employee & Inter Terminal Shuttle	3,363	361
Rental Car Center (RCC) Shuttles	3,211	1,125
Parking Operations	1,661	185
Valet Operations	1,630	(38)
San Diego Flyer Shuttle	719	190
Other, net	35	20
Total Increase / (Decrease) in Non-Personnel Costs	<u>10,620</u>	<u>1,843</u>
Total Increase / (Decrease)	<u>11,774</u>	<u>2,430</u>
FY 2023 Budget / FY 2024 Conceptual Budget	<u>\$37,003</u>	<u>\$39,433</u>

Operations Division – Ground Transportation

FY 2022 Progress Report

1. Engage with stakeholders, business partners, and the community to develop and implement transportation strategies and facilities that meet the changing needs of the airport and the community.

Progress: Ground Transportation (GT) has continued to develop and implement strategies that accommodate the changing requirements of the transportation industry and technology. Some of the developments in the past year include – responding proactively to the changing needs of the transportation industry during the COVID-19 pandemic, implementing a virtual hold lot for the taxi industry, upgrading our Commercial Mode Vehicle Management System and automated payment processing systems for trip fees, implementing a completely online services model for permit application and processing, streamlining airport Codes and Rules and Regulations to align with other regulatory agencies, implementing pilot program request proposals, enabling cashier-less parking operations, expanding online parking product and reservation capabilities, and enabling online visibility of all airport shuttles for passengers. GT re-started airport shuttle services and valet parking services which were closed during the pandemic.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes
2. Plan, maintain, and improve ground transportation infrastructure to ensure safety and efficiency through the ongoing construction of the new Terminal 1, Terminal 1 Parking Plaza, Administration Building, and on-airport roadway while responding to technological changes in the transportation industry.

Progress: GT preserved robust access and ongoing operations during construction of the Airport (Belly Cargo) Support Facility, the New Terminal 1, the on-airport roadway, the Authority Administration Building, the New T1 Parking Plaza, the East Solid Waste Facility, improvements to the Terminal Link Road Security Gates, and ongoing construction to existing airport roadways, parking lots, and terminals. GT staff responded proactively and comprehensively to significant ongoing operational changes due to the COVID-19 pandemic. GT has facilitated the relocation of the taxi hold lot, TNC hold lot, cell phone waiting lot, Rental Car Center Bus yard, valet parking operations, shuttle hold lot, and Lost and Found – some more than once. GT facilitated several operational improvements to online services and remote staff and stakeholder training, service and product offerings, time entry and workforce tracking, website integration, and online services.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

Operations Division – Ground Transportation

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes
3. Integrate new technology, products, services, and business methods to ensure world-class services to travelers, employees, business operators, and other users; improve efficiency and safety; and ensure sustainability.

Progress: GT moved to a fully online service model for applications, permitting, CVMS, and automated payment processing for commercial modes. GT expanded the use of our website for stakeholder resources, training, documents, and communication. GT facilitated improvements to the Authority website parking product offerings for parking reservations and valet services. GT started the new San Diego Flyer shuttle service which provides free transportation for employees, visitors, and passengers from both terminals to the Old Town Transit Center. GT re-started the Employee Shuttle, San Diego Flyer, and Inter-terminal shuttle with fully Electric Vehicle (EV) cut-away shuttles and transit buses for the first time. GT also facilitated the construction of the shuttle hold lot EV charging facility and is in-process with a completely new, expanded off-airport shuttle hold lot with EV charging stations that will house all Authority-controlled shuttle and bus fleets and enable the complete conversion of these fleets to EV in coming years.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

Operations Division – Ground Transportation

FY 2023 – FY 2024 Goals

1. Engage with stakeholders, business partners, and the community to develop and implement transportation strategies and facilities that meet the changing needs of the airport and the community.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

2. Plan, maintain, and improve ground transportation infrastructure to ensure safety and efficiency through the ongoing construction of the new Terminal 1, Terminal 1 Parking Plaza, Administration Building, and on-airport roadway while responding to technological changes in the transportation industry.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

3. Integrate new technology, products, services, and business methods to ensure world-class services to travelers, employees, business operators, and other users; improve efficiency and safety; and ensure sustainability.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

Revenue Management & Innovation Division



Revenue Management & Innovation Division

Overview

The **Revenue Management & Innovation Division** defines and delivers a seamless customer experience for the traveling public and implements revenue management strategies and processes, in order to optimize and maximize resulting airport revenues. The division integrates air service development, business development, marketing, public art, innovation, business intelligence and concession management services to identify, evaluate, develop, negotiate, and implement new business opportunities and initiatives. In addition, the department engages in a proactive and productive manner with relevant business interests and stakeholders, both on-and off-airport, to spur innovation and new product and service development.

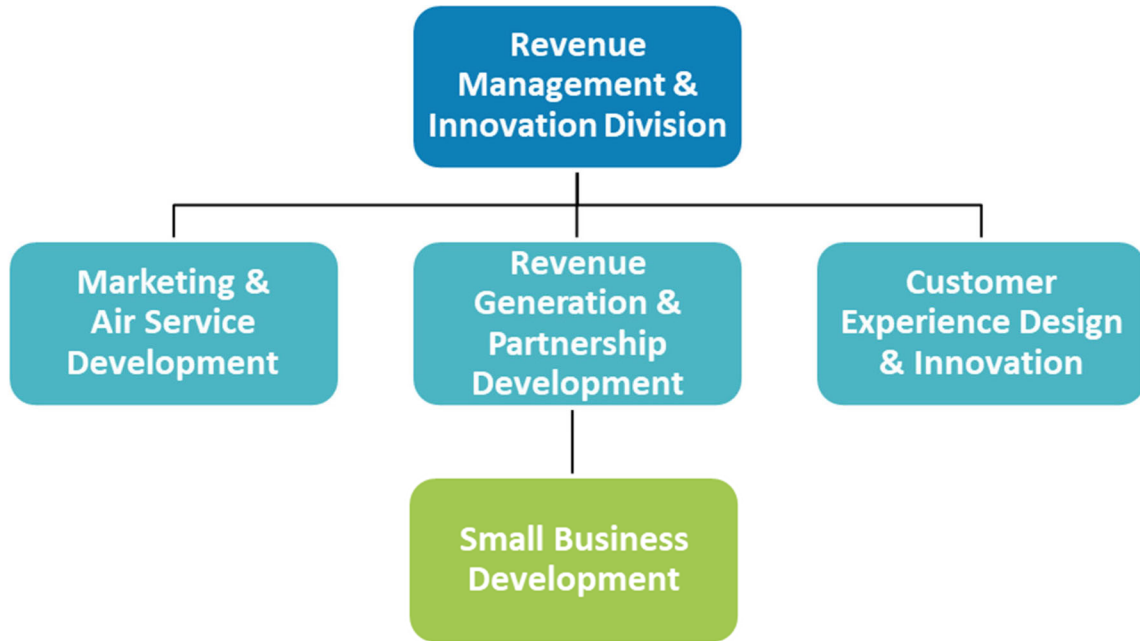
The **Customer Experience Design & Innovation** department identifies and maps interactions a customer has with the Airport in order to identify opportunities to enhance or deliver new products and services that support a positive, meaningful experience across those interactions. The department is responsible for a variety of related activities, including analyzing data for competitive insights; creating and maintaining the customer journey map and customer personas; offering a robust Airport Arts Program that engages travelers in innovative, memorable and considerate experiences; and managing the Innovation Lab where innovators and airport executives work together to create and test new ideas to drive airport innovation and improve the passenger experience. By incorporating feedback and insight across the Airport system, the department focuses on creating experiences that exceed customers' expectations and drive incremental revenue growth.

The **Marketing & Air Service Development** department manages a wide range of activities and initiatives that enhance the customer experience, expand air service, engage the public, and increase awareness of the Authority and airport. The department has responsibility for executing annual air service strategy to target air service growth opportunities for SAN; recording the official airport passenger, operations and cargo statistics; managing the airport's air service incentive policies; and consulting with regional and international stakeholders on air service opportunities. The department also develops marketing plans that promote airport products and services and engages airport partners across the campus in efforts to assure the traveling public experiences good feelings, non-stop.

The **Revenue Generation & Partnership Development** department oversees non-airline revenue generation contracts and programs. The department negotiates and manages the business relationships and associated contract execution for concessions, passenger services, and other lessees at the airport. This includes ensuring contractual and operational lease compliance, maximizing revenue opportunities, and ensuring management oversight of tenant activities. In addition, the department is responsible for the assessment, development, and implementation of new business opportunities and programs for the Authority. The department also leads Small Business Development (SBD) by encouraging the use of local, small, historically underutilized, disabled veteran, emerging disadvantaged business enterprises, and airport concession disadvantaged business enterprises. All of the department's efforts are designed to drive incremental revenue growth, reduce costs, and enhance the overall passenger experience.

Revenue Management & Innovation Division

FY 2023 – FY 2024 Organizational Structure



Division Personnel Summary

	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget Transfers	FY 2023 Budget New/ (Eliminated)	FY 2023 Budget	FY 2024 Budget New/ (Eliminated)	FY 2024 Conceptual Budget
Revenue Management & Innovation Division							
Customer Experience Design & Innovation	13	13	-	-	13	-	13
Marketing & Air Service Development	11	11	-	-	11	-	11
Revenue Generation & Partnership Development	15	15	-	-	15	-	15
Small Business Development	3	3	-	-	3	-	3
Total	42	42	-	-	42	-	42

Revenue Management & Innovation Division

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 3,344	\$ 3,601	\$ 4,856	\$ 1,255	34.9%	\$ 5,187	\$ 330	6.8%
Benefits	1,761	1,762	2,163	401	22.8%	2,385	222	10.3%
Subtotal	5,104	5,363	7,019	1,657	30.9%	7,572	552	7.9%
Less: Capitalized Labor Recharge	-	-	(699)	(699)	0.0%	(822)	(123)	17.7%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	5,104	5,363	6,321	958	17.9%	6,750	429	6.8%
Contractual Services	1,706	2,349	2,963	614	26.1%	3,326	364	12.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,253	10,642	10,491	(151)	-1.4%	10,491	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	27	38	38	-	0.0%	41	3	7.9%
Operating Supplies	3	9	9	-	0.0%	9	0	3.9%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	20	67	83	16	24.1%	89	6	7.3%
Business Development	124	1,035	1,376	341	33.0%	1,830	455	33.0%
Equipment Rentals and Repairs	29	196	308	112	57.2%	320	12	3.8%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	12,162	14,336	15,267	932	6.5%	16,106	839	5.5%
Total Operating Expenses	17,266	19,698	21,588	1,889	9.6%	22,856	1,268	5.9%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	17,266	19,698	21,588	1,889	9.6%	22,856	1,268	5.9%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 17,266	\$ 19,698	\$ 21,588	\$ 1,889	9.6%	\$ 22,856	\$ 1,268	5.9%

Revenue Management & Innovation Division

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$19,698	\$21,588
Personnel Costs		
Salary Adjustments and Pay for Performance	1,255	330
Burden (Benefits & Employer Taxes) for Current Staff	401	222
Capitalization	(699)	(123)
Total Increase / (Decrease) in Personnel Costs	958	429
Non-Personnel Costs		
Concession Manangement	260	83
Marketing, Media Advertising, Sponsorships	247	211
Concession Consultant	150	(25)
Art Performances, Conservation, Installation, and Handling	108	21
Property Management Software	100	10
CDP Hood/Vent Cleaning	75	80
ASQ Departure Survey	65	-
Core Concessions Events (In-terminal)	60	50
Marketing and Customer Data Reporting Service	44	-
Air Service Development Incentive	42	161
Website Redesign	-	150
Other, net	(218)	99
Total Increase / (Decrease) in Non-Personnel Costs	932	839
Total Increase / (Decrease)	1,889	1,268
FY 2023 Budget / FY 2024 Conceptual Budget	\$21,588	\$22,856

Revenue Management & Innovation Division

FY 2023 Expense Budget by Department

(in thousands)

Departments	FY 2023 Budget
Revenue Generation & Business Development	\$15,677
Marketing & Air Service Development	3,237
Customer Experience Design & Innovation	2,130
Small Business Development	544
Total ¹	\$21,588

¹Total may differ due to rounding

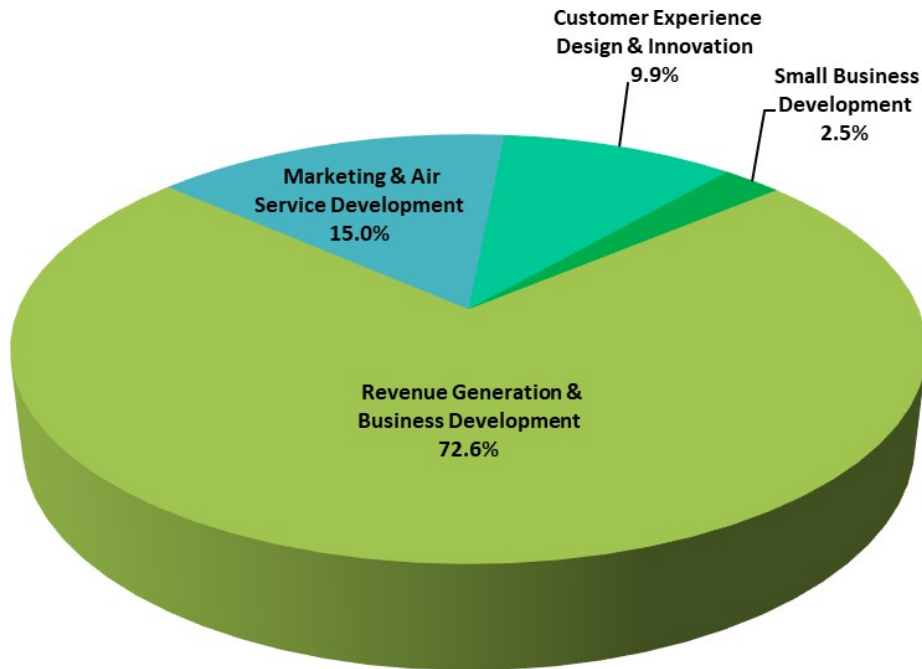


Figure 38 - FY 2023 Expense Budget by Department

Revenue Management & Innovation Division

FY 2024 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2024 Conceptual Budget
Revenue Generation & Business Development	\$16,006
Marketing & Air Service Development	3,936
Customer Experience Design & Innovation	2,345
Small Business Development	570
Total ¹	\$22,856

¹Total may differ due to rounding

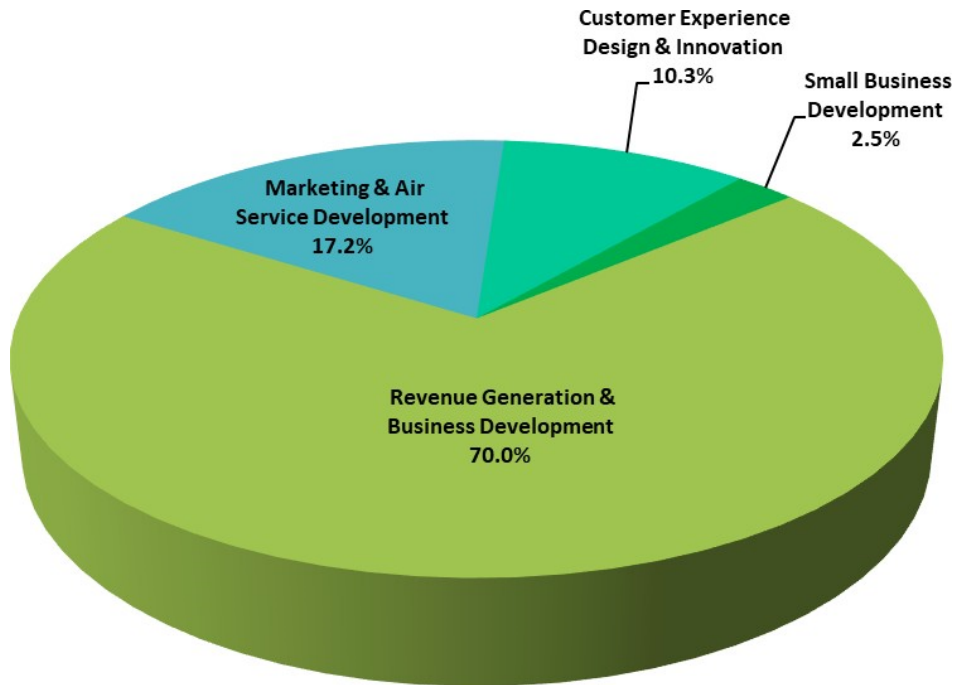


Figure 39 - FY 2024 Expense Conceptual Budget by Department

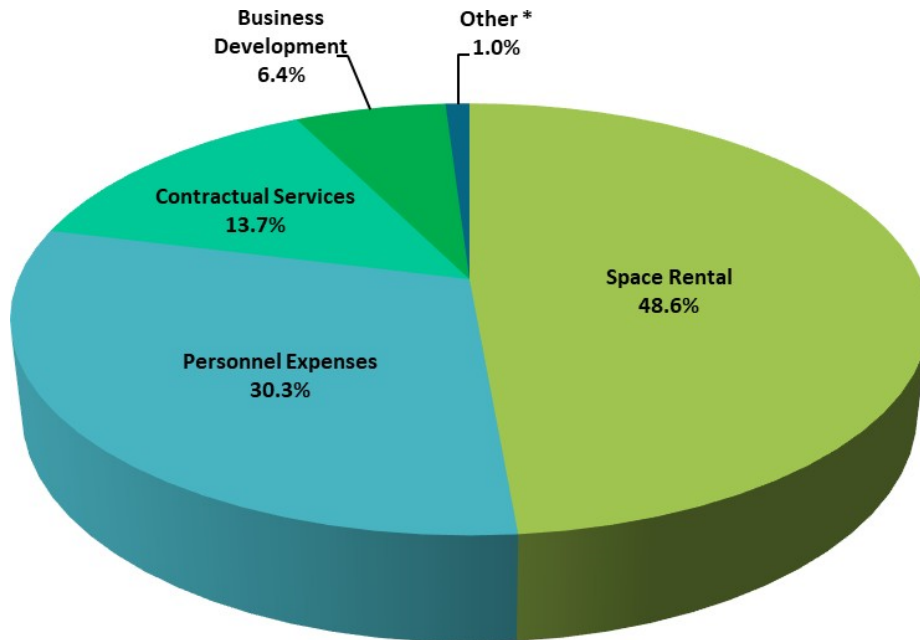
Revenue Management & Innovation Division

FY 2023 Expense Budget by Category

(in thousands)

Category	FY 2023 Budget
Space Rental	\$10,491
Personnel Expenses	6,541
Contractual Services	2,963
Business Development	1,376
Other *	217
Total ¹	\$21,588

¹Total may differ due to rounding



*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs employee development, etc.

Figure 40 - FY 2023 Expense Budget by Category

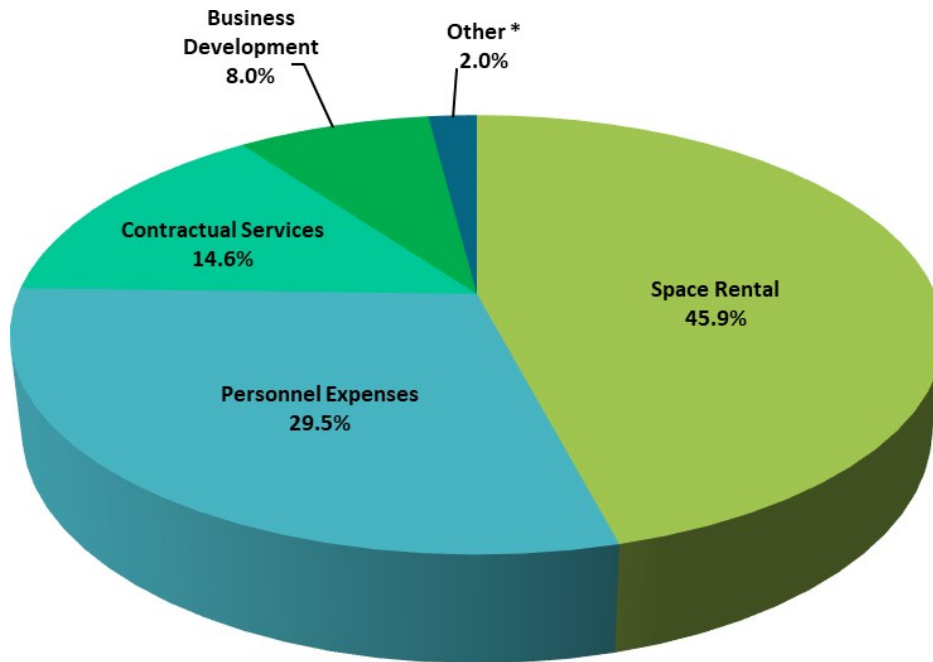
Revenue Management & Innovation Division

FY 2024 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2024 Conceptual Budget
Space Rental	\$10,491
Personnel Expenses	6,750
Contractual Services	3,326
Business Development	1,830
Other *	459
Total ¹	\$22,856

¹Total may differ due to rounding

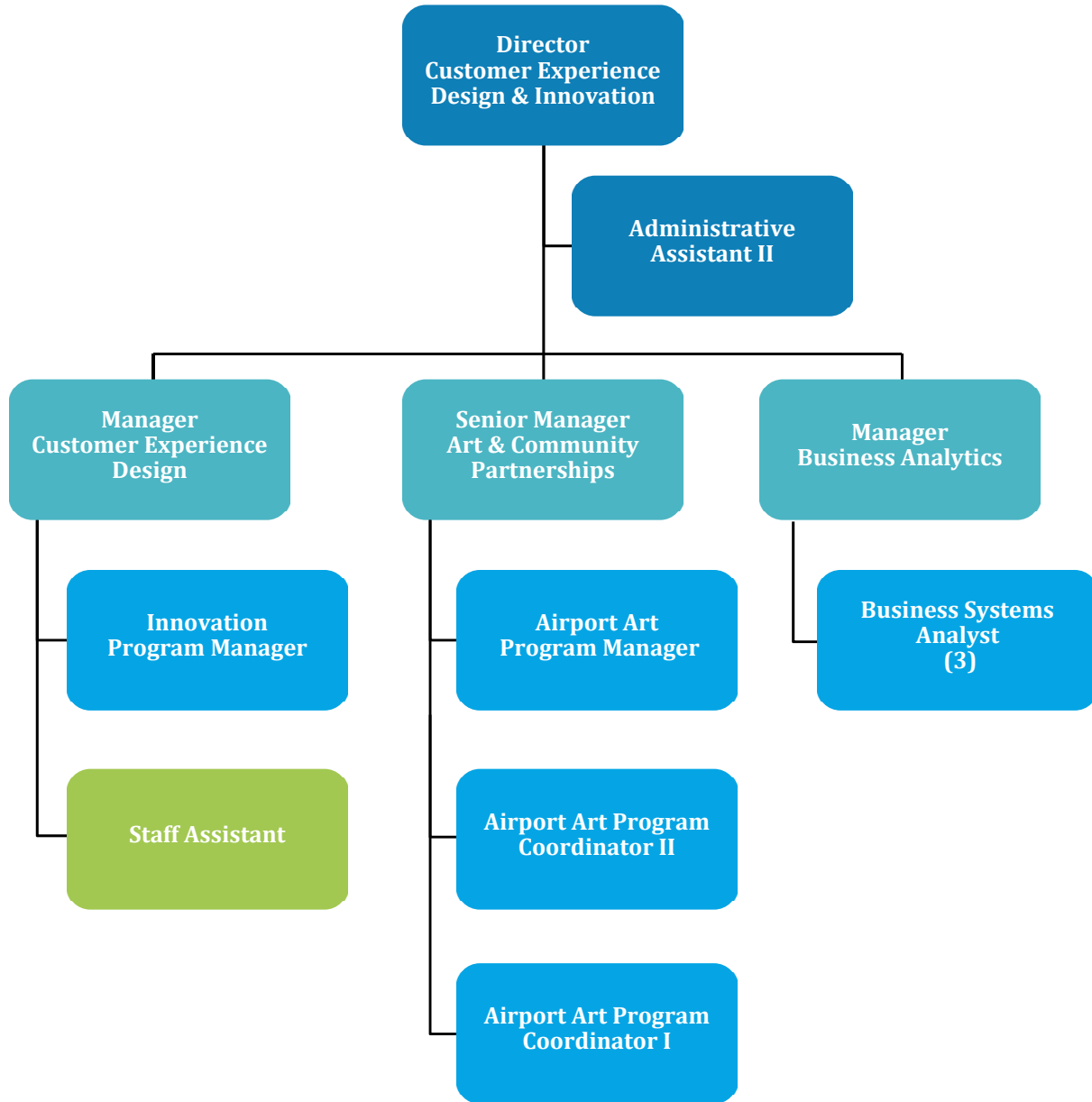


*Other includes operating equipment & systems, operating supplies, equipment rentals & repairs, employee development, etc.

Figure 41 - FY 2024 Expense Conceptual Budget by Category

Revenue Management & Innovation Division – Customer Experience Design & Innovation

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Revenue Management & Innovation Division – Customer Experience Design & Innovation

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021	FY2022	FY2023	Inc / (Dec)	%	FY2024	Inc / (Dec)	%
	Actuals	Budget	Budget	FY23 Budget	Change	Conceptual	FY24 Conceptual	Change
				vs FY22 Budget		Budget	vs FY23 Budget	
Operating Expenses								
Salaries	\$ 1,035	\$ 1,017	\$ 1,208	\$ 191	18.8%	\$ 1,376	\$ 168	13.9%
Benefits	515	493	551	59	11.9%	647	96	17.4%
Subtotal	1,550	1,510	1,760	250	16.5%	2,024	264	15.0%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	(91)	(91)	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,550	1,510	1,760	250	16.5%	1,932	173	9.8%
Contractual Services	78	87	265	178	204.9%	295	30	11.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	26	38	38	-	0.0%	41	3	7.9%
Operating Supplies	0	2	2	-	0.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	8	25	22	(3)	-12.0%	26	4	18.0%
Business Development	1	25	41	16	62.5%	46	5	12.6%
Equipment Rentals and Repairs	0	2	2	0	0.0%	2	(0)	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	114	179	370	191	106.6%	412	42	11.4%
Total Operating Expenses	1,663	1,689	2,130	441	26.1%	2,345	215	10.1%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,663	1,689	2,130	441	26.1%	2,345	215	10.1%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 1,663	\$ 1,689	\$ 2,130	\$ 441	26.1%	\$ 2,345	\$ 215	10.1%

Revenue Management & Innovation Division – Customer Experience Design & Innovation

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$1,689	\$2,130
Personnel Costs		
Salary Adjustments and Pay for Performance	191	168
Burden (Benefits & Employer Taxes) for Current Staff	59	96
Total Increase / (Decrease) in Personnel Costs	250	173
Non-Personnel Costs		
Art Performances, Conservation, Installation, and Handling	108	21
ASQ Departure Survey	65	-
Mapping Software	32	-
Other, net	(14)	21
Total Increase / (Decrease) in Non-Personnel Costs	191	42
Total Increase / (Decrease)	441	215
FY 2023 Budget / FY 2024 Conceptual Budget	\$2,130	\$2,345

Revenue Management & Innovation Division – Customer Experience Design & Innovation

FY 2022 Progress Report

1. Arts Program: Execute the Arts Master Plan and associated recommendations, including implementing ADP arts opportunities, providing increased enhancement of the customer experience through programming, and partnering with community-based artists and arts organizations.

Progress:

- Six high-caliber artists are in process of completing the conceptual design proposal phases of their contracts. The concepts will be reviewed by the Arts Advisory Committee on March 2.
- Under the Wing Mentorship program successfully underway.
- Performing Arts Concert Series resumed after pandemic related hiatus.
- Temporary Exhibitions - "Make Yourself at Home" exhibition successfully installed and on full display through June 2022.
- Film Programming - content active online and in-terminal, including Reach TV monitors. Ongoing partnerships with local film organizations and makers.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 3D. Further develop arts and cultural programming through strategic community partnerships that expand awareness

2. Build a culture of Customer Experience focus by leading other Authority Departments in design-thinking workshops to identify and implement programs that enhance and improve the customer experience in a COVID-19 environment. Launch a test-case program and one-year program for first- and third-horizon innovations, respectively, through the Airport Innovation Lab.

Progress:

- Collaborative, customer-experience focused workshops have been implemented through passenger journey mapping efforts. Recent launch of the Authority-wide Airport Ideas Repository to identify and prioritize customer experience enhancing opportunities. Successful launch of the test-case program for first horizon opportunities through the Airport Innovation Lab. Team is rethinking the one-year program, as feedback indicated this is too long of a program for an Innovation Lab.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

3. Refine the customer-centric Business Intelligence & Analytics Program that enables data driven, customer experience-centric decision-making capabilities. Work with business units to identify data

Revenue Management & Innovation Division – Customer Experience Design & Innovation

quality issues and liaise with stakeholders, subject matter experts and information technology group in finding robust and scalable data driven solutions.

Progress: The BI Platform design and build in Amazon Web Services (AWS) is close to completion. This phase includes:

- Single source of truth for parking transactions
- Enterprise Data Warehouse Repository for:
 - Concessionaire Sales Revenue
 - Airport Gate Management
 - Passenger Enplanement (PAX)
 - Customer Wi-Fi Registration Information

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Revenue Management & Innovation Division – Customer Experience Design & Innovation

FY 2023 – FY 2024 Goals

1. Use research and data-driven insights to identify and implement experiential opportunities at varying stages of the customer journey for both business customers and traveling passengers. Implement technology to map, predict, and support passenger movements through the terminals, analyze the findings in conjunction with other research to make informed recommendations, and work collaboratively with other departments to prioritize and launch solutions.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

2. Build excitement for the NT1 by re-establishing and implementing arts programming that enhances the Customer Experience, including advancing the new public art commissions, promoting the Lead Artist role, providing increased performing arts, and executing temporary exhibitions, per the Arts Master Plan and while promoting positive awareness of SAN by partnering with community-based artists and arts organizations.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 3D. Further develop arts and cultural programming through strategic community partnerships that expand awareness

3. Define and deliver a centralized Enterprise Data Management to improve data integrity, reduce data redundancy, reduce cost, valuable insights and centralized reporting.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

Revenue Management & Innovation Division – Marketing & Air Service Development

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Revenue Management & Innovation Division – Marketing & Air Service Development

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021	FY2022	FY2023	Inc / (Dec)	%	FY2024	Inc / (Dec)	%
	Actuals	Budget	Budget	FY23 Budget	Change	Conceptual	FY24 Conceptual	Change
				vs FY22 Budget		Budget	vs FY23 Budget	
Operating Expenses								
Salaries	\$ 873	\$ 1,021	\$ 1,206	\$ 185	18.1%	\$ 1,266	\$ 60	5.0%
Benefits	523	481	560	78	16.2%	605	45	8.0%
Subtotal	1,396	1,502	1,765	263	17.5%	1,871	105	6.0%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,396	1,502	1,765	263	17.5%	1,871	105	6.0%
Contractual Services	318	350	349	(1)	-0.3%	531	183	52.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	0	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	3	3	-	0.0%	3	0	3.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	6	21	21	-	0.0%	21	0	1.2%
Business Development	100	853	1,088	235	27.6%	1,499	411	37.8%
Equipment Rentals and Repairs	1	11	11	-	0.0%	11	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	426	1,238	1,472	234	18.9%	2,066	594	40.3%
Total Operating Expenses	1,823	2,740	3,237	497	18.2%	3,936	699	21.6%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,823	2,740	3,237	497	18.2%	3,936	699	21.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 1,823	\$ 2,740	\$ 3,237	\$ 497	18.2%	\$ 3,936	\$ 699	21.6%

Revenue Management & Innovation Division – Marketing & Air Service Development

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$2,740	\$3,237
Personnel Costs		
Salary Adjustments and Pay for Performance	185	60
Burden (Benefits & Employer Taxes) for Current Staff	78	45
Total Increase / (Decrease) in Personnel Costs	263	105
Non-Personnel Costs		
Core Concessions Events (In-terminal)	60	50
Marketing and Customer Data Reporting Service	44	-
Air Service Development Incentive	42	161
Marketing, Media Advertising, Sponsorships	27	151
Bus Development Travel	25	-
Digital Directories (CDP)	-	50
Website Redesign	-	150
Other, net	37	31
Total Increase / (Decrease) in Non-Personnel Costs	234	594
Total Increase / (Decrease)	497	699
FY 2023 Budget / FY 2024 Conceptual Budget	\$3,237	\$3,936

Revenue Management & Innovation Division – Marketing & Air Service Development

FY 2022 Progress Report

1. Restore international and domestic nonstop service lost due to COVID-19. **ELT update alignment - Restoring and increasing domestic and international air service destinations (including new incentive plan).**

Progress: Team created new Air Service Incentive Program (ASIP21). Board approved ASIP21. We have also seen new carrier SWOOP add service to Edmonton (Nov 2021) and the return of British Airways (Dec 2021) and Lufthansa (Mar 2022).

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers

2. Create customer-facing communication plan for ADP (New T1) including dedicated webpage. **ELT update alignment - ADP communication plan and budget.**

Progress: Team proposed media campaign plan and budget to ELT in November to make the community aware of New T1 project and related impacts to travel. Budget of \$250k was approved, with the caveat that the Team identify savings elsewhere in operating budget (done). Campaign hit the market 12/13 and will run through June 2022.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 3E. Raise awareness of significant projects through unpaid media opportunities

3. Develop brand toolkit rollout plan and brand reengagement strategy to promote cultural adoption of brand promise. **ELT update alignment - Create a customer journey experience that fulfills the airport's brand promise.**

Progress: Team delivered the brand toolkit and rolled it out to the organization. Strategic planning has begun to align marketing communications with the customer journey experience. Civilian (marketing agency of record) is updating the Strategic Marketing Plan now. Expect draft plan for review end of March.

Strategic Plan Focus Area:

- Transform the Customer Experience

Strategic Initiative:

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

Revenue Management & Innovation Division – Marketing & Air Service Development

FY 2023 – FY 2024

1. Stabilize international capacity to pre-pandemic levels.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers

2. Create customer-facing communication plan for The New T1.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 3E. Raise awareness of significant projects through unpaid media opportunities

3. Make progress toward service from a Latin American Hub.

Strategic Plan Focus Area:

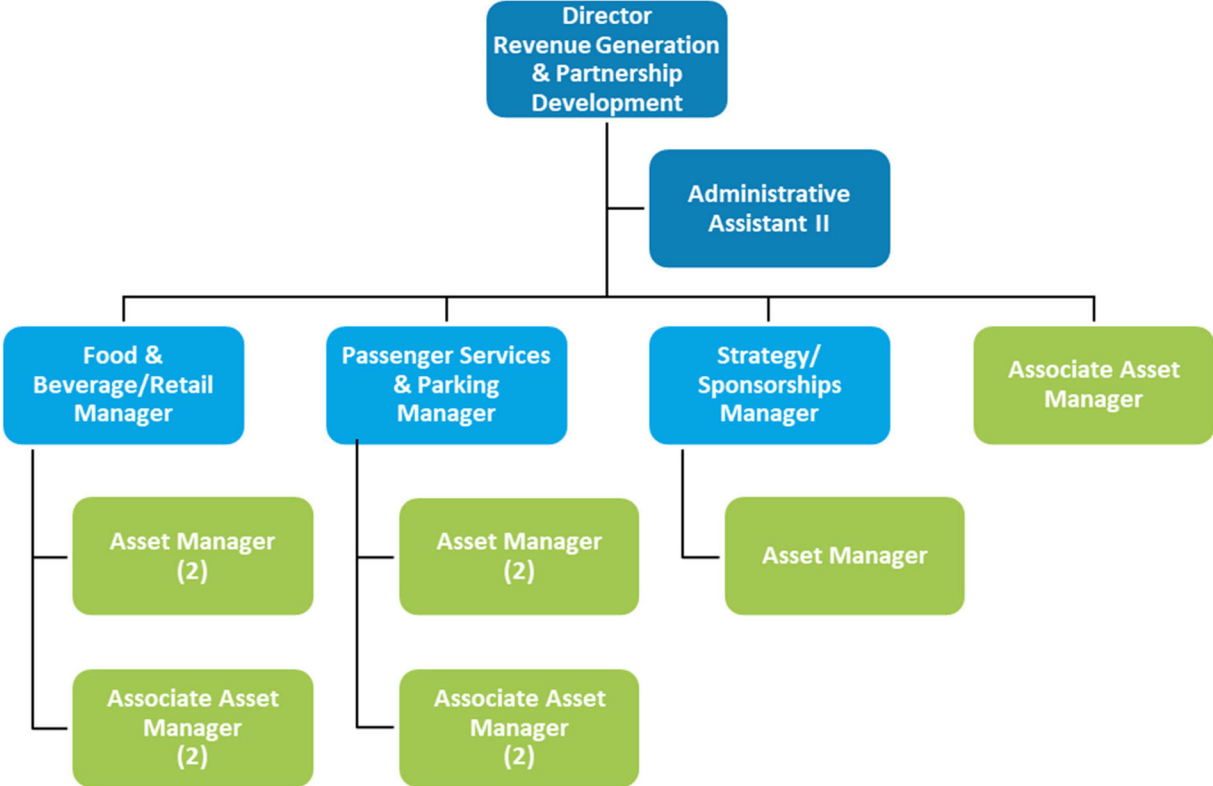
- Optimize Ongoing Business

Strategic Initiative:

- 1A. Attract domestic and international airlines and passengers

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

FY 2023 – FY 2024 Organizational Structure



No personnel changes in FY 2024.

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 Budget vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Operating Expenses								
Salaries	\$ 1,263	\$ 1,400	\$ 1,977	\$ 577	41.2%	\$ 2,065	\$ 88	4.4%
Benefits	640	710	867	157	22.1%	935	68	7.8%
Subtotal	1,903	2,110	2,844	734	34.8%	3,000	156	5.5%
Less: Capitalized Labor Recharge	-	-	(466)	(466)	0.0%	(489)	(23)	5.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	1,903	2,110	2,378	268	12.7%	2,511	132	5.6%
Contractual Services	1,281	1,877	2,338	461	24.6%	2,489	151	6.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,253	10,642	10,491	(151)	-1.4%	10,491	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	0	-	-	-	0.0%	-	-	0.0%
Operating Supplies	2	3	3	-	0.0%	3	0	8.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	5	17	22	6	35.4%	24	1	5.2%
Business Development	6	114	189	75	65.7%	223	34	17.9%
Equipment Rentals and Repairs	1	155	255	100	64.5%	265	10	3.8%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	11,548	12,808	13,299	491	3.8%	13,495	196	1.5%
Total Operating Expenses	13,451	14,918	15,677	759	5.1%	16,006	328	2.1%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	13,451	14,918	15,677	759	5.1%	16,006	328	2.1%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 13,451	\$ 14,918	\$ 15,677	\$ 759	5.1%	\$ 16,006	\$ 328	2.1%

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$14,918	\$15,677
Personnel Costs		
Salary Adjustments and Pay for Performance	577	88
Burden (Benefits & Employer Taxes) for Current Staff	157	68
Capitalization	(466)	(23)
Total Increase / (Decrease) in Personnel Costs	268	132
Non-Personnel Costs		
Concession Management	260	83
Concession Consultant	150	(25)
Property Management Software	100	10
CDP Hood/Vent Cleaning	75	80
CA Street Property Rent	(151)	-
Other, net	57	49
Total Increase / (Decrease) in Non-Personnel Costs	491	196
Total Increase / (Decrease)	759	328
FY 2023 Budget / FY 2024 Conceptual Budget	\$15,677	\$16,006

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

FY 2022 Progress Report

1. Develop parking revenue strategy to maximize revenue and minimize impact of ADP construction.

Progress: In November 2021 a Request for Proposal was issued for Parking Revenue Strategy with a due date of January 2022. Six proposals were received for parking revenue strategy. A selection committee recommended one company to award a contract for parking revenue strategy. The protest period expires at the end of February 2022. After the protest period ends, a contract will be negotiated with the selected bidder. The selected bidder will begin working on the parking revenue strategy plan no later than April 2022 and the draft of the strategy plan should be complete in six months.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

2. Development and operation of a full-service airport lounge in Terminal 2 West.

Progress: March 2021, a Request for Proposal was issued for the Terminal 2 West airport lounge. Four proposals were received, and one proposal was selected by the selection committee. In February 2022, the Board approved staff's recommendation to award to Airport Dimensions as the developer and operator of the Terminal 2 West airport lounge. The lounge is scheduled to open in December 2023.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Finalize a Cellular Strategy that includes a Lead MNO (Mobile Network Operator) to provide best in class cellular network performance as well as an efficient and cost-effective management model.

Progress: A scope of work and strategy was finalized in April 2021 and a Request for Proposal was issued in May 2021. Verizon was chosen by the selection committee as the best proposal for the Airport and the recommendation of awarding a contract to Verizon as the Lead MNO was approved by the Board in November 2021. The contract with Verizon which includes improvements to the in-terminal Distributed Antenna System (DAS-4G) and installation of a 5G network across the entire airport campus including the RCC and New Terminal 1.

Strategic Plan Focus Area:

- Advance the ADP

Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

Revenue Management & Innovation Division – Revenue Generation & Partnership Development

FY 2023 – FY 2024 Goals

1. Implementation of the Parking Revenue Strategy to maximize revenue and minimize impact of New T1 construction

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

2. Development and award of a Concession Request for Proposal for New T1 to include Food & Beverage, Retail, Passenger Services, and Common Lounge.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Development and issuing of a Request for Proposal for Terminal 2 Food & Beverage and Retail concessions.

Strategic Plan Focus Area:

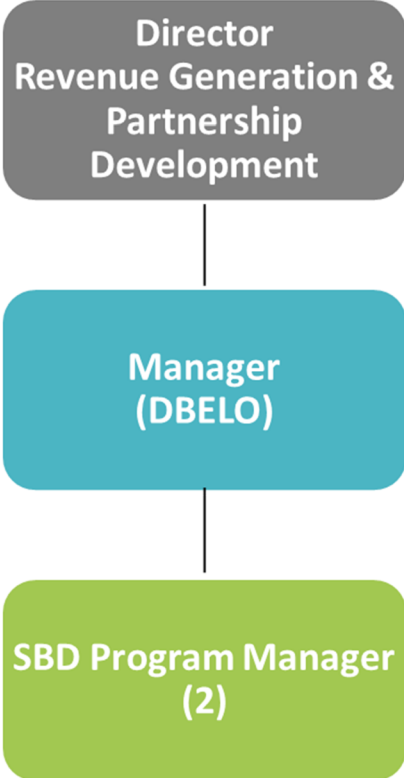
- Optimize Ongoing Business

Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

Revenue Management & Innovation Division – Small Business Development

FY 2023 – FY 2024 Organizational Structure



Director position resides in Revenue Generation & Partnership Development Department and is shown for structural purposes.

No personnel changes in FY 2024.

Revenue Management & Innovation Division – Small Business Development

FY 2023 Budget – FY 2024 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2021	FY2022	FY2023	Inc / (Dec)	%	FY2024	Inc / (Dec)	%
	Actuals	Budget	Budget	FY23 Budget	Change	Conceptual	FY24 Conceptual	Change
				vs FY22 Budget		Budget	vs FY23 Budget	
Operating Expenses								
Salaries	\$ 172.08	\$ 163.37	\$ 465.30	\$ 301.93	184.8%	\$ 480	\$ 15	3.1%
Benefits	83	78	185	108	138.9%	198	13	7.1%
Subtotal	255	241	650	410	170.0%	678	28	4.2%
Less: Capitalized Labor Recharge	-	-	(233)	(233)	0.0%	(242)	(9)	3.8%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total Personnel Costs	255	241	417	176	73.2%	436	19	4.5%
Contractual Services	30	35	10	(25)	-71.4%	10	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	1	1	-	0.0%	1	0	3.2%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	0	4	17	13	347.1%	18	1	3.5%
Business Development	17	43	58	15	35.8%	63	5	8.1%
Equipment Rentals and Repairs	27	28	40	12	42.6%	42	2	5.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	74	111	126	16	14.1%	134	7	5.9%
Total Operating Expenses	329	352	544	192	54.6%	570	26	4.8%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Expenses	329	352	544	192	54.6%	570	26	4.8%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	\$ 329	\$ 352	\$ 544	\$ 192	54.6%	\$ 570	\$ 26	4.8%

Revenue Management & Innovation Division – Small Business Development

Major Drivers of FY 2023 Budget & FY 2024 Conceptual Budget

<i>(in thousands)</i>	Inc/(Dec) FY23 vs FY22	Inc/(Dec) FY24 Conceptual vs FY23
FY 2022 Budget / FY 2023 Budget	\$352	\$544
Personnel Costs		
Salary Adjustments and Pay for Performance	302	15
Burden (Benefits & Employer Taxes) for Current Staff	108	13
Capitalization	(233)	(9)
Total Increase / (Decrease) in Personnel Costs	176	19
Non-Personnel Costs		
B2G Additional Module	10	-
Memberships	11	1
Other, net	5	6
Total Increase / (Decrease) in Non-Personnel Costs	16	7
Total Increase / (Decrease)	192	26
FY 2023 Budget / FY 2024 Conceptual Budget	\$544	\$570

Revenue Management & Innovation Division – Small Business Development

FY 2022 Progress Report

1. Collaborate with ADP contractors and other major projects to facilitate their Small Business, Local Business, Veteran Owned Small Business goals.

Progress:

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

2. Continue to enhance and improve customer service to the business community through education, outreach and transparency.

Progress:

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

3. Work with internal and external stakeholders on the development of the ADP Concession Program and inclusion of ACDBE opportunities.

Progress:

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

Revenue Management & Innovation Division – Small Business Development

FY 2023 – FY 2024 Goals

1. Collaborate with New T1 contractors and other major projects to facilitate their Small Business, Local Business, Veteran Owned Small Business, and DBE goals.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

2. Continue to enhance and improve customer service, diversity equity and inclusion through education, outreach, and transparency to the business community.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

3. Work with stakeholders on the New T1 Concession Program and increase pool of qualifiable concessionaires and ACDBEs through opportunity awareness and education.

Strategic Plan Focus Area:

- Optimize Ongoing Business

Strategic Initiative:

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

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Debt Service



Debt Service

Overview

Capital projects are funded by a combination of sources that include short-term and long-term debt instruments. Debt service amounts appearing in the budget are based on payments of principal, interest, and fees for the revenue bonds and variable debt. Debt service expenses (which also include amortization of bond premiums and cost of issuance fees) are projected at \$167.7M for the FY 2023 Budget and \$171.5M for the FY 2024 Conceptual Budget (see ***Debt Service by Source***).

Allowed Purposes and Types of Debt

The Airport Authority does not have taxing power and therefore issues revenue bonds to finance the construction of airport projects. The bonds are called revenue bonds because their repayment is secured solely by revenues produced by the Airport system. The Airport Authority may also issue special facility obligations to finance capital projects. Such obligations must be secured by a defined revenue stream derived from or relating to discrete facilities.

Debt Limit Policy

The Airport Authority's policy is to manage its current and future debt service requirements in compliance with all bond covenants, while prudently meeting the Airport Authority's capital needs. The Airport Authority does not have a legal debt limit but is constrained by its bond indenture requirement for debt service coverage, which requires that net revenues (generally defined as operating revenues less operating expenses) pledged to pay debt service exceed 125% (1.25x) of annual senior lien bond debt service and that subordinate net revenues shall exceed 110% (1.10x) of subordinate lien debt service. This acts as a cap on the annual debt service, not a cap on the amount of outstanding debt, and is a common provision in airport bond resolutions. A debt service coverage table is shown on page 240.

In addition, the Board has adopted a debt policy that calls for minimum debt service coverage of 140% (1.40x) for aggregate debt service coverage (senior and subordinate) calculated where PFCs used to pay debt service and federal relief applied to debt service, if any, are added to Net Revenues (rather than deducted from Debt Service).

Outstanding Debt

Series 2013 Bonds – Senior Airport Revenue Bonds

On January 30, 2013, the Airport Authority issued \$379.6M in Senior Airport Revenue Bonds. The bond proceeds were used to finance a portion of the construction of the Green Build and certain projects in the CIP. The bonds were issued in the following series and amounts: Series A (non-Alternative Minimum Tax (AMT)) \$107.3M; and Series B (AMT) \$272.3M.

On December 8, 2021 the Series 2013 Bonds were refunded and defeased upon the issuance of the Subordinate Series 2021 Bonds and the Airport Authority does not currently have any Senior Bonds outstanding.

Series 2017, 2019, 2020 & 2021 Bonds – Subordinate Airport Revenue Bonds

On July 18, 2017, the Airport Authority issued \$291.2M of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds). The Subordinate Series 2017 Bonds were issued to finance certain capital improvements at SDIA including the Parking Plaza and the FIS facility, fund a portion of the interest accruing on the subordinate Series 2017 Bonds, refund \$32.6M of the Airport Authority's outstanding variable rate debt, fund the subordinate reserve fund and pay the costs of issuance of the subordinate Series 2017 Bonds. The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2023 to 2048. The bonds were issued at a premium of \$48.4M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2017 Bonds is payable semiannually on January 1 and July 1 of each year

On December 11, 2019, the Airport Authority issued \$463.7M of Series A and B Subordinate Airport Revenue Bonds (Series 2019 Bonds). The Subordinate Series 2019 Bonds were issued to finance certain capital improvements at SDIA including Airport Support Facilities, Storm Water Infiltration Beds, Baggage handling and Bag make-up upgrades, fund a portion of the interest accruing on the subordinate Series 2019 Bonds, refund \$34.3M of the Airport Authority's outstanding variable rate debt, fund the subordinate reserve fund, pay the costs of issuance of the subordinate Series 2019 Bonds and to refund the 2010 Series C bonds. The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2023 to 2050. The bonds were issued at a premium of \$96.9M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2019 Bonds is payable semiannually on January 1 and July 1, of each year

On April 8, 2020, the Airport Authority issued \$241.6M of Series A, B and C Subordinate Airport Revenue Bonds (Series 2020 Bonds). The Subordinate Series 2020 Bonds were issued as forward delivery Bonds (the Bonds were priced concurrently with the 2019 Bonds in November 2019). The Series 2020 Bonds were issued to refund the Series 2010 A and B Bonds. The Series 2020 Bonds are structured as serial bonds that bear interest at a rate of 5.0% and mature in fiscal years 2023 to 2041. The bonds were issued at a premium of \$49.4M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2020 Bonds is payable semiannually on January 1 and July 1 of each year.

On December 8, 2021, the Airport Authority issued \$1,941.7M of Series A, B and C Subordinate Airport Revenue Bonds (Series 2021 Bonds). The Subordinate Series 2021 Bonds were issued to finance The New T1 development at SDIA, fund a portion of the interest accruing on the subordinate Series 2021 Bonds, fund the subordinate reserve fund, pay the costs of issuance of the subordinate Series 2021 Bonds and to refund the 2013 Series A and B bonds. The Series 2021 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2027 to 2057 and were issued at a premium of \$332.4M, which is being amortized over the life of the bonds. The Series 2021 C Bonds are federally Taxable Bonds and are structured as serial and term bonds that bear interest at rates ranging from .45% to 3.1% and mature in fiscal years 2023 to 2037. Interest on the Subordinate Series 2021 Bonds is payable semiannually on January 1 and July 1, of each year

The Series 2017 Bonds, 2019 Bonds, 2020 and 2021 Bonds are payable solely from and secured by a pledge of "Subordinate Net Revenues." Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority's Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

Debt Service

Series 2014 Bonds – Senior Special Facilities Revenue Bonds

On February 19, 2014, the Airport Authority issued \$305.3M in Senior Special Facilities Revenue Bonds. The Bond Proceeds were used to finance the construction of the RCC and certain associated projects in the CIP. The bonds were issued in the following series and amounts: Series A (non-AMT) \$29.4M; and Series B (Federally Taxable) \$275.9M.

The Series 2014 Bonds were structured as serial and term bonds that bear interest rates ranging from 2.5% to 5.6% maturing in Fiscal Years 2023-2045.

The Series 2014 Bonds are payable solely from and secured by a pledge of the “Trust Estate” which includes CFCs and bond funding supplemental consideration, payable by the rental car companies in the event that CFCs are insufficient to meet the Bond funding obligations.

Debt Rating

The following table outlines the credit ratings for the Airport Authority’s outstanding bond issues.

Rating Agency	Standard & Poor’s	Moody’s	Fitch
Senior Lien (no outstanding Debt)	n/a	A1	AA-
Series 2017, 2019,2020 and 2021 (Subordinate)	A	A2	A+
Series 2014 (Special Facility)	BBB+	A3	N/A

Variable Rate Debt

On July 19, 2021 The Airport Authority and Bank of America agreed to a Revolving Credit Agreement. The Airport Authority is authorized to issue up to \$200.0M in Subordinate Revolving Obligations. The revolving credit agreement is for a term of three (3) years. At the end of FY2022, the Airport Authority had \$80.1M in aggregate principal of Subordinate Revolving Obligations outstanding. These obligations were used to finance the New T1. Obligations incurred under the Revolving Credit Agreement are payable solely from and secured by a pledge of “Subordinate Net Revenues.” Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority’s Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

Debt Service

Debt Service Coverage

The following table shows debt service coverage on the aggregate senior and subordinate lien debt.

(in thousands)

	FY 2021 Actuals	FY 2022 Budget	FY 2023 Budget	FY 2024 Conceptual Budget
Airport Revenues	\$ 227,747	\$ 245,931	\$ 359,254	\$ 399,557
Operations & Maintenance Expenses	(88,040)	(97,540)	(181,643)	(193,095)
Net Revenue available for Senior & Subordinate Lien Debt Service	139,708	148,391	177,612	206,462
Senior Bond Debt Service	26,000	26,215	-	8
PFCs used to pay Debt Service	(11,172)	(11,171)	-	-
Federal Relief	(3,407)	(6,400)	-	-
Senior Bond Debt Service, Net of PFCs	\$ 11,421	\$ 8,643	-	7,893
Senior Bonds Debt Service Coverage (x)	12.23	17.17	N/A	26,157
Subordinate Net Revenues	\$ 128,287	\$ 139,748	\$ 177,612	\$ 206,455
Subordinate Lien Bond Debt Service	64,036	67,422	99,437	103,202
Variable Rate Debt Service	-	-	-	-
PFCs used to pay Debt Service	(8,833)	(18,834)	-	-
BAB Subsidy	-	-	-	-
Federal Relief	(22,593)	(12,000)	-	-
Subordinate Debt Service, Net of PFCs and BAB Subsidy	\$ 32,610	\$ 36,589	\$ 99,437	\$ 103,202
Subordinate Debt Service Coverage (x)	3.93	3.82	1.79	2.00
Aggregate (Senior and Subordinate Lien) Debt Service	\$ 90,036	\$ 93,637	\$ 99,437	\$ 103,210
PFCs used to pay Debt Service	(20,005)	(30,005)	-	-
BAB Subsidy	-	-	-	-
Federal Relief	(26,000)	(18,400)	-	-
Total Debt Service, Net of PFCs and BAB Subsidy	\$ 44,030	\$ 45,232	\$ 99,437	\$ 103,210
Total Debt Service Coverage (x)	3.17	3.28	1.79	2.00
Net Revenue (Including PFC, BAB Subsidy and CARES Act Grant)	\$ 90,035,833	\$ 93,637,247	\$ 99,437,373	\$ 103,209,710
Net Revenue (Including PFC, BAB Subsidy and Federal Relief)	\$ 185,713	\$ 196,796	\$ 177,612	\$ 206,462
Revenue Method - Debt Service Coverage on Aggregate Debt	2.06	2.10	1.79	2.00

Debt Service

The following table shows debt service coverage on the CFC bond debt.

(in thousands)

	FY 2021 Actuals	FY 2022 Budget	FY 2023 Budget	FY 2024 Conceptual Budget
CFC Collections	\$ 15,755	\$ 23,962	\$ 31,284	\$ 34,293
Transfer From Stabilization Account	9,540	2,100	0	0
Interest Earnings	856	134	131	1,363
Total Amounts Available	\$ 26,152	\$ 26,196	\$ 31,415	\$ 35,657
Rolling Coverage Fund Balance	\$ 6,575	\$ 6,576	\$ 6,575	\$ 6,576
Total Amounts Available, plus Rolling Coverage Fund Balance	\$ 32,727	\$ 32,773	\$ 37,990	\$ 42,233
Aggregate Annual Debt Service	\$ 21,918	\$ 21,921	\$ 21,917	\$ 21,919
Coverage excluding Rolling Coverage Fund	1.19	1.20	1.43	1.63
Coverage including Rolling Coverage Fund	1.49	1.50	1.73	1.93

Debt Service

Outstanding Debt Service

(in thousands)

Aggregate Senior and Subordinate Debt Service						Special Facility Debt
Year Ended July 1	2017 Subordinate Bonds Principal and Interest	2019 Subordinate Bonds Principal and Interest	2020 Subordinate Bonds Principal and Interest	2021 Subordinate Bonds Principal and Interest	Total	2014 CFC Bonds
2022	18,916	26,561	25,864	56,027	127,368	21,918
2023	18,915	27,994	25,867	98,471	171,247	21,921
2024	18,916	27,994	20,337	98,469	165,715	21,917
2025	18,912	26,889	20,328	98,464	164,594	21,919
2026	18,915	26,889	20,331	91,805	157,939	21,920
2027	18,916	26,894	20,335	91,809	157,954	21,919
2028	18,917	26,889	20,338	91,813	157,956	21,919
2029	18,915	26,889	20,332	91,809	157,946	21,920
2030	18,916	26,888	18,008	92,307	156,119	21,920
2031	18,918	36,720	16,744	103,764	176,146	21,918
2032	18,915	37,957	16,816	104,830	178,518	21,922
2033	18,917	37,939	15,260	104,871	176,986	21,920
2034	18,912	39,473	10,809	106,175	175,369	21,920
2035	18,915	43,905	10,805	109,823	183,448	21,917
2036	18,918	43,877	10,812	109,907	183,514	21,918
2037	18,916	43,845	10,807	109,989	183,557	21,921
2038	18,913	43,808	10,811	110,084	183,616	21,918
2039	18,913	43,769	10,565	110,165	183,412	21,919
2040	18,918	43,734	-	110,269	172,921	21,919
2041	18,918	18,423	-	145,830	183,171	21,918
2042	18,921	18,418	-	145,831	183,170	21,921
2043	18,915	18,418	-	145,829	183,162	21,922
2044	18,174	18,416	-	115,501	152,091	21,922
2045	18,916	18,417	-	115,508	152,841	21,919
2046	18,914	18,421	-	115,510	152,844	-
2047	18,916	18,418	-	115,502	152,835	-
2048	-	18,417	-	116,099	134,517	-
2049	-	18,417	-	116,101	134,518	-
2050	-	22,223	-	120,746	142,969	-
2051	-	-	-	120,746	120,748	-
2052	-	-	-	148,111	148,111	-
2053	-	-	-	148,101	148,101	-
2054	-	-	-	148,105	148,105	-
2055	-	-	-	148,105	148,105	-
2056	-	-	-	148,107	148,107	-
2057	-	-	-	-	0	-
Total	\$ 491,064	\$ 846,901	\$ 305,167	\$ 4,004,581	\$ 5,647,714	\$ 526,068

Debt Service

Debt Service by Source

(in thousands)

	FY2021 Actuals	FY2022 Budget	FY2023 Budget	Inc / (Dec) FY23 vs FY22 Budget	% Change	FY2024 Conceptual Budget	Inc / (Dec) FY24 Conceptual vs FY23 Budget	% Change
Variable Rate Debt Interest	\$ -	\$ 875	\$ 801	\$ (74)	0.0%	\$ 801	\$ -	0.0%
Principal on Revenue Bonds	30,630	33,005	43,385	10,380	31.4%	44,840	1,455	3.4%
Interest on Revenue Bonds	65,867	64,556	127,859	63,302	98.1%	126,405	(1,454)	-1.1%
Principal on Special Facility Bonds	5,890	6,320	6,670	350	5.5%	7,045	375	5.6%
Interest on Special Facility Bonds	15,828	15,601	15,247	(354)	-2.3%	14,874	(373)	-2.4%
Principal & Interest Expense – Capitalized Leases	905	877	877	0	0.0%	877	(0)	0.0%
Cost of Issuance and other Fees	(127)	2,871	(489)	(3,360)	-113.0%	2,761	3,250	-665.1%
Amortization of Bond Premiums	(14,051)	(13,633)	(26,690)	(13,057)	95.8%	(26,072)	618	-2.3%
Total Debt Service	\$ 104,943	\$ 110,473	\$ 167,661	\$ 57,188	51.8%	\$ 171,532	\$ 3,871	2.3%

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Capital Program



Capital Program

Overview

The Capital Program at SAN consists of the Capital Improvement Program (CIP), which uses traditional (Design-Bid-Build) project delivery, as well as the New Terminal 1 (New T1) program, which is being implemented under an alternative project delivery method (Design-Build). The Capital Program is a rolling five-year program that provides critical improvements and asset preservation. The Capital Program includes capital improvement projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades, and development. Funding sources for the projects include Federal Aviation Administration's Airport Improvement Program (AIP), Transportation Security Administration reimbursable agreements, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport operating revenues, Airport revenue bonds, Special Facility Bonds and short-term borrowing using revolving line of credit.

Capital Program Process

The Capital Program is designed to incorporate a dynamic process. The annual development of the capital program begins with departments submitting project requests for their functional area. These project requests are reviewed and approved by the respective department's Vice President prior to submission to a capital program development team led by the Airport Design and Construction department and comprised of staff representatives from various Airport Authority departments.

After the request is submitted to the development team, interviews are conducted between Airport Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Considering the Airport Authority's Sustainability Policy, a complete review is performed with a focus on developing a business case that includes total costs of ownership, project feasibility and economic viability. In addition, the operational benefit and the Airport Authority's ability to provide natural resource conservation while being socially responsible are evaluated.

Following the interviews, the development team forwards evaluations of the proposed projects to the Airport Authority's Executive Leadership Team (ELT) consisting of the Vice Presidents and President/CEO who oversee the CIP. The ELT then selects projects to advance further for development of scope, schedule, budget, and identification of risks and proposed funding sources. The ELT then recommends projects to be included in the Capital Improvement Program or they may revise the list of projects to be presented to the Airport Authority Board based on funding availability and project necessity. Following Airport Authority Board approval of the CIP, project teams begin project implementation as planned and approved. The ELT meets weekly, reviews all new project requests, changes to project scopes, budgets, and schedules, and ensures the efficient use of the Airport Authority's capital resources to accommodate the ever-changing Airport environment and regulatory requirements.

Capital Program

Prioritization Criteria for Capital Projects

1	Required for Part 139 or other regulatory compliance
2	Maintain core building systems - IT, Fire/Life/Safety, Mechanical, Electrical, Plumbing
3	Maintain airport access roadways and parking infrastructure
4	Enhancement to customer service, revenue generation, cost savings
5	Enhancements to systems or facilities not required by regulation

Program Summary

(in thousands)

	New T1	CIP	Total
FY 2022 – 2026 Beginning Capital Program Budget	\$3,464,300	\$560,654	\$4,024,954
FY 2022 - 2026 Project Closeouts /Adjustments	-	<u>(257,861)</u>	<u>(257,861)</u>
FY 2022 - 2026 Ending Capital Program Balance	\$3,464,300	\$302,792	\$3,767,092
FY 2023 - 2027 New Capital Projects/Allowances/Adjustments	-	<u>104,769</u>	<u>104,769</u>
FY 2023 - 2027 Capital Program Budget	<u>\$3,464,300</u>	<u>\$407,561</u>	<u>\$3,871,861</u>

Capital Program

Sources of Funds by Fiscal Year

(in thousands)

	Pre-FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Capital Improvement Program							
Airport Revenue Bonds	\$48,372	\$41,165	\$17,752	\$7,894	\$2,410	-	\$117,594
Airport Cash	866	19,050	26,583	37,140	22,848	21,045	127,802
Federal Grants	3,712	2,036	29,574	6,363	5,775	6,375	53,835
Major Maintenance Fund	5,441	12,197	34,569	36,060	10,305	5,675	104,217
Other	867	634	971	924	611	-	4,007
Passenger Facility Charges	107	-	-	-	-	-	107
Subtotal Capital Improvement Program	59,335	75,082	109,719	88,381	41,949	33,095	407,562
New T1 Program							
Airport Revenue Bonds	417,894	555,301	622,605	619,745	396,110	405,774	3,017,429
Airport Cash	27,120	64,033	97,425	31,422	-	-	220,000
Federal Grants	17,370	30,556	39,099	25,164	38,158	76,524	226,871
Subtotal New T1 Program	462,384	649,890	759,128	676,330	434,268	482,298	3,464,300
Total Sources of Funds	\$521,719	\$724,973	\$868,848	\$764,711	\$476,218	\$515,393	\$3,871,861

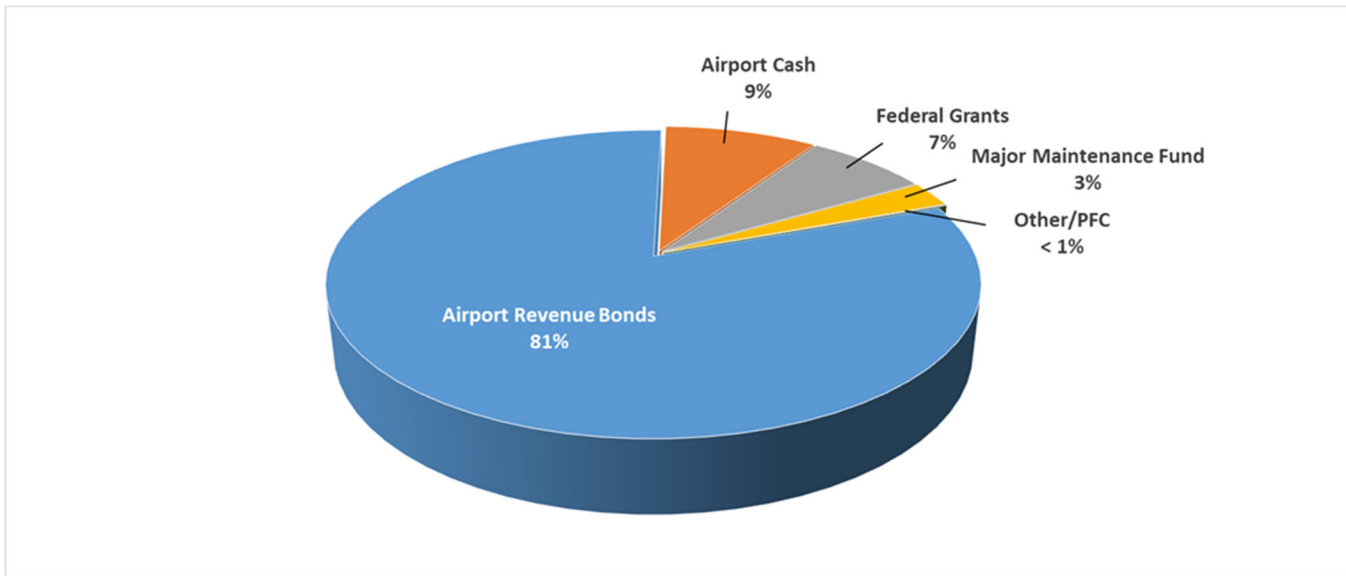


Figure 40 – Total Sources of Funds

Capital Program

Uses of Funds by Fiscal Year

(in thousands)

	Pre-FY2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
The New T1							
Terminal	\$ 308,978	\$ 454,413	\$ 597,029	\$ 562,989	\$ 367,603	\$ 363,950	\$ 2,654,961
Landside and Ancillary	\$ 64,530	\$ 84,137	\$ 91,936	\$ 90,568	\$ 21,788	\$ 48,380	\$ 401,338
Airside	\$ 60,836	\$ 61,755	\$ 45,790	\$ 22,774	\$ 44,877	\$ 69,969	\$ 306,000
Administrative	\$ 28,040	\$ 49,586	\$ 24,374	-	-	-	\$ 102,000
TOTAL	\$ 462,384	\$ 649,890	\$ 759,128	\$ 676,330	\$ 434,268	\$ 482,298	\$ 3,464,300
Capital Improvement Program							
Terminal	\$ 28,248	\$ 24,060	\$ 33,619	\$ 32,136	\$ 5,630	\$ 2,500	\$ 126,194
Landside and Ancillary	\$ 21,810	\$ 24,934	\$ 32,213	\$ 35,612	\$ 23,220	\$ 19,100	\$ 156,889
Airside	\$ 7,851	\$ 11,330	\$ 35,509	\$ 11,726	\$ 5,775	\$ 3,951	\$ 76,141
Administrative	\$ 1,427	\$ 14,758	\$ 8,378	\$ 8,906	\$ 7,324	\$ 7,544	\$ 48,337
TOTAL	\$ 59,335	\$ 75,082	\$ 109,719	\$ 88,381	\$ 41,949	\$ 33,095	\$ 407,561
TOTAL USE OF FUNDS	\$ 521,719	\$ 724,973	\$ 868,848	\$ 764,711	\$ 476,218	\$ 515,393	\$ 3,871,861

Funding

Airport Improvement Program (AIP)

AIP grants are offered to the Airport Authority to provide funding assistance for eligible capital projects that meet the criteria of the federal program.

Title 49 United States Code (U.S.C.) authorizes the AIP. The objective of this federal program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system and to meet the projected needs of the public. The program not only provides funding for development projects, but also Airport Planning and Noise Compatibility Programs. The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund in support of the AIP. The U.S. Congress authorizes expenditures from this dedicated fund on an annual basis each year. The AIP includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passenger boarding and cargo tonnage at each airport. Discretionary funds are set aside to provide the FAA the flexibility to fund various high priority programs. The AIP typically provides funding up to 75% of eligible project costs. AIP grants must typically be expended within four years. As the Airport Authority expends funds for eligible capital projects, it is then reimbursed with grant proceeds.

Additional funding is being distributed through the AIP grant program, enabled by the Bipartisan Infrastructure Law. Approximately \$24 million per year over a five-year period will be allocated to SAN in entitlement funds. These grant funds will primarily be focused on airside projects. Competitive discretionary grants will also be available over the same five-year period through Airport Terminal Program grants.

Projected expenditures to be reimbursed by AIP grants are \$32.6M in FY 2023 and \$68.7M in FY 2024.

Capital Program

Passenger Facility Charge (PFC)

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies that manage commercial airports, to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected are to preserve or enhance safety, security, capacity, to reduce noise, or to enhance competition. The primary difference between AIP and PFCs is that the PFCs are a fee charged directly to the passenger, is administratively retained by the airport, and is considered local funds versus airport funds.

SAN began collecting a PFC of \$3.00 per enplaned passenger on October 1, 1995. Approved amendments to and applications for the Airport's PFC program occurred on December 16, 1997, and on June 5, 2001. The FAA approved the third passenger facility application on May 20, 2003, that established Airport Authority to collect \$4.50 per eligible enplaned passenger effective August 1, 2003. Subsequent applications have maintained collections at the \$4.50 level. The FAA approved an eighth application in November 2010 for a total collection Airport Authority of approximately \$1.1B in support of the Terminal Development Program. A ninth application for \$31.3M was approved in July 2012, and subsequently amended to \$27.8M. The majority of this application provided funding for the QHP as well as the completed Rehabilitate Taxiway "C" project. The FAA approved a tenth PFC application in October 2016. This application provides \$43.8M to fund various airfield projects, passenger-boarding bridges, as well the local match for future QHP phases. An eleventh PFC application was approved in FY 2020 to provide \$40.0M funding for the Terminal 2 West FIS project. A subsequent amendment to this application was approved by the FAA in FY 2021 to apply an additional \$11.1M in PFC funding to the project, for a total of \$51.1M.

Customer Facility Charge (CFC)

California state law authorizes an airport to collect fees for financing, designing, and constructing consolidated car rental facilities, constructing, and operating a common-use transportation system and terminal modifications to accommodate and provide customer access. The Board approved implementation of CFCs at SAN in FY 2009. Board authorization for the use of CFCs for initial planning efforts was given in FY 2010. As allowed per state legislation, the CFC collection methodology changed in January 2012 from a charge of \$10.00 per rental car transaction to \$6.00 per rental day. Starting January 2014, the rate increased from \$6.00 to \$7.50 per rental day. The rate subsequently increased to \$9.00 per rental day starting in January 2018. CFCs will support the debt service for the consolidated car rental facility and operating costs of the busing fleet.

Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104250	FAR Part 150 Study Update	Project will update Noise Exposure Maps (NEMs) using FAA software & develop Noise Compatibility Program (NCP) report. Provides detailed existing & 5-year future airport/aircraft noise exposure patterns.	\$1,800	AIP / Bonds	Q3/2019	Q4/2023	None
104251	Northside Apron Improvements	Project will prepare a master development and implementation plan for the air cargo, remain overnight aircraft parking, and other supporting and miscellaneous development proposed on the northside. Includes implementation of phase 1 air cargo development and apron improvements.	33,513	Bonds / Major Maint.	Q4/2018	Q4/2025	None
104262	Replace Emergency Generators	Project will provide a study to evaluate the condition of existing generators; and connect generators to the Airport Monitoring & Maintenance System.	2,100	Major Maint.	Q4/2019	Q4/2025	None
104264	Runway Electrical Vault Upgrades	Project will install clean agent type fire suppression system in airfield lighting vault to protect runway lighting equipment and monitor 24/7 as are Airport's other fire systems. Replace runway vault lighting regulators and electrical gear including main switchboard, as required.	2,373	Bonds	Q1/2020	Q1/2024	None
104271	Develop Mitigation Plan for Least Terns	Project prepares a mitigation plan to secure and prepare a site with a suitable nesting habitat for Least Terns.	875	Major Maint.	Q2/2021	Q4/2025	None
104280	Airside Electric Vehicle Supply Equipment	Project will procure and install 39 dual-port Electrical Vehicle chargers to supply power to 78 pieces of electric ground support equipment (GSE) at Terminal 2 gates. Partial funding from SDG&E.	4,600	Other (Grants) / Major Maint.	Q2/2020	Q2/2023	None
104282A	Perimeter Security Fencing / Perimeter Intrusion Detection System (PIDS) Master Plan Study	Project will evaluate the entire Perimeter Intrusion Detection System (PIDS) currently installed on Airport property. The PIDS encompasses approximately 90% of the existing perimeter security fence. The project will also evaluate the entire existing perimeter fence. This project does not include the limits of the ADP.	500	Bonds	Q2/2020	Q4/2023	None

Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104291	ARFF Building HVAC Improvements	Project will replace existing ARFF building HVAC system. The current system is beyond its useful life and no longer serviceable and a new system will improve efficiency, reduce costs and provide a better environment for ARFF personnel.	\$1,010	Bonds	Q1/2021	Q4/2023	None
104293	Airfield Stormwater Treatment Control BMPs	Project will design and install treatment control BMPs to reduce copper & zinc levels in water runoff. Comply with State Industrial General Permit & San Diego County MS4 Permit to prevent pollution of San Diego Bay & avoid fines for non-compliance.	5,506	Bonds	Q1/2021	Q4/2026	None
104298	Fuel Co. Hydrant Fueling Projects Development	Project will provide review of design plans and specifications by subject matter experts during approximately seven (7) fueling projects being designed and built by the SAN Fueling Company. It will also provide oversight in the field during the construction of these projects, including but not limited to safety and environmental compliance.	3,500	Other (Airline)	Q3/2021	Q3/2027	None
104303	Airfield Safety Area Manhole / Utility Vault Covers	Project will conduct a study of existing utility/stormwater vault covers in the Runway Safety Area & Taxiway Safety Area. As determined, rehabilitate the infrastructure to maintain compliance with FAA FAR Part 139 so the safety area supports load of ARFF vehicles and aircraft without damage.	680	Bonds	Q1/2022	Q4/2025	None
New FY22	Replace P-01 Perimeter Access Gate	Project will replace existing sliding gate P-01 with high-speed bi-fold gate and provide guard post building for contractor & security personnel, providing operational safety & security.	2,285	Major Maint.	Q1/2023	Q1/2025	None
New FY22	Noise Exposure Map (NEM) Update	Project will provide an updated NEM in 2026 to determine if 65 dB and greater noise contours have changed based on actual aircraft operation levels and flight paths. As part of the Board-approved mitigation measures for ADP, project will determine if boundaries of SAN's Quieter Home Program need to be adjusted.	500	AIP / Major Maint.	Q1/2026	Q4/2026	None

Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New FY22	Rehabilitate Aircraft Rescue & Fire Fighting (ARFF) Station	Project will rehabilitate ARFF station to comply with FAA AC 150/5310-15A requirements. This includes expansion of apparatus bay structure, storage facilities, maintenance workshop areas, additional building to support fitness & training, flooring, paint, etc.	\$10,000	AIP / Major Maint.	Q1/2024	Q3/2026	None
Subtotal - Current Airside CIP Projects			\$69,241				

New Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 23-01	EVSE for GSE at New T1 - Phase 1a (19 Gates)	Project will furnish and install electric vehicle charging stations at 19 gates in the New T1. This phase will install 38 dual-port units providing 76 ports and additional units at the corral. This will help to fulfill New T1 EIR Mitigation Measure and the Authority's Carbon Neutrality Plan & Clean Transportation Plan.	\$6,600	Major Maint.	Q1/2024	Q4/2025	None
New 23-02	EVSE for GSE at New T1 - Phase 1b (11 Gates)	Project will furnish and install electric vehicle charging stations at 11 gates in the New T1. This phase will install 22 dual-port units providing 44 ports and additional units at the corral. This will help to fulfill New T1 EIR Mitigation Measure and the Authority's Carbon Neutrality Plan & Clean Transportation Plan.	3,300	Major Maint.	Q1/2026	Q4/2027	None

Airside CIP Projects

(in thousands)

New 23-03	Upgrade Aircraft Noise Monitoring System	Upgrade system with new hardware/software on 23 existing sites and build a new permanent noise monitoring site offsite near east end of airfield. This will provide for improved noise monitoring capabilities for the Authority.	500	AIP / Major Maint.	Q1/2028	Q3/2029	None
New 23-05	Replace 2 ARFF Vehicles	Project will replace two SAN Aircraft Rescue & Fire Fighting Vehicles with vehicles equipped with 3,000 gallons water, 420 gallons of AFFF and 500 lbs. of dry chemical.	3,000	AIP / Major Maint.	Q1/2027	Q3/2028	None
New 23-06	Rehabilitate Taxiways - Program Level Scope Definition	Project will study current conditions on Taxiways D and B7 - B10 and prepare concept layouts to direct a future construction project. The scope definition will meet FAA's current guidelines and conform with high-speed exit design standards.	400	AIP / Major Maint.	Q1/2029	Q4/2030	None
New 23-10	Access Control System at Perimeter Fence	Project will install Access Control System Infrastructure along the north side perimeter fence from the ILS area adjacent to cross taxiway B10 to the ARFF station, including fiber, rack room, CCTV and cameras.	3,000	Grant / Bonds	Q3/2023	Q1/2025	None
Subtotal - New Airside CIP Projects			\$16,800				
Total Airside CIP Projects			\$86,041				

Landside/Ancillary CIP Projects

(in thousands)

Current Landside/Ancillary CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104197	Admiral Boland Way Murals - Public Art	Project provides an on-going opportunity for artistic design and enhancement to be integrated along the north end of the Admiral Boland Way.	\$125	Cash	Q2/2015	TBD	None
104205	Widen Sassafras Street Intersection	Project will increase the width of Sassafras Street between Pacific Hwy and Kettner Boulevard up to the railroad crossing in order to mitigate traffic impacts due to RCC opening, increased FBO tenants and future cargo use.	5,663	Bonds	Q1/2015	Q3/2023	None
104230	Ground Transportation Systems-Phase 3 (Virtual Hold Lot)	Project will implement the "virtual hold lot" concept to efficiently locate and identify Airport-permitted commercial vehicles off-Airport premises. This will include hardware and software to ensure minimal response time.	964	Cash	Q4/2018	Q4/2025	None
104252	Northside Utility Infrastructure - Cargo Development	Project will prepare a master development and implementation plan for the utility and storm drainage improvements needed to support new development on the northside. Includes implementation of phase 1 utility and storm drainage improvements.	8,651	Cash	Q4/2018	Q4/2025	None
104265	T2W Sidewalk & Crosswalk Improvements	Project will demolish and replace existing concrete sidewalk at Terminal 2 West; remove and replace existing electrical & communication conduits; and install new LED in-pavement lighting and outlets. Also, this project will provide safety and aesthetic enhancements at the primary pedestrian crosswalk in front of Terminal 2	4,647	Bonds	Q4/2019	Q4/2024	None
104266	Airport Support Building - Public Art	Project will provide artist services and design, fabrication, Public Art transport and delivery, and consultation during installation of a public art project at the Airline Support Building.	350	Bonds	Q3/2023	Q4/2024	None
104274	East Solid Waste Disposal and Recycling Facility	Project will replace the existing Solid Waste, Recycling, Triturator and Vehicle Wash Facility on the east side of the Airport. Provides containment for airport solid waste operations to ensure regulatory compliance for both stormwater and industrial waste permits.	26,101	Bonds / Cash	Q1/2020	Q4/2024	None
104274A	West Solid Waste Facility	Project will provide a facility that will partially replace the existing trash and recycling facility to the west side of the Airport. The existing facility is in the footprint of the new Terminal 1.	9,400	Bonds / Major Maint.	Q1/2021	Q2/2023	None

Landside/Ancillary CIP Projects

(in thousands)

Current Landside/Ancillary CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104275	Parking Revenue Control System Upgrade	Project will upgrade the SKIDATA and HUB PARCS Systems to the latest version. This is required for maintaining a fully supported and PCI Compliant environment.	\$800	Bonds	Q1/2020	Q4/2023	None
104299	ADP Offsite Intersection / Roadway Segment Improvements	Project will participate in implementation of improvements and strategies identified in the Airport Connection Study to fulfill the ADP EIR Mitigation Measure (MM#4)	17,000	Major Maint.	Q1/2021	Q1/2026	None
New 17-05	Rehabilitate Terminal 2 Loop Pavement	Project will rehabilitate 128,000 square feet of Terminal 2 Loop pavement with full depth, partial asphalt concrete replacement to provide a safe ingress/egress for passengers and service vehicles.	2,057	Bonds	Q1/2024	Q2/2025	None
New 18-08	Taxi/TNC Lot Relocation	Project will relocate existing Taxi/TNC Lot to another location on the south side of Airport. This includes pavement striping, CCTV cameras, video display, etc.	1,181	Bonds	Q1/2024	Q2/2025	None
New 21-09	Parking Lot Camera Upgrade to Digital	Project will upgrade 20 parking lot cameras to digital format & DVR storage, along with servers, switches, workstations/monitors, software and licenses in Terminal 2 West and Economy/Employee Parking Lots to improve security and reduce liability.	2,150	Cash	Q1/2023	Q4/2024	None
New 21-12	Airport Roadway & Vehicle Monitoring	Project will install systems for real-time visual monitoring of airport traffic conditions, data collection/analytics, Automated License Plate Reader (ALPR) cameras, Vehicle ID Readers (AVI) and related software & infrastructure.	31,800	Cash	Q1/2023	Q4/2025	None
New 21-13	ZEV - Acquire RCC Buses - Phase 1	Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life.	19,200	AIP / CFC	Q1/2025	Q3/2026	None
New 21-14	ZEV - Acquire RCC Buses - Phase 2	Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life.	16,800	AIP / CFC	Q1/2027	Q4/2027	None
Subtotal - Current Landside/Ancillary CIP Projects			\$146,899				

Landside/Ancillary CIP Projects

(in thousands)

New Landside/Ancillary CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 23-08	Admiral Boland Way Traffic Improvements - Program Level Scope Definition	Project will participate in implementation of improvements and strategies identified in the Airport Connection Study to fulfill the ADP EIR Mitigation Measure (MM#4)	\$400	Major Maint.	Q1/2023	Q3/2023	None
New 23-12	EVSE at Taxi/TNC Hold Lot	Project will provide infrastructure, procurement and installation of three (3) DC Fast Chargers at Taxi/TNC Hold Lot. This will support both the industry shift to electric and TNC operator requirements to meet California Air Resource Board regulations for emission reductions.	1,500	Cash/Other	Q1/2023	Q3/2024	None
New 23-13	T2 Roadway Wayfinding Signage Upgrades	Project will replace signage along Terminal 2 roadways including Elevated Departure Roadway and Arrivals Roadway. This will provide consistent messaging for drivers in T2 to align and enhance customer experience & efficiency of curbside roadway system.	6,550	Major Maint.	Q3/2025	Q2/2027	None
New 23-14	Taxi/TNC Break Room Interior Remodeling	Project will provide a mixed-use facility including interior wall reconfiguration, security office/system, electrical/plumbing upgrades, fire system, technology, cameras, etc.	950	Cash	Q1/2023	Q3/2024	None
New 23-15	Upgrade Video Monitoring System	Project will replace current system including installation & commissioning of Velocity Vision Video Management System that allows for real-time interface with Airport's Access Control System.	1,742	Major Maint.	Q1/2023	Q4/2023	None
Subtotal - New Landside/Ancillary CIP Projects			\$11,142				
Total Landside/Ancillary CIP Projects			\$158,031				

Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104194B	Replace & Refurbish Passenger Boarding Bridges in T2 - Phase 2	Project provides for refurbishment of existing passenger boarding bridges in Terminal 2, based on an updated assessment.	\$8,446	PFC / Bonds / Major Maint.	Q2/2015	Q1/2026	\$30
104194D	Refurbish Passenger Boarding Bridges - T1	Project will refurbish passenger boarding bridges at Terminal 1 including: replace Pre-Conditioned Air (PCA) units and precooling at gates 3-9; and install new collection tanks, safety shoes, condensate pumps and drain hoses at gates 3-9 and 12-18.	2,460	Bonds	Q4/2018	Q1/2023	None
104240	T2E Roof Replacement	Project will modernize Terminal 2 East existing roof by upgrading existing roof-mounted support structures and drainage systems and applying a liquid sprayed epoxy system to extend the life of the existing roof membrane.	6,550	Bonds	Q3/2017	Q1/2023	None
104254	AVSEC Network Redesign	Project will redesign the network infrastructure for the Aviation & Security network. Replace fiber cabling/network equipment in all terminals and airfield gates. Implement a network architecture that provides redundancy and high availability.	13,038	Bonds	Q3/2019	Q3/2024	None
104257	Gate Information Displays	Project will provide Gate Information Display monitors along with the required power and data at all hold-rooms in Terminal 2 East.	1,910	Major Maint.	Q4/2018	Q4/2025	None
104258	Fire Department Violations Remediation	Project will provide interior remodeling of Terminal 2 East & West as required to remediate remaining code compliance issues identified during the San Diego Fire Department 2018 site visit. The interior improvements under this project exclude areas affected by the new Terminal 1 program.	1,794	Major Maint.	Q3/2019	Q3/2024	None
104263	Electrical Modernization in T2E and T2W	Project will replace and modernize the outdoor electrical main switchboard (MSB) feeding Terminal 2 East and associated downstream electrical equipment located within the existing main electrical room; expand and construct a larger electrical room to meet latest code and safety requirements; and provide additional capacity, redundancy, and system reliability to accommodate for terminal long-term use.	9,855	Bonds	Q4/2015	Q1/2024	None

Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104268	T2E Renovation Master Plan	Project will provide a comprehensive plan that identifies and coordinates future capital improvements to the Terminal 2 East facility to ensure that it can provide a high-quality passenger experience into the future.	\$2,200	Major Maint.	Q4/2019	Q4/2023	None
104272	Replace Baggage Handling System and Baggage Makeup Units in T2E	Project will modernize existing Terminal 2 East Baggage Handling System (BHS), remove abandoned conveyors, reconfigure main and sortation devices, resolve dieback and jamming issues, and optimize system performance, supporting current airline operations and future growth projections.	15,946	Major Maint.	Q1/2020	Q4/2025	None
104279	Server & Storage Hardware Refresh	Project will replace the computer hardware supporting the Terminal 2 systems that will no longer be supported including CUPPS, CUSS, IDS, workstations, directories, etc. The technology will match the new Terminal 1.	1,225	Major Maint.	Q1/2021	Q2/2024	None
104286	T2 Concession Utilities & Beaudevin Downsize	Project will upgrade/upscale utilities supporting five concessions in Terminal 2 East & West in coordination with the Concessions Enhancement Program. In addition, the project will remodel a portion of the current Beaudevin concession area to become part of the hold room at Gate 41.	3,100	Major Maint.	Q2/2022	Q3/2026	None
104287	T2 Accessibility Barrier Removal	Project will remove ADA barriers to provide an accessible path of travel to concessions at Terminal 2, in support of the Concessions Enhancement Program.	600	Major Maint.	Q2/2022	Q4/2026	None
104290	Remodel Terminal 2 East for Access Control Office & Harbor Police Department Relocations	Project will provide structural repairs and repurposing of space in Terminal 2 East to relocate the Access Control Office, Harbor Police Dept., Lost & Found and the Airside Ops Duty Manager.	7,500	Bonds	Q1/2021	Q3/2023	None
104300	Hyoco LED Sign Replacement at Elevated Departure Roadway	Project will replace 18 existing Hyoco signs on the Elevated Departure Roadway with modern digital signage and replace proprietary Hyoco software with SITA's Common Use Airport Vision software.	2,300	Major Maint.	Q1/2022	Q4/2023	None

Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
FMDT	FMD Capital Expenditures	Project provides for the necessary ongoing maintenance of various capital improvement projects throughout the Airport.	\$400	Cash	Q3/2012	Q2/2023	None
New 21-07	Remodel Terminal 2 West Westend Gallery	Project will restore the previous Terminal 2 West gallery to accommodate Public Art exhibitions. Work will include floor repair, lighting, storage area, painting, wall for concession area, etc.	550	Major Maint.	Q4/2024	Q4/2025	None
New 21-08	T2 Baggage Claim Assignment Displays	Project will install 15 baggage claim assignment monitors on Terminal 2 ramp areas to improve baggage operations.	650	Major Maint.	Q3/2024	Q4/2025	None
Subtotal - Current Terminal CIP Projects			\$78,524				

New Terminal CIP Projects							
New 23-07	Expand/Remodel T2E - Program Level Scope Definition & Design	Project will prepare design documents for the expansion/remodel of Terminal 2 East, including Gates 20/21, areas at New T1 connector, airside elements, hold rooms, concessions, structural, MEP, etc.	\$30,000	Major Maint.	Q4/2023	Q2/2025	None
New 23-07	IT Terminal Hardware at Terminal 2	Project will replace end of life IT hardware in T2, including installation & configuring equipment for CUPPS, CUSS, bag tag printers, boarding pass printers/gate readers, display systems/monitors, etc.	6,300	Major Maint.	Q1/2024	Q4/2026	None
Subtotal - New Terminal CIP Projects			\$36,300				
Total Terminal CIP Projects			\$114,824				

Administrative CIP Projects

(in thousands)

Current Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104041	Public Art Allowance	The Public Art Allowance is to provide a source of funds for inclusion of public art in conjunction with the appropriate CIP project.	\$2,353	Major Maint. / Cash	Q1/2023	Q4/2027	None
104069	Capital Project Allowance	The Capital Project Allowance is a program account to provide a source of funds for the design and construction of unforeseen projects during the course of implementing the Airport Capital Improvement Program.	5,000	Major Maint.	Q1/2023	Q4/2023	None
104196	Exhibition Display Equipment - Public Art	Project provides for the purchase of equipment to become part of the Public Art Program's permanent cache of installation/display resources and provide flexibility for future art exhibits.	110	Cash	Q2/2015	TBD	None
104209	Facilities Condition Assessment	Project will provide a 20-year strategic planning of the long and short-range costs associated with facilities maintenance and/or replacements.	800	Major Maint.	Q1/2016	Q4/2022	None
104285	Facilities Condition Assessment	Project will provide a condition assessment of the Airport roadways and bridges.	400	Major Maint.	Q1/2022	Q3/2023	None
104301	Fleet Conversion to Electric Vehicles	Project will procure new electric/hybrid vehicles as part of the EIR mitigation effort to convert 100% of gasoline fleet to hybrid or electrical by 2024 – includes 27 hybrid or electric vehicles.	1,081	Major Maint.	Q1/2022	Q3/2025	None
104304	SAN-Energy System Master Plan	Project will provide a programming phase study that defines specific capital improvements needed to increase the external supply of energy from SDG&E and increase the capacity of the airport's 12kV distribution system to accommodate expected future loads.	750	Major Maint.	Q2/2022	Q2/2023	None

Administrative CIP Projects

(in thousands)

Current Administrative CIP Projects (cont.)							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
109901	CIP Support	Professional staff support for the Capital Improvement Program	\$35,711	Cash	Q1/2022	Q4/2027	None
NEW 21-15	Facilities Condition Assessment	Project will provide definitive long and short-range understanding of costs associated with facilities maintenance and/or replacement as an update to the previous baseline assessment completed in 2015.	500	Major Maint.	Q1/2025	Q4/2025	None
Subtotal - Current Administrative CIP Projects			\$46,705				
New Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 23-04	Bird Deterrents at Solar Panels	Project will install bird deterrents on solar panels in both the NTC Lot and Washington St./Pac Hwy Lot. The deterrents will reduce health and safety concerns for Airport pedestrians and staff.	600	Bonds	Q1/2023	Q4/2023	None
New 23-09	New T1 PV Panels & Battery Storage	Project will analyze install and operation of New T1 PV panels and battery storage including 4 MW PV solar panels and 4 MW of battery storage. This also includes preparation of RFP for a PPA.	1,360	Major Maint.	Q1/2023	Q4/2026	None
Subtotal - New Administrative CIP Projects			\$1,960				
Total Administrative CIP Projects			\$48,665				
Total FY 2023 CIP Budget			\$407,561				

New T1 Program

(in thousands)

New T1 Program							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
411001	New T1 Airside	Project will design and construct the airside portions of the Terminal 1 Replacement Program which includes relocated Taxiway B, new Taxiway A, new taxilanes, RON and apron parking areas, and related utility infrastructure outside the new terminal building and within the Airport Operations Areas (AOA).	\$306,000	AIP / Bonds	Q3/2020	Q4/2029	None
413001	New T1 Terminal and Roadways	Project will design and construct a new Terminal 1 building with up to 30 gates, aircraft boarding bridges, new entry, circulation, arrival and departure roadways, pedestrian bridges, demolition of buildings, surface features and utilities, new and relocated utilities, storm drainage collection, storage and transmission facilities, parking structure and existing central utility plant upgrades.	2,808,048	AIP / Bonds / Cash	Q1/2021	Q2/2029	\$13,634
413002	New T1 Shuttle Lot Relocation	Project will rehabilitate 128,000 square feet with full depth, partial asphalt concrete replacement to provide a safe ingress/egress for passengers and service vehicles.	15,764	Bonds / Cash	Q1/2021	Q2/2024	None
414002	New T1 Administration Building	Project will design and build a new Airport Administration Building to replace the existing building which is in the footprint of the new Terminal 1.	102,000	Bonds	Q1/2021	Q2/2025	None
415001	New T1 Program Contingency	Project will provide contingency funds for the Airside, Landside and Terminal developments in the ADP Program	232,488	Bonds	Q1/2021	Q4/2028	None
Total New T1 Program Budget			\$3,464,300				
Grand Total FY 2023 Capital Program Budget			\$3,871,861				

Performance Indicators



Performance Indicators

The following performance indicators are a selection of the various operational and financial metrics that the Airport Authority monitors during the course of the year.

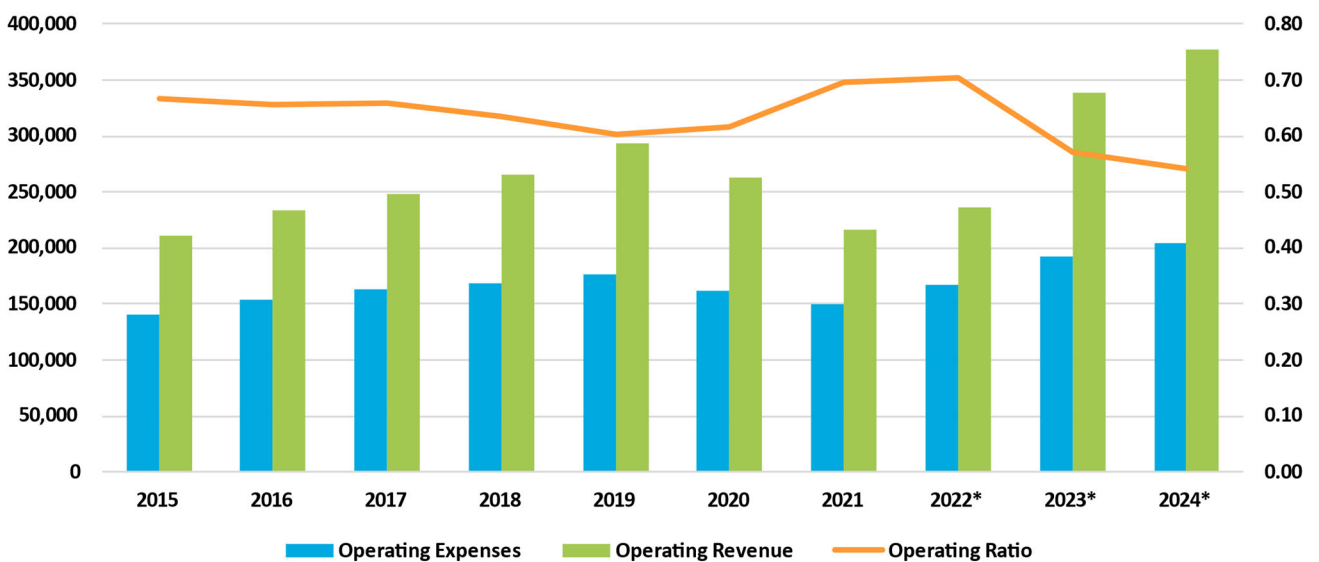
Operating Ratio

This is a measure of operating efficiency that compares operating expense to operating revenue. Operating revenue must exceed operating expenses to provide a financial cushion and cover debt service expenses.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Operating Expenses (\$) ¹	Operating Revenue (\$) ¹	Operating Ratio	% Change
2015	140,310	210,505	0.67	-4.7%
2016	153,698	233,994	0.66	-1.5%
2017	163,726	248,847	0.66	0.2%
2018	169,120	266,079	0.64	-3.4%
2019	177,219	293,679	0.60	-5.1%
2020	162,251	263,036	0.62	2.2%
2021	150,515	215,944	0.70	13.0%
2022*	167,228	237,040	0.71	1.2%
2023*	192,959	338,396	0.57	-19.2%
2024*	204,696	376,897	0.54	-4.8%

¹ in thousands



* Budgeted FY 2022, FY 2023, & FY 2024

Figure 42 - Operating Ratio

Source: San Diego County Regional Airport Authority

Performance Indicators

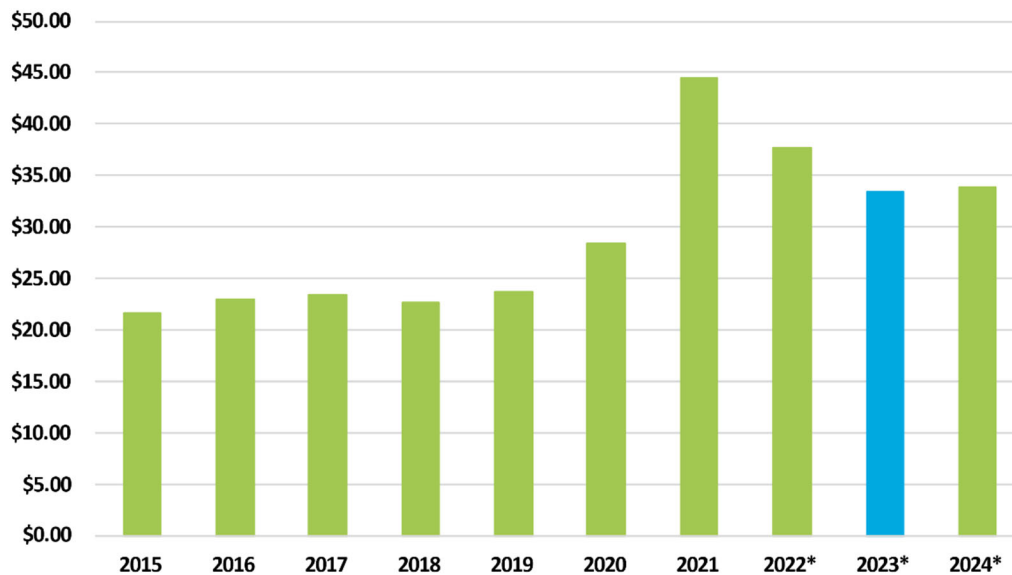
Operating Revenue per Enplanement

This is a measure of operating revenues per enplaned passenger.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Operating Revenue (\$) ¹	Enplaned Passengers ¹	Operating Revenue per Enplanement	% Change
2015	210,505	9,713	21.67	0.6%
2016	233,994	10,206	22.93	5.8%
2017	248,847	10,596	23.48	2.4%
2018	266,079	11,732	22.68	-3.4%
2019	293,679	12,356	23.77	4.8%
2020	263,036	9,235	28.48	19.8%
2021	215,944	4,861	44.42	56.0%
2022*	237,040	6,275	37.78	-15.0%
2023*	338,396	10,138	33.38	-11.6%
2024*	376,897	11,111	33.92	1.6%

¹ in thousands



* Projected FY 2022, Budgeted FY 2023, & FY 2024

Figure 43 - Operating Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

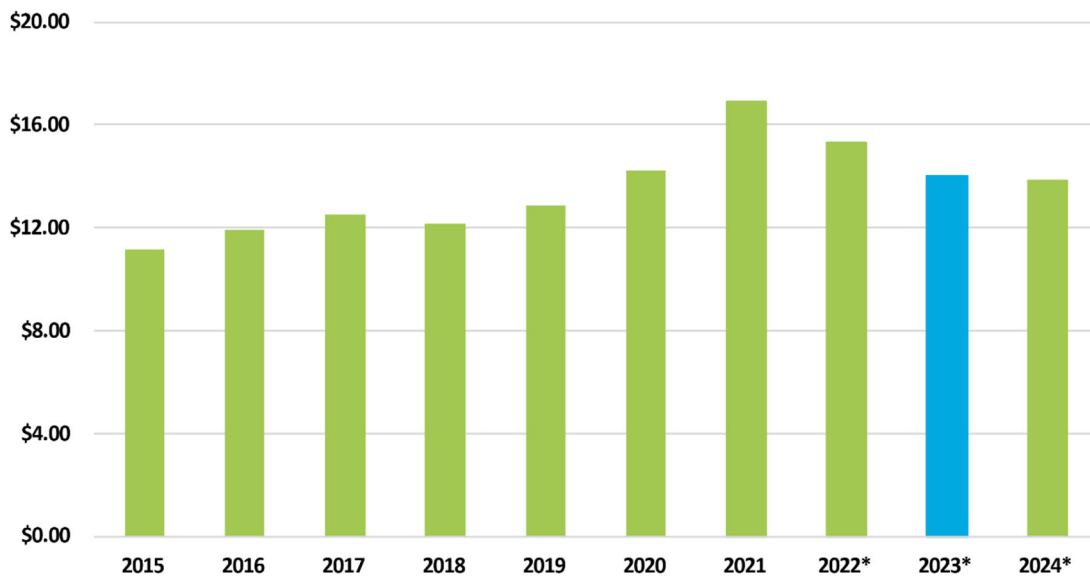
Non-Airline Revenue per Enplanement

This is a measure of non-airline derived operating revenues per enplaned passenger. This includes terminal concessions, parking, and rental car and ground rental revenues divided by enplanement.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Non-Airline Revenue (\$) ¹	Enplaned Passengers ¹	Non-Airline Revenue per Enplanement	% Change
2015	108,174	9,713	11.14	-16.9%
2016	121,789	10,206	11.93	7.1%
2017	132,465	10,596	12.50	4.8%
2018	142,922	11,732	12.18	-2.5%
2019	159,325	12,356	12.89	5.8%
2020	131,198	9,235	14.21	10.2%
2021	82,075	4,861	16.88	18.9%
2022*	96,108	6,275	15.32	-9.3%
2023*	142,288	10,138	14.03	-8.4%
2024*	154,305	11,111	13.89	-1.0%

¹ in thousands



* Projected FY 2022; Budgeted FY 2023, & FY 2024

Figure 44 - Non-Airline Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

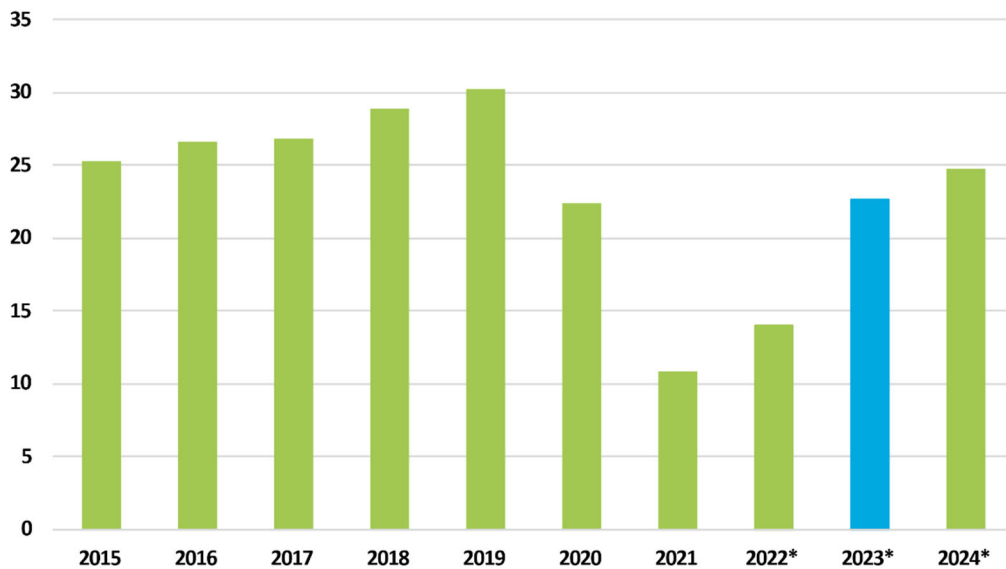
Enplaned Passengers per FTEs

This divides the Full-Time Equivalent (FTE) employees by enplaned passengers and measures the Airport’s staffing productivity level.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	FTEs	Enplaned Passengers ¹	Enplaned Passengers per Employee
2015	384	9,713	25
2016	384	10,206	27
2017	395	10,596	27
2018	406	11,732	29
2019	409	12,356	30
2020	413	9,235	22
2021	448	4,861	11
2022*	448	6,275	14
2023*	448	10,138	23
2024*	448	11,111	25

¹ in thousands



* Projected FY 2022; Budgeted FY 2023, & FY 2024

Figure 45 – Enplaned Passengers per FTE

Source: San Diego County Regional Airport Authority

Performance Indicators

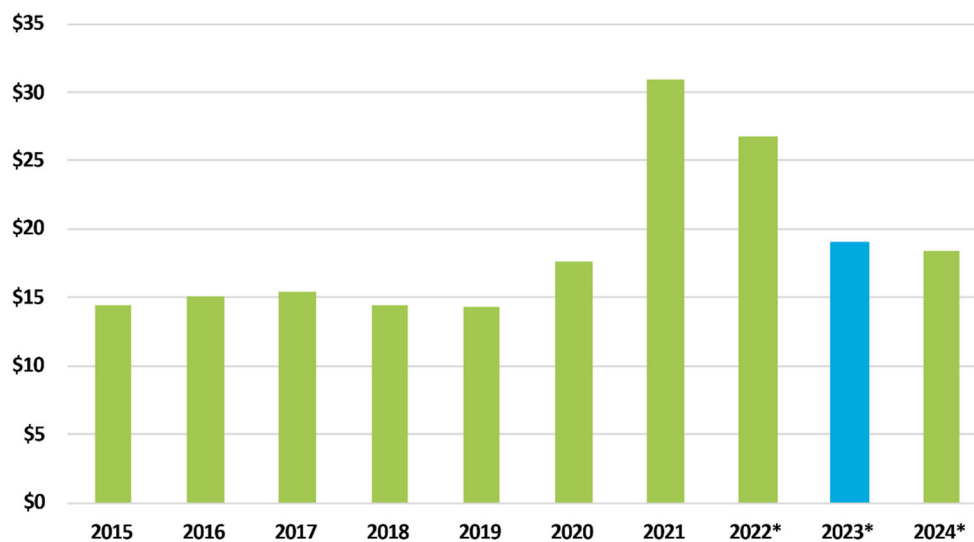
Operating Expenses per Enplanement

This divides operating expenses by enplanement and measures the Airport Authority’s relative operating efficiency.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Operating Expenses (\$) ¹	Enplaned Passengers ¹	Operating Expenses per Enplanement (\$) ¹	% Change
2015	140,310	9,713	14.45	-4.1%
2016	153,698	10,206	15.06	4.2%
2017	163,726	10,596	15.45	2.6%
2018	169,120	11,732	14.42	-6.7%
2019	177,219	12,356	14.34	-0.5%
2020	162,251	9,235	17.57	22.5%
2021	150,515	4,861	30.96	76.3%
2022*	167,228	6,275	26.65	-13.9%
2023*	192,959	10,138	19.03	-28.6%
2024*	204,696	11,111	18.42	-3.2%

¹ in thousands



* Projected FY 2022; Budgeted FY 2023, & FY 2024

Figure 46 - Operating Expense per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

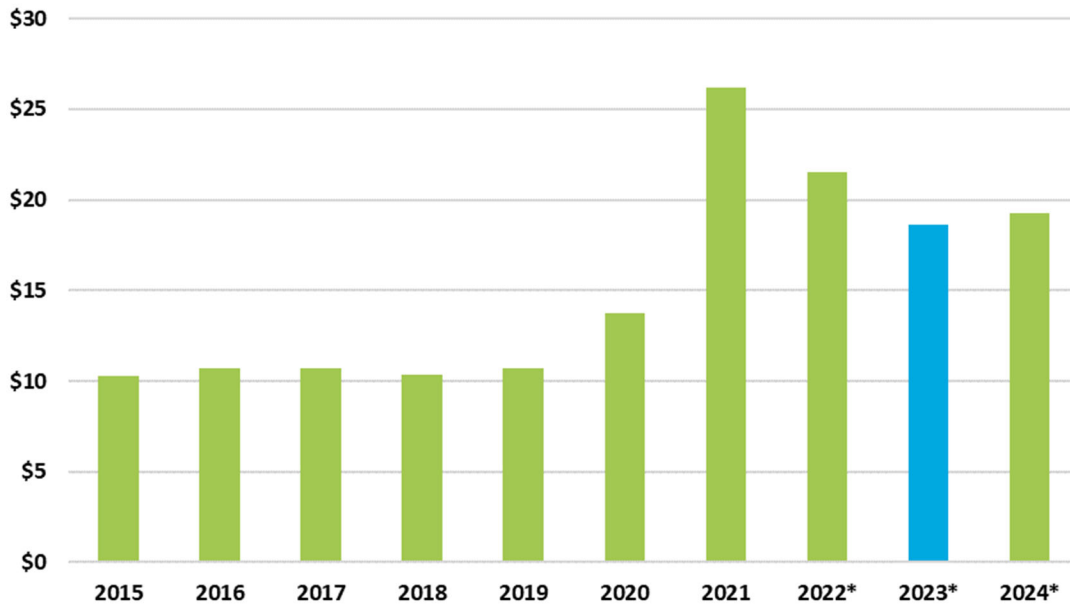
Airline Cost per Enplaned Passenger

Airline cost per enplaned passenger (CPE) is the total annual cost of fees and charges paid by the airlines divided by the total fiscal year enplanements.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Enplaned Passengers ¹	Cost per Enplanement (\$)
2015	9,713	\$ 10.26
2016	10,206	\$ 10.71
2017	10,596	\$ 10.71
2018	11,732	\$ 10.35
2019	12,356	\$ 10.74
2020	9,235	\$ 13.73
2021	4,861	\$ 26.18
2022*	6,275	\$ 21.51
2023*	10,138	\$ 18.61
2024*	11,111	\$ 19.29

¹ in thousands



* Projected FY 2022; Budgeted FY 2023, & FY 2024

Figure 47 - – Airline Cost per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

Days Cash on Hand

Recognizing the inherently volatile nature of the aviation industry, the Airport Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The Airport Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year.

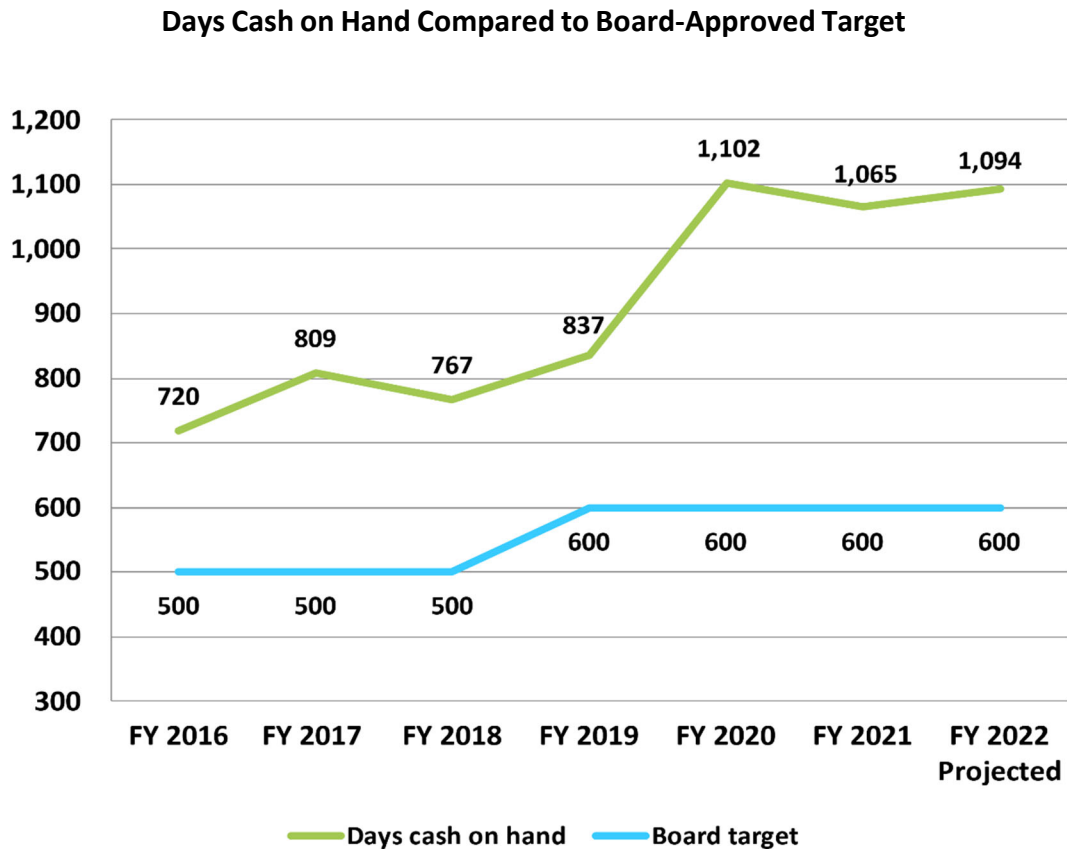


Figure 48 - Days Cash on Hand

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Supplemental Data



Supplemental Data

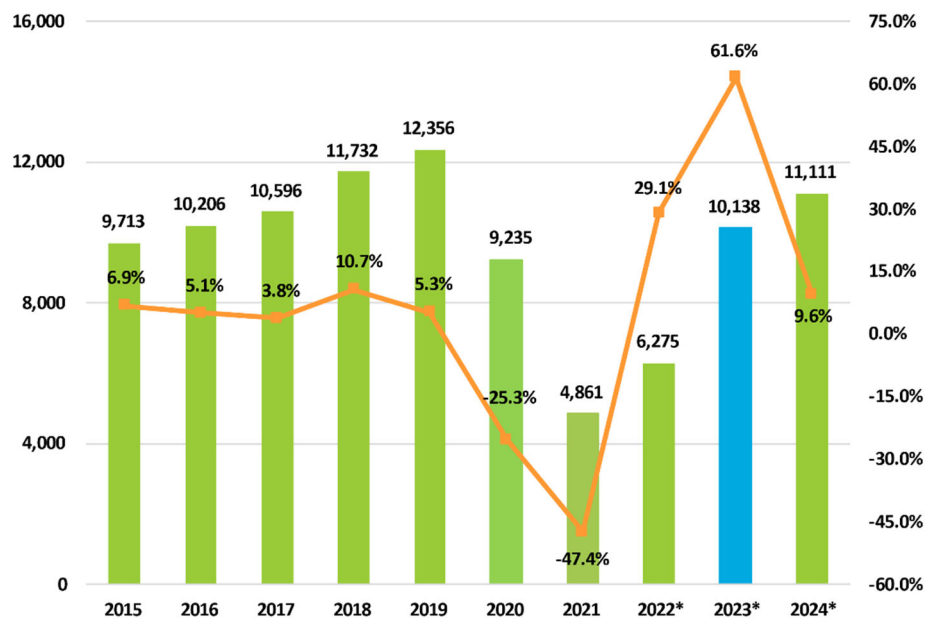
Annual Enplaned Passengers

In FY 2023, enplaned passenger traffic at SAN is projected to reach 10.1M, which represents an increase of 61.6% from the enplanements used in the FY 2022 Budget. Enplaned passengers are projected to increase by 9.6% to 11.1M in the FY 2024 Conceptual Budget.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Enplaned Passengers ¹	% Change
2015	9,713	6.9%
2016	10,206	5.1%
2017	10,596	3.8%
2018	11,732	10.7%
2019	12,356	5.3%
2020	9,235	-25.3%
2021	4,861	-47.4%
2022*	6,275	29.1%
2023*	10,138	61.6%
2024*	11,111	9.6%

¹ in thousands



* Budgeted FY 2022, FY 2023, & FY 2024

Figure 49 - Annual Enplaned Passengers

Supplemental Data

Airline Market Share FY 2015 – FY 2021

The more diverse an airport's airline market share, the less susceptible it is to the effects of an airline's financial position or changing service levels. Five carriers accounted for approximately 82% of the enplaned passengers.

Air Carrier	Enplanements (in thousands)							Market Share						
	2015	2016	2017	2018	2019	2020	2021	2015	2016	2017	2018	2019	2020	2021
Southwest Airlines	3,737	3,840	3,967	4,458	4,656	3,475	1,628	38.5%	37.6%	37.4%	38.0%	37.7%	37.6%	33.5%
American Airlines ¹	747	1,369	1,339	1,367	1,339	1,051	768	7.7%	13.4%	12.6%	11.6%	10.8%	11.4%	15.8%
Delta Airlines	992	1,062	1,089	1,127	1,337	1,058	568	10.2%	10.4%	10.3%	9.6%	10.8%	11.5%	11.7%
United Airlines	1,114	1,166	1,266	1,406	1,481	1,043	553	11.5%	11.4%	11.9%	12.0%	12.0%	11.3%	11.4%
Alaska Airlines ²	872	903	919	1,032	1,253	976	474	9.0%	8.8%	8.7%	8.8%	10.1%	10.6%	9.8%
Frontier Airlines	151	119	180	255	277	201	180	1.6%	1.2%	1.7%	2.2%	2.2%	2.2%	3.7%
Spirit Airlines	252	327	287	318	324	225	112	2.6%	3.2%	2.7%	2.7%	2.6%	2.4%	2.3%
JetBlue Airways	179	183	225	248	231	195	90	1.8%	1.8%	2.1%	2.1%	1.9%	2.1%	1.9%
Hawaiian Airlines	97	102	108	109	150	103	62	1.0%	1.0%	1.0%	0.9%	1.2%	1.1%	1.3%
Sun Country Airlines	29	35	40	41	40	37	23	0.3%	0.3%	0.4%	0.4%	0.3%	0.4%	0.5%
Allegiant Airlines	7	17	49	45	31	13	22	0.1%	0.2%	0.5%	0.4%	0.2%	0.1%	0.5%
Japan Airlines	59	60	60	62	67	44	1	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.0%
Air Canada	41	49	93	111	130	90	-	0.4%	0.5%	0.9%	0.9%	1.1%	1.0%	-
British Airways	84	90	90	83	83	58	-	0.9%	0.9%	0.9%	0.7%	0.7%	0.6%	-
Lufthansa	-	-	-	13	50	35	-	-	-	-	-	0.1%	0.4%	0.4%
WestJet	34	35	41	39	43	29	-	0.3%	0.3%	0.4%	0.3%	0.3%	0.3%	-
Edelweiss	-	-	1	7	6	2	-	-	-	0.0%	0.1%	0.1%	0.0%	-
Virgin America ²	176	211	212	184	-	-	-	1.8%	2.1%	2.0%	1.6%	-	-	-
Condor	-	-	4	8	-	-	-	-	-	0.0%	0.1%	-	-	-
Volaris	20	21	4	-	-	-	-	0.2%	0.2%	0.0%	-	-	-	-
US Airways ¹	523	-	-	-	-	-	-	5.4%	-	-	-	-	-	-
Total Air Carrier	9,114	9,588	9,976	10,911	11,499	8,636	4,481	94.6%	93.8%	93.9%	94.1%	93.1%	93.5%	92.2%
Regional														
Compass	140	250	195	251	296	161	-	1.4%	2.4%	1.8%	2.1%	2.4%	1.7%	-
Horizon Air	84	65	54	82	64	107	90	0.9%	0.6%	0.5%	0.7%	0.5%	1.2%	1.8%
Skywest Airlines	372	302	372	487	497	331	290	3.8%	3.0%	3.5%	4.2%	4.0%	3.6%	6.0%
Other	3	2	-	-	-	-	-	0.0%	0.0%	-	-	-	-	-
Total Regional	599	618	621	820	857	599	380	4.8%	5.9%	6.1%	5.9%	6.9%	6.5%	7.8%
Total Passengers	9,713	10,206	10,596	11,732	12,356	9,235	4,861	100%	100%	100%	100%	100%	100%	100%

¹ US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

² Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018

Figure 50 - Airline Market Share

Supplemental Data

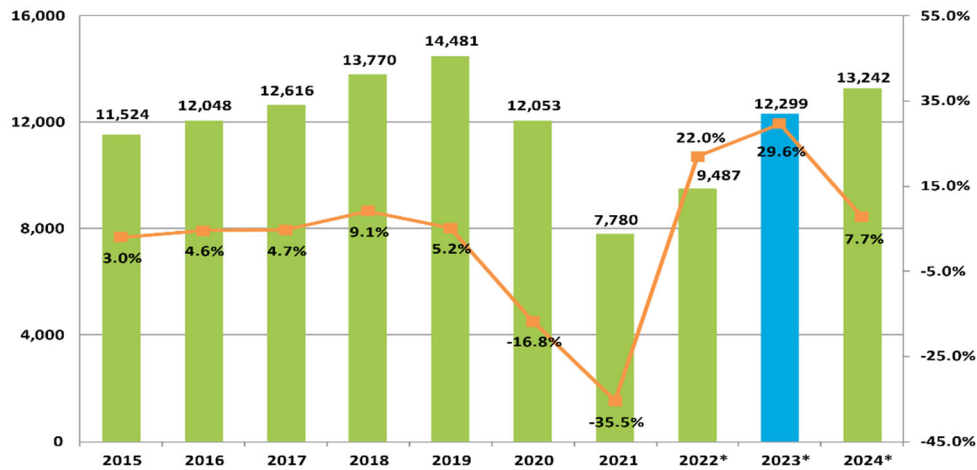
Aircraft Landed Weight

Landed weight refers to the maximum gross certificated landed weight in one-thousand-pound units, as stated in the airline flight operations manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at the Airport. In FY 2023, landed weight is estimated to increase by 29.6% over FY 2022 year-end projections.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Landed Weight ¹	% Change
2015	11,524	3.0%
2016	12,048	4.6%
2017	12,616	4.7%
2018	13,770	9.1%
2019	14,481	5.2%
2020	12,053	-16.8%
2021	7,780	-35.5%
2022*	9,487	22.0%
2023*	12,299	29.6%
2024*	13,242	7.7%

¹ in million pounds



* Projected FY 2022; Budgeted FY 2023, & FY 2024

Figure 51 - Aircraft Landed Weight

Supplemental Data

Airline Landed Weight FY 2015 – FY 2021

Landed weight is the maximum gross certificated landed weight in one-thousand-pound units as stated in the airlines' flight operational manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at SAN.

Air Carrier	Landed Weight (in thousands)							Market Share						
	2015	2016	2017	2018	2019	2020	2021	2015	2016	2017	2018	2019	2020	2021
Southwest Airlines	4,214,314	4,257,162	4,470,104	4,924,451	5,180,064	4,422,096	2,277,011	36.6%	35.3%	35.4%	35.8%	35.8%	36.7%	29.3%
Delta Airlines	1,077,103	1,153,074	1,175,285	1,183,702	1,389,312	1,221,773	1,049,374	9.3%	9.6%	9.3%	8.6%	9.6%	10.1%	13.5%
American Airlines ¹	1,359,911	1,467,922	1,428,538	1,471,318	1,415,134	1,201,659	917,691	11.8%	12.2%	11.3%	10.7%	9.8%	10.0%	11.8%
United Airlines	1,227,974	1,250,500	1,355,185	1,492,873	1,566,148	1,201,192	694,980	10.7%	10.4%	10.7%	10.8%	10.8%	10.0%	8.9%
Alaska Airlines ²	888,065	924,310	999,875	1,131,807	1,411,255	1,162,582	769,364	7.7%	7.7%	7.9%	8.2%	9.7%	9.6%	9.9%
Skywest Airlines	408,608	359,197	465,023	627,038	637,117	481,705	504,012	3.5%	3.0%	3.7%	4.6%	4.4%	4.0%	6.5%
Federal Express	384,686	444,038	390,716	388,782	375,807	394,288	466,734	3.3%	3.7%	3.1%	2.8%	2.6%	3.3%	6.0%
JetBlue Airlines	193,848	199,232	244,364	293,160	281,715	260,940	171,957	1.7%	1.7%	1.9%	2.1%	1.9%	2.2%	2.2%
Spirit Airlines	296,925	351,977	286,162	328,424	331,366	230,911	125,589	2.6%	2.9%	2.3%	2.4%	2.3%	1.9%	1.6%
Compass Airlines	172,754	307,793	296,581	312,883	377,941	215,030	-	1.5%	2.6%	2.4%	2.3%	2.6%	1.8%	0.0%
Frontier Airlines	153,880	115,238	167,590	232,794	247,145	204,924	199,836	1.3%	1.0%	1.3%	1.7%	1.7%	1.7%	2.6%
Hawaiian Airlines	146,284	147,406	147,568	161,486	237,560	155,345	122,574	1.3%	1.2%	1.2%	1.2%	1.6%	1.3%	1.6%
United Parcel	127,660	135,318	146,778	143,678	138,860	146,624	138,926	1.1%	1.1%	1.2%	1.0%	1.0%	1.2%	1.8%
Horizon Air	88,241	60,268	54,799	100,303	82,650	146,100	145,050	0.8%	0.5%	0.4%	0.7%	0.6%	1.2%	1.9%
British Airways	166,980	183,760	217,360	208,926	210,432	141,615	-	1.4%	1.5%	1.7%	1.5%	1.5%	1.2%	0.0%
Subtotal	10,907,233	11,357,193	11,845,927	13,001,625	13,882,505	11,586,784	7,583,096	94.7%	94.3%	93.9%	94.4%	95.9%	96.1%	97.5%
All Others	616,487	690,949	770,141	768,321	598,724	466,296	196,431	5.3%	5.7%	6.1%	5.6%	4.1%	3.9%	2.5%
Total	11,523,720	12,048,142	12,616,068	13,769,945	14,481,229	12,053,080	7,779,528	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

² Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018, and began operating as Alaska Airlines on April 25, 2018

Figure 52 - Top 15 Airlines Ranked by Landed Weight

Supplemental Data

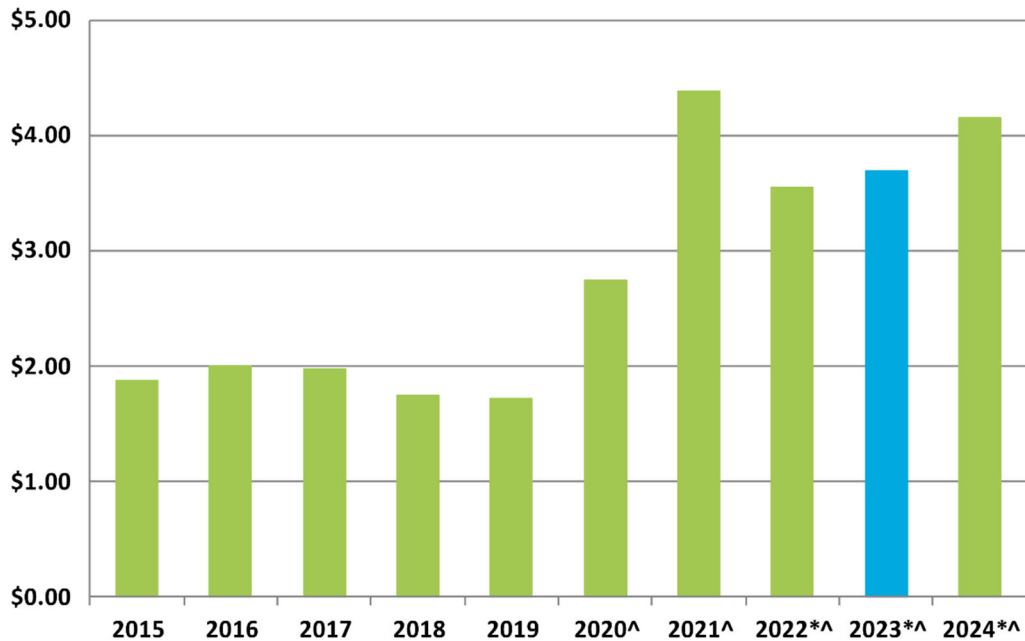
Landing Fees

Landing fees are revenues from passenger and cargo aircraft for commercial landings at the Airport. Beginning in FY 2021, landing fee includes Airside Security.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Landing Fees (\$) per 1,000 lbs	% Change
2015	1.88	7.9%
2016	2.00	6.5%
2017	1.97	-1.4%
2018	1.74	-11.5%
2019	1.73	-1.0%
2020^	2.74	59.0%
2021^	4.38	59.7%
2022*^	3.55	-19.0%
2023*^	3.69	4.0%
2024*^	4.15	12.5%

^ Signatory Rate



* Projected FY 2022; Budgeted FY 2023, & FY 2024

^ Signatory Rate

Figure 53 - -- Landing Fees

Supplemental Data

Terminal Rates Billed to Airlines

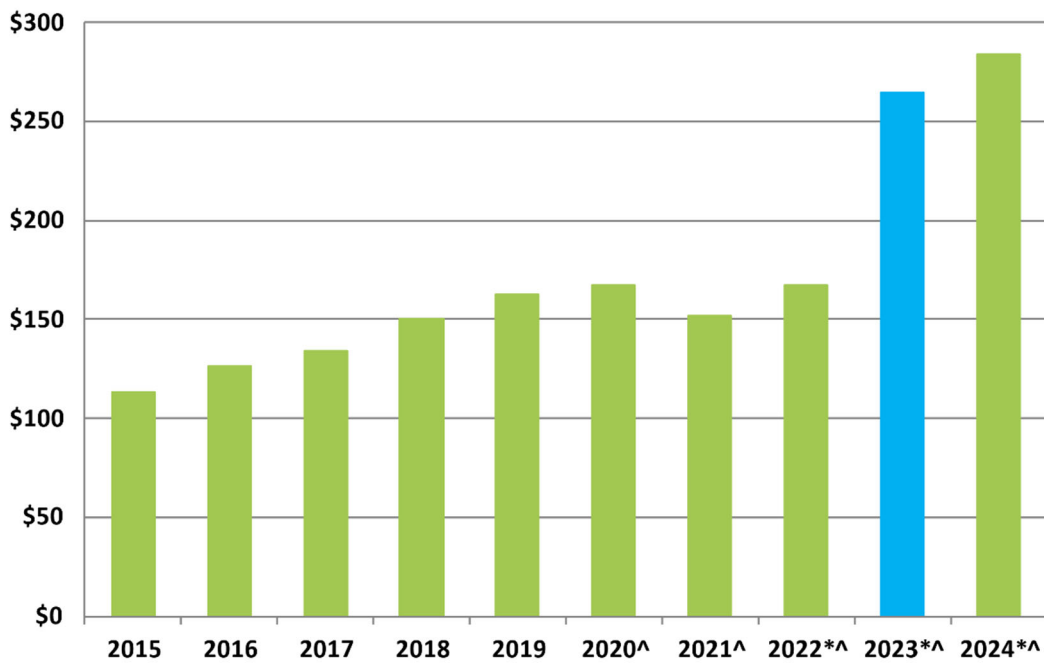
Terminal rates are rates billed to airlines for the rent of terminal space per square foot. Beginning in FY 2021, landing fee includes Terminal Security.

Fiscal Years ended June 30, 2015 to 2024

Fiscal Year	Terminal Rates Per Sq. Ft. (\$)¹	% Change
2015	113.01	3.1%
2016	126.21	11.7%
2017	133.95	6.1%
2018	150.19	12.1%
2019	162.82	8.4%
2020^	167.28	2.7%
2021^	151.73	-6.8%
2022*^	167.14	-0.1%
2023*^	264.53	74.3%
2024*^	283.83	69.8%

¹ Net of janitorial credit

^ Signatory Rate



* Projected FY 2022; Budgeted FY 2023, & FY 2024

Figure 54 - Terminal Rates

Supplemental Data

Aircraft Operations (Takeoffs and Landings)

Aircraft operations are the takeoffs and landings at SAN. They represent the level of demand for air service by the airlines operating at SAN.

Fiscal Year	Air Carriers	Air Taxi	General Aviation	Military	Total
2015	160,726	24,336	9,534	669	195,265
2016	169,365	13,741	9,439	906	193,451
2017	178,579	11,899	9,719	814	201,011
2018	196,253	11,903	9,816	699	218,671
2019	204,627	12,539	10,167	759	228,092
2020	170,757	10,990	8,174	825	190,746
2021	108,240	11,844	8,835	1,098	130,017

Source: FAA ATADS Report: Air Operations Standard Report (itinerant only)

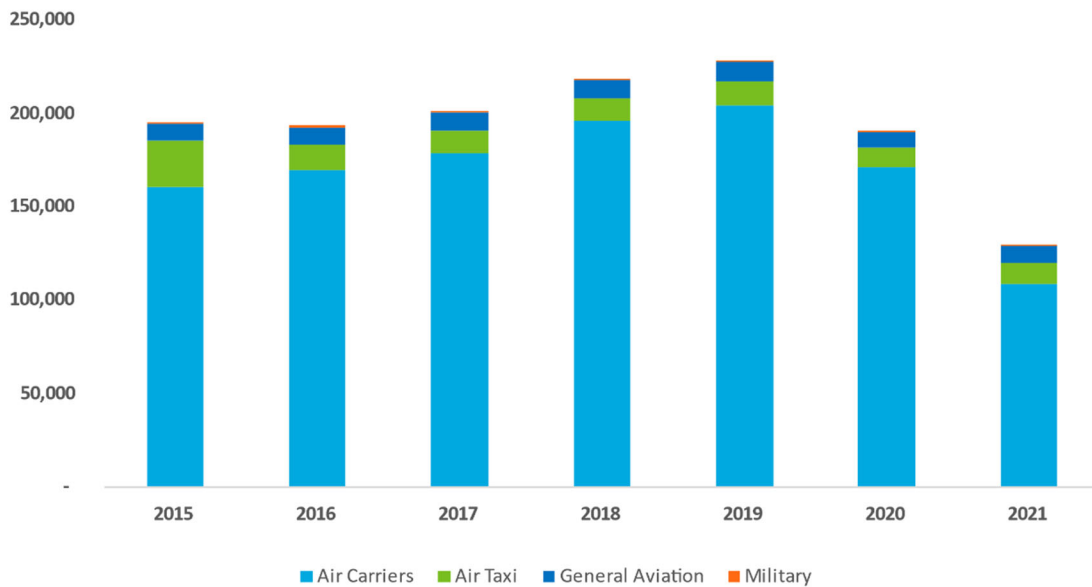


Figure 55 - Aircraft Operations

Source: San Diego County Regional Airport Authority

Supplemental Data

Historical Revenue by Source

(in thousands)

Revenue by Major Sources	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Budget	FY 2023 Budget	FY 2024 Conceptual Budget
Airline Revenue	\$ 102,331	\$ 112,205	\$ 116,381	\$ 123,157	\$ 134,354	\$ 131,838	\$ 133,870	\$ 140,932	\$ 196,108	\$ 222,592
Federal Relief	-	-	-	-	-	36,895	77,219	80,000	-	-
Parking and Ground Transportation	45,958	52,546	54,355	53,254	62,818	50,751	27,447	33,258	49,684	56,049
QHP & CIP Grants	22,839	19,050	3,318	21,468	19,763	16,228	26,225	25,259	51,657	88,338
Passenger Facility Charges	38,517	40,258	42,200	46,953	49,198	34,393	22,110	23,962	40,078	43,863
Rental Car License Fees and License Fees - Other	26,210	27,816	30,162	37,247	41,155	32,245	20,342	22,945	39,891	42,381
Ground Rentals	11,568	15,194	18,497	20,073	20,647	18,925	19,260	22,616	23,776	24,001
Customer Facility Charges	32,465	33,208	36,528	41,037	41,919	30,240	15,755	20,609	31,284	34,293
Terminal Concessions	21,962	24,018	26,146	28,363	30,102	24,999	10,754	13,236	24,358	27,226
Interest Income	5,747	5,999	8,134	13,374	16,812	19,690	13,471	10,388	24,072	25,873
Non-Airline Revenue - Other ¹	3,850	4,840	(13,581)	(9,227)	12,815	18,470	4,271	4,053	4,580	4,649
BAB Interest Rebate	4,631	4,656	4,651	4,666	4,686	2,089	-	-	-	-
Total Revenue	\$ 316,077	\$ 339,790	\$ 326,790	\$ 380,365	\$ 434,268	\$ 416,763	\$ 370,724	\$ 397,258	\$ 485,486	\$ 569,265

¹ Non-Airline Revenue - Other includes Terminal Rent Non-Airline, Grant Reimbursements, Other Non-Operating Revenue and Other Operating Revenue which includes finger printing fees, utilities reimbursements, service charges, equipment rental and miscellaneous revenues

Figure 56 - Historical Revenue by Source

Supplemental Data

Airport Authority's Largest Sources of Revenues

(in thousands)

Tenant	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	% of Total Operating Revenue
Southwest Airlines	\$ 33,107	\$ 33,839	\$ 35,961	\$ 38,404	\$ 42,359	\$ 44,940	\$ 32,982	15.3%
Alaska Airlines ¹	9,713	10,612	11,705	16,353	17,436	20,633	19,163	8.9%
American Airlines ²	15,888	15,322	17,075	16,581	17,073	17,150	17,010	7.9%
Delta Airlines	13,561	14,418	16,123	17,007	18,368	22,064	16,637	7.7%
United Airlines	15,687	14,518	16,227	17,520	18,335	20,204	16,637	7.7%
Enterprise Rent-A-Car	7,998	9,451	11,188	12,286	12,780	12,238	5,913	2.7%
Hertz Rent-A-Car	6,236	8,225	11,143	11,017	11,539	10,829	5,303	2.5%
Signature Flight Support							4,919	2.3%
Avis-Rent-A-Car ³	-	-	-	-		8,447	4,666	2.2%
FedEx	-	-	-	-	-	-	3,890	1.8%

Source: San Diego County Regional Airport Authority

¹ Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018, and began operating as Alaska Airlines on April 25, 2018

² US Airways merged with American Airlines on December 9, 2013. A single operating certificate was issued by the FAA and operational integration was on April 7, 2015

³ Avis Budget Car Rental LLC entered into a purchase agreement on February 2, 2020, with BW-Budget-SDA LLC acquiring all agreements at SAN.

Figure 57 - Airport Authority's Largest Sources of Revenues

Source: San Diego County Regional Airport Authority

Supplemental Data

Economic and Operational Trends

U.S. Gross Domestic Product Second Quarter 2016 – Second Quarter 2022

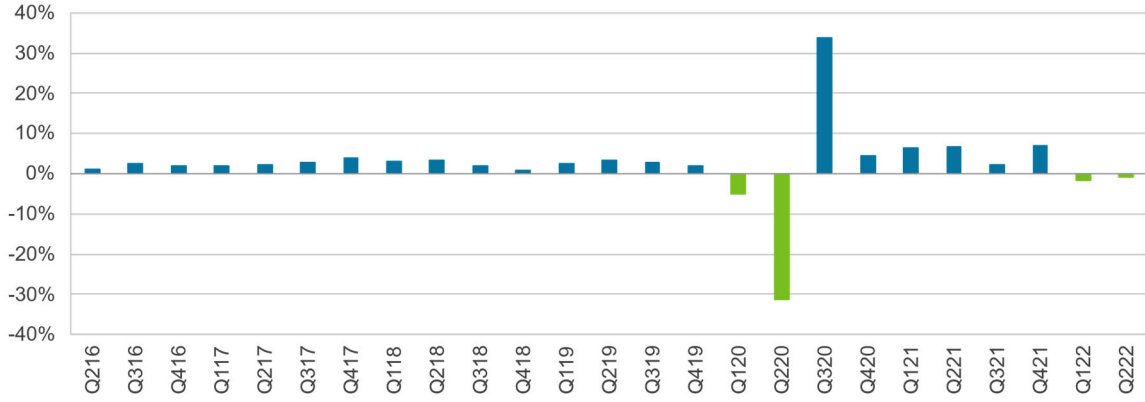


Figure 58 -- U.S. Gross Domestic Product

Source: Bloomberg

Dow Jones Industrial Average and S&P 500 Indices August 8, 2017 – August 8, 2022

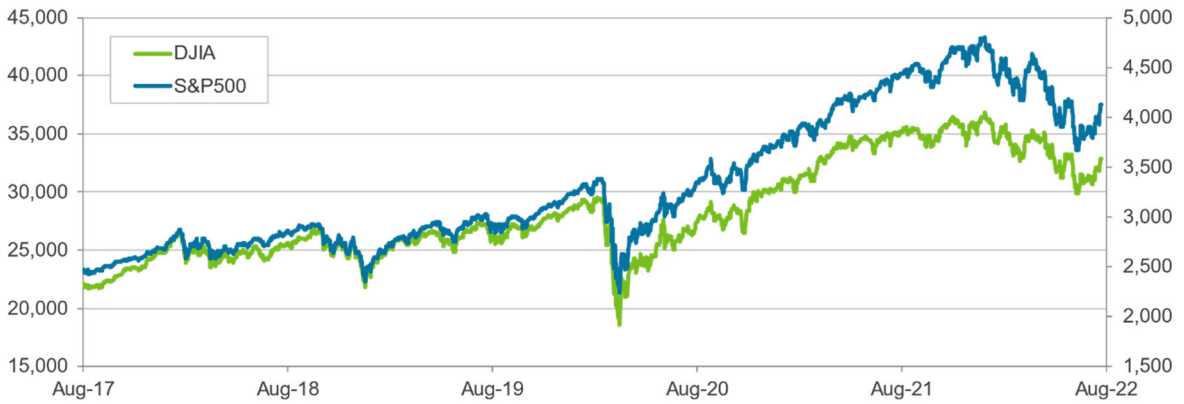


Figure 59 - Dow Jones Industrial Average and S&P 500 Indices

Source: Bloomberg

Supplemental Data

San Diego County Principal Employers

November 2020				August 2011			
Employer	Local Employees	Rank	Percentage of Total Industry Employment	Employer	Local Employees	Rank	Percentage of Total Industry Employment
University of California, San Diego	35,802	1	2.3%	U.S. Federal Government	46,300	1	2.9%
Naval Base San Diego	34,534	2	2.3%	State of California	45,500	2	2.9%
Sharp Health Care	19,468	3	1.3%	University of California, San Diego	27,393	3	1.7%
Scripps Health	16,295	4	1.1%	County of San Diego	15,109	4	1.0%
General Atomics Aeronautical	6,745	5	0.4%	Sharp Health Care	14,696	5	0.9%
San Diego State University	6,454	6	0.4%	Scripps Health	13,830	6	0.9%
Rady's Children Hospital	5,711	7	0.4%	San Diego Unified School District	13,730	7	0.9%
San Diego Community College District	5,400	8	0.4%	Qualcomm Inc.	10,509	8	0.7%
Sempra Energy	5,063	9	0.3%	City of San Diego	10,211	9	0.6%
YMCA of San Diego	5,057	10	0.3%	Kaiser Permanente	8,200	10	0.5%

Figure 60 - Principal Employers

Sources: Employers - San Diego Journal Book of Lists: 2021 & 2012;

Total Industry Employment - California Employment Development Dept., Labor Market Info

Note: 2021 San Diego County's Largest Employers List was discontinued by the San Diego Business Journal

Supplemental Data

San Diego County Employment by Industry Sectors

Industry Sectors	2021	
	Employment	% of Total
Professional and Business Services	279,000	18.5%
Government	244,600	16.2%
Trade, Transportation and Utilities	227,300	15.1%
Education and Health Services	217,200	14.4%
Leisure and Hospitality	182,600	12.1%
Manufacturing	115,100	7.6%
Construction and Mining	83,600	5.6%
Financial Activities	74,500	4.9%
Other Services	51,300	3.4%
Information	22,500	1.5%
Agriculture	<u>8,000</u>	0.5%
Total	<u>1,505,700</u>	

Figure 61 - – San Diego County Employment by Industry Sectors

Source: California Employment Development Department, Labor Market Information Division Employment & Labor Force

Supplemental Data

Labor Force, Employment and Unemployment Rate

Calendar Year	Labor Force	Employment	Unemployment	Unemployment Rate	
				SD County	State
2012	1,536,900	1,394,300	146,600	9.3%	10.5%
2013	1,537,500	1,415,600	126,900	7.9%	9.0%
2014	1,537,500	1,437,400	100,600	6.5%	7.6%
2015	1,548,800	1,467,700	82,400	5.2%	6.3%
2016	1,563,200	1,489,100	77,300	4.7%	.5.5%
2017	1,570,800	1,507,200	66,300	4.02%	4.8%
2018	1,579,600	1,526,100	58,400	3.4%	4.3%
2019	1,582,900	1,531,000	52,900	3.3%	4.1%
2020	1,542,000	1,395,700	219,300	19.5%	10.2%
2021	1,543,700	1,443,800	99,900	6.5%	7.3%

Figure 62 - Labor Force, Employment and Unemployment Rate

Source: California Employment Development Department, Labor Market Information Division

Supplemental Data

Population & Per Capita Personal Income San Diego County

Calendar Year	Estimated Population ⁽¹⁾	% Change	Per Capita Personal Income ⁽¹⁾	% Change	Total Personal Income ⁽¹⁾ <i>(in billions)</i>	% Change
2013	3,208,946	1.1 %	\$51,223	1.1 %	\$157.8	3.3 %
2014	3,248,547	1.2 %	\$52,889	3.3 %	\$167.1	5.9 %
2015	3,275,084	0.8 %	\$54,708	3.4 %	\$175.9	5.3 %
2016	3,300,891	0.8 %	\$55,797	2.0 %	\$184.2	4.7 %
2017	3,327,564	0.8 %	\$56,437	1.1 %	\$192.5	4.5 %
2018	3,352,564	0.8 %	\$57,473	1.8 %	\$202.8	5.4 %
2019	3,357,442	0.1 %	\$64,862	12.9 %	\$217.8	7.4 %
2020	3,362,150	0.1 %	\$63,169	(2.6)	\$213.8	(1.8)
2021	3,366,072	0.1%	\$63,971	1.3%	\$221.3	3.5%

Figure 63 - Population & Per Capita Personal Income San Diego County

Source: California Department of Transportation - San Diego County

Supplemental Data

Authority Position Range

Classification Title	Position Range	
	Minimum	Maximum
Vice Presidents	\$187,546	\$337,582
Senior Director, External Relations	\$134,873	\$236,027
Director, Airport Planning & Environmental Affairs	\$128,356	\$224,623
Assistant General Counsel	\$186,563	\$326,485
Director, Airport Design & Construction	\$123,633	\$216,358
Director, Information & Technology Services	\$121,613	\$212,822
Director, Talent, Culture & Capability	\$126,806	\$221,910
Director, Revenue Management	\$121,564	\$212,737
Director, Terminal & Airside Operations	\$134,050	\$234,587
Director, Aviation Security & Public Safety	\$121,811	\$213,169
Director, Facilities Management	\$106,030	\$185,553
Director, Financial Planning & Budget	\$133,077	\$232,885
Director, Capital Financial Planning & Airline Relations	\$133,077	\$232,885
Director, Customer Experience & Innovation	\$115,766	\$202,590
Director, Communications	\$112,824	\$197,442
Director, Marketing & Air Service Development	\$113,813	\$199,174
Director, Accounting	\$117,636	\$205,862
Director, Ground Transportation	\$106,462	\$186,308
Director, Procurement	\$124,967	\$218,693
Associate General Counsel III	\$127,046	\$222,330
Director, Government Relations	\$116,340	\$203,595
Director, Authority Clerk	\$110,137	\$192,740
Associate General Counsel II	\$116,776	\$204,358
Program Manager-Concessions	\$104,072	\$182,125
Program Manager	\$103,823	\$181,689
Program Manager for Engineering & Construction	\$114,330	\$200,077
Senior Manager, Information Technology	\$114,272	\$199,976

Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Senior Manager, Construction Services	\$99,316	\$173,803
Manager, Business Analytics	\$100,983	\$171,671
Manager, Airport Finance	\$102,944	\$175,006
Manager, Airport Planning	\$85,150	\$144,754
Manager, Airside Operations	\$99,104	\$168,476
Manager, Audit Services	\$98,734	\$167,848
Manager, Aviation Security & Law Enforcement	\$93,272	\$158,563
Manager, Business & Systems Applications	\$113,263	\$192,547
Manager, Customer Experience Design	\$87,823	\$149,300
Manager, Energy & Water Management	\$79,093	\$134,458
Manager, ER Preparedness & Public Safety	\$80,702	\$137,193
Manager, Facilities Management	\$83,587	\$142,098
Manager, Ground Transportation	\$92,889	\$157,911
Manager, Human Resource Business Partnerships	\$101,002	\$171,703
Manager, Infrastructure Operations	\$107,804	\$183,267
Manager, Insurance & Construction Risk	\$102,819	\$174,792
Manager, Procurement & Contract Services	\$97,631	\$165,972
Manager, Small Business Development	\$89,036	\$151,361
Manager, Terminal Operations	\$77,352	\$131,498
Manager, Service Desk & IT Terminal Operations	\$98,459	\$167,380
Project Manager	\$93,771	\$159,410
Senior Manager, Arts Program	\$93,113	\$158,292
Senior Manager, Marketing	\$103,908	\$176,643
Manager, Safety & Labor Compliance	\$92,181	\$156,708
Accounting Manager	\$89,178	\$147,143
Innovation Program Manager	\$67,913	\$112,057
Manager, Contracts	\$102,248	\$168,708
Manager, Environmental Affairs	\$99,899	\$164,834
Manager, Learning & Capability	\$92,543	\$152,696
Asset Manager	\$91,685	\$151,280
Senior Auditor	\$74,272	\$122,549

Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Senior Financial Analyst	\$81,719	\$134,836
Construction Manager	\$89,700	\$148,005
IT Project Manager	\$98,776	\$162,981
Quality Control Manager	\$82,929	\$136,833
Air Service Program Manager	\$88,037	\$145,261
Construction Safety Program Manager	\$80,372	\$132,613
GIS/CAD Systems Manager	\$80,462	\$132,762
Manager, Government & Community Relations	\$86,742	\$143,124
Senior Human Resources Business Partner	\$102,770	\$169,571
Senior Project Controls Analyst	\$88,075	\$145,325
Senior Safety Specialist	\$85,185	\$140,556
Airside & Terminal Resource Systems Manager	\$76,622	\$126,427
Aviation Systems Program Specialist	\$102,035	\$163,257
Cyber Security Specialist	\$91,899	\$147,039
Construction Project Coordinator	\$74,379	\$119,006
Database Administrator	\$94,004	\$150,407
ITS Senior Engineer	\$94,337	\$150,939
Maintenance Projects Planner	\$73,195	\$117,111
Senior Airside Operations Duty Manager	\$82,550	\$132,080
Senior Applications Development Analyst	\$84,484	\$135,175
Senior Marketing Specialist	\$67,342	\$107,747
Senior Risk Management Analyst	\$78,691	\$125,906
Senior Systems Support Analyst	\$83,782	\$134,051
Senior Terminal Operations Coordinator	\$73,929	\$118,286
Technical Coordinator	\$74,787	\$119,658
Administrative Services Manager	\$63,387	\$101,419
Airport Art Program Manager	\$83,574	\$133,718
Airport Properties Operations Coordinator	\$72,604	\$116,167
Airside Operations Duty Manager II	\$73,277	\$117,243
Applications Development Analyst	\$78,001	\$124,801
Assistant Authority Clerk II	\$75,035	\$120,055

Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Associate Asset Manager	\$69,803	\$111,685
Customer Relations Manager	\$78,001	\$124,802
Financial Analyst II	\$75,851	\$121,362
Document Control Manager	\$71,735	\$114,776
Government Relations Specialist	\$75,735	\$121,176
Human Resources Business Partner II	\$79,426	\$127,082
Marketing Specialist II	\$61,254	\$98,006
Project Controls Analyst	\$69,430	\$111,088
Safety & Loss Prevention Analyst II	\$60,273	\$96,436
Security & Public Safety Analyst II	\$73,906	\$118,249
Senior Accountant	\$74,036	\$118,458
Senior Aircraft Noise Specialist	\$67,862	\$108,580
Senior Airport Planner	\$75,948	\$121,517
Senior Communication Specialist	\$74,560	\$119,296
Senior Cost Analyst	\$78,085	\$124,936
Senior Environmental Specialist	\$68,733	\$109,972
Senior Human Resource Analyst	\$78,100	\$124,959
Senior Management Analyst	\$71,282	\$114,051
Senior Procurement Analyst	\$71,928	\$115,085
Senior Security Specialist	\$65,795	\$105,272
Senior Learning & Development Specialist	\$74,087	\$118,539
Small Business Development Program Manager	\$66,422	\$106,275
Accountant	\$61,680	\$98,687
Airport Art Program Coordinator II	\$56,891	\$91,026
Airside Operations Duty Manager I	\$56,405	\$90,248
Associate Airport Planner	\$63,263	\$101,220
Associate Engineer	\$68,587	\$109,738
Associate Environmental Specialist	\$58,956	\$94,330
Auditor	\$58,526	\$93,641
Business Systems Analyst	\$76,013	\$121,621
Communication Specialist II	\$60,685	\$97,096

Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Cost Analyst	\$69,476	\$111,162
Customer Relations Coordinator	\$47,291	\$75,666
Learning & Development Specialist	\$62,087	\$99,339
Facilities Commissioning Coordinator	\$82,748	\$132,397
Human Resources Information Systems Analyst II	\$73,494	\$117,590
Human Resources Analyst II	\$62,669	\$100,271
Human Resources Business Partner I	\$60,977	\$97,563
ITS Engineer	\$79,808	\$127,694
Management Analyst	\$63,179	\$101,086
Marketing Specialist I	\$51,177	\$81,884
Paralegal	\$66,212	\$105,940
Quieter Home Program Coordinator	\$53,346	\$85,354
Risk Management Analyst II	\$67,573	\$108,118
Safety & Loss Prevention Analyst I	\$57,795	\$92,472
Security & Public Safety Analyst I	\$64,575	\$103,320
Senior Airport Communications Center Specialist	\$58,979	\$94,367
Senior Engineering Technician II (BIM/CAD)	\$69,804	\$111,687
Small Business Development Program Coordinator	\$53,639	\$85,822
Systems Support Analyst II	\$71,695	\$114,711
Terminal Operations Coordinator	\$64,182	\$102,691
External Relations Specialist	\$61,268	\$98,028
Labor Compliance Supervisor	\$73,488	\$117,581
Ground Transportation Specialist	\$59,219	\$94,751
Information Technology Services Project Coordinator	\$71,951	\$115,121
Project Analyst	\$61,121	\$97,793
Senior Engineering Technician	\$64,328	\$102,925
Procurement Analyst II	\$59,845	\$95,752
Aircraft Noise Specialist	\$57,494	\$91,990
Assistant Environmental Specialist	\$45,247	\$72,395
Communication Specialist I	\$52,484	\$83,974
Financial Analyst I	\$60,440	\$96,705

Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Human Resources Analyst I	\$57,690	\$92,303
ITS Administrator	\$68,330	\$109,329
Procurement Analyst I	\$51,545	\$82,471
Purchasing Card Program Analyst	\$45,113	\$72,180
Quality Control Coordinator	\$56,980	\$91,168
Risk Management Analyst I	\$53,648	\$85,837
Systems Support Analyst I	\$59,552	\$95,282
Airport Art Program Coordinator I	\$46,522	\$74,434
Airport Communications Center Specialist	\$52,097	\$83,354
Project Assistant	\$48,893	\$78,229
Document Control Coordinator	\$42,089	\$67,343
Executive Assistant	\$59,784	\$95,655
HR Assistant II	\$44,824	\$71,718
Labor Compliance Technician II	\$60,779	\$97,247
Records & Information Management Specialist II	\$46,266	\$74,026
Security Specialist II	\$45,926	\$73,481
Security & Emergency Response Coordinator	\$53,175	\$85,080
Senior Construction Inspector	\$69,833	\$111,733
Senior Maintenance Project Inspector	\$67,839	\$108,542
Strategic Planning Outreach Coordinator	\$46,071	\$73,713
Talent, Culture & Capability Coordinator	\$42,596	\$68,154
Assistant Airport Planner	\$39,295	\$62,872
Assistant Authority Clerk I	\$46,741	\$74,785
Construction Inspector	\$58,837	\$94,139
Engineering Technician	\$52,502	\$84,002
Help Desk Technician	\$44,266	\$70,826
Labor Compliance Technician I	\$48,915	\$78,264
Procurement Coordinator	\$44,922	\$71,875
Senior Administrative Assistant	\$39,423	\$63,078
Maintenance Project Inspector	\$54,664	\$87,462
Accounting Technician	\$51,790	\$82,865

Supplemental Data

Classification Title	Position Range	
	Minimum	Maximum
Administrative Assistant II	\$35,779	\$57,246
Payroll Technician	\$55,286	\$88,458
Records & Information Management Specialist I	\$38,772	\$62,034
Security Specialist I	\$40,575	\$64,920
Staff Assistant	\$40,136	\$64,218
Administrative Assistant I	\$32,601	\$52,161
Corporate Information Assistant	\$32,503	\$52,004

Figure 64 – Authority Position Range

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Glossary



Glossary

ACCRUAL BASIS OF ACCOUNTING – Under this method, revenue is recorded when earned and expenses are recorded when liabilities are incurred.

AIRCRAFT OPERATIONS – The landing or takeoff of an aircraft.

AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) – A special category of firefighting that involves the response, hazard mitigation, evacuation and possible rescue of passengers and crew of an aircraft (typically) involved in an airport ground emergency.

AIRLINE OPERATING AND LEASE AGREEMENT (AOLA) – Agreement with passenger airlines and cargo carriers operating at SAN. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport.

AIRLINE SUPPORT BUILDING (ASB) – Facility used by airlines to process belly cargo.

AIRPORT AUTHORITY – Refers to the *San Diego County Regional Airport Authority (SDCRAA)*.

AIRPORT AUTHORITY ACT – California State Bill AB 93: Division 17: Chapter 1, dated January 11, 2001, which establishes the San Diego County Regional Airport Authority, as a local governmental entity.

NEW TERMINAL 1 – Project name that defines phases and improvement for the new Terminal 1.

AIRPORT IMPROVEMENT PROGRAM (AIP) – The FAA's AIP provides both entitlement and discretionary grants for eligible airport projects. This program, authorized periodically by Congress, distributes the proceeds of the federal tax on airline tickets to airports, through grants, for eligible construction projects and land acquisition. See *Federal Grants*.

AIRPORT LAND USE COMMISSION (ALUC) – An agency required by state law to exist in counties served by a commercial and/or general aviation airport. The purpose of the ALUC is to protect public health, safety, and welfare by ensuring the orderly development of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports, to the extent that these areas are not already devoted to incompatible uses. The San Diego County Regional Airport Authority (SDCRAA) serves as the Airport Land Use Commission for airports in San Diego County.

AIRPORT MASTER PLAN – An airport master plan represents the approved actions to be accomplished for phased development of the airport. Master plans address the airfield, terminal, landside access improvements, modernization, and expansion of existing airports, and establish the premise for site selection and planning for a new airport.

AIRPORT REVENUE BONDS – Bonds issued by municipality or Airport Authority wherein airport revenues back the tax-exempt, lower interest rate bond.

ALTERNATIVE MINIMUM TAX (AMT) – A supplemental income tax imposed by the United States federal government required in addition to baseline income tax.

AMERICA RESCUE PLAN ACT – also called the COVID-19 Stimulus Package is an economic stimulus bill passed by the 117th United States Congress and signed into law on March 11, 2021, to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.

AMORTIZATION – An accounting technique used to periodically lower the book value of a loan or intangible asset over a set period.

AUDIT – An official inspection of an individual or organization's accounts, typically by an independent body

AUTHORITY FUND BALANCE – The Airport Authority's fund balance is generally defined as the difference between its assets and liabilities.

Glossary

BALANCED BUDGET – The Airport Authority’s definition of a balanced budget is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds.

BOND COVENANT – An agreement with bondholders, which defines the priority of payment of debt service in the use of revenues, among other things.

BONDS – In finance, a bond is an instrument of indebtedness of the bond issuer to the holders. The most common types of bonds include municipal bonds and corporate bonds.

BUDGET – A financial plan for a specified period of time (FY) that matches planned expenses and revenues with planned services.

BUDGET CALENDAR – The schedule of key dates, or milestones, that the Airport Authority follows in the preparation, adoption, and administration of the annual budget.

BUILD AMERICA BONDS (BAB) – Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) – A project undertaken by a public agency or a private activity, which may cause either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment, must receive some discretionary approval from a government agency.

CAPITAL IMPROVEMENT PROGRAM (CIP) – A rolling, near-term five-year program that provides for critical needed improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety improvement and enhanced revenue potential.

CAPITALIZED LABOR – Personnel salaries, taxes and benefits expenses that are associated with capital projects.

CARES ACT GRANT – Coronavirus Aid, Relief, and Economic Security Act approved by the United States Congress and signed by the President on March 27, 2020, is one of those legislative actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines.

COMMERCIAL PAPER (CP) – Short-term promissory note issued for periods up to 270 days, with maturities commonly at 30, 60 and 90 days. The Airport Authority currently has commercial paper programs with two series, AMT, and *non-AMT*.

COMMON USE SYSTEM SUPPORT (CUSS) – A shared service kiosk system used by multiple airlines that allow for convenient passenger check-in.

CONCESSIONAIRE – A person or company having a lease, contract, or operating permit arrangement with the Airport Authority, entitling them to do business at the airport.

COST PER ENPLANED PASSENGER (CPE) – The total annual cost of fees and charges paid by the airlines, divided by the total enplanements.

CUSTOMER FACILITY CHARGE (CFC) – Airport-required fees collected by car rental agencies and used to fund new car rental facilities.

DEBT POLICY – A framework by which decisions are made concerning the use and management of debt, with a comprehensive financial plan used in effecting strategic initiatives.

DEBT SERVICE – Principal and interest payments on bonds.

DEBT SERVICE COVERAGE – An amount equal to 125% of the portion of Debt Service attributable to bonds, plus other such amounts as may be established by any financial agreement.

Glossary

DEPRECIATION – A reduction in the value of an asset with the passage of time, due in particular to wear and tear.

DERIVATIVE – A financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) – A for-profit small business where socially and economically disadvantaged individuals owning at least a 51% interest also control the management and daily business operations.

DISCRETIONARY FUNDS – See *Federal Grants*.

ENGINEERED MATERIAL ARRESTING SYSTEM (EMAS) – A bed of engineered materials built at the end of a runway to reduce the severity of the consequences of a runway excursion.

ENPLANED PASSENGER – Any revenue passenger boarding an aircraft at the Airport, including any passenger that previously disembarked from another aircraft.

ENTERPRISE FUND – In governmental accounting, a fund that provides goods and services to the public for a fee that makes the entity self-supporting.

FEDERAL AVIATION ADMINISTRATION (FAA) – The FAA is part of the Department of Transportation (DOT) and, within the airspace of the United States, promotes air safety, regulates air commerce, controls the use of navigable airspace, develops, and operates air navigation facilities, develops, and operates the air traffic control system and administers federal grants for the development of public-use airports.

FEDERAL GRANTS – Entitlement funds, determined by a formula according to enplanements at individual airports. The Airport Authority applies for discretionary grants of funds from the FAA through a Letter of Intent (LOI) process. Each LOI represents an intention to obligate funds from future federal budget appropriations. The issuance of a LOI is subject to receipt of Congressional appropriations for grants to airports and does not itself constitute a binding commitment of funds by the FAA. For planning purposes, the amounts in an approved LOI from the FAA are used by the Airport Authority as an estimate of federal discretionary grants to be received.

FISCAL YEAR (FY) – The annual period beginning July 1st and ending June 30th.

FIXED BASE OPERATOR (FBO) – Commercial business, at the Airport, authorized by the Airport Authority to sell aviation fuels and provide other aviation-related services, primarily to General Aviation.

FLIGHT INFORMATION DISPLAY SYSTEM (FIDS) – A computer system used in airports to display flight information to passengers.

FULL-TIME EQUIVALENT (FTE) – Employee working on average at least 30 hours of service per week in a given month.

GENERAL AVIATION – The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – Uniform minimum standards and guidelines for accounting and financial statement reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) – A group that represents public finance officials throughout the United States and Canada to promote excellence in state and local government financial management.

INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) – An association that supports aviation with global standards for airline safety, security, efficiency and sustainability.

INNOVATION LAB – A physical and / or virtual space to enable and support Airport-related innovations.

Glossary

LANDED WEIGHT – Refers to maximum gross certificated landed weight, in one-thousand-pound units, as stated in the airlines' flight operations manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at the Airport.

LANDING FEES – Revenues from passenger and cargo carriers for commercial aircraft landings at airports.

LAW ENFORCEMENT OFFICERS (LEO) – A public-sector employee whose duties primarily involve the enforcement of laws.

LEGACY CARRIERS – Refer to those airlines that flew interstate routes prior to the Airline Deregulation Act of 1978. U.S. legacy carriers mainly include American, Delta, United, Alaska and Hawaiian Airlines.

LOCAL BUSINESS ENTERPRISE (LBE) – Locally owned business, which provides goods and / or services to SAN.

LOW-COST CARRIERS – Refer to airlines such as JetBlue, Frontier, Allegiant, Southwest, and Spirit.

MAJOR MAINTENANCE FUND (MMF) – Established to be used to fund Capital Projects in the airfield area, terminal area, common use systems, airline terminal support cost centers, and indirect cost centers.

MAJOR MAINTENANCE PROGRAM (MMP) – Includes projects that are defined as major repairs to existing buildings or structures and does not prolong or extend the estimated useful life of the asset. Major maintenance projects are generally not capitalized and are expensed in the operating budget.

MINIMUM ANNUAL GUARANTEE (MAG) – The minimum annual amount remitted to the Airport Authority by Tenants as consideration for the rights and privileges granted by the Tenant Lease agreement between the Airport Authority and Tenant. The MAG is typically paid as monthly rent and is adjusted upon commencement of each Fiscal Year as specified in the Tenant Lease.

NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) – A United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality.

NET REVENUE – Generally defined as operating revenue less operating expenses.

PROCUREMENT CARD (P-CARD) PROGRAM – A procurement card program assists in making payments to suppliers or merchants.

PASSENGER FACILITY CHARGES (PFC) – A charge attached to each ticketed passenger that boards an airplane at the Airport. Certain types of passengers, including military, are excluded from the Passenger Facility Charge.

QUIETER HOME PROGRAM (QHP) – See *Residential Sound Attenuation Program*.

REAL GROSS DOMESTIC PRODUCT (REAL GDP) – An inflation-adjusted measure that reflects the value of all goods and services produced by an economy each year (expressed in base-year prices).

RECEIVING AND DISTRIBUTION CENTER (RDC) – A central warehouse for the delivery and distribution of goods at an airport. All supplies for the concessions within an airport, as well as Airport Authority supplies, will flow through this center.

RENTAL CAR CENTER (RCC) – A facility to house all rental car companies in a single building.

RESIDENTIAL SOUND ATTENUATION PROGRAM – Includes sound attenuation construction at all eligible single-family and multi-family dwellings, with six or fewer units, located in the Year 2000 70 decibels Community Noise Equivalent Contour.

SAN – Three-letter geocode designated to San Diego International Airport by the International Air Transport Association (IATA).

SDCRAA – *San Diego County Regional Airport Authority*.

Glossary

SERVICE-DISABLED VETERAN SMALL BUSINESS (SDVSB) – A business owned and controlled by a veteran with service-connected disability that has been determined by the Department of Veterans Affairs or Department of Defense.

SERVICE LEVEL AGREEMENT – Agreement between the San Diego Port District and the Airport Authority defining the services that the Airport Authority obtains from the Port.

SMALL BUSINESS ENTERPRISE (SBE) – Independently owned and operated for profit US business contributing to US economy, not dominant in national industry and NAICS (North American Industry Classification System) qualifies size standards by industry.

TELEDYNE-RYAN (TDY) – Former Teledyne-Ryan property within the Airport footprint to be used in the SDIA Airport Development Program and Green Build project.

TERMINAL DEVELOPMENT PROGRAM – Planned series of various terminal and airfield improvements essential to accommodating the growing passengers' demands at SAN.

TRANSPORTATION NETWORK COMPANY (TNC) – Connects paying passengers with drivers who provide the transportation on their own non-commercial vehicles.

TRANSPORTATION SECURITY ADMINISTRATION (TSA) – An agency of the U.S. Department of Homeland Security that has authority over the security of the traveling public in the United States.

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