



**San Diego County Regional Airport Authority  
FY 2014 Adopted Budget & FY 2015 Approved Conceptual Budget**

**Finance Division  
Financial Planning and Budget**

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

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June 6, 2013

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Tom Smisek

Dear Board Members:

Submitted herein is the San Diego County Regional Airport Authority's (the Authority) adopted operating and capital budget for Fiscal Year (FY) 2014 and an approved conceptual budget for FY 2015, marking the fourth year the Authority has issued a budget covering a two-year period. The budget is the culmination of an extensive, collaborative effort, which included workshops with members of the Airport Authority (the Board) and staff that evaluated the operating and capital improvement needs and obligations of the Authority. The budget also ensures adherence to the requirements of the master and subordinate bond indentures governing the Authority's outstanding indebtedness and takes into account its obligations under State and Federal law.

The goal of multiyear budgeting is to facilitate the integration of financial and strategic planning and resource allocation. Last year, the Board approved an FY 2014 Conceptual Budget as part of the FY 2013-2014 budget process. This year the FY 2014 Conceptual Budget was revised, and subsequently adopted, as the FY 2014 Budget. The FY 2015 Conceptual Budget was also approved. Next year, the FY 2015 Conceptual Budget will be revised to reflect any changes in strategies and initiatives, as well as industry, economic and geopolitical events. A revised FY 2015 Budget will be presented to the Board in June 2014 for review and formal adoption and an FY 2016 Conceptual Budget will also be presented for approval at that time.

Establishing the budget is a deliberative process reflecting the Board's continuous leadership and direction and expressed through the Authority's strategies and initiatives, as discussed in greater detail in the **Airport Authority Overview** section of this budget. The budget supports operating San Diego International Airport (SDIA, or the Airport) as a world-class facility in challenging times for the aviation industry. In addition to supporting the Authority's financial and operational requirements, the budgets also address the Authority's responsibilities related to meeting the long-term aviation needs of the region:

- Studying, planning and implementing capital improvements to meet current and future facility requirements at SDIA, including The Green Build Program and Rental Car Center (See **Capital Program** section).

- ➔ Serving as the region’s Airport Land Use Commission, 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 Authority to operate SDIA in a manner that meets or exceeds customer expectations while simultaneously executing its legislative mandates. The budget funds, among other things, the activities, infrastructure, equipment and technology needed to support execution of the Authority’s strategies and priorities in the coming fiscal year.

## Guiding Principles

The Authority’s organizational strategies and sustainability values are the guiding principles used for allocating scarce and restricted resources to SDIA programs as part of the budget process. Sustainability has emerged as a global environmental theme and a major business imperative. The four sustainability elements of Economic Viability (E), Operational Excellence (O), Natural Resource Conservation (N), and Social Responsibility (S) –“EONS”– have been adopted by the aviation industry as the core precepts for a holistic approach to airport sustainability. The Authority’s strategies and sustainability values are illustrated as follows:

<b>STRATEGIES</b>			<b>SUSTAINABILITY VALUES</b>	
<b>1</b>	<b>Financial Strategy</b>	Enhance the financial position of the Authority	<b>E</b>	Economic Viability
<b>2</b>	<b>Customer Strategy</b>	Achieve the highest level of internal and external customer satisfaction	<b>O</b>	Operational Excellence
<b>3</b>	<b>Operations Strategy</b>	Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner		
<b>4</b>	<b>Employee Strategy</b>	Ensure the highest level of employee commitment and performance	<b>S</b>	Social Responsibility
<b>5</b>	<b>Community Strategy</b>	Be a trusted and highly responsive regional agency		

Figure 1 – FY 2014 & FY 2015 Authority Strategies & Sustainability Values

## Budget Priorities

The budgets address near- and mid-term priorities, including a number of ongoing programs, studies and initiatives, as well as the Authority’s strategies.

During FY 2012, the Board and Executive Staff identified seven priorities. For the FY 2014 budget four of the seven will be ongoing priorities and the remaining three are nearing completion. These priorities are critical for the Authority to execute over the next two to five years in order to support the Authority’s strategies.



## The four ongoing priorities include:

**Revenue Enhancement:** It is expected that, for the foreseeable future, the Authority will be operating in a resource-constrained environment. In order to enhance the Authority's financial position, identification of new and/or enhanced revenue sources, especially non-airline revenue sources, will be paramount.

**Strategic Engagement:** The Authority has embarked on a planned and deliberate effort to promote employee engagement, not only in their jobs but also in the airport enterprise. With an organizational competence in maintaining an engaged workforce (currently 78% relative to a national average of 30%<sup>1</sup>), the Authority is focused on aligning the workforce with its most important business initiatives and priorities. This priority will be critical to future success as we navigate through a resource-constrained environment. Strategic engagement includes management and leadership education and skill development, as well as work redesign and organizational structure changes. This advanced and preemptive thinking about employees and the work they perform, along with the new infrastructure, will set the foundation for an Airport Authority of the future—one able to anticipate and contend with the challenges of the 21st century.

**Airport Development Plan:** The Airport Development Plan (ADP) is the next phase of planning for SDIA. The ADP will identify improvements to enable the airport to meet demand through 2035, while maximizing efficiency, safety, security and passenger service levels. The Plan will include substantial data collection, a passenger survey, new forecasts, identification of facility requirements, evaluation of alternatives and a recommended plan.

**Rental Car Center (RCC):** In keeping with the Authority's commitment to a sustainable environment, positive passenger experience and operational efficiency improvements, the organization is developing a consolidated rental car center on airport property. When completed in 2016, this facility will provide a customer service area, ready/return areas, overflow rental car storage and quick turnaround (QTA) facilities (vehicle fueling, cleaning and fluids). This will not only improve the passenger experience for those utilizing rental cars but will also reduce congestion on roadways leading to airport terminals, which will enhance the passenger experience for the millions of annual passengers utilizing facilities at SDIA.

## The three priorities nearing completion include:

**Green Build Program:** The Airport's \$820 million Green Build Program (also known as the Terminal Development Program or TDP) is a capital expansion program to provide 10 additional passenger gates, a dual-level roadway at Terminal 2 and additional overnight aircraft parking areas. The Green Build name reflects the Authority's plan to pursue at least Leadership in Energy and Environmental Design (LEED) silver certification. Goals of the project's sustainable design include decreased water usage, reduced energy consumption and use of alternative energy sources.

**Ground Transportation Initiatives:** The Ground Transportation initiatives seek to make substantial improvements to the airport's ground transportation facilities, infrastructure, operations and service providers. Several widespread initiatives are being implemented to 1) reduce ground transportation vehicle greenhouse gas (GHG) emissions in accordance with the Attorney General Memorandum of Understanding (MOU); 2) improve taxicab and shuttle van service quality, including driver professionalism and training, vehicle appearance and comfort and improved customer satisfaction; and 3) enhance parking facilities and services and improve airport roadways and vehicle movement.

<sup>1</sup> 2012 Gallup Employee Engagement Index

**Concession Development Program (CDP):** With the expansion of approximately 25,000 additional square feet and an increase in the number of food service and retail concession locations from 55 to 87, the Authority is implementing a comprehensive Concession Development Program (CDP) to provide a world-class shopping and dining experience for the millions of passengers who use SDIA each year. The CDP incorporates additional concession opportunities resulting from the Green Build and Terminal 2 East expansion projects, and the reconcepting of most existing locations. Full program buildout is scheduled for March 2014.

### Economic and Operational Trends Affecting the Budget

Economic and industry trends drive passenger traffic and airline operations at SDIA, directly impacting our operating environment and airport finances. The enplaned passenger projections used in the preparation of this budget were determined by evaluating consultant and Federal Aviation Administration (FAA) forecasts, recent trends and airline service announcements.

The US economy continues to slowly emerge from a severe recession. Gross Domestic Product (GDP) increased in the fourth quarter 2012 (0.4%) and first quarter 2013 (1.8%), reflecting continued slow growth in the national economy (see Figure 2). In addition, equity markets continue to improve with the Dow Jones Industrial Average increasing 49% from its low on July 12, 2010, to July 8, 2013 (see Figure 3).

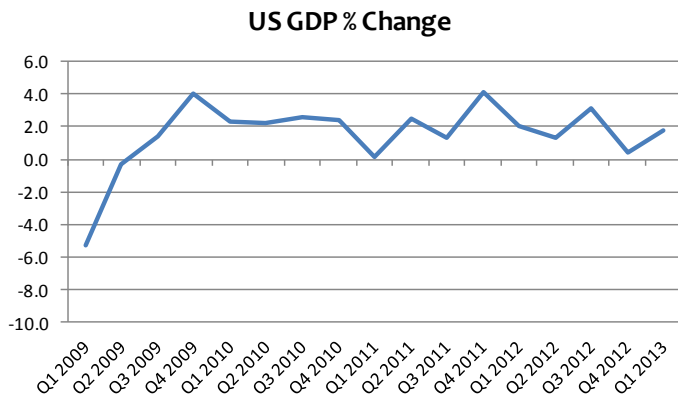


Figure 2 – GDP % Change

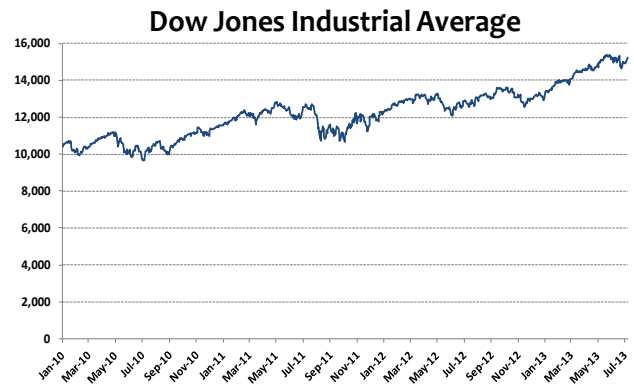
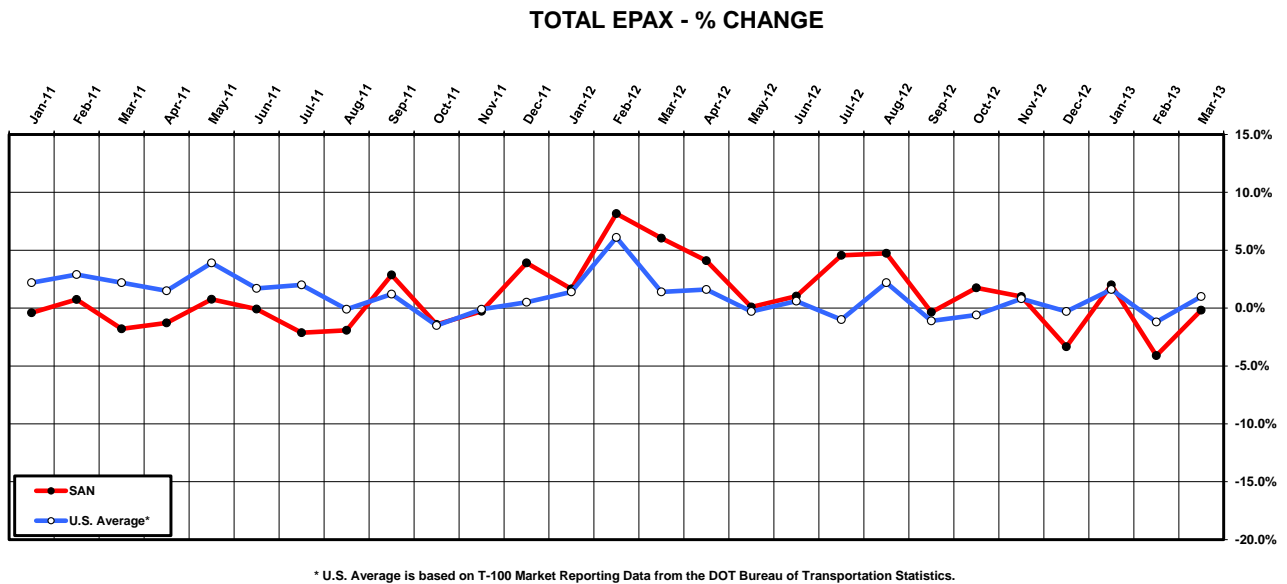


Figure 3 – Dow Jones Industrial Average

Beginning in 2008 the airline industry was buffeted by increased fuel costs followed by the Great Recession. The airlines responded by reducing flights and seats, increasing fees, reducing passenger amenities, eliminating marginal or unprofitable routes and grounding inefficient fleets. Airline consolidation during this period saw Delta acquiring Northwest Airlines, Southwest Airlines acquiring AirTran Airways, United Airlines merging with Continental Airlines and most recently American Airlines and US Airways moving forward with their merger. While US passenger airlines have taken steps to improve their net operating income, the national economic outlook – with high unemployment and weak economic growth – will constrain their revenue growth and volatile fuel prices continue as a significant uncertainty.

SDIA has been slightly ahead of US enplaned passenger (EPAX) trends since September 2011, though in recent months it has generally followed national trends as seen in Figure 4.



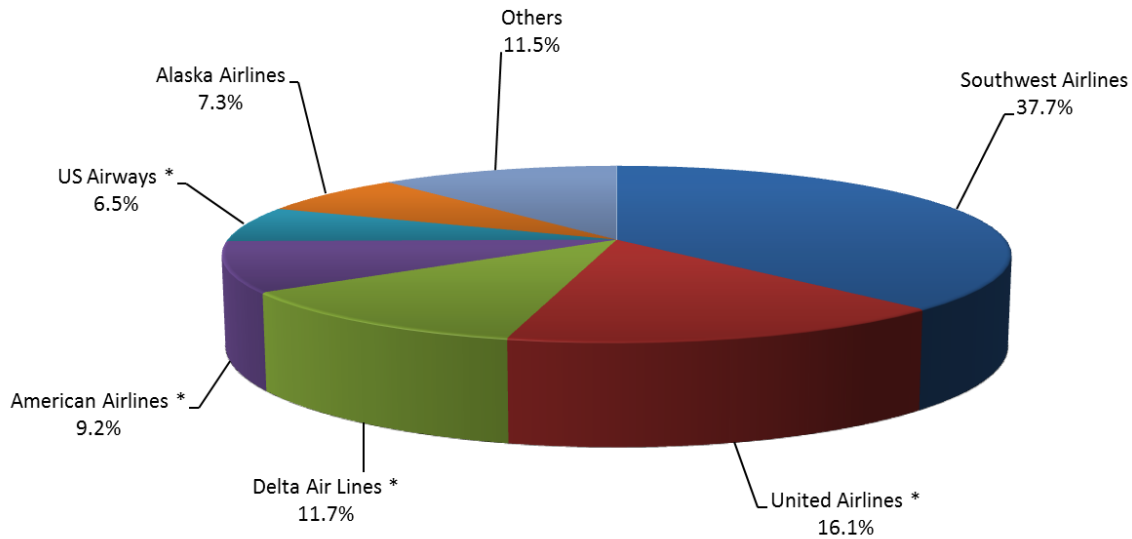
**Figure 4 – Total Enplaned Passengers - SDIA vs. US Trend**

Based on past experience, future airline traffic at SDIA will most likely continue to be affected by a variety of forces and events. These include local, national and international economic conditions, geopolitical events, world health emergencies, federal regulatory and legislative actions, the financial health of the airline industry, fuel prices and natural disasters. The Authority is unable to predict with absolute certainty the long-term operational and financial effect these factors may have on air travel. As a result, any long-term forecast the Authority makes may vary materially from the actual results.

Given these aforementioned uncertainties, it is beneficial for an airport to be served by a diverse carrier base that includes both legacy and low-cost carrier operations. SDIA 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 2012, air service was provided by 22 passenger airlines, including regional affiliates. Southwest Airlines, the largest carrier, served 37.7% of the passengers who traveled through SDIA (see figure 5); its lead in market share is expected to continue.

In CY 2012, low-cost carriers accounted for 48.9% of seat capacity and 46.0% of enplaned passengers. Their presence in certain markets serves to stimulate pricing competition among all carriers which typically stimulates demand through lower fares.

## SDIA Enplaned Passengers, CY 2012



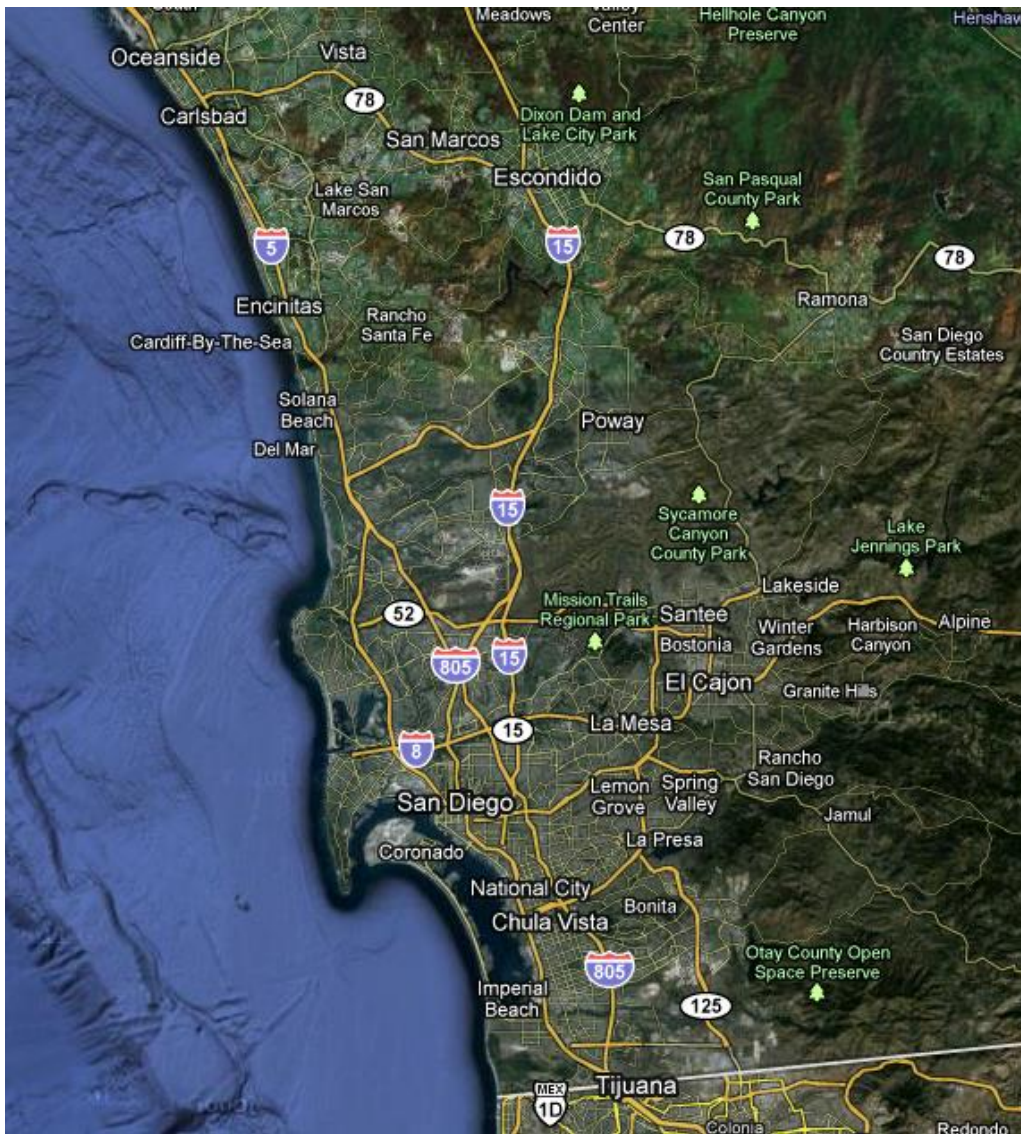
\* including regional affiliates

**Figure 5 – SDIA Enplaned Passengers by Carrier**

Passengers departing from SDIA can fly non-stop to 47 domestic and 9 international destinations, with one-stop connections to over 300 international destinations around the world. International service in CY 2012 expanded to include service by Japan Airlines to Tokyo-Narita utilizing Boeing 787 aircraft. The Authority's Air Service Development Department continues to pursue expanded international and domestic opportunities.

### Air Trade Area

The Air Trade Area for the airport includes San Diego County as well as portions of neighboring Orange and Riverside Counties and Baja California del Norte, Mexico. The California Department of Finance estimates the population of San Diego County to be 3,150,178 as of January 1, 2013. 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. The largest cities in the county are San Diego (42%), Chula Vista (8%), Oceanside (5%), Escondido (5%), Carlsbad (3%), and El Cajon (3%). The combined San Diego/Tijuana metropolitan population is estimated to exceed 5 million inhabitants.

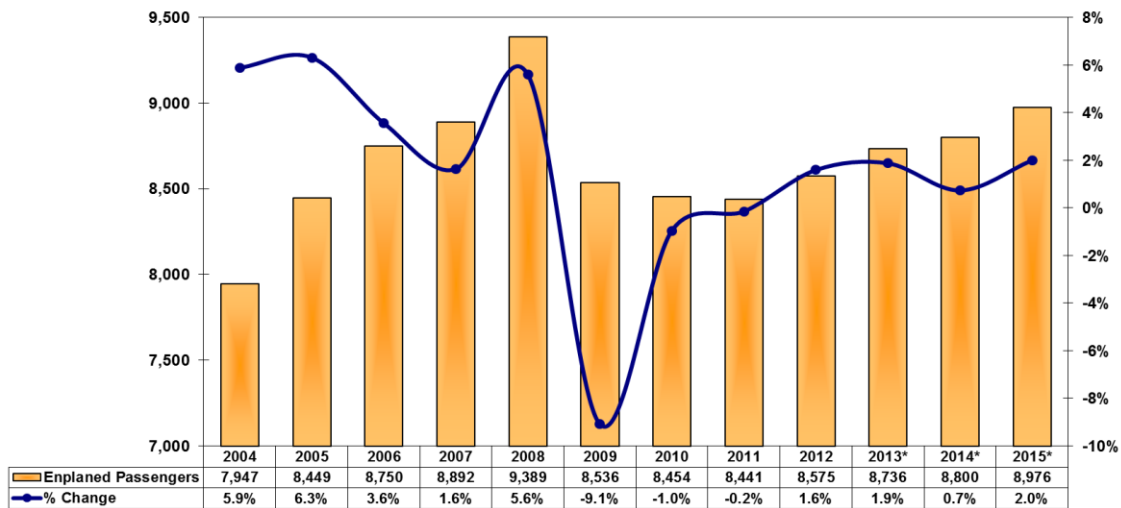


San Diego County has enjoyed a relatively stable economic climate during the past four years, with lower unemployment rates than the State of California. The US Bureau of Labor Statistics notes that the county's average unemployment rate for May 2013 was 6.7% compared to 8.6% for the state. This reflects the nature of the region's economy, which was once highly dependent on the defense industry but is now more diversified, providing an attractive mix of leisure and business sectors. The county is home to more than 150 publicly traded companies.

All of these economic and industry factors together with additional air service are reflected in the FY 2014 Budget and the FY 2015 Conceptual Budget, which are predicated on modest passenger growth as shown in Figure 6. In FY 2014, enplaned passenger traffic at SDIA is projected to reach 8.80 million, which represents an increase of 2.3% from the 8.61 million enplanements used in the FY 2013 Budget and a 0.7% increase over the 8.74 million enplanements projected for FY 2013. Enplaned passengers are projected to increase by 2.0% to 8.98 million in the FY 2015 Conceptual Budget.



Enplaned Passengers and Annual Growth by Fiscal Year



\* Projected FY 2013 and Budgeted FY 2014 and FY 2015

Figure 6 – Enplaned Passengers and Annual Growth

### Passenger Satisfaction

Measuring passenger satisfaction at SDIA is critical in order to meet passenger expectations and the ever-evolving airport experience. Since 2004, SDIA has measured passenger satisfaction on a quarterly basis, resulting in cumulative annual passenger satisfaction trends. In 2012, Phoenix Marketing International (PMI), a top marketing and research firm recognized by the American Marketing Association with special airport expertise, reported an 86% satisfaction rating among passengers at SDIA. Approximately 688 passengers out of 800 (86%) rated their overall satisfaction a score of “4” or “5” (using a scale of 1 to 5, where 1 equals “very dissatisfied” and 5 equals “very satisfied”). SDIA has maintained an 85% Overall Satisfaction score since 2004.

### Financial Plan

The financial plan, which includes the FY 2014 Budget and the FY 2015 Conceptual Budget, is influenced by several factors. Primarily, the San Diego County Regional Airport Authority Act, which is the Authority’s enabling legislation, frames the Authority’s financial parameters. As part of that Act, the Authority must recommend a strategy for meeting the region’s future air transportation needs through a fiscally sound financial plan. In addition, costs associated with near-term improvements of SDIA have a significant financial impact. Other major factors affecting the Authority’s financial planning and budget process include the airline operating agreement, master bond indenture, certain provisions required in Senate Bill 10, Memorandum of Understanding with the California Attorney General, and various levels of federal funding.

The Authority derives a portion of its operating revenue from landing fees, terminal facility related charges and security fees paid by the airlines using SDIA. The airline agreement, discussed later in this narrative section, provides the rate-setting formula by which airlines pay for the facilities and services they use. The Authority’s debt management policy was developed to ensure compliance with the master bond indenture, which dictates the terms of the Authority’s outstanding debt and establishes various reserves as described in the **Funds Summary and Debt Service** sections of the budget. Funding of 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**.

## Budget Summary

The following table summarizes the forecasted revenue and expenses of the FY 2014 Budget and FY 2015 Conceptual Budget before depreciation, bond principal repayment and capital equipment outlays.

	FY 2012 Actuals	FY 2013 Budget	FY2014 Budget	Inc/(Dec) FY14 vs FY13 Budget	% Change	FY2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Revenue:</b>								
<b>Airline Revenue</b>								
Landing Fees	\$ 18,419,244	\$ 21,092,400	\$ 21,814,724	\$ 722,324	3.4%	\$ 24,055,014	\$ 2,240,290	10.3%
Aircraft Parking Fees	3,134,539	3,299,900	2,559,493	(740,407)	-22.4%	2,799,267	239,773	9.4%
Building Rentals	30,632,762	43,356,900	45,869,700	2,512,800	5.8%	47,237,652	1,367,951	3.0%
Common Use Systems Support Charges	-	-	1,116,900	1,116,900	0.0%	1,116,900	-	0.0%
Other Aviation Revenue	1,594,529	1,584,300	1,592,288	7,988	0.5%	1,595,586	3,298	0.2%
Security Surcharge	18,649,147	20,629,100	24,969,500	4,340,400	21.0%	27,091,200	2,121,700	8.5%
<b>Total Airline Revenue</b>	<b>72,430,221</b>	<b>89,962,600</b>	<b>97,922,606</b>	<b>7,960,006</b>	<b>8.8%</b>	<b>103,895,618</b>	<b>5,973,012</b>	<b>6.1%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent - Non-Airline	907,264	959,811	1,024,234	64,423	6.7%	1,069,154	44,920	4.4%
Terminal Concessions	13,305,723	14,028,738	17,216,343	3,187,605	22.7%	19,475,281	2,258,939	13.1%
Rental Car License Fees	23,943,041	24,028,200	25,061,200	1,033,000	4.3%	26,073,700	1,012,500	4.0%
License Fees Other	3,178,544	2,860,000	3,277,200	417,200	14.6%	3,299,800	22,600	0.7%
Parking Revenue	30,141,508	31,301,505	34,290,532	2,989,027	9.5%	38,492,545	4,202,013	12.3%
Ground Transportation Permits and Citations	1,328,452	2,199,787	2,261,247	61,461	2.8%	3,545,439	1,284,191	56.8%
Ground Rentals	7,136,299	7,974,794	8,193,071	218,278	2.7%	11,558,786	3,365,715	41.1%
Grant Reimbursements	300,857	218,800	223,200	4,400	2.0%	227,700	4,500	2.0%
Other Operating Revenue	878,051	552,540	441,900	(110,640)	-20.0%	451,600	9,700	2.2%
<b>Total Non-Airline Revenue</b>	<b>81,119,739</b>	<b>84,124,175</b>	<b>91,988,928</b>	<b>7,864,753</b>	<b>9.3%</b>	<b>104,194,005</b>	<b>12,205,077</b>	<b>13.3%</b>
<b>Total Operating Revenue</b>	<b>153,549,960</b>	<b>174,086,775</b>	<b>189,911,534</b>	<b>15,824,759</b>	<b>9.1%</b>	<b>208,089,623</b>	<b>18,178,089</b>	<b>9.6%</b>
<b>Operating Expenses</b>								
Salaries and Benefits	37,236,512	39,414,626	41,903,979	2,489,353	6.3%	44,657,988	2,754,009	6.6%
Contractual Services	26,905,524	29,365,241	33,279,133	3,913,892	13.3%	34,052,611	773,478	2.3%
Safety and Security	22,625,169	22,408,160	24,975,465	2,567,305	11.5%	27,111,790	2,136,326	8.6%
Space Rental	11,414,838	11,416,345	10,378,412	(1,037,933)	-9.1%	10,324,952	(53,460)	-0.5%
Utilities	6,674,423	7,753,075	8,566,650	813,575	10.5%	8,943,750	377,100	4.4%
Maintenance	8,496,587	8,234,743	11,661,347	3,426,604	41.6%	12,017,693	356,346	3.1%
Operating Equipment & Systems	403,268	459,048	456,779	(2,269)	-0.5%	500,468	43,689	9.6%
Operating Supplies	304,433	349,722	374,352	24,630	7.0%	431,444	57,092	15.3%
Insurance	764,239	872,318	1,253,579	381,261	43.7%	1,546,084	292,505	23.3%
Employee Development & Support	916,195	1,186,464	1,259,598	73,134	6.2%	1,425,213	165,615	13.1%
Business Development	2,093,166	3,584,933	2,943,753	(641,180)	-17.9%	2,860,045	(83,708)	-2.8%
Equipment Rentals & Repairs	1,264,057	1,744,849	2,431,217	686,368	39.3%	2,569,571	138,353	5.7%
Tenant Improvements	70,800	516,800	359,900	(156,900)	-30.4%	-	(359,900)	-100.0%
<b>Total Operating Expenses before depreciation &amp; amortization</b>	<b>119,169,212</b>	<b>127,306,324</b>	<b>139,844,164</b>	<b>12,537,840</b>	<b>9.8%</b>	<b>146,441,608</b>	<b>6,597,445</b>	<b>4.7%</b>
<b>Income from Operations before depreciation &amp; amortization</b>	<b>34,380,748</b>	<b>46,780,451</b>	<b>50,067,370</b>	<b>3,286,919</b>	<b>7.0%</b>	<b>61,648,014</b>	<b>11,580,644</b>	<b>23.1%</b>
<b>Nonoperating Revenue/(Expense)</b>								
Passenger Facility Charges	34,639,244	33,624,500	35,155,100	1,530,600	4.6%	35,858,200	703,100	2.0%
Customer Facility Charges	11,486,962	16,422,631	26,528,528	10,105,896	61.5%	30,065,665	3,537,137	13.3%
Quieter Home Program (Net) and Joint Studies	(3,604,203)	(3,107,896)	(3,107,169)	727	0.0%	(3,106,747)	422	0.0%
BAB Interest Rebate	4,995,921	4,995,921	4,741,129	-	0.0%	4,741,129	-	0.0%
Interest Income	5,491,516	5,204,220	5,290,220	86,000	1.7%	5,583,586	293,366	5.5%
Interest Expense	(2,369,718)	(43,230,309)	(50,025,064)	(6,794,756)	15.7%	(51,554,430)	(1,529,365)	3.1%
Bond Amortization Costs	1,057,447	1,002,229	4,003,797	3,001,568	299.5%	3,928,486	(75,311)	-1.9%
Other Nonoperating Income/(Expenses)	(3,031,807)	(20,000)	(20,000)	-	0.0%	-	20,000	-100.0%
<b>Total Other Nonoperating Revenue, net</b>	<b>48,665,362</b>	<b>14,891,297</b>	<b>22,566,540</b>	<b>7,675,244</b>	<b>51.5%</b>	<b>25,515,889</b>	<b>2,949,349</b>	<b>13.1%</b>
<b>Income before capital grant contributions</b>	<b>83,046,110</b>	<b>61,671,748</b>	<b>72,633,911</b>	<b>10,962,163</b>	<b>17.8%</b>	<b>87,163,903</b>	<b>14,529,993</b>	<b>20.0%</b>
Capital Grant Contributions	20,833,591	14,302,252	20,108,089	5,805,837	40.6%	10,615,097	(9,492,992)	-47.2%
<b>Net Income before depreciation, principal &amp; capital outlay</b>	<b>\$ 103,879,702</b>	<b>\$ 75,974,000</b>	<b>\$ 92,742,000</b>	<b>\$ 16,768,000</b>	<b>22.1%</b>	<b>\$ 97,779,000</b>	<b>\$ 5,037,000</b>	<b>5.4%</b>

Total operating revenues for FY 2014 are budgeted at \$189,911,534, an increase of \$15,824,759 (9.1%) over the FY 2013 Budget. This revenue reflects two sources: 1) airline revenue of \$97,922,606 and 2) non-airline revenue of \$91,988,928. Airline revenue is derived primarily from landing fees, aircraft parking fees, terminal rents, common use system support charges and security related fees. Non-airline revenue is comprised of public parking fees, terminal and other concessions, rental car fees, ground rents and other operating revenues. FY 2015 operating revenues are budgeted at \$208,089,623, an increase of \$18,178,089 (9.6%), of which \$103,895,618 represents airline revenue and \$104,194,005 is from non-airline revenue.

Total FY 2014 airline revenue reflects an increase of \$7,960,006 (8.8%), as compared to the FY 2013 Budget. This result is mostly driven by higher building rentals of \$2,512,800, increased security surcharge costs of \$4,340,400 and recovery of common use system support charges of \$1,116,900, reflecting increased net terminal operating costs and new facilities placed in service. In addition, the increase is driven by higher landing fee revenues of \$722,324 reflecting higher net airfield expenses. The increase is partially offset by a decrease in aircraft parking fees of \$740,407 due to a higher number of projected vacant remote aircraft parking positions.

Total FY 2015 airline revenue is budgeted to increase by \$5,973,012 (6.1%) compared to FY 2014 reflecting higher airfield and terminal operation and maintenance (O&M) costs and increased security surcharge costs.

Total FY 2014 non-airline revenue projects a net increase of \$7,864,753 (9.3%) from the FY 2013 Budget. This is primarily driven by: 1) a \$3,187,605 budgeted increase in terminal concessions reflecting increased storage space rent, reimbursement of certain O&M expenses allocated to concessionaires and stronger gross sales per passenger; 2) an increase in parking revenue of \$2,989,027 reflecting increased transactions due to higher enplanements and the full re-opening of the Terminal 2 parking lot; and 3) an increase of \$1,033,000 in rental car license fees due to higher enplanements and gross sales per passenger.

Total FY 2015 non-airline revenue is budgeted to increase by \$12,205,077 (13.3%) compared to FY 2014. This increase reflects several factors including: 1) increased concession revenues due to increased passenger traffic, stronger gross sales per passenger, increased storage revenue, and reimbursement of certain O&M expenses allocated to concessionaires; 2) an increase in parking revenue resulting from growth in transactions and a projected rate increase; 3) an increase in ground rental revenue due to higher rent from Landmark Aviation for the new Fixed Base Operator (FBO) facility, projected to begin operations starting July 2014; and 4) higher ground transportation permits and citations revenue reflecting vehicle conversion incentive program changes.

The divisional and departmental operating expense budgets of \$139,844,164, which address the Authority's overall strategies, priorities and mandated obligations, reflect an increase of \$12,537,840 (9.8%) in the Authority's FY 2014 operating expense budget from the FY 2013 Budget. FY 2015 operating expenses are projected to increase by \$6,597,445 (4.7%) over the FY 2014 Budget.

The FY 2014 net increases are driven by a variety of factors. Salaries and wages, including overtime, are projected to increase \$2,153,656 (7.2%) compared to the FY 2013 Budget which reflects: 1) a net increase of 25 authorized and funded positions predominantly as a result of the new Green Build and concession development program facilities being placed in service; 2) wage and salary increases required under union contract agreements; and 3) pay-for-performance increases for non-union employees. Employee benefits expenses are projected to increase by \$1,121,311 (7.4%), reflecting: 1) higher retirement benefit costs due to an increase in the required retirement contribution; 2) higher workers' compensation insurance costs; and 3) increased health benefit costs. These combined factors, together with higher capitalized labor expenses, resulted in a net increase of \$2,489,353 (6.3%) in the FY 2014 Personnel Budget from the FY 2013 Budget. A projected net increase in Contractual Services of 3,913,892 (13.3%) reflects Receiving and Distribution Center (RDC) operator costs for a full year, increased environmental consultant costs due to water quality environmental regulatory requirements, increased cleaning costs associated with the new terminal facilities,

Ramp Control Facility services costs and staffing support for Common Use Passenger Processing Systems (CUPPS). These increases are partially offset by decreases in regional aviation planning costs. Safety and Security costs are projected to increase by \$2,567,305 (11.5%) over the FY 2013 Budget mostly reflecting an increase in budgeted Harbor Police costs and increased contract security services costs, the latter reflecting the new Green Build facilities being placed in service FY 2014. Utilities costs are projected to increase by \$813,575 (10.5%) reflecting additional facilities being placed in service. FY 2014 Maintenance expenses are projected to increase by \$3,426,604 (41.6%) from the FY 2013 Budget reflecting baggage handling system (BHS) maintenance costs and increased maintenance costs for the existing and new facilities. These increases are partially offset by a decrease in: 1) Business Development expenses of \$641,180 (-17.9%) versus the FY 2013 Budget, reflecting discontinuance of marketing and promotional activities associated with the Green Build program and airport conferences; and 2) decrease in Space Rental of \$1,037,933 (-9.1%) compared to the FY 2013 Budget, reflecting termination of a parking lot lease from the San Diego Unified Port District. FY 2015 operating expense increases reflect a net increase of two authorized and funded positions and planned increases in salaries and benefits. In addition, these increases are driven by contractual services, safety and security costs, utilities and maintenance costs associated with the new terminal facilities. These increases are partially offset by decreases in tenant improvements costs and business development costs.

FY 2014 non-operating revenue/(expense) is projected to increase by \$7,675,244 (51.5%) from the FY 2013 Budget. This increase is primarily driven by an increase of \$10,105,896 (61.5%) in Customer Facility Charges (CFC) assessed on rental car transactions. This increase is due to a change in the collection methodology from a \$10.00 per transaction fee to a \$6.00 per day fee in accordance with State legislation. Starting January 2014 the rate will increase to \$7.50 per rental day. In addition, Passenger Facility Charges (PFC) increased by \$1,530,600 due to higher projected enplanements and an increase in the budgeted collection rate. The increase is partially offset by an increase in interest expense of \$6,794,756 (15.7%), reflecting Series 2010 Bonds and Series 2013 Bonds interest expense. FY 2015 non-operating revenue/(expense) is budgeted to increase by \$2,949,349 (13.1%) reflecting: 1) increased CFCs of \$3,537,137 (13.3%) associated with increased passenger traffic; and 2) increased Passenger Facility Charges (PFCs) of \$703,100 (2.0%). Those increases are partially offset by an increase in interest expense of \$1,529,365 (3.1%), reflecting additional interest expense on the Series 2010 Bonds and Series 2013 Bonds.

Capital grant contributions are FAA grant awards from a federal program that provides funding for approved capital improvement projects. The FY 2014 capital grant contributions revenue increase of \$5,805,837 (40.6%) is due to the combination of new grant funded CIP projects, as well as an anticipated amendment to increase the existing airside project grants for a total of approximately \$15.8M. This is partially offset by a decrease of \$10.0M for completed grant funded Green Build projects. FY 2015 capital grant contributions are budgeted to decrease by \$9,492,992 (-47.2%) due to completion of all FY2014 grant funded projects.

## Projected Fund Balance

The Authority's fund balance is generally defined as the difference between its assets and liabilities. The Authority's fund balance statement projects that FY 2014 cash and investments will increase by \$46,577,715 to \$701,756,076 versus the FY 2013 Projected of \$655,178,362. This increase of 7.11% from the FY 2013 Projected is mostly due to increased revenues reflecting new terminal and concession facilities, increased parking revenues, imposition of new Common Use System Support charges and bond proceeds for RCC project. FY 2015 cash and investments are projected to decrease by \$165,385,668 (-23.6%) to \$536,370,408, mainly reflecting the usage of bonds proceeds. A detailed fund statement is provided in the section titled **Budget Overview: Projected Fund Balance**.



## Capital Program

The Airport Master Plan for SDIA, approved by the Board in May 2008 (the “Master Plan”), was developed to address requirements for accommodating near-term passenger growth at SDIA through 2015 and to consider conceptual improvements through 2030. The Master Plan identified several near-term improvement needs for SDIA, including, among others, additional terminal space, South side overnight aircraft parking positions, roadway access improvements and ground transportation facilities improvements to meet the forecasted demand of increased passenger traffic at SDIA.

In 2009, the Board authorized the design, construction and funding of the Green Build Program to implement these near-term improvements at SDIA. With an estimated cost of approximately \$865 million, consequently reduced to \$820 million, the proposed facility improvements under the Green Build Program include, among other improvements:

- A. Ten new gates to reduce terminal congestion and provide expanded, more comfortable passenger waiting areas.
- B. Enhanced curbside check-in, allowing passengers to print boarding passes, check baggage and view gate information at an easy-to-use curbside kiosk before entering the terminal.
- C. Dual-level roadway to relieve curb-front traffic congestion by separating arriving and departing passengers.
- D. More security lanes to improve flow of passengers through the terminal.
- E. Expanded concession area providing more dining and shopping options.

In addition to the Green Build Program, the Authority maintains a five year Capital Improvement Program (CIP) that is intended to address critical improvements and asset preservation of SDIA. The Authority’s current CIP includes projects that are to be undertaken at SDIA between FY 2014 and FY 2018 at an estimated cost of approximately \$731.8M. Together, the Green Build Program and CIP comprise the Authority’s Capital Program.

Anticipated funding sources for the projects in the Capital Program include Airport Improvement Program (AIP) and Transportation Security Administration (TSA) grants, PFCs, CFCs (including CFC backed special facility bonds), airport cash, airport revenue bonds and short-term borrowing using commercial paper. The amounts below exclude estimated revenue bond finance costs of approximately \$117.8M.

### Source of Funds

Revenue Bonds	\$	791,070,080
CFCs		373,598,548
Federal Grants		153,717,370
PFCs		178,651,663
Authority Funds		52,965,530
Other		1,750,000
<b>Total Sources of Funds</b>	<b>\$</b>	<b>1,551,753,191</b>

### Use of Funds

Green Build Program	\$	820,000,000
CIP 2014 - 2018		731,753,191
<b>Total Use of Funds</b>	<b>\$</b>	<b>1,551,753,191</b>

Capital expenditures include any expenditure over \$5,000 with a useful life of at least one year. Projected FY 2014 Capital Program expenditures total \$338,535,428. Further discussion of these expenditures along with detailed descriptions can be found in the section titled **Capital Program**.

**Airline Operating Agreement**

The current five-year airline operating agreement will expire on June 30, 2013. A proposed new agreement is currently being negotiated and contains substantially the same financial terms as the current agreement. The operating agreement establishes how the signatory airlines will be assessed annual rates and charges for their use of the Airport. The Authority currently recovers substantially all of its airfield costs through the landing fees and other aviation charges assessed to the airlines. Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft’s maximum gross landed weight. The Authority encourages carriers to efficiently use existing aircraft parking positions, both at the terminal gates and remotely. The aircraft parking fee is projected to recover approximately 10.4% of airfield costs in FY 2014 and in FY 2015.

Terminal rental revenues reflect the airline use and lease agreement’s proposed new methodology for recovery of terminal building costs allocated to airline occupied facilities. FY 2013 was the final year of phasing in larger portions of terminal costs to the airlines. The FY 2014 terminal rental rate of \$120.12 per square foot reflects the fully loaded cost to the airlines. In addition, the FY 2014 budget includes a new Common Use System Support Charge relating to a common use terminal equipment system allowing the airlines to operate out of any gate or ticket counter in Terminal 2. The following table sets forth historical and projected landing fees, aircraft parking rate per position, terminal rental rates and costs per enplaned passenger for FY 2012 through FY 2015:

	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2015 Conceptual Budget
Landing Fee <sup>1</sup>	\$ 1.75	\$ 1.96	\$ 1.98	\$ 2.13
Aircraft Parking per Position <sup>2</sup>	\$ 59,423	\$ 62,262	\$ 48,293	\$ 52,816
Terminal Rental Rate <sup>3</sup>	\$ 94.90	\$ 134.69	\$ 120.12	\$ 123.46
Airline Cost / Enplaned Passenger	\$ 8.33	\$ 10.34	\$ 10.85	\$ 11.27

<sup>1</sup> Landing Fees are per 1000 lbs maximum gross landed weight.  
<sup>2</sup> Annual rate per parking position assigned to an air carrier.  
<sup>3</sup> Per square foot, excluding janitorial credit.

**Figure 7 – Airline Fees and Charges**

The agreement has no provisions that grant the airlines direct approval rights over capital projects (Majority-in-Interest provision). The Authority’s Use and Lease Agreement allows for flexibility to meet the demands of changing airline activity and to accommodate new entrant carriers.

**Outstanding Debt**

With the refunding of the Series 2005 Airport Revenue Bonds, as of July 1, 2013 the Authority’s outstanding long-term debt will consist of \$570,870,000 of subordinate airport revenue bonds (Series 2010 Bonds) and \$379,585,000 of senior airport revenue bonds (Series 2013 Bonds). The Authority does not have a legal debt limit. The master bond indenture requires the Authority to establish certain reserves and to maintain net revenues (after the payment of operation and maintenance expenses) equal to at least 1.25x annual senior lien debt service and subordinate net revenues at 1.10x annual subordinate lien debt service. The Board

approved Debt Policy calls for minimum senior lien debt service coverage of 1.75x and aggregate debt service coverage (senior and subordinate) of 1.50x.

Further discussion of the 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 8. For FY 2014, debt service coverage on aggregate debt is projected to be 1.92x and 2.05x for FY 2015.

The Authority’s outstanding short-term debt will consist of \$19,924,000 of Series B (AMT) commercial paper and \$31,045,000 of Series C commercial paper as of July 1, 2013. The authorized commercial paper program provides for borrowings up to \$250,000,000 through September 1, 2027 and is secured by a pledge of net airport revenues, subordinated to the payment of the Series 2013 Bonds, but on parity with the Series 2010 Bonds. Each series of notes is additionally secured by an irrevocable letter of credit issued by Lloyds TSB Bank plc, which expires on September 10, 2014. Each commercial paper note matures at the end of a period not to exceed 270 days and can be continually rolled into another issuance until the earlier of September 10, 2014, or five days prior to the date on which no letter of credit secures the commercial paper notes. At that time, the total outstanding principal becomes due. The commercial paper notes require that charges for services be set each year at rates sufficient to produce Pledged Revenues of at least 1.10x debt service on subordinate obligations, including the commercial paper notes, for that year.

The following table shows debt service coverage on aggregate, senior and subordinate lien debt. The subordinate lien debt includes Series 2010 Bonds and commercial paper.

	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2015 Conceptual Budget
Aggregate Debt Service Coverage (x)	2.81	2.79	1.92	2.05
Senior Lien Debt Service Coverage (x)	7.35	9.56	5.21	5.29
Subordinate Lien Debt Service Coverage (x)	3.93	3.52	2.45	2.70

Figure 8 – Debt Service Coverage

**Budget Process**

The Authority operates on a July 1<sup>st</sup> through June 30<sup>th</sup> fiscal year. The annual budget cycle includes the preparation of two budgets: one to be adopted by the Board for the next fiscal year and a conceptual budget for the subsequent fiscal year that the Board approves but does not adopt. The budget process usually begins in October with senior management collaborating with the Board to update, review and formulate the Authority’s long-term strategies and initiatives. At the same time, division managers and staff develop programs, plans and objectives for the next fiscal year. From October–January, the management team engages in cross-functional discussions to arrive at key decisions and agreements. The effort is designed to balance divisional requirements with the Authority’s overall strategic goals. The Authority Board is briefed 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 Board.

In January, the Financial Planning and Budget staff reviews financial results of the first six months of the then-current fiscal year and departments submit budget requests reflecting operating needs and programs

to achieve the Authority's strategies and initiatives. Personnel, contractual services, utilities, maintenance, supplies and materials, business development, employee support, fixed assets (property, plant and equipment) and capital projects are proposed and reviewed. The Financial Planning & Budget, Human Resources, Accounting, Information Technology, Facilities Management and Facilities Development departments analyze the requests and determine the cost impact, where appropriate. Meetings are held with each division to review their budget requests.

To ensure that the budget is funded adequately and to maintain the Authority's strong financial condition, the Finance Division prepares a revenue budget that incorporates budget expenditure requests into the rate-setting formula to determine projected rates, fees and charges to the airlines and other tenants. The Board adopts the budget as a whole. It may be amended as required with Board approval at any time during the year.



Calendar Period	Action
<b>October –January</b>	<p>Review, update and formulate Authority strategies and initiatives</p> <p>Strategic Budget Workshops held with the Board as appropriate</p> <p>Cross-functional meetings to balance divisional operating requirements with long-term strategies and initiatives</p>
<b>February –March</b>	<p>Departments draft objectives, consistent with overall Authority strategies and initiatives</p> <p>Divisions update operating and capital budget plans and needs</p> <p>Finance Division reviews prior year's conceptual budget and prepares initial version of recast revenue budget and subsequent year's conceptual revenue budget</p> <p>Departments develop and submit budget</p> <p>Financial Planning and Budget staff consolidates results and evaluates major variances between the approved conceptual budget and the preliminary recast 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 changes are made to requests in formulating the budget</p>
<b>March – April</b>	<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 recast budget proposal</p>
<b>April – May</b>	<p>Final tentative recast budget and subsequent year's conceptual budget is reviewed with CEO</p> <p>Meet 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>The Authority Board and Finance Committee review proposed budgets and provide input and guidance</p>
<b>June</b>	<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>

**Figure 9 – SDCRAA Budget Calendar**

## Conclusion

Every effort has been made to ensure that the FY 2014 Budget and the FY 2015 Conceptual Budget both reflect the priorities of the Authority's Board while meeting all federal safety and security mandates and legislative requirements. This budget also allows the Authority to fulfill its strategies & initiatives in the coming fiscal year and provides for the continued operation of SDIA while maintaining a strong fiscal foundation to support the organization well into the future.

Respectfully submitted,



Thella F. Bowens  
President/Chief Executive Officer



Vernon D. Evans, CPA  
Treasurer/Chief Financial Officer

## Eighth Consecutive Award of the GFOA Distinguished Budget Presentation Award

The Authority received its eighth consecutive Distinguished Budget Presentation Award from the **Government Finance Officers Association of the United States and Canada** (GFOA) for its annual budget for the fiscal year beginning July 1, 2012. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist State and local governments to prepare 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.

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

This award is valid for a period of one year only. 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.



# **TABLE OF CONTENTS**



# TABLE OF CONTENTS

<b>Introductory Letter</b> .....	<b>i</b>
RECENT AWARD .....	xviii
<b>Table of Contents</b> .....	<b>19</b>
<b>Airport Authority Overview</b> .....	<b>23</b>
BOARD OF DIRECTORS .....	24
EXECUTIVE MANAGEMENT TEAM.....	25
DIRECTOR STAFF.....	26
SDCRAA ORGANIZATIONAL STRUCTURE .....	27
ORGANIZATIONAL STRATEGIES & INITIATIVES.....	28
SUSTAINABILITY VALUES & STRATEGIES .....	30
<b>Overview of Financial Policies and Guidelines</b> .....	<b>31</b>
<b>Budget Overview: Projected Fund Balance</b> .....	<b>35</b>
OVERVIEW .....	36
<b>Financial Projections</b> .....	<b>37</b>
<b>Budget Overview: Revenue</b> .....	<b>39</b>
FY 2014 BUDGET - FY 2015 CONCEPTUAL BUDGET REVENUE COMPARISON.....	41
FY 2014 REVENUE BUDGET BY MAJOR SOURCES .....	42
FY 2015 REVENUE BUDGET BY MAJOR SOURCES.....	43
OVERVIEW .....	44
<b>Budget Overview: Expenses</b> .....	<b>49</b>
FY 2014 BUDGET - FY 2015 CONCEPTUAL BUDGET EXPENSE COMPARISON .....	51
MAJOR DRIVERS OF FY 2014 BUDGET INCREASE/DECREASE .....	52
MAJOR DRIVERS OF FY 2015 CONCEPTUAL BUDGET INCREASE/DECREASE .....	54
OVERVIEW .....	56
OPERATING EXPENSES .....	56
NON-OPERATING EXPENSES .....	59
FY 2014 EXPENSE BUDGET BY DIVISION.....	60
FY 2015 EXPENSE BUDGET BY DIVISION .....	61
FY 2014 EXPENSE BUDGET BY CATEGORY.....	62
FY 2015 EXPENSE BUDGET BY CATEGORY.....	63
DIVISION PERSONNEL SUMMARY .....	64
FY 2014 PERSONNEL BUDGET BY DIVISION.....	65
FY 2015 PERSONNEL BUDGET BY DIVISION.....	65
PERSONNEL CHANGES FY 2014 BUDGET VS. FY 2013 BUDGET .....	66
PERSONNEL CHANGES FY 2015 CONCEPTUAL BUDGET VS. FY 2014 BUDGET .....	66
<b>Executive Division</b> .....	<b>67</b>
OVERVIEW .....	68
ORGANIZATIONAL STRUCTURE.....	70
PERSONNEL SUMMARY.....	70
FY 2014 - FY 2015 EXPENSE BUDGET SUMMARY .....	71
MAJOR DRIVERS OF FY 2014 BUDGET INCREASE/DECREASE .....	72
MAJOR DRIVERS OF FY 2015 CONCEPTUAL BUDGET INCREASE/DECREASE .....	72
FY 2014 - EXPENSE BUDGET BY DEPARTMENT.....	73
FY 2015- EXPENSE BUDGET BY DEPARTMENT .....	74
FY 2014 - EXPENSE BUDGET BY CATEGORY .....	75
FY 2015 - EXPENSE BUDGET BY CATEGORY .....	76
AUTHORITY BOARD.....	77
EXECUTIVE OFFICE .....	80
CHIEF AUDITOR .....	84
GENERAL COUNSEL .....	91
AIR SERVICE DEVELOPMENT .....	99
INTER-GOVERNMENTAL RELATIONS .....	106
<b>Administration Division</b> .....	<b>113</b>
OVERVIEW .....	114
ORGANIZATIONAL STRUCTURE.....	116

PERSONNEL SUMMARY.....	116
FY 2014 - FY 2015 EXPENSE BUDGET SUMMARY .....	117
MAJOR DRIVERS OF FY 2014 BUDGET INCREASE/DECREASE .....	118
MAJOR DRIVERS OF FY 2015 CONCEPTUAL BUDGET INCREASE/DECREASE .....	118
FY 2014 - EXPENSE BUDGET BY DEPARTMENT.....	119
FY 2015 - EXPENSE BUDGET BY DEPARTMENT.....	120
FY 2014 - EXPENSE BUDGET BY CATEGORY.....	121
FY 2015 - EXPENSE BUDGET BY CATEGORY .....	122
BUSINESS PLANNING .....	123
CORPORATE SERVICES .....	129
HUMAN RESOURCES .....	135
INFORMATION TECHNOLOGY .....	140
PROCUREMENT.....	146
RISK MANAGEMENT .....	152
TRAINING & ORGANIZATION DEVELOPMENT .....	157
MARKETING & PUBLIC RELATIONS .....	163
<b>Development Division .....</b>	<b>171</b>
OVERVIEW .....	172
ORGANIZATIONAL STRUCTURE.....	174
PERSONNEL SUMMARY.....	174
FY 2014 - FY 2015 EXPENSE BUDGET SUMMARY .....	175
MAJOR DRIVERS OF FY 2014 BUDGET INCREASE/DECREASE .....	176
MAJOR DRIVERS OF FY 2015 CONCEPTUAL BUDGET INCREASE/DECREASE .....	176
FY 2014 - EXPENSE BUDGET BY DEPARTMENT.....	177
FY 2015 - EXPENSE BUDGET BY DEPARTMENT.....	178
FY 2014 - EXPENSE BUDGET BY CATEGORY.....	179
FY 2015 - EXPENSE BUDGET BY CATEGORY .....	180
FACILITIES DEVELOPMENT .....	181
FACILITIES MANAGEMENT.....	188
AIRPORT DESIGN & CONSTRUCTION .....	194
AIRPORT NOISE MITIGATION .....	202
QUIETER HOME PROGRAM.....	208
<b>Finance Division.....</b>	<b>215</b>
OVERVIEW .....	216
ORGANIZATIONAL STRUCTURE.....	217
PERSONNEL SUMMARY.....	217
FY 2014 - FY 2015 EXPENSE BUDGET SUMMARY .....	218
MAJOR DRIVERS OF FY 2014 BUDGET INCREASE/DECREASE .....	219
MAJOR DRIVERS OF FY 2015 CONCEPTUAL BUDGET INCREASE/DECREASE .....	219
FY 2014 - EXPENSE BUDGET BY DEPARTMENT.....	220
FY 2015 - EXPENSE BUDGET BY DEPARTMENT.....	221
FY 2014 - EXPENSE BUDGET BY CATEGORY.....	222
FY 2015 - EXPENSE BUDGET BY CATEGORY .....	223
ACCOUNTING .....	224
AVIATION & COMMERCIAL BUSINESS.....	229
FINANCIAL PLANNING & BUDGET .....	235
SMALL BUSINESS DEVELOPMENT .....	243
<b>Planning &amp; Operations Division .....</b>	<b>249</b>
OVERVIEW .....	250
ORGANIZATIONAL STRUCTURE.....	252
PERSONNEL SUMMARY.....	252
FY 2014 - FY 2015 EXPENSE BUDGET SUMMARY .....	253
MAJOR DRIVERS OF FY 2014 BUDGET INCREASE/DECREASE .....	254
MAJOR DRIVERS OF FY 2015 CONCEPTUAL BUDGET INCREASE/DECREASE .....	254
FY 2014 - EXPENSE BUDGET BY DEPARTMENT.....	255
FY 2015 - EXPENSE BUDGET BY DEPARTMENT.....	256
FY 2014 - EXPENSE BUDGET BY CATEGORY.....	257

FY 2015 - EXPENSE BUDGET BY CATEGORY .....	258
AIRPORT PLANNING .....	259
AIRSIDE OPERATIONS .....	265
AVIATION SECURITY & PUBLIC SAFETY .....	272
ENVIRONMENTAL AFFAIRS .....	279
GROUND TRANSPORTATION .....	284
LANDSIDE OPERATIONS .....	292
<b>Debt Service .....</b>	<b>299</b>
OVERVIEW .....	300
ALLOWED PURPOSES AND TYPES OF DEBT .....	300
DEBT LIMIT POLICY .....	300
DEBT SERVICE COVERAGE – SERIES 2005 BONDS .....	300
DEBT SERVICE COVERAGE – SERIES 2010 BONDS.....	300
COMMERCIAL PAPER SERIES A, B AND C .....	301
OUTSTANDING DEBT SERVICE .....	303
FY 2013- FY 2014 DEBT SERVICE BY SOURCE .....	304
<b>Capital Program.....</b>	<b>305</b>
OVERVIEW .....	306
PROGRAM SUMMARY.....	306
SOURCES & USES OF FUNDS BY FISCAL YEAR.....	307
CAPITAL IMPROVEMENT COMMITTEE .....	308
CAPITAL PROGRAM PROCESS.....	308
FUNDING .....	309
AIRPORT IMPROVEMENT PROGRAM.....	309
PASSENGER FACILITY CHARGE.....	309
CUSTOMER FACILITY CHARGE .....	309
TRANSPORTATION SECURITY AGENCY OTHER TRANSACTION AGREEMENT .....	310
PROJECT DESCRIPTIONS & FUNDING SOURCES.....	311
OPERATING BUDGET IMPACT .....	330
GREEN BUILD PROGRAM BUDGET IMPACT .....	333
<b>Performance Indicators.....</b>	<b>335</b>
OPERATING RATIO .....	336
OPERATING REVENUE PER ENPLANEMENT .....	337
NON-AIRLINE REVENUE PER ENPLANEMENT .....	338
ENPLANED PASSENGERS PER FTES .....	339
OPERATING COST PER ENPLANEMENT .....	340
DAYS CASH ON HAND.....	341
AIRLINE COST PER ENPLANED PASSENGER.....	342
AIRLINE COST PER ENPLANED PASSENGER BY AIRPORT .....	343
PASSENGER SATISFACTION RATINGS.....	344
<b>Supplemental Data.....</b>	<b>347</b>
ANNUAL ENPLANED PASSENGERS .....	348
AIRLINE MARKET SHARE FY 2003 – FY 2012.....	349
AIRCRAFT LANDED WEIGHT.....	350
LANDING FEES.....	352
TERMINAL RATES BILLED TO AIRLINES .....	353
AIRCRAFT OPERATIONS (TAKEOFFS AND LANDINGS).....	354
AUTHORITY LARGEST SOURCES OF REVENUES .....	355
POPULATION & ECONOMIC METRICS .....	356
HOUSEHOLDS & INCOME .....	357
LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT RATE.....	358
PRINCIPAL EMPLOYERS.....	359
<b>Table of Figures.....</b>	<b>361</b>
<b>Glossary .....</b>	<b>365</b>

# **AIRPORT AUTHORITY OVERVIEW**

## Board of Directors

**Robert H. Gleason, Chairman\***

**Paul Robinson, Vice Chair\***

**Councilman David Alvarez**

**Bruce R. Boland**

**Supervisor Greg Cox**

**Mayor Jim Desmond**

**Lloyd B. Hubbs**

**Mayor Mary Sessom**

**Tom Smisek\***

### Ex- Officio Members

**Laurie Berman**

**Colonel John Farnam**

\*Executive Committee

## Executive Management Team\*

**Thella F. Bowens**

President / CEO

**Breton K. Lobner**

General Counsel

**Mark Burchyett**

Chief Auditor

**Bryan Enarson**

Vice President

*Development Division*

**Vernon D. Evans**

Vice President

*Finance Division*

**Angela Shafer-Payne**

Vice President

*Planning & Operations Division*

**Jeffrey Woodson**

Vice President

*Administration Division*

\*As of June 6, 2013



## Director Staff\*

**Murray Bauer**

Director  
*Landside Operations*

**David Boenitz**

Director  
*Business Planning*

**Scott Brickner**

Director  
*Financial Planning & Budget*

**Hampton Brown**

Director  
*Air Services Development*

**Bob Bolton**

Director  
*Airport Design and Construction (ADC)*

**George Condon**

Director  
*Airside Operations, Aviation Security & Public Safety and Ground Transportation*

**Dan Frazee**

Director  
*Airport Noise Mitigation*

**Iraj Ghaemi**

Director  
*Facilities Development*

**Amy Gonzalez**

Senior Director  
*General Counsel*

**Matt Harris**

Senior Director  
*Executive Office*

**Kathy Kiefer**

Director  
*Accounting*

**Howard Kourik, Jr.**

Director  
*Information Technology*

**Mike Kulis**

Director  
*Inter-Governmental Relations*

**Troy Ann Leech**

Director  
*Aviation & Commercial Business*

**Jeffrey Lindeman**

Senior Director  
*Organizational Performance & Development Group*

**Diana Lucero**

Director  
*Marketing and Public Relations*

**Paul Manasjan**

Director  
*Environmental Affairs*

**Tony Russell**

Director / Authority Clerk  
*Corporate Services*

**Bob Silvas**

Director  
*Small Business Development*

**Jana Vargas**

Director  
*Procurement*

**Keith Wilschetz**

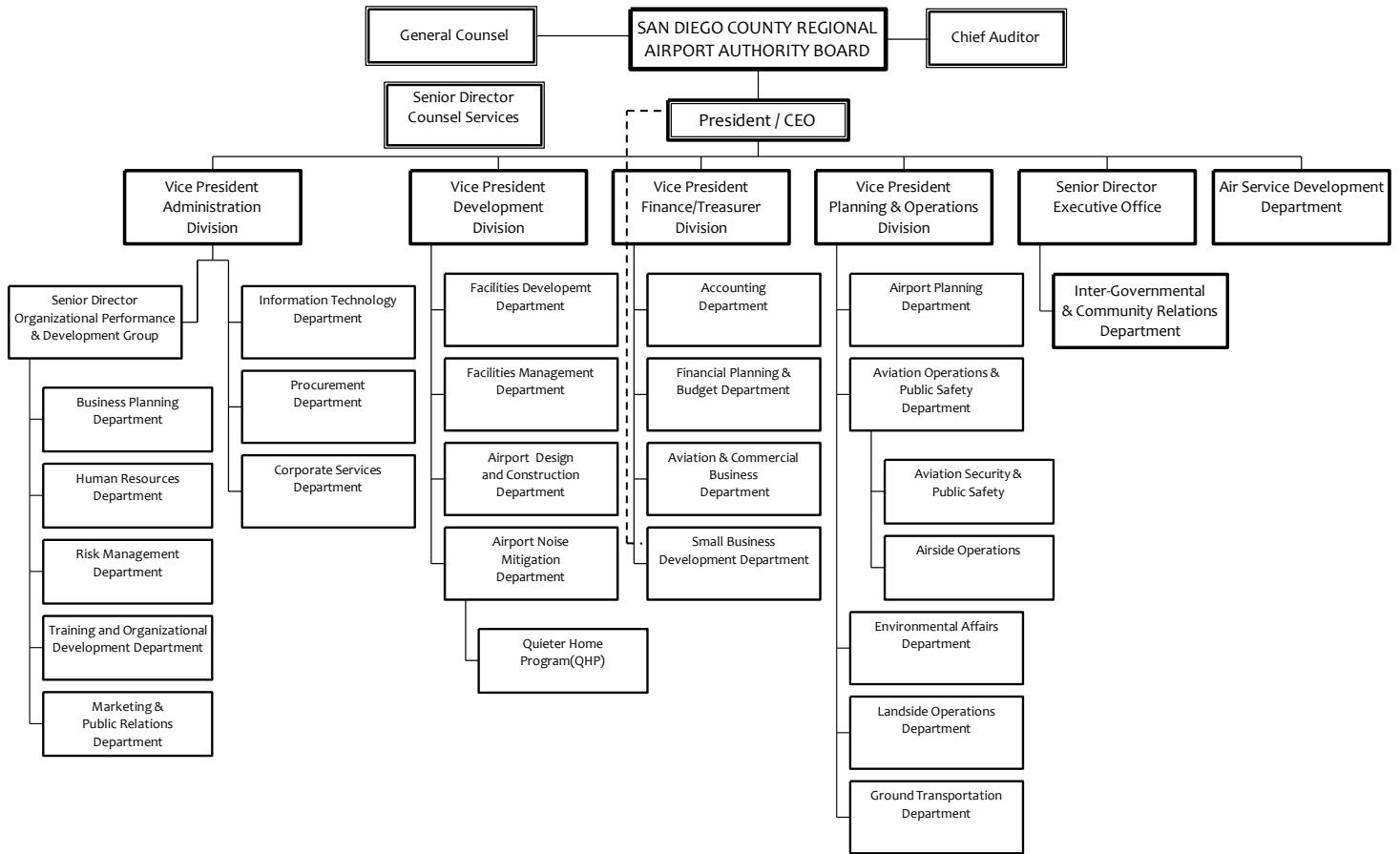
Director  
*Airport Planning*

**Diann Wilson**

Director  
*Training and Organizational Development*

\*As of June 6, 2013

# SDCRAA Organizational Structure\*



\*As of June 6, 2013

The dotted line relationship shown above indicates the Director of Small Business Development reports to the Vice President of Finance, as well as to the President/CEO.

# Organizational Strategies & Initiatives

During FY 2012, the Authority refocused its strategies and initiatives, which are the guiding principles used for the allocation of scarce and restricted resources to SDIA programs as part of the budget process.

<b>STRATEGIES</b>			<b>SUSTAINABILITY VALUES</b>	
<b>1</b>	<b>Financial Strategy</b>	Enhance the financial position of the Authority	<b>E</b>	Economic Viability
<b>2</b>	<b>Customer Strategy</b>	Achieve the highest level of internal and external customer satisfaction	<b>O</b>	Operational Excellence
<b>3</b>	<b>Operations Strategy</b>	Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner		
<b>4</b>	<b>Employee Strategy</b>	Ensure the highest level of employee commitment and performance	<b>S</b>	Social Responsibility
<b>5</b>	<b>Community Strategy</b>	Be a trusted and highly responsive regional agency		

Figure 10 –Authority Strategies & Sustainability Values

1. **Financial Strategy: Enhance the financial position of the Airport Authority**
  - ➔ Identify and acquire new, diversified, or enhanced revenue sources (e.g. new air service, enhanced concessions, parking revenue optimization).
  - ➔ Implement prudent and effective cost containment measures.
  - ➔ Identify, analyze and execute investment opportunities to optimize Authority assets using business case and alternative analysis.
  - ➔ Promote and preserve Authority credibility and stakeholder confidence through prudent but progressive financial, accounting and business practices.
  
2. **Customer Strategy: Achieve the highest level of internal and external customer satisfaction**
  - ➔ Identify opportunities to raise levels of passenger satisfaction.
  - ➔ Identify opportunities to raise levels of tenant satisfaction.
  - ➔ Provide, as part of the Green Build, state-of-the-art passenger processing facilities and increased concession offerings to enhance customer travel experience.

### **3. Operations Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner**

- Maintain a safe, secure and aesthetically pleasing environment.
- Partner with local & federal law enforcement and security agencies.
- Provide air transportation infrastructure for the region.
- Work with appropriate regulatory agencies (FAA, TSA) to follow-up on lessons learned from tabletop/full-scale exercise or industry best practices to address areas for improvement.
- Work with FAA to finalize design and implement Runway 09 Instrument Landing System (ILS) approach project.
- Implement “total cost of ownership” philosophy into all Authority facility and infrastructure programs.

### **4. Employee Strategy: Ensure the highest level of employee commitment and performance**

- Enhance recruitment processes and results.
- Establish training programs to ensure employee growth and development and shape organizational culture.
- Ensure opportunities for employee engagement.

### **5. Community Strategy: Be a trusted and highly responsive regional agency**

- Raise public awareness about Airport Authority initiatives.
- Enhance relationships with regional leadership.
- Elicit meaningful, two-way participation from the public on Airport Authority initiatives.

## Sustainability Values & Strategies

### Purpose

The purpose of the policy statement of the Board of Directors of the San Diego County Regional Airport Authority is to underscore its commitment to a sustainable future for the airport, the Authority and the region.

### Policy Statement

The Board recognizes the need for the Authority to be a truly sustainable organization. Sustainability has emerged as a global environmental theme and a major business imperative for the 21st century, dramatically influencing regional thinking and policymaking. It is essential for San Diego International Airport to continue to evolve into a known benchmark and respected role model for best sustainable practices in the San Diego region and the aviation industry. Sustainability is consistent with and vigorously reinforces the Authority's Mission Statement, to operate San Diego's air transportation gateways in a manner that promotes the region's prosperity and protects its quality of life.

Further, the Board endorses the four sustainability elements of **Economic Viability (E), Operational Excellence (O), Natural Resource Conservation (N), and Social Responsibility (S)** —“EONS”— to guide and implement the Authority's sustainable practices. These four elements have been presented within the aviation industry as the core precepts for a holistic approach to airport sustainability. Incorporating the EONS elements into the Authority's business practices, policies and programs will ensure sustainability is fully deployed across the Authority's operational and business functions.

By setting forth this policy, the Board commits the Authority to these sustainable practices:

- Affirm commitment to regulatory compliance, pollution prevention, continuous improvement and transparency in environmental performance.
- Actively participate in local and regional sustainability partnerships and strongly encourage and promote sustainable practices both in the aviation industry and in the region.
- Review and evaluate all new programs and projects in terms of addressing all four Sustainability Elements (EONS), in a balanced, holistic and measurable approach.
- Analyze the life cycle operating costs and impacts of our facilities, operations and services, using a Total Cost of Ownership approach to determine project feasibility and economic sustainability.
- Adopt the standards set forth by the United States Green Building Council, Leadership in Energy and Environmental Design (LEED) as guiding criteria for achieving sustainable design in the development and remodeling of airport facilities.
- Apply EONS and LEED criteria as a significant factor when reviewing tenant development/redevelopment projects and provide incentive to encourage sustainable design features.

# **OVERVIEW OF FINANCIAL POLICIES AND GUIDELINES**



## Overview of Financial Policies and Guidelines

The Authority operates as an enterprise fund and prepares its budget on the accrual basis of accounting. The 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 Authority has one fund with many revenue sources and operates as a separate, independent and local government entity.

The Authority's budget process actively incorporates various financial policies and guidelines articulated by the Board and Executive Staff. The budget process and final outcome is performance-based and focused on strategies, initiatives and key operating & financial indicators. The adopted budget gives the 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 Authority codes and policies can be accessed on the Authority website at:  
[http://www.san.org/sdcraa/about\\_us/codes\\_policies.aspx](http://www.san.org/sdcraa/about_us/codes_policies.aspx)

**Balanced Budget** – The Authority will prepare a budget on an annual basis. The 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 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 Authority will seek to maintain a diversified revenue stream with the goal of keeping airline rates and charges as reasonable as possible. The 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 125% of aggregate annual debt service on outstanding bonds.

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

**Debt Management** – Debt enables the funding for the 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 Authority, which may include bonds, subordinate obligations, special facility obligations and other financings of the 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 Authority's access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity.

On May 6, 2010, the Authority adopted a "Debt Issuance and Management Policy" to govern the debt issuance and management policies and practices of the Authority. The policy stipulates that the Authority's debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants.
- 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 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 Authority.

The Authority reviews its outstanding debt, at least annually, for the purpose of 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 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 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 Authority will not use long-term debt for current operations. The 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 a A+/A1/A+ public rating from Standard & Poor's, Moody's Investors Services and Fitch Ratings, respectively.

On September 6, 2007, the 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 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 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 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:

1. Allows for the Authority to use derivatives to increase its financing flexibility.
2. Insures that derivatives are used appropriately and not for speculative purposes.
3. Provides detailed and conservative criteria regarding qualifications of firms making swap payments (counterparties) or providing financial guarantees, including collateral requirements and exposure limits, to insure that the Authority maintains maximum flexibility and security when negotiating a specific derivative agreement.
4. Provides for detailed monitoring and evaluation on an ongoing basis to identify all actual and potential risks associated with outstanding and anticipated derivative agreements.
5. Requires Board approval of each agreement based upon guidelines provided for in the policy.

6. Enhances price transparency by requiring derivative products to be competitively bid (unless the Board approves an alternative method).
7. 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 Authority has not entered into any derivative contracts associated with its current bond issues.

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

The 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 425 days of budgeted operating and maintenance expenses for the current fiscal year.

(in thousands)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Projected
Unrestricted & Undesignated Cash & Available Funds	\$ 68,841	\$ 79,041	\$ 68,242	\$ 105,997	\$ 106,366	\$ 113,519	\$ 144,310
Unrestricted & Designated for Specific Capital Projects & Other Commitments	16,154	9,471	6,151	20,896	8,149	9,063	9,528
O&M and R&R Reserves	44,797	49,988	47,303	45,708	45,098	47,829	52,007
<b>Total Unrestricted &amp; Available Funds per Board Policy</b>	<b>\$ 129,793</b>	<b>\$ 138,500</b>	<b>\$ 121,696</b>	<b>\$ 172,600</b>	<b>\$ 159,613</b>	<b>\$ 170,411</b>	<b>\$ 205,845</b>
<b>Operating Expenses</b>	<b>\$ 104,551</b>	<b>\$ 113,985</b>	<b>\$ 115,278</b>	<b>\$ 117,288</b>	<b>\$ 117,841</b>	<b>\$ 119,169</b>	<b>\$ 127,114</b>
<b>Days Cash on Hand</b>	<b>453</b>	<b>444</b>	<b>385</b>	<b>537</b>	<b>494</b>	<b>522</b>	<b>591</b>

**Figure 11 – FY 2007 to FY 2013 Projected Historical Liquidity**

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

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

**Capital Program** – The capital program provides for the orderly development of the Authority. Each year the President/Chief Executive Officer (CEO) submits to the Authority Board a development program of desirable capital improvement projects that are within the 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, return on investment, maintenance and operating costs, construction costs, possible alternatives and sources of funding.

# **OVERVIEW: PROJECTED FUND BALANCE**

## Overview

The Authority's fund balance is generally defined as the difference between its assets and liabilities. The Authority's fund balance statement projects that FY 2014 cash and investments will increase by \$46,577,715 to \$701,756,076 versus the FY 2013 Projected of \$655,178,362. This increase of 7.11% from the FY 2013 Projected is mostly due to increased revenues reflecting new terminal and concession facilities, increased parking revenues, imposition of new Common Use System Support charges and bond proceeds for RCC project. FY 2015 cash and investments are projected to decrease by \$165,385,668 (-23.6%) to \$536,370,408, mainly reflecting the usage of bonds proceeds.

	FY 2012 Actuals	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	FY 2015 Conceptual Budget
<b>Beginning Fund Balance:</b>	\$ 636,385,042	\$ 432,743,650	\$ 453,777,694	\$ 655,178,362	\$ 701,756,076
<b>Source of Funds</b>					
<b>Operating Revenue:</b>					
Landing Fees	18,155,483	21,092,400	21,325,684	21,814,724	24,055,014
Aircraft Parking Fees	3,089,653	3,299,900	3,284,517	2,559,493	2,799,267
Building Rentals	29,844,583	42,930,300	42,907,563	45,237,643	46,605,595
Common Use System Support Charges	-	-	-	1,116,900	1,116,900
Other Aviation Revenue	1,571,695	1,584,300	1,589,024	1,592,288	1,595,586
Federal Inspection Service (FIS) Use	349,524	426,600	426,278	632,057	632,057
Security Surcharge	18,382,094	20,629,100	22,799,085	24,969,500	27,091,200
Parking/Ground Transportation	31,019,315	33,501,292	34,325,456	36,551,780	42,037,984
Concessions	39,848,396	40,916,938	41,299,457	45,554,743	48,848,781
Ground Rentals	7,034,108	7,974,793	8,072,233	8,193,071	11,558,786
Grant Reimbursements	296,549	218,800	218,800	223,200	227,700
Terminal Rent - Non-Airlines	894,272	959,811	977,237	1,024,234	1,069,154
Other Operating Revenue	865,478	552,540	571,540	441,900	451,600
<b>Total Operating Revenue</b>	<b>151,351,150</b>	<b>174,086,775</b>	<b>177,796,875</b>	<b>189,911,534</b>	<b>208,089,623</b>
<b>Non-Operating Revenue &amp; Other Financing:</b>					
Federal Grants received (not including Quieter Home Program)	20,660,153	14,302,254	5,359,629	20,108,089	10,615,097
Passenger Facility Charges Receipts	35,348,167	33,624,500	34,899,400	35,155,100	35,858,200
Customer Facility Charges Receipts	11,426,775	16,422,631	17,877,089	26,528,528	30,065,665
Bond Proceeds	-	508,954,609	432,595,852	-	-
Special Facility Bonds Proceeds	-	-	-	308,462,000	-
Commercial Paper Defeasance of Series 2005 Bonds	-	-	35,412,000	-	-
Principal Payments received on Notes Receivable	1,696,112	1,580,698	1,580,698	1,446,896	1,528,512
Interest Received from Notes Receivable & Investments	5,922,455	5,204,648	5,273,288	5,290,220	5,583,586
Passenger Facility Charges (PFC) transfer to debt service fund	-	-	20,776,039	27,859,162	30,224,211
Other Miscellaneous Receipts & Grants	260,423	-	-	-	-
Other Funding Sources	551,834	-	-	-	-
BAB Interest Rebate	4,912,546	4,995,921	4,778,599	4,741,129	4,741,129
<b>Total Non-Operating Revenue</b>	<b>80,778,465</b>	<b>585,085,262</b>	<b>558,552,595</b>	<b>429,591,124</b>	<b>118,616,400</b>
<b>Total Revenues</b>	<b>232,129,615</b>	<b>759,172,037</b>	<b>736,349,470</b>	<b>619,502,658</b>	<b>326,706,023</b>
<b>Use of Funds</b>					
<b>Operating Expenses:</b>					
Payments to Suppliers & Employees	(102,269,552)	(127,306,324)	(127,133,599)	(139,844,164)	(146,441,608)
<b>Total Operating Expenses</b>	<b>(102,269,552)</b>	<b>(127,306,324)</b>	<b>(127,133,599)</b>	<b>(139,844,164)</b>	<b>(146,441,608)</b>
<b>Non-Operating Expenses:</b>					
Capital Expenditures	(53,695,328)	(25,880,722)	(13,049,282)	(34,523,760)	(27,628,019)
Capital Expenditures Financed from Bond Proceeds	(201,560,681)	(343,978,209)	(255,982,500)	(179,225,530)	(6,779,112)
Capital Expenditures Financed from Special Facility Bonds	-	-	-	(56,749,148)	(155,400,000)
Quieter Home Program, net and Joint Studies	(3,314,008)	(3,107,900)	(3,107,896)	(3,106,921)	(3,106,921)
Customer Facility Charges (CFC) Expenditures	(1,633,013)	(21,708,879)	(9,456,677)	(45,501,819)	(30,139,081)
Passenger Facility Charges (PFC) Expenditures (excl QHP)	(12,817,333)	(23,668,384)	(19,760,419)	(18,409,659)	(8,200,971)
Passenger Facility Charges (PFC) transfer to debt service fund	-	-	(20,776,039)	(27,859,162)	(30,224,211)
Principal on Bonds and Commercial Paper paid	(5,190,000)	(5,190,000)	(6,172,000)	(11,850,000)	(14,814,000)
Interest and Debt Fees Paid (excl PFC funding)	(12,221,141)	(23,690,678)	(26,967,111)	(37,129,438)	(47,302,409)
Capitalized Interest Debt Service Payment	(21,428,692)	(10,785,780)	(10,785,780)	(7,631,774)	(536,243)
Capitalized Interest Special Facility Bonds Payment	-	-	-	(10,000,000)	(20,600,000)
Other Miscellaneous Payments	(607,214)	(931,900)	(945,500)	(1,093,569)	(919,116)
2005 Bonds defeasance	-	-	(40,812,000)	-	-
<b>Total Non-Operating Expenses</b>	<b>(312,467,410)</b>	<b>(458,942,451)</b>	<b>(407,815,204)</b>	<b>(433,080,779)</b>	<b>(345,650,083)</b>
<b>Total Expenses</b>	<b>(414,736,963)</b>	<b>(586,248,776)</b>	<b>(534,948,802)</b>	<b>(572,924,943)</b>	<b>(492,091,691)</b>
<b>Excess (Deficit) of Source over Use of Funds</b>	<b>(182,607,348)</b>	<b>172,923,263</b>	<b>201,400,668</b>	<b>46,577,715</b>	<b>(165,385,668)</b>
<b>Ending Fund Balance</b>	<b>\$ 453,777,694</b>	<b>\$ 605,666,912</b>	<b>\$ 655,178,362</b>	<b>\$ 701,756,076</b>	<b>\$ 536,370,408</b>
Unrestricted Cash and Investments	\$ 122,581,583	\$ 137,493,606	\$ 154,945,813	\$ 165,066,941	\$ 181,560,879
Total Bonds Reserves	212,719,259	341,149,575	371,223,713	454,377,908	272,393,515
Total Other Restricted Funds	118,476,852	127,023,730	129,008,836	82,311,227	82,416,015
<b>Ending Fund Balance</b>	<b>\$ 453,777,694</b>	<b>\$ 605,666,912</b>	<b>\$ 655,178,362</b>	<b>\$ 701,756,076</b>	<b>\$ 536,370,408</b>

# **FINANCIAL PROJECTIONS**



## Financial Projections

Based on the actual results experienced by the Authority during FY 2012 and the budget for FY 2013, FY 2014 and FY 2015 the following table shows projections for FY 2016.

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2016 Projected
Total Airline Revenue	\$ 72,430,221	\$ 89,962,600	\$ 97,922,606	\$ 103,895,618	\$ 107,364,066
Total Non-Airline Revenue	81,119,739	84,124,175	91,988,928	104,194,005	108,345,102
<b>Total Operating Revenue</b>	<b>153,549,960</b>	<b>174,086,775</b>	<b>189,911,534</b>	<b>208,089,623</b>	<b>215,709,168</b>
<b>Total Operating Expenses before depreciation &amp; amortization</b>	<b>119,169,212</b>	<b>127,306,324</b>	<b>139,844,164</b>	<b>146,441,608</b>	<b>150,370,108</b>
<b>Income from Operations before depreciation &amp; amortization</b>	<b>34,380,748</b>	<b>46,780,451</b>	<b>50,067,370</b>	<b>61,648,014</b>	<b>65,339,060</b>
<b>Nonoperating Revenue/(Expense)</b>					
Passenger Facility Charges	34,639,244	33,624,500	35,155,100	35,858,200	36,577,300
Customer Facility Charges	11,486,962	16,422,631	26,528,528	30,065,665	30,668,586
Quieter Home Program (Net) and Joint Studies	(3,604,203)	(3,107,896)	(3,107,169)	(3,106,747)	(3,318,921)
BAB Interest Rebate	4,995,921	4,995,921	4,741,129	4,741,129	4,741,129
Interest Income	5,491,516	5,204,220	5,290,220	5,583,586	6,275,445
Interest Expense	(2,369,718)	(43,230,309)	(50,025,064)	(51,554,430)	(51,584,521)
Bond Amortization Costs	1,057,447	1,002,229	4,003,797	3,928,486	3,928,486
Other Nonoperating Income/(Expenses)	(3,031,807)	(20,000)	(20,000)	-	-
<b>Total Other Nonoperating Revenue, net</b>	<b>48,665,362</b>	<b>14,891,297</b>	<b>22,566,540</b>	<b>25,515,889</b>	<b>27,287,504</b>
<b>Income before capital grant contributions</b>	<b>83,046,110</b>	<b>61,671,748</b>	<b>72,633,911</b>	<b>87,163,903</b>	<b>92,626,564</b>
Capital Grant Contributions	20,833,591	14,302,252	20,108,089	10,615,097	4,992,436
<b>Net Income before depreciation, principal &amp; capital outlay</b>	<b>\$ 103,879,702</b>	<b>\$ 75,974,000</b>	<b>\$ 92,742,000</b>	<b>\$ 97,779,000</b>	<b>\$ 97,619,000</b>

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2016 Projected
Landing Fee Rate	\$1.75	\$1.96	\$1.98	\$2.13	\$2.19
Terminal Rental Rate	\$94.90	\$134.69	\$120.12	\$123.46	\$126.95
Cost Per Enplanement	\$8.33	\$10.34	\$10.85	\$11.27	\$11.41
Debt Service Coverage	2.81	2.79	1.92	2.05	2.11
Enplanements	8,575,475	8,606,000	8,800,000	8,976,000	9,156,000
% Increase in Enplanements	1.6% <sup>(1)</sup>	0.4%	2.3%	2.0%	2.0%

<sup>(1)</sup> Comparison to FY 2011 actuals

# **BUDGET OVERVIEW: REVENUE**

## FY 2014 Revenue Budget – FY 2015 Conceptual Revenue Budget

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY2014 Proposed Budget	Inc/(Dec) FY14 Proposed vs FY13 Budget	% Change	FY2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed	% Change
<b>Operating Revenue:</b>									
<b>Airline Revenue</b>									
Landing Fees	\$ 18,419,244	\$ 21,092,400	\$ 21,327,500	\$ 21,814,724	\$ 722,324	3.4%	\$ 24,055,014	\$ 2,240,290	10.3%
Aircraft Parking Fees	3,134,539	3,299,900	3,262,900	2,559,493	(740,407)	-22.4%	2,799,267	239,773	9.4%
Building Rentals	30,632,762	43,356,900	47,631,200	45,869,700	2,512,800	5.8%	47,237,652	1,367,951	3.0%
Common Use System Support Charges	-	-	-	1,116,900	1,116,900	-	1,116,900	-	-
Other Aviation Revenue	1,594,529	1,584,300	1,587,500	1,592,288	7,988	0.5%	1,595,586	3,298	0.2%
Security Surcharge	18,649,147	20,629,100	23,676,600	24,969,500	4,340,400	21.0%	27,091,200	2,121,700	8.5%
<b>Total Airline Revenue</b>	<b>72,430,221</b>	<b>89,962,600</b>	<b>97,485,700</b>	<b>97,922,606</b>	<b>7,960,006</b>	<b>8.8%</b>	<b>103,895,618</b>	<b>5,973,012</b>	<b>6.1%</b>
<b>Non-Airline Revenue</b>									
Terminal rent non-Airline	907,264	959,811	1,000,463	1,024,234	64,423	6.7%	1,069,154	44,920	4.4%
Terminal concessions	13,305,723	14,028,738	17,020,418	17,216,343	3,187,605	22.7%	19,475,281	2,258,939	13.1%
Rental Car License Fees	23,943,041	24,028,200	24,753,800	25,061,200	1,033,000	4.3%	26,073,700	1,012,500	4.0%
License Fees Other	3,178,544	2,860,000	2,860,000	3,277,200	417,200	14.6%	3,299,800	22,600	0.7%
Parking Revenue	30,141,508	31,301,505	33,824,719	34,290,532	2,989,027	9.5%	38,492,545	4,202,013	12.3%
Ground Transportation Permits and Citations	1,328,452	2,199,787	3,187,374	2,261,247	61,461	2.8%	3,545,439	1,284,191	56.8%
Ground Rentals	7,136,299	7,974,794	7,554,175	8,193,071	218,278	2.7%	11,558,786	3,365,715	41.1%
Grant Reimbursements	300,857	218,800	223,200	223,200	4,400	2.0%	227,700	4,500	2.0%
Other Operating Revenue *	878,051	552,540	422,900	441,900	(110,640)	-20.0%	451,600	9,700	2.2%
<b>Total Non-Airline Revenue</b>	<b>81,119,739</b>	<b>84,124,175</b>	<b>90,847,050</b>	<b>91,988,928</b>	<b>7,864,753</b>	<b>9.3%</b>	<b>104,194,005</b>	<b>12,205,077</b>	<b>13.3%</b>
<b>Total Operating Revenue</b>	<b>153,549,960</b>	<b>174,086,775</b>	<b>188,332,750</b>	<b>189,911,534</b>	<b>15,824,759</b>	<b>9.1%</b>	<b>208,089,623</b>	<b>18,178,089</b>	<b>9.6%</b>
<b>Interest Income</b>	<b>5,491,516</b>	<b>5,204,220</b>	<b>5,809,121</b>	<b>5,290,220</b>	<b>86,000</b>	<b>1.7%</b>	<b>5,583,586</b>	<b>293,366</b>	<b>5.5%</b>
<b>Non-Operating Revenue</b>									
Passenger facility charges	34,639,244	33,624,500	35,105,500	35,155,100	1,530,600	4.6%	35,858,200	703,100	2.0%
Customer facility charges (Rental Car Center)	11,486,962	16,422,631	24,911,428	26,528,528	10,105,896	61.5%	30,065,665	3,537,137	13.3%
Quieter Home Program	11,013,260	12,073,700	12,074,100	12,069,400	(4,300)	0.0%	12,069,700	300	0.0%
BAB Interest Rebate	4,995,921	4,995,921	4,995,921	4,741,129	(254,792)	-5.1%	4,741,129	-	0.0%
Capital grant contributions	20,833,591	14,302,252	8,373,181	20,108,089	5,805,837	40.6%	10,615,097	(9,492,992)	-47.2%
<b>Total Non-Operating Revenue</b>	<b>80,097,502</b>	<b>81,419,005</b>	<b>85,460,130</b>	<b>98,602,246</b>	<b>17,183,241</b>	<b>21.1%</b>	<b>93,349,791</b>	<b>(5,252,455)</b>	<b>-5.3%</b>
<b>Total Revenue</b>	<b>\$ 239,138,978</b>	<b>\$ 260,710,000</b>	<b>\$ 279,602,000</b>	<b>\$ 293,804,000</b>	<b>\$ 33,094,000</b>	<b>12.7%</b>	<b>\$ 307,023,000</b>	<b>\$ 13,219,000</b>	<b>4.5%</b>

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

## FY 2014 Revenue Budget - FY 2015 Conceptual Revenue Budget (cont.)

### FY 2014 Budget vs. FY 2013 Budget Revenue Comparison

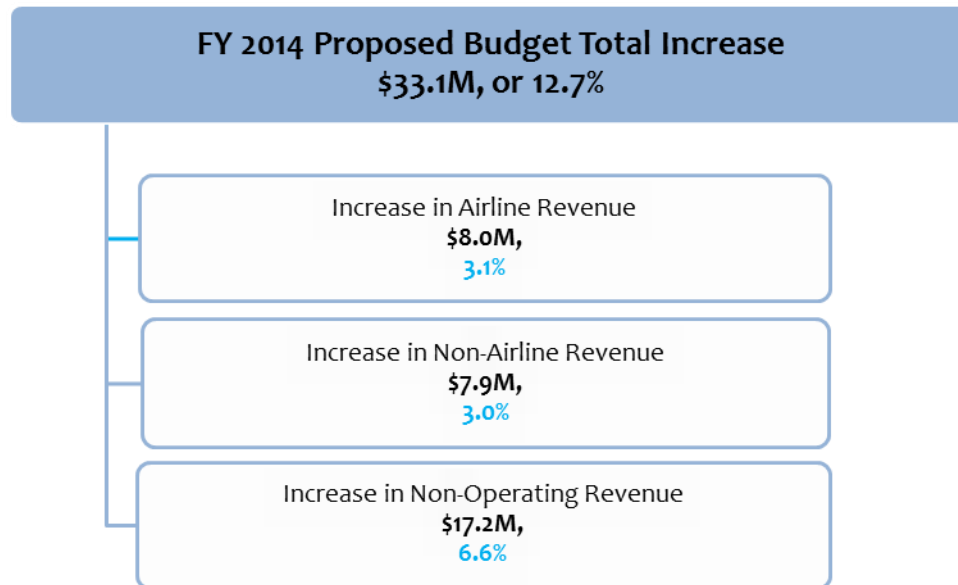


Figure 12 - FY 2014 vs. FY 2013 Budget Revenue Comparison

### FY 2015 Conceptual Budget vs. FY 2014 Budget Revenue Comparison

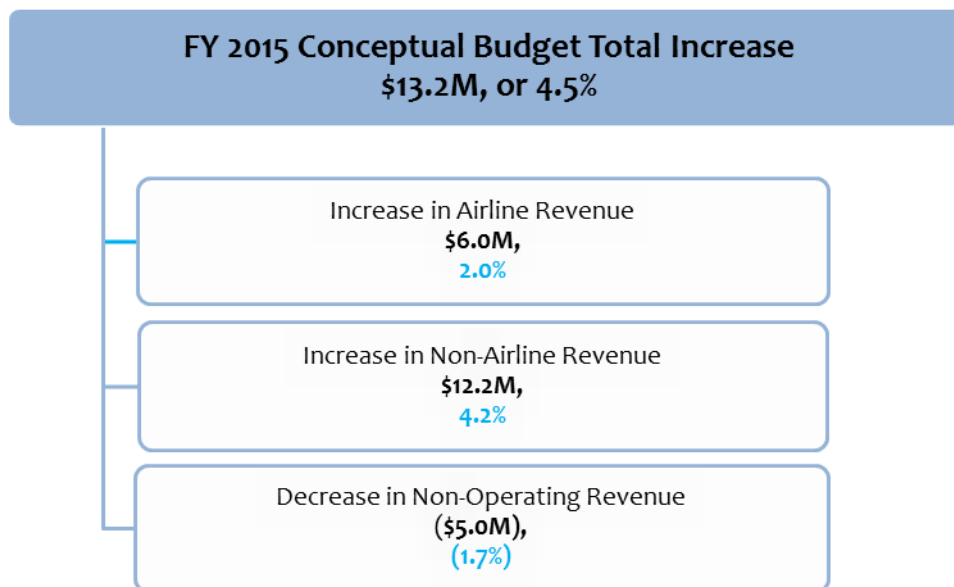


Figure 13 - FY 2015 vs FY 2014 Budget Revenue Comparison

## FY 2014 Revenue Budget by Major Sources

Revenue by Major Sources	FY 2014 Budget
Airline Revenue	\$ 97,922,606
Parking and Ground Transportation	36,551,780
Passenger Facility Charges	35,155,100
QHP & CIP Grants	32,177,489
Rental Car License Fees and License Fees Other	28,338,400
Customer Facility Charges	26,528,528
Terminal Concessions	17,216,343
Ground Rentals	8,193,071
Interest Income	5,290,220
BAB Interest Rebate	4,741,129
Non-Airline Revenue - Other	1,689,334
<b>Total Revenue <sup>(1)</sup></b>	<b><u>\$ 293,804,000</u></b>

<sup>(1)</sup> Major Sources total may differ due to rounding

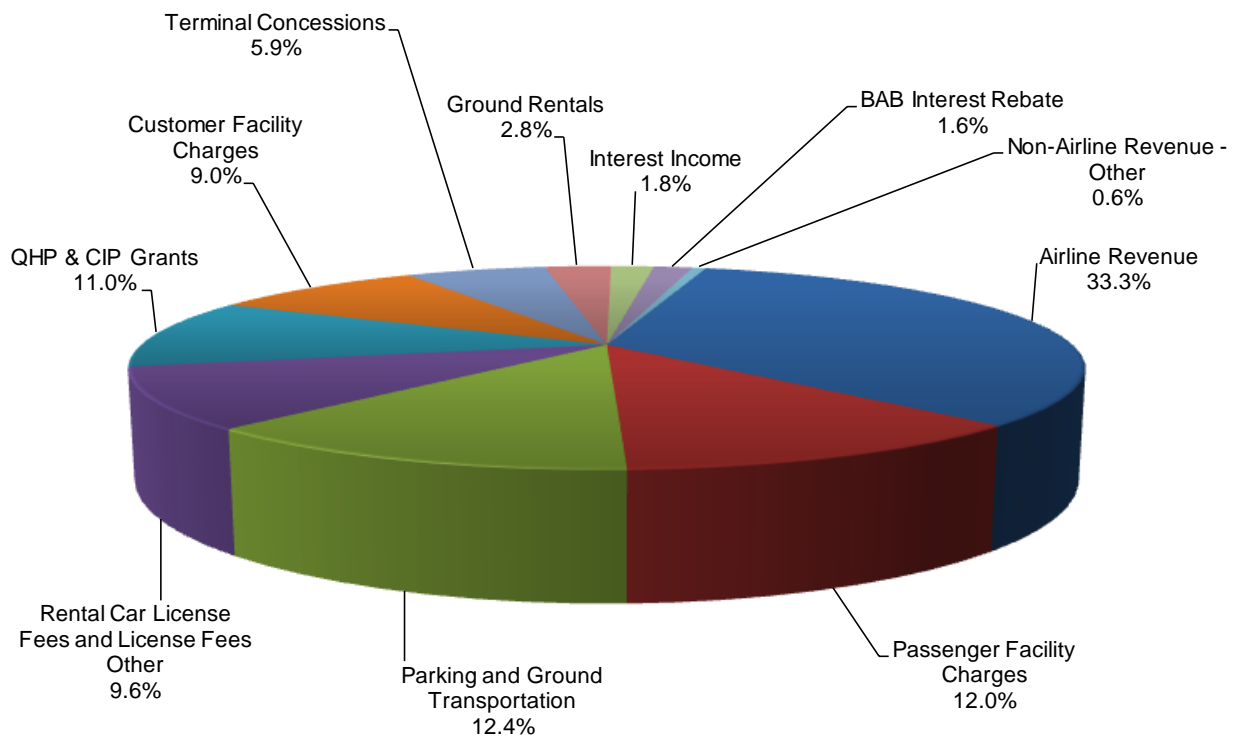


Figure 14 - FY 2014 Revenue Budget by Source

## FY 2015 Revenue Budget by Major Sources

Revenue by Major Sources	FY 2015 Budget
Airline Revenue	\$ 103,895,618
Parking and Ground Transportation	42,037,984
Passenger Facility Charges	35,858,200
Customer Facility Charges	30,065,665
Rental Car License Fees and License Fees Other	29,373,500
QHP & CIP Grants	22,684,797
Terminal Concessions	19,475,281
Ground Rentals	11,558,786
Interest Income	5,583,586
BAB Interest Rebate	4,741,129
Non-Airline Revenue - Other	1,748,454
<b>Total Revenue <sup>(1)</sup></b>	<b><u><u>\$ 307,023,000</u></u></b>

<sup>(1)</sup> Major Sources total may differ due to rounding

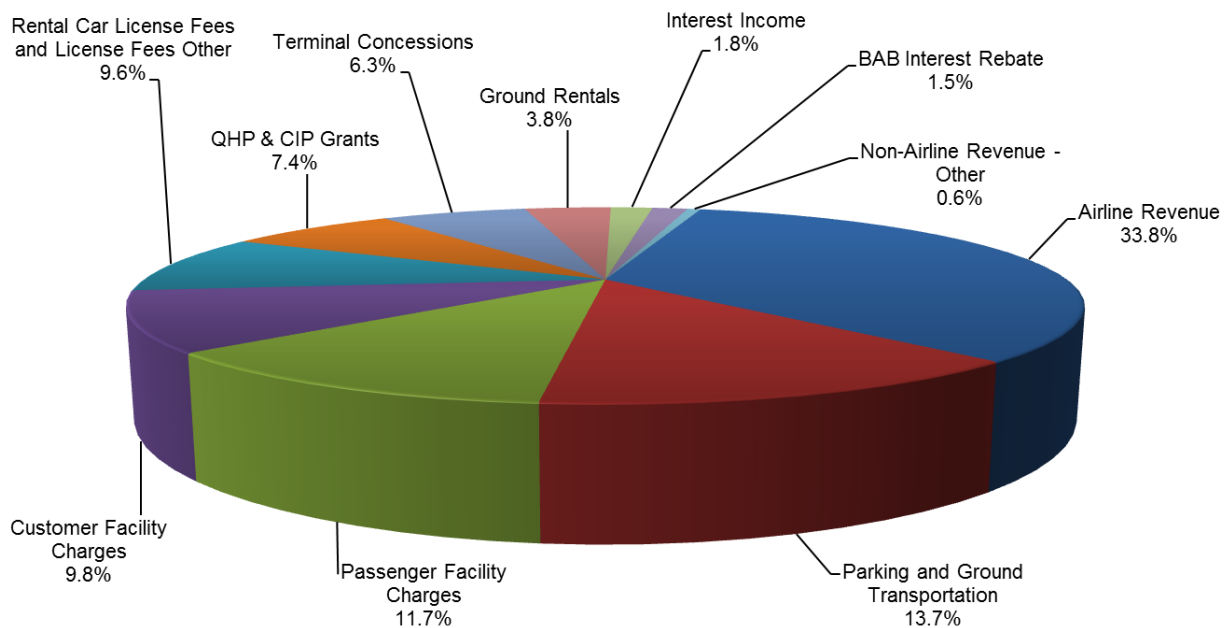


Figure 15 - FY 2015 Revenue Budget by Source



## Overview

Operating and Non-Operating Revenues for FY 2014 are projected to be \$293,804,000, an increase of \$33,094,000 (12.7%) above the FY 2013 Budget. FY 2015 Operating and Non-Operating Revenues are budgeted to increase by \$13,219,000 (4.5%) over the FY 2014 Budget.

## Airline Operating Revenue

### Landing Fees

Landing Fees are revenues from passenger and cargo carriers for commercial aircraft landings at the airport. The fee is set to recover 89.6% in both FY 2014 and FY 2015 of the direct and allocated costs of the airfield, including maintenance and operation expenses, debt service and amortization of capital investments. The balance is recovered from aircraft parking fees (see the following **Aircraft Parking Fees** section).

In FY 2014, landing fee revenues are projected to increase to \$21,814,724, which is \$722,324 (3.4%) over the FY 2013 Budget, primarily due to increased net airfield costs. Estimated landed weight for FY 2014 is projected to increase to 11,126,321 (1,000 pound units), a 0.8% increase from 11,034,350 (1,000 pound units) in the FY 2013 Budget. The combination of higher landed weight and increased costs resulted in the FY 2014 landing fee rate (per 1,000 pounds of maximum gross landed weight) of \$1.98, a 1.0% increase over the FY 2013 Budget landing fee of \$1.96. The FY 2014 budgeted landed weight and landing fees represent an increase of 1.1% and a decrease of \$0.01 respectively when compared to FY 2013 year end projections.

In FY 2015, landing fee revenues are projected to increase by \$2,240,290 (10.3%) to \$24,055,014 over the FY 2014 Budget. The increase reflects higher net airfield expenses and increased debt service. The FY 2015 landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$2.13, 7.2% from the FY 2014 budgeted landing fee of \$1.98 mainly reflecting a combination of increased net airfield costs and a 2.0% increase in projected landed weight to 11,348,847 (1,000 pound units) from 11,126,321 (1,000 pound units).

### Aircraft Parking Fees

Aircraft Parking fees are projected to recover a portion of the direct and allocated costs of the airfield, including maintenance and operation expenses, debt service and amortization of capital investments. This charge is assessed based on the number of aircraft parking positions assigned to each air carrier at the terminal gates and in remote parking. With aircraft parking positions a scarce resource at SDIA, this cost recovery method rewards carriers who efficiently use their gates and schedule flights with departures outside the morning peak period.

In FY 2014, aircraft parking fees are projected to generate revenues of \$2,559,496, a \$740,407 (-22.4%) decrease from the FY 2013 Budget. This decrease reflects a higher number of projected vacant remote aircraft parking positions.

In FY 2015, aircraft parking fees are projected to increase by \$239,773 (9.4%) over the FY 2014 Budget reflecting increased net airfield costs.

### Building Rentals

FY 2014 Building Rental revenues reflect the new proposed airline use and lease agreement methodology for recovery of terminal building costs allocated to airline occupied facilities. The FY 2014 Budget projection of \$45,869,700 is an increase of \$2,512,800 (5.8%) over the FY 2013 Budget. The FY 2014 terminal rental rate of \$120.12 per square foot, versus \$134.69 per square foot in the FY 2013 Budget, reflects the fully loaded cost to the airlines. The rate per square footage declines in FY 2014 due to an increase in square footage associated with the opening of new terminal facilities. The terminal rental rate excludes the credit for janitorial services paid for by the airlines on behalf of the Authority.

In FY 2015, Building Rentals revenue is projected to increase by \$1,367,951 (3.0%) over the FY 2014 Budget due to higher operating and maintenance expenses for existing and new facilities, and an increase in debt service. The terminal rental rate is projected to increase to \$123.46 per square foot.

### Common Use System Support Charges

Common Use System Support Charges include all O&M expenses attributable or allocable to the Common Use System Support cost center and will be paid for by the signatory airlines located in CUPPS-equipped terminals. FY 2014 is the first year that this charge is being assessed.

FY 2014 Common Use System Support Charges are projected to be \$1,116,900. In FY 2015 the charges are projected to remain flat.

### Other Aviation Revenue

Fuel Franchise Fees/Capital Recovery includes fees on fuel delivered to aircraft by the fixed base operator (FBO) and to non-participating airlines by the airline fuel consortium. In addition, this category includes a fuel farm improvement rent, which represents roughly 90% of this revenue category. It is based on a straight-line amortization schedule that will not change in FY 2014 or FY 2015. The remainder of the revenue is generated from airline fuel sales, which are projected to be relatively flat.

### Security Surcharge

Security costs are comprised of Harbor Police services, contract guard services and maintenance costs for the security access system. These costs are recovered by a stand-alone fee paid by the airlines. This fee recovers 100% of airside security costs and 95% of terminal security costs from the airlines.

The budget for FY 2014 is \$24,969,500, an increase of \$4,340,400 (21.0%) over the FY 2013 Budget. The increase over the FY 2013 Budget reflects increased cost of services and new facilities placed in service.

In FY 2015, Security Surcharge revenue is projected to increase by \$2,121,700 (8.5%) to \$27,091,200 reflecting an increase in cost of services for existing and new facilities.

## 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 2014 enplaned passenger traffic. The FY 2014 Budget assumes 8.80 million enplaned passengers, which represents a 2.3% increase from the 8.61 million used in the FY 2013 Budget and a 0.7% increase over the 8.74 million FY 2013 year end projected enplanements. FY 2015 enplanements are projected to grow to 8.98 million, a 2.0% increase over the FY 2014 Budget.

### Terminal Rent-Non Airline

Terminal non-airline rent includes revenue from non-airline tenants like the U.S. General Services Administration (Drug Enforcement Agency and TSA), Elite Line Services, Inc. and others.

The budget for FY 2014 is \$1,024,234, representing an increase of \$64,423 (6.7%) over the FY 2013 Budget. The FY 2015 Budget is projected to increase by a nominal \$44,920 (4.4%) over the FY 2014 Budget.

### Terminal Concessions

Terminal Concession revenue is generated from food/beverage, gift/news and Duty Free concessions operated under exclusive agreements with concessionaires. In FY 2013, the Authority implemented the Concession Development Program (CDP), which is helping transform the retail, food and beverage services offered at San Diego International Airport, ultimately providing a world-class shopping and dining experience for the millions of passengers who use the airport each year.

When complete, the CDP will expand from approximately 60,000 square feet to approximately 85,000 square feet of food service and retail space. At full build-out in 2014, the number of concession locations will increase from 55 stores in the old program to 87.

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 fees, operations/maintenance costs and costs to operate the Receiving and Distribution Center (RDC).

Other Concession revenue includes advertising, common use lounge service, WiFi, bank ATMs, money exchange services, baggage cart rentals, shoe shine stands and telephone services.

The FY 2014 Budget for Terminal Concessions is \$17,216,343, an increase of \$3,187,605 (22.7%) over the FY 2013 Budget. This is due to new concessions offerings, increase in retail food/beverage and other concessions revenue, reimbursement of certain O&M expenses allocated to concessionaires and an increase in storage rental revenue. These increases are the result of increased passenger traffic and stronger gross sales per passenger.

FY 2015 revenues are budgeted at \$19,475,281, an increase of \$2,258,939 (13.1%) over the FY 2014 Budget. This reflects an increase in food/beverage and retail revenue due to increased passenger traffic and stronger gross sales per passenger along with an increase in storage revenue and reimbursement of certain O&M expenses allocated to concessionaires.

### Rental Car License Fee

Rental Car License Fee revenue includes fees received from rental car companies that conduct business at the Airport. The agreement calls for rental car companies to pay the Authority a fee equaling 10% of gross income. In FY 2014, rental car license fees are projected at \$25,061,200, an increase of \$1,033,000 (4.3%) over the FY 2013 Budget reflecting higher enplanements and gross sales per passenger.

FY 2015 revenues are projected at \$26,073,700, an increase of \$1,012,500 (4.0%) due to higher enplanements and gross sales per passenger.

### License Fees - Other

License Fees - Other revenue is derived from in-flight catering services and ground handling operators. Gate Gourmet, SkyChef, Flying Foods and Stevie's catering are off-site, in-flight food catering companies that operate at the airport. Estimated in-flight catering and ground handling revenue is based on a percentage of the companies' gross revenues per their agreements with the Authority. FY 2014 revenues are budgeted at \$3,277,200, an increase of \$417,200 (14.6%) from the FY 2013 Budget due to added ground handling services.

In FY 2015, license fees revenues are projected to increase by a nominal \$22,600 (0.7%) to \$3,299,800.

### Parking

Parking revenue is generated from the 6,205 spaces located on airport parking lots, including parking lots in front of the terminals and remote, long-term parking operations located on Harbor Drive and Pacific Highway. The FY 2014 revenue is budgeted at \$34,290,532, a projected increase of \$2,989,027 (9.5%) from the FY 2013 Budget reflecting an increase in transactions due to higher enplanements and the full re-opening of the Terminal 2 parking lot after Green Build completion.

The FY 2015 budget is \$38,492,545, a projected increase of \$4,202,013 (12.3%) reflecting growth in transactions due to increased enplanements, and a projected rate increase.

## Ground Transportation Permits & Citations

Ground Transportation Permits include the taxi and hotel shuttle driver and vehicle permits issued to commercial drivers and their vehicles allowing them to conduct business at the airport. Citation revenue is generated from parking citations issued by the Airport Traffic Officers (ATOs) on the airport terminal roadways. FY 2014 revenue projections of \$2,261,247, an increase of \$61,461 (2.8%) over the FY 2013 Budget, mostly reflect the scheduled fourth year ground transportation management plan cost recovery increase from 75% to 100%. In FY 2015, these revenues are budgeted at \$3,545,439, an increase of \$1,284,191 (56.8%) mostly reflecting the revenue from vehicle conversion incentive program changes.

## Ground Rentals

Ground Rental Fixed revenue consists of fixed rent received for leased cargo facilities, fixed base operations and ancillary leases of various aviation and non-aviation uses. FY 2014 revenue is budgeted at \$7,448,921, a projected increase of \$128,928 (1.8%) over the FY 2013 Budget due to increased cargo rent. In FY 2015, revenues are budgeted at \$10,814,636, a projected increase of \$3,365,715 (45.2%), due mainly to an increase of \$3.3M rent from Landmark Aviation for the new Fixed Base Operator (FBO) facility, projected to begin operations in July 2014.

Ground Rental Percentage revenue includes percentage revenues received from rental car vehicle storage, occasional trailer storage and revenue from the airport owned off-site salt plant. FY 2014 Budgeted revenues are \$744,150, an increase of \$89,350 (13.6%) from the FY 2013 Budget due to higher rental car vehicle storage. FY 2015 Budgeted revenues remain flat.

## Grant Reimbursements (Operating)

The FY 2014 Budgeted grant reimbursement revenue is \$223,200, an increase of \$4,400 (2.0%) from the FY 2013 Budget. FY 2015 grant reimbursements are projected at \$227,700, an increase of \$4,500 (2.0%) over the FY 2014 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 on the airport. In addition, this category includes various miscellaneous revenues that do not fall into a specific account and are usually a one-time occurrence. In FY 2014, these revenues are budgeted to decrease by \$110,640 (-20.0%) from the FY 2013 Budget due mainly to the elimination of utility reimbursement associated with the termination of a master concession agreement with Host International. FY 2015 revenues are budgeted to increase by a nominal \$9,700 (2.2%).

## Interest Income

Interest Income revenue is derived from interest earned by the Authority on discretionary funds and reserves established under the master bond indenture. This revenue also includes interest earned on notes paid by the Port District to the Authority. In FY 2014 interest income is budgeted at \$5,290,220, a projected increase of \$86,000 (1.7%) from the FY 2013 Budget due to projected increases in cash balances. In FY 2015, these revenues are projected at \$5,583,586, an increase of \$293,366 (5.5%) over the FY 2014 Budget reflecting a projected increase in interest rates.

## Non-Operating Revenue

### Passenger Facility Charges

Passenger Facility Charges (PFCs) are comprised of a \$4.50 charge (net \$4.39 to the Airport after deduction of an \$0.11 airline processing fee) paid by each ticketed passenger that boards an airplane at the Airport. The FY 2014 budget is based on the projected number of enplaned passengers for FY 2014 and an estimated collection rate of 91%. Certain types of passengers, including military, are excluded from paying the PFC. In FY 2014, PFC revenues are budgeted at \$35,155,100, an increase of \$1,530,600 (4.6%) from the FY 2013 Budget due to higher enplanements and an increase in the budgeted collection rate. In FY 2015, PFC revenues are projected at \$35,858,200, an increase of \$703,100 (2.0%) over the FY 2014 Budget reflecting projected increases in enplaned passengers.

### Customer Facility Charges

Customer Facility Charges (CFCs) are collected by the car rental concessionaires and remitted to the Authority according to State law to support the consolidated Rental Car Center development project. In January 2013, in accordance with State statute, the collection methodology changed from \$10.00 per rental car transaction to \$6.00 per rental day (up to a maximum of five days). Starting in January 2014, the rate will increase from \$6.00 to \$7.50 per rental day. For FY 2014, CFC revenues are projected at \$26,528,528, an increase of \$10,105,896 (61.5%) over the FY 2013 Budget due to a full year of the new “per day” CFC collection methodology, and a rate increase from \$6.00 to \$7.50 per rental day in the second half of the fiscal year. In FY 2015, CFC revenues are budgeted at \$30,065,665, an increase of \$3,537,137 (13.3%) over the FY 2014 Budget due to a full year at the \$7.50 per rental day rate, along with higher enplanements.

### Build America Bond (BAB) Interest Rebate

BAB interest rebate revenue of \$4,741,129 represents a direct federal subsidy of 33.2% of the interest paid on the Series 2010C revenue bonds. In FY 2014, the estimated revenue is projected to decrease by \$254,792 (-5.1%) from the FY 2013 Budget due to the impact of the federal government’s sequestration measures. These revenues are projected to remain flat in the FY 2015 Budget.

### Grant Reimbursements (Sound Attenuation & Capital)

The Quieter Home Program (QHP) is a residential sound insulation program for eligible single and multi-family dwellings located within the FAA-accepted San Diego International Airport 65-decibel Community Noise Equivalent Level (CNEL) contour. The project is eligible for a maximum Airport Improvement Program (AIP) funding of 80.6%. 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 2014 and FY 2015 QHP revenue will be \$12,069,400 and \$12,069,700, respectively.

Capital grant contributions are FAA grant awards from a federal program that provides funding for approved capital projects. The FY 2014 capital grant contributions increase of \$5,805,837 (40.6%) is due to the combination of new grant funded capital projects, as well as an anticipated amendment to increase the existing airside project grants for a total of \$15.8M. This is partially offset by a decrease of \$10.0M for completed grant funded Green Build projects. FY 2015 capital grant contributions are budgeted to decrease by \$9,492,992 (-47.2%) due to completion of all FY2014 grant funded projects.

# **BUDGET OVERVIEW: EXPENSES**



## FY 2014 Expense Budget – FY 2015 Conceptual Expense Budget

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 26,888,386	\$ 29,065,130	\$ 31,169,886	\$ 2,104,757	7.2%	\$ 33,004,041	\$ 1,834,155	5.9%
Premium Overtime	943,523	818,500	867,400	48,900	6.0%	865,700	(1,700)	-0.2%
Employee Benefits	14,935,072	15,198,202	16,319,513	1,121,311	7.4%	17,701,713	1,382,200	8.5%
Subtotal	42,766,980	45,081,832	48,356,799	3,274,968	7.3%	51,571,454	3,214,654	6.6%
<i>Less: Capitalized Labor</i>	<i>(4,737,159)</i>	<i>(4,958,440)</i>	<i>(5,749,016)</i>	<i>(790,576)</i>	<i>15.9%</i>	<i>(6,180,522)</i>	<i>(431,506)</i>	<i>7.5%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	<i>(793,309)</i>	<i>(708,766)</i>	<i>(703,804)</i>	<i>4,962</i>	<i>-0.7%</i>	<i>(732,944)</i>	<i>(29,140)</i>	<i>4.1%</i>
<b>Total Personnel Expenses</b>	<b>37,236,512</b>	<b>39,414,626</b>	<b>41,903,979</b>	<b>2,489,353</b>	<b>6.3%</b>	<b>44,657,988</b>	<b>2,754,009</b>	<b>6.6%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	26,905,524	29,365,241	33,279,133	3,913,892	13.3%	34,052,611	773,478	2.3%
Safety and Security	22,625,169	22,408,160	24,975,465	2,567,305	11.5%	27,111,790	2,136,326	8.6%
Space Rental	11,414,838	11,416,345	10,378,412	(1,037,933)	-9.1%	10,324,952	(53,460)	-0.5%
Utilities	6,674,423	7,753,075	8,566,650	813,575	10.5%	8,943,750	377,100	4.4%
Maintenance	8,496,587	8,234,743	11,661,347	3,426,604	41.6%	12,017,693	356,346	3.1%
Operating Equipment & Systems	403,268	459,048	456,779	(2,269)	-0.5%	500,468	43,689	9.6%
Operating Supplies	304,433	349,722	374,352	24,630	7.0%	431,444	57,092	15.3%
Insurance	764,239	872,318	1,253,579	381,261	43.7%	1,546,084	292,505	23.3%
Employee Programs	916,195	1,186,464	1,259,598	73,134	6.2%	1,425,213	165,615	13.1%
Business Development	2,093,166	3,584,933	2,943,753	(641,180)	-17.9%	2,860,045	(83,708)	-2.8%
Equipment Rentals & Repairs	1,264,057	1,744,849	2,431,217	686,368	39.3%	2,569,571	138,353	5.7%
Tenant Improvements	70,800	516,800	359,900	(156,900)	-30.4%	-	(359,900)	-100.0%
<b>Total Non-Personnel Expenses</b>	<b>81,932,700</b>	<b>87,891,698</b>	<b>97,940,185</b>	<b>10,048,487</b>	<b>11.4%</b>	<b>101,783,621</b>	<b>3,843,436</b>	<b>3.9%</b>
<b>Total Operating Expenses</b>	<b>119,169,212</b>	<b>127,306,324</b>	<b>139,844,164</b>	<b>12,537,840</b>	<b>9.8%</b>	<b>146,441,608</b>	<b>6,597,445</b>	<b>4.7%</b>
<b>Non-Operating Expenses:</b>								
Joint Studies/Sound Attenuation	14,617,463	15,181,596	15,176,621	(4,975)	0.0%	15,176,621	-	0.0%
Debt Service	6,502,270	47,643,080	58,027,215	10,384,136	21.8%	64,640,770	6,613,555	11.4%
Legal Settlements Expense	160,330	20,000	20,000	-	0.0%	-	(20,000)	-100.0%
Other Non-Operating Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>21,280,064</b>	<b>62,844,676</b>	<b>73,223,837</b>	<b>10,379,161</b>	<b>16.5%</b>	<b>79,817,391</b>	<b>6,593,555</b>	<b>9.0%</b>
<b>Total Expenses</b>	<b>140,449,276</b>	<b>190,151,000</b>	<b>213,068,000</b>	<b>22,917,000</b>	<b>12.1%</b>	<b>226,259,000</b>	<b>13,191,000</b>	<b>6.2%</b>
<b>Equipment Outlay</b>	<b>689,136</b>	<b>1,382,000</b>	<b>10,000</b>	<b>(1,372,000)</b>	<b>-99.3%</b>	<b>170,000</b>	<b>160,000</b>	<b>1600.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 141,138,413</b>	<b>\$ 191,533,000</b>	<b>\$ 213,078,000</b>	<b>\$ 21,545,000</b>	<b>11.2%</b>	<b>\$ 226,429,000</b>	<b>\$ 13,351,000</b>	<b>6.3%</b>

# FY 2014 Expense Budget - FY 2015 Conceptual Expense Budget (cont.)

## FY 2014 Budget vs. FY 2013 Budget Expense Comparison

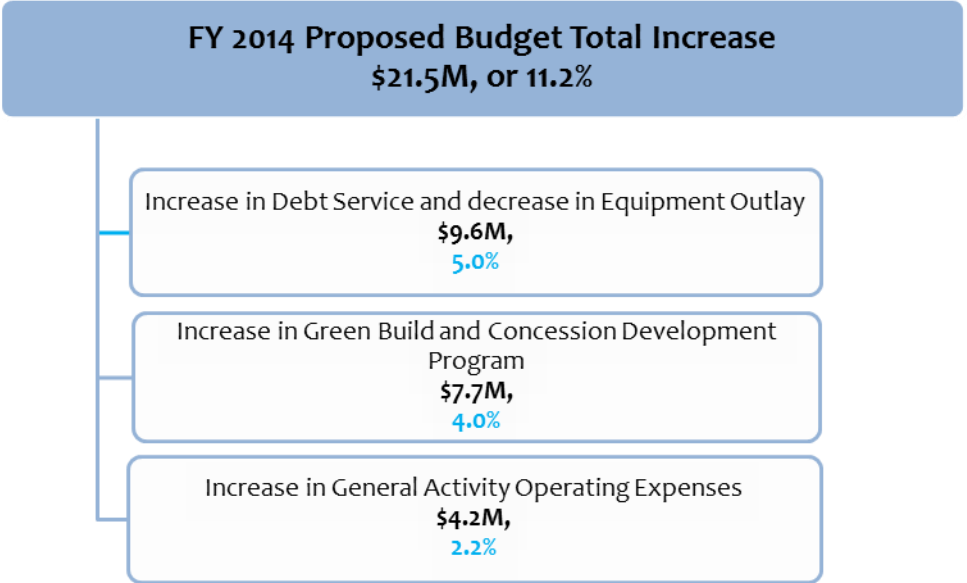


Figure 16 – FY 2014 to FY 2013 Budget Expense Comparison

## FY 2015 Conceptual Budget vs. FY 2014 Budget Expense Comparison

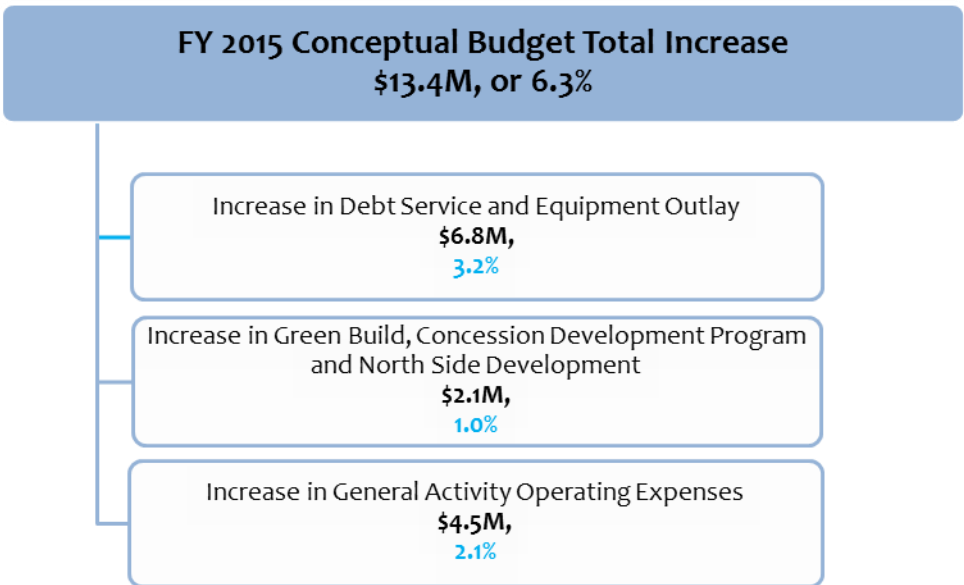


Figure 17 – FY 2015 to FY 2014 Budget Expense Comparison



## Major Drivers of FY 2014 Budget Increase / Decrease

	<b>Total Inc/(Dec) FY2014 Budget vs. FY2013 Budget</b>
<b>FY 2013 Budget</b>	<b>\$ 191,533,000</b>
<b>Personnel:</b>	
21 new, 5 funded and 1 eliminated position (salaries, benefits & employer taxes)	1,845,179
Increase in contracted wage increases and pay-for-performance	808,863
Increase in burden (benefits & employer taxes) and salary adjustments net of vacancy savings for current staff	620,925
Capitalized labor / QHP - labor, burden, labor overhead	(785,615)
<b>Total Increase in Salaries and Benefits, Net</b>	<b>2,489,353</b>
<b>Non Personnel:</b>	
<b>Green Build:</b>	
Increase in Baggage Handling System (BHS) costs	1,349,104
Increase in Common Use Passenger Processing System (CUPPS) costs	1,096,900
Increase in utilities (gas & electric and telephone services) costs	918,000
Increase in contract security services and maintenance of access control system costs	722,100
Increase in Ramp Control Facility professional services costs	534,400
Increase in Airport custodial contract costs	470,137
Increase in Authority-wide IT related repairs and other services costs	214,995
Increase in annual maintenance contract costs and other supplies costs	105,000
Decrease in public outreach, marketing, promotional activities and materials costs	(323,200)
Other (net)	115,305
<b>Total Increase Due to Green Build</b>	<b>5,202,741</b>
<b>Concession Development Program:</b>	
Increase in Receiving & Distribution Center (RDC) operator costs	620,792
Increase in maintenance costs	598,250
Increase in Airport custodial contract	469,472
Other (net)	203,396
<b>Total Increase Due to Concession Development Program</b>	<b>1,891,909</b>
<b>Safety and Security:</b>	
Increase in law enforcement costs - Harbor Police department	1,992,133
Increase in Aircraft Rescue Fire Fight (ARFF), Emergency Medical Services (EMS), maintenance of access control system and other services costs	342,917
<b>Total Increase in Safety and Security</b>	<b>2,335,050</b>
<b>Airport Land Use Compatibility Plans (ALUCPs)</b>	
Decrease in Airport Land Use Compatibility Plans (ALUCPs) and miscellaneous airport planning projects costs	(850,000)
<b>Total Decrease in Airport Land Use Compatibility Plans (ALUCPs)</b>	<b>(850,000)</b>

## Major Drivers of FY 2014 Budget Increase / Decrease (Cont.)

	<b>Total Inc/(Dec) FY2014 Budget vs. FY2013 Budget</b>
<b>Environmental Regulatory Requirements:</b>	
Increase in Stormwater Management Program, Industrial Hygiene/Indoor Air Quality and USDA wildlife assessment costs	200,000
Increase in Water Quality/San Diego Bay Sediment Quality Objectives	199,500
<b>Total Increase in Environmental Regulatory Requirements</b>	<b>399,500</b>
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Increase in shuttles and parking operating costs	1,269,359
Increase in annual maintenance contract costs, major maintenance, supplies costs and refuse & hazardous waste disposal costs	957,250
Decrease in space rental costs	(1,037,933)
Increase in other terminal and landside costs (custodial contract costs, utilities and tenant improvement costs)	121,345
<b>Total Increase in Terminal and Landside (Operations &amp; Maintenance)</b>	<b>1,310,021</b>
<b>Other Operating Expenses:</b>	
Increase in insurance costs	283,556
Decrease in public outreach, marketing, promotional activities and materials costs	(473,655)
Other (net)	(50,635)
<b>Total Decrease in Other Operating Expenses</b>	<b>(240,734)</b>
<b>Total Increase in Non-Personnel Operating Expenses, Net</b>	<b>10,048,487</b>
<b>Total Increase in Operating Expenses</b>	<b>12,537,840</b>
<b>Debt Service:</b>	
Increase in debt service costs	10,384,135
<b>Other Non-Operating Expenses:</b>	
Decrease in Quieter Home Program	(4,975)
<b>Total Increase in Non-Operating Expenses</b>	<b>10,379,160</b>
<b>Equipment Outlay:</b>	
Decrease in Green Build Program equipment outlay (Ramp Control Facilities etc.) costs	(590,000)
Decrease in equipment outlay costs	(782,000)
<b>Total Decrease in Equipment Outlay</b>	<b>(1,372,000)</b>
<b>Total Increase</b>	<b>21,545,000</b>
<b>FY14 Proposed Budget</b>	<b>\$ 213,078,000</b>

## Major Drivers of FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY2015 Conceptual Budget vs FY2014 Budget
<b>FY 2014 Proposed Budget</b>	<b>\$ 213,078,000</b>
<b>Personnel:</b>	
Increase in burden (benefits & employer taxes) and salary adjustments net of vacancy savings for current staff	2,031,423
Contracted wage increases and pay-for-performance	982,589
1 new & 1 funded position (salaries, benefits & employer taxes)	200,642
Capitalized labor / QHP - labor, burden, labor overhead increase	(460,645)
<b>Total Increase in Salaries and Benefits, Net</b>	<b>2,754,009</b>
<b>Non Personnel:</b>	
<b>Green Build:</b>	
Increase in law enforcement costs - Harbor Police department	1,323,282
Increase in annual maintenance contract costs	1,100,000
Decrease in public outreach, marketing, promotional activities and materials costs	(550,300)
Decrease Baggage Handling System (BHS) costs	(1,349,104)
Other (net)	4,627
<b>Total Increase Due to Green Build</b>	<b>528,505</b>
<b>Concession Development Program:</b>	
Increase in Airport custodial contract	151,558
Other (net)	123,604
<b>Total Increase Due to Concession Development Program</b>	<b>275,162</b>
<b>Northside Development:</b>	
Increase in advertising, promotional activities and materials costs	452,000
Increase in annual maintenance contract costs and water costs	225,000
Rental Car Center (RCC) Training	155,000
Increase in insurance costs	124,952
<b>Total Increase Due to Northside Development</b>	<b>956,952</b>
<b>Safety and Security:</b>	
Increase in law enforcement costs - Harbor Police department	500,046
Increase in Aircraft Rescue Fire Fight (ARFF), Emergency Medical Services (EMS), maintenance of access control system and other services costs	370,447
<b>Total Increase in Safety and Security</b>	<b>870,493</b>
<b>Regional Aviation Planning Programs:</b>	
Increase in Update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs) and North Island/Imp. Beach ALUCPs costs	1,150,000
Decrease in SDIA Airport Land Use Compatibility Plans (ALUCPs) and miscellaneous airport planning projects costs	(500,000)
<b>Total Increase in Regional Aviation Planning Programs</b>	<b>650,000</b>

## Major Drivers of FY 2015 Conceptual Budget Increase / Decrease (Cont.)

	Inc/(Dec) FY2015 Conceptual Budget vs FY2014 Budget
<b>Environmental Regulatory Requirements:</b>	
Increase in Water Quality/San Diego Bay Sediment Quality Objectives costs	100,000
Increase in Stormwater Management Program, Industrial Hygiene/Indoor Air Quality and USDA wildlife assessment costs	100,000
<b>Total Increase in Environmental Regulatory Requirements</b>	<b>200,000</b>
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Increase in annual maintenance contract costs, major maintenance, supplies costs and refuse & hazardous waste disposal costs	398,000
Increase in utility (gas & electric, water, telephone services) costs	225,005
Increase in shuttles and parking operating costs	139,790
Decrease in Tenant Improvement Program costs	(359,900)
<b>Total Increase in Terminal and Landside (Operations &amp; Maintenance)</b>	<b>402,895</b>
<b>Other Operating Expenses:</b>	
Increase in insurance costs	144,201
Decrease in domestic & international air service marketing costs	(275,000)
Other (net)	90,228
<b>Total Decrease in Other Operating Expenses</b>	<b>(40,571)</b>
<b>Total Increase in Non-Personnel Operating Expenses, Net</b>	<b>3,843,436</b>
<b>Total Increase in Operating Expenses</b>	<b>6,597,445</b>
<b>Debt Service:</b>	
Increase in debt service costs	6,613,555
<b>Other Non-Operating Expenses:</b>	
Other (net)	(20,000)
<b>Total Increase in Non-Operating Expenses</b>	<b>6,593,555</b>
<b>Equipment Outlay:</b>	
Increase in equipment outlay costs	160,000
<b>Total Increase in Non-Personnel Expenses, Net</b>	<b>10,596,991</b>
<b>Total Increase</b>	<b>13,351,000</b>
<b>FY 2015 Proposed Conceptual Budget</b>	<b>\$ 226,429,000</b>

## Overview

In FY 2014, SDCRAA total expenses, including debt service and equipment outlay, are projected to increase to \$213,078,000 from \$191,533,000 in the FY 2013 Budget. This represents an increase of \$21,545,000 (11.2%). The FY 2015 Conceptual Budget contemplates total expenses increasing to \$226,429,000, representing an increase of \$13,351,000 (6.3%).

## 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 Quieter Home Program (QHP). Fringe benefits include payroll taxes, retirement, health insurance, workers' compensation insurance, unemployment insurance, life insurance and short-term disability insurance.

In FY 2014, salaries and wages including overtime are projected to increase by \$2,153,657 from the FY 2013 Budget reflecting a net increase of 25 authorized and funded positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. Employee benefits are projected to increase by \$1,121,311 from the FY 2013 Budget reflecting higher retirement benefit costs due to an increase in the required retirement contribution, higher workers' compensation insurance costs and increased health benefit costs. These combined factors, together with higher capitalized labor expenses, resulted in a net increase of \$2,489,353 (6.3%) in the FY 2014 Budget from the FY 2013 Budget.

In FY 2015, salaries and wages including overtime are projected to increase by \$1,832,455 reflecting a net increase of two authorized and funded positions, 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 \$1,382,200 (8.5%) 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 \$2,754,009 (6.6%) in FY 2015.

### Non-Personnel Expenses

#### Contractual Services

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

In FY 2014, Contractual Services are budgeted to have a net increase of \$3,913,892 (13.3%) from the FY 2013 Budget reflecting increased cleaning costs associated with the new terminal facilities and CDP, increased shuttle and parking operating costs, CUPPS consultant costs, RDC operator costs for a full year in FY 2014 vs. seven months in FY 2013, increased environmental consultant costs due to additional environmental regulatory requirements and ramp control facility services costs. These increases are partially offset by a decrease in regional aviation planning costs due to a shift to FY 2015.

In FY 2015, Contractual Services are budgeted to increase by \$773,478 (2.3%) from the FY 2014 Budget mainly reflecting an increase in regional aviation planning costs that were shifted from FY 2014.

#### Safety and Security

Safety and Security are law enforcement, aircraft rescue and fire-fighting, paramedic, inspection/guard services and other similar services. Law enforcement services are provided under a service level agreement with the San Diego Unified Port District. Fire, rescue and emergency response services are provided by The City of San Diego.

In FY 2014, Safety and Security costs are projected to increase by \$2,567,305 (11.5%) over the FY 2013 Budget. The majority of this increase reflects an increase in Harbor Police costs and contract security services costs.

FY 2015 Safety and Security costs are projected to increase by \$2,136,326 (8.6%) over the FY 2014 Budget. The majority of this increase reflects an increase in budgeted Harbor Police costs.

### Space Rental

Space Rental consists of lease payments for various properties contiguous to the airport, including the former General Dynamics, Teledyne Ryan and Harbor Island properties.

FY 2014 Space Rental costs are projected to decrease by \$1,037,933 (-9.1%) compared to FY 2013 Budget reflecting termination of a parking lot lease from San Diego Unified Port District.

FY 2015 Space Rental costs are projected to decrease by \$53,460 (-0.5%) compared to the FY 2014 Budget reflecting termination of an FBO expansion area lease from The San Diego Unified Port District.

### Utilities

Utilities include gas, electric, water and telephone costs.

FY 2014 Utilities costs are projected to increase by \$813,575 (10.5%) from the FY 2013 Budget reflecting additional facilities being placed in service.

FY 2015 Utilities costs are budgeted to increase by \$377,100 (4.4%) over the FY 2014 Budget mainly reflecting anticipated rate increases.

### Maintenance

Maintenance includes contractual services, maintenance agreements, major maintenance projects, expendable stock and other material used to operate and maintain the airport.

FY 2014 Maintenance expenses are projected to increase by \$3,426,604 (41.6%) from the FY 2013 Budget reflecting Baggage Handling System (BHS) maintenance costs and increased maintenance costs for the existing and new facilities.

FY 2015 Maintenance expenses are projected to increase by \$356,346 (3.1%) reflecting additional maintenance costs for new facilities.

### Operating Equipment and Systems

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

FY 2014 Operating Equipment and Systems expenses are projected to remain almost flat to the FY 2013 Budget.

FY 2015 Operating Equipment & Systems expenses are projected to increase by \$43,689 (9.6%) from FY 2014 Budget reflecting an increase in airside and terminal equipment costs.

### Operating Supplies

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

FY 2014 Operating Supplies expenses are projected to increase by \$24,630 (7.0%) from the FY 2013 Budget.

FY 2015 Operating Supplies expenses are projected to increase by \$57,092 (15.3%) from the FY 2014 Budget due to an anticipated purchase of emergency supplies.

## Insurance

FY 2014 Insurance expenses are projected to increase by \$381,261 (43.7%) from the FY 2013 Budget reflecting additional new terminal facilities and higher insurance premiums.

FY 2015 Insurance expenses are projected to increase by \$292,505 (23.3%) from the FY 2014 Budget reflecting the addition of the Rental Car Center (RCC) facility and increased insurance premiums.

## Employee Programs

Employee Programs include 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), fingerprinting and uniforms.

FY 2014 Employee Programs expenses are projected to increase by \$73,134 (6.2%) from the FY 2013 Budget due to increased seminars and training, and travel costs.

FY 2015 Employee Programs expenses are projected to increase by \$165,615 (13.1%) over the FY 2014 Budget mainly due to Rental Car Center bus driver training expenses.

## Business Development

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

FY 2014 Business Development expenses are projected to decrease by \$641,180 (-17.9%) over the FY 2013 Budget reflecting discontinuance of marketing and promotional activities associated with the Green Build program and The Airport Minority Advisory Council (AMAC) conference.

FY 2015 Business Development expenses are budgeted to decrease by \$83,708 (-2.8%) over the FY 2014 Budget mainly reflecting a reduction in the incentive program budget for international and domestic air services, partially offset by increased CDP marketing costs.

## Equipment Rentals and Repairs

Equipment Rental and Repairs include computer licenses, tenant improvement allowances, equipment leasing/rentals and office equipment repair.

FY 2014 Equipment Rental and Repairs expenses are projected to increase by \$686,368 (39.3%) over the FY 2013 Budget mainly reflecting CUPPS maintenance costs.

FY 2015 Equipment Rental and Repairs expenses are projected to increase by \$138,353 (5.7%) over the FY 2014 Budget primarily due to contractual increases for IT related costs.

## Tenant Improvements

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

FY 2014 Tenant Improvement expenses are projected to decrease by \$156,900 (-30.4%) from the FY 2013 Budget.

FY 2015 Tenant Improvement expenses are projected to decrease by \$359,900 (-100.0%) from the FY 2014 Budget as there are no tenant improvements projected for FY 2015.

## Non-Operating Expenses

### Joint-Studies/Sound Attenuation

The associated cost of airport facilities studies and the Quieter Home Program is expected to remain almost flat from the FY 2013 Budget for both FY 2014 and FY 2015.

### Debt Service

Debt Service includes interest, letter of credit and dealer fees on commercial paper notes, interest and principal on outstanding airport revenue bond debt, as well as trustee fees for both commercial paper and revenue bonds.

FY 2014 Debt Service costs are projected to increase by \$10,384,136 (21.8%) from the FY Budget 2013 mostly reflecting an increase in interest expense for 2010 Bonds and additional debt service from issuance of the 2013 bonds.

In FY 2015, Debt Service costs are projected to increase by \$6,613,555 (11.4%) mostly due to an increase in interest expense and principal payments on revenue bonds.

### Equipment Outlay

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

In FY 2014, these requests are projected to decrease by \$1,372,000 (-99.3%) from the FY 2013 Budget mostly reflecting purchases for the Ramp Control Facility (RCF) and IT equipment in FY 2013 that did not need to continue in FY 2014.

In FY 2015, Equipment Outlay costs are budgeted to increase by \$160,000 (1,600.0%) over the FY 2014 Budget reflecting replacement vehicles for the Facilities Management department.



## FY 2014 Expense Budget by Division

Divisions	FY 2014 Budget
Planning & Operations	\$ 63,458,356
Debt Service	58,027,215
Development	44,645,510
Finance	20,052,916
Administration	19,452,242
Executive	7,441,761
<b>Total <sup>(1)</sup></b>	<b>\$ 213,078,000</b>

<sup>(1)</sup> Divisional total may differ due to rounding

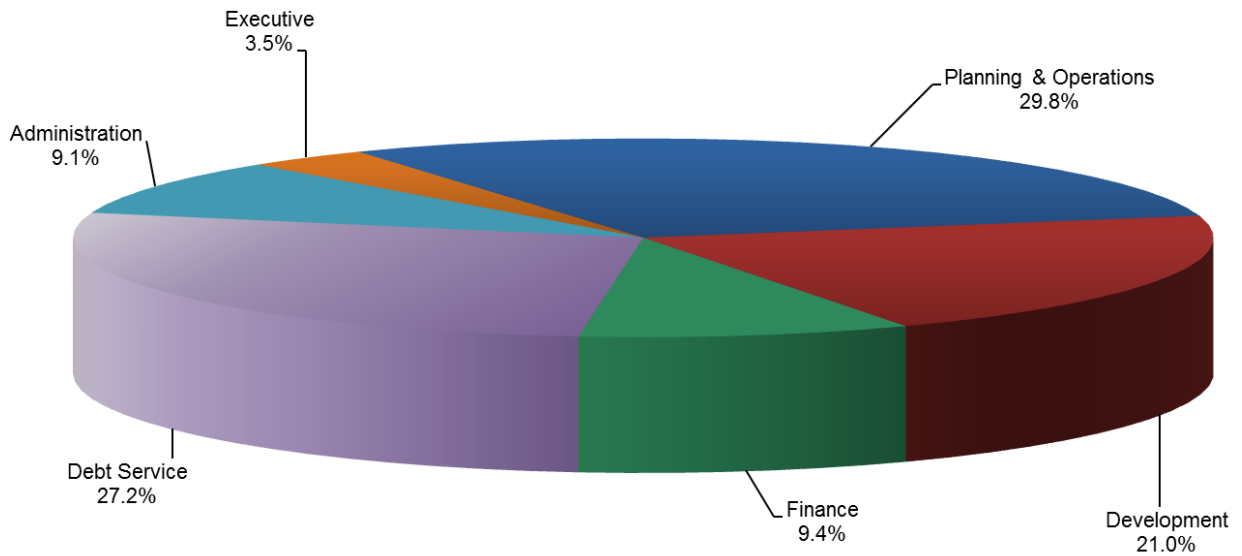


Figure 18 – FY 2014 Expense Budget by Division

## FY 2015 Expense Budget by Division

Divisions	FY 2015 Conceptual Budget
Planning & Operations	\$ 67,527,958
Debt Service	64,640,770
Development	46,521,432
Finance	20,225,684
Administration	20,177,650
Executive	7,335,506
<b>Total <sup>(1)</sup></b>	<b>\$ 226,429,000</b>

<sup>(1)</sup> Divisional total may differ due to rounding

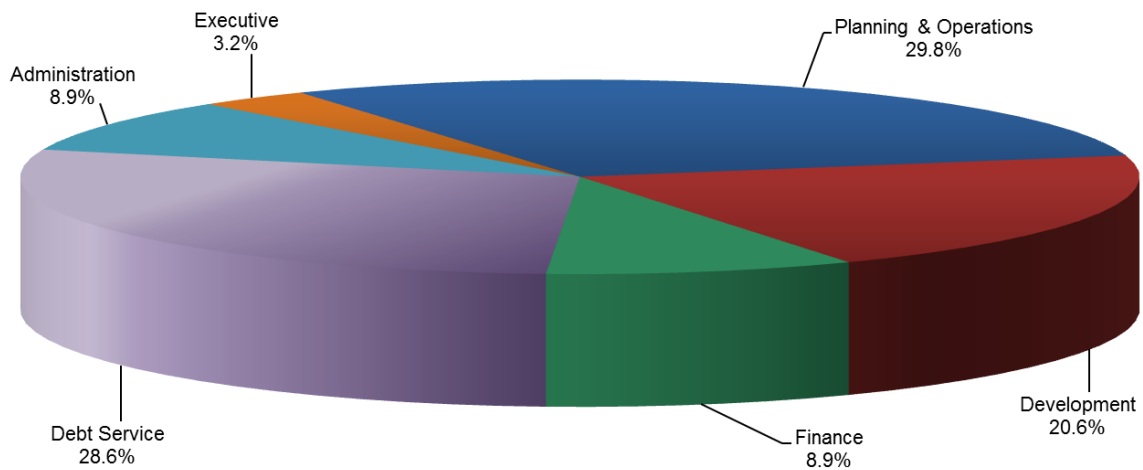


Figure 19 - FY 2015 Expense Budget by Division

## FY 2014 Expense Budget by Category

Category	FY 2014 Budget
Debt Service	\$ 58,027,215
Personnel Costs	41,903,979
Contractual Services	33,279,133
Safety & Security	24,975,465
Sound Attenuation Program/Legal/Misc	15,196,621
Maintenance	11,661,347
Space Rental	10,378,412
Utilities	8,566,650
Business Development	2,943,753
Equipment Rentals & Repairs	2,431,217
Employee Programs	1,259,598
Insurance	1,253,579
Operating Equipment & Systems/Equipment Outlay	466,779
Operating Supplies	374,352
Tenant Improvements	359,900
<b>Total <sup>(1)</sup></b>	<b>\$ 213,078,000</b>

<sup>(1)</sup> Category total may differ due to rounding

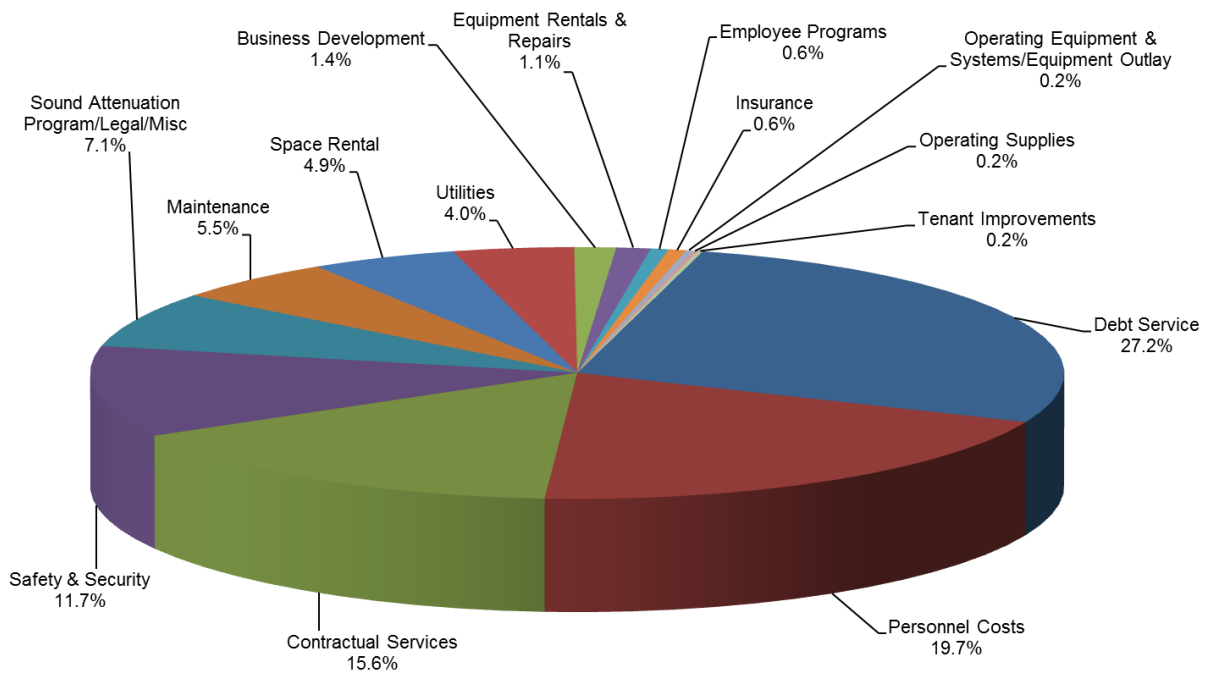


Figure 20- FY 2014 Expense Budget by Category

## FY 2015 Expense Budget by Category

Category	FY 2015 Conceptual
Debt Service	\$ 64,640,770
Personnel Costs	44,657,988
Contractual Services	34,052,611
Safety & Security	27,111,790
Sound Attenuation Program/Legal/Misc	15,176,621
Maintenance	12,017,693
Space Rental	10,324,952
Utilities	8,943,750
Business Development	2,860,045
Equipment Rentals & Repairs	2,569,571
Employee Programs	1,425,213
Insurance	1,546,084
Operating Equipment & Systems/Equipment Outlay	670,468
Operating Supplies	431,444
<b>Total <sup>(1)</sup></b>	<b>\$ 226,429,000</b>

<sup>(1)</sup> Category total may differ due to rounding

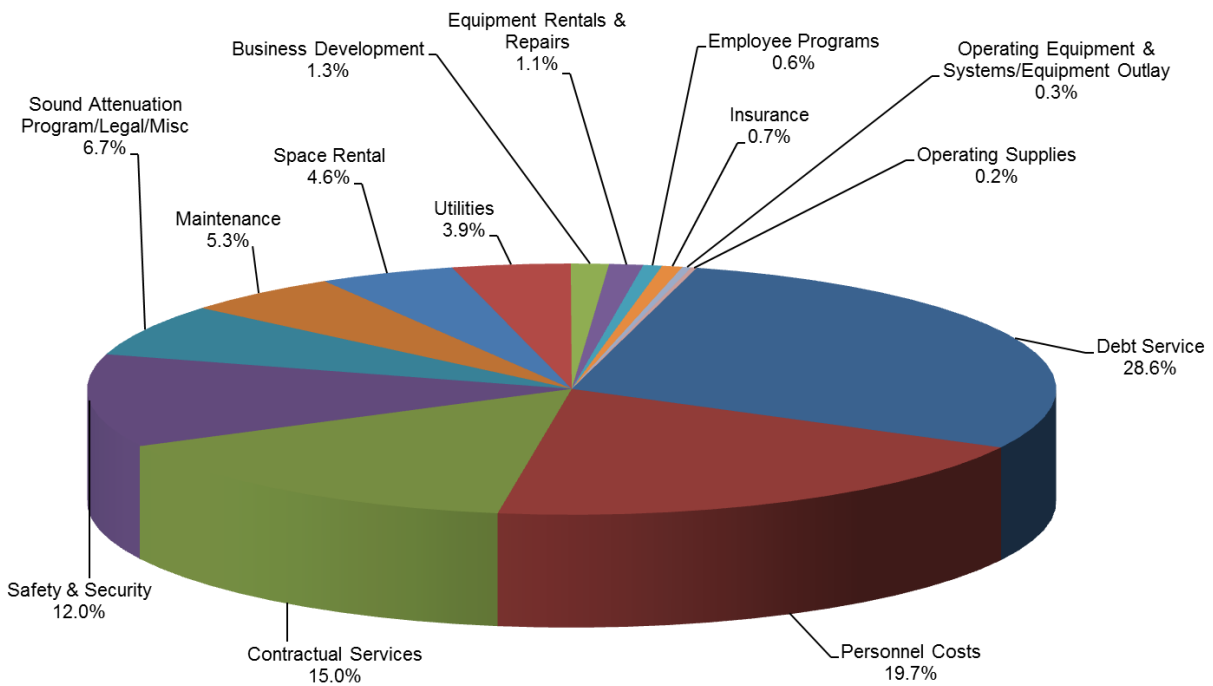


Figure 21 - FY 2015 Expense Budget by Category

## Division Personnel Summary

	FY 2012 Budget Authorized & Funded Positions	FY 2013 Budget Authorized & Funded Positions	FY 2014 Budget Transfers	FY 2014 Budget New/ (Eliminated) Positions	FY 2014 Budget Funded/ (Unfunded) Positions *	FY 2014 Budget Authorized & Funded Positions	FY 2015 Budget New/ (Eliminated) Positions	FY 2015 Budget Funded/ (Unfunded) Positions *	FY 2015 Budget Authorized & Funded Positions
<b>Executive Group</b>									
Authority Board	1	1	-	-	-	1	-	-	1
Air Service Development	2	2	-	-	-	2	-	-	2
Inter-governmental Relations	3	4	-	-	-	4	-	-	4
Executive Office	4	4	-	-	-	4	-	-	4
General Counsel	6	6	-	-	-	6	-	-	6
Chief Auditor	7	7	-	1	-	8	-	-	8
<b>Total Executive Group</b>	<b>23</b>	<b>24</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>
<b>Administration</b>									
Business Planning	4	4	-	-	-	4	-	-	4
Information Technology	22	23	1 <sup>[2]</sup>	-	-	24	-	-	24
Human Resources	10	11	-	-	-	11	-	-	11
Procurement	12	13	-	-	-	13	-	-	13
Risk Management	6	6	-	-	-	6	-	-	6
Training & Organizational Development	3	3	-	-	-	3	-	-	3
Marketing & Public Relations	17	14	(1) <sup>[2]</sup>	1	-	14	-	-	14
Corporate Services	7	7	-	-	-	7	-	-	7
<b>Total Administration</b>	<b>81</b>	<b>81</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>82</b>
<b>Development</b>									
Facilities Development	30	30	-	2	4	36	1	-	37
Airport Design and Construction	12	9	-	5	-	14	-	-	14
Facilities Management	70	77	-	6	-	83	-	-	83
Noise Mitigation	4	4	-	-	-	4	-	-	4
Quieter Home Program	7	7	-	-	-	7	-	-	7
<b>Total Development</b>	<b>123</b>	<b>127</b>	<b>-</b>	<b>13</b>	<b>4</b>	<b>144</b>	<b>1</b>	<b>-</b>	<b>145</b>
<b>Finance</b>									
Financial Planning & Budget	11	12	-	-	-	12	-	-	12
Accounting	13	13	-	-	-	13	-	-	13
Aviation & Commercial Business	22	22	-	1	-	23	-	-	23
Small Business Development	4	5	-	(1)	-	4	-	-	4
<b>Total Finance</b>	<b>50</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>
<b>Planning &amp; Operations</b>									
Airport Planning	10	10	-	-	-	10	-	-	10
Landside Operations	54	55	(49) <sup>[1]</sup>	-	-	6	-	-	6
Environmental Affairs	6	6	-	-	1	7	-	-	7
Aviation Security & Public Safety	11	11	-	-	-	11	-	-	11
Airside Operations	16	16	-	-	-	16	-	1	17
Ground Transportation	5	6	49 <sup>[1]</sup>	5	-	60	-	-	60
<b>Total Planning &amp; Operations</b>	<b>102</b>	<b>104</b>	<b>-</b>	<b>5</b>	<b>1</b>	<b>110</b>	<b>-</b>	<b>1</b>	<b>111</b>
<b>TOTAL</b>	<b>379</b>	<b>388</b>	<b>-</b>	<b>20</b>	<b>5</b>	<b>413</b>	<b>1</b>	<b>1</b>	<b>415</b>
Authorized and Unfunded Positions	19	11	-	-	-	6	-	-	5
<b>Total Authorized Positions</b>	<b>398</b>	<b>399</b>	<b>-</b>	<b>20</b>	<b>5</b>	<b>419</b>	<b>1</b>	<b>1</b>	<b>420</b>

[1] Transferred Air Traffic Officers from Landside to Ground Transportation

[2] Transferred one position from Marketing & Public Relations to Information Technology

\* Authorized positions that were previously unfunded and are now funded in the approved budget/(Authorized positions that were previously funded and are now unfunded in the approved budget)

### Definitions

**Authorized positions:** Positions that are approved and authorized by the Board

**Funded positions:** Authorized positions that are funded in the budget

**Unfunded positions:** Authorized positions that are not funded in the budget

**New positions:** positions that are authorized and funded for the first time in the approved budget

## FY 2014 Personnel Budget by Division

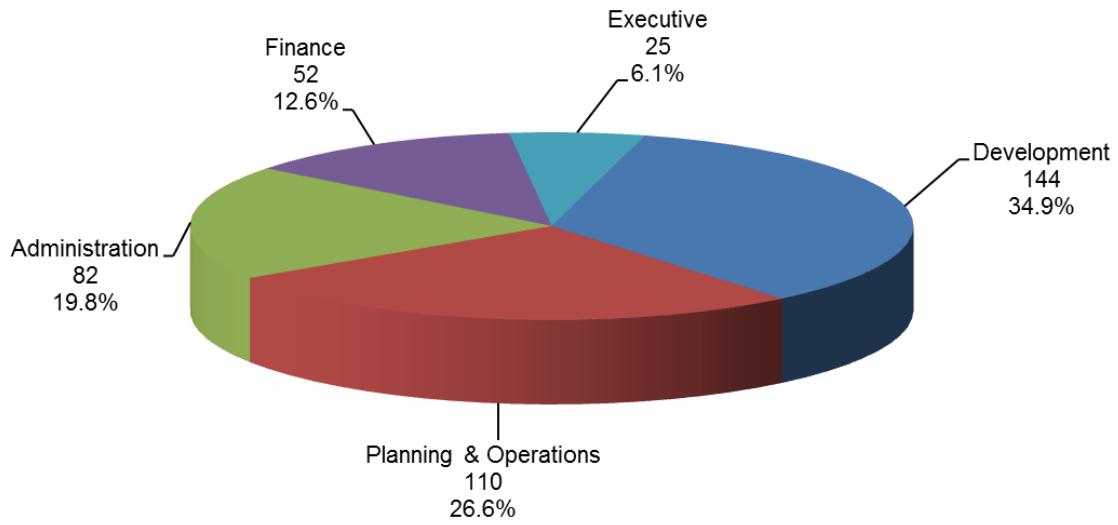


Figure 22 – FY 2014 Personnel Budget by Division

## FY 2015 Personnel Budget by Division

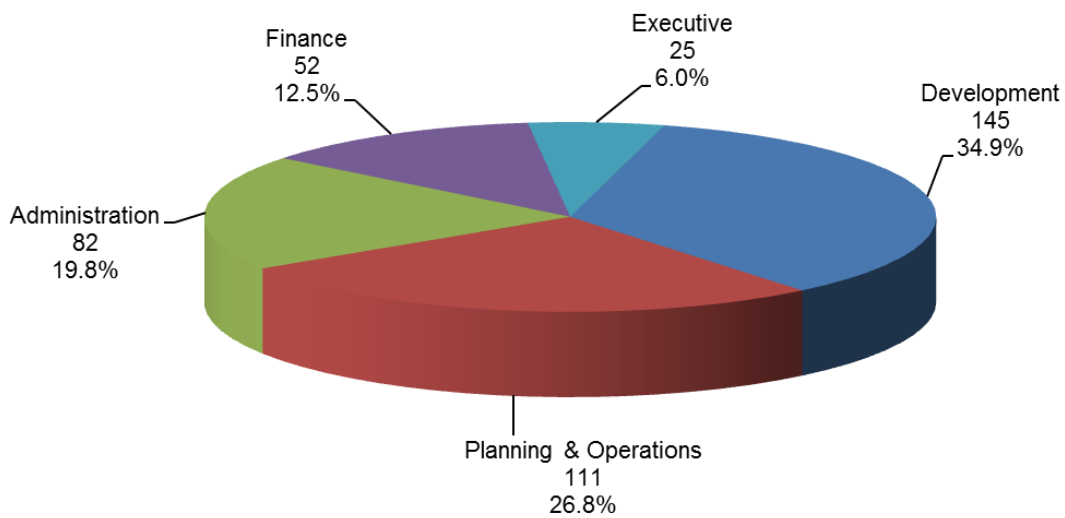


Figure 23 – FY2015 Personnel Budget by Division

## Personnel Changes FY 2014 Budget vs. FY 2013 Budget

<b>Administration Division</b>	
Marketing & Public Relations	One position added for Airport Art Program Coord I - Limited Position
<b>Development Division</b>	
Facilities Management	Two positions added for Maintenance Worker 1
	One position added for Planner/Estimator
	One position added for Electrician
	One position added for Administrative Assistant II
	One position added for Business Analyst
Facilities Development	One position added for Labor Compliance Technician I
	One position added for Cost Analyst
	One Senior Program Manager position transferred from unfunded to funded
	One Project Manager, Tenant Improvement position transferred from unfunded to funded
	One Capital Project Manager position transferred from unfunded to funded
Airport Design and Construction	One Labor Compliance Technician II position transferred from unfunded to funded
	Two positions added for Capital Project Manager
	One position added for Safety Program Manager
	One position added for Cost Analyst
<b>Executive Division</b>	
Chief Auditor	One position added for Auditor
<b>Finance Division</b>	
Aviation Commercial Business	One position added for Property Administrator
Small Business Development	Eliminated one funded position, Program Manager
<b>Planning &amp; Operations Division</b>	
Ground Transportation	Four positions added for Limited Duration Airport Traffic Officers
	One position added for Ground Transportation Manager
Environmental Affairs	One Senior/Associate Environmental Specialist position transferred from unfunded to funded

Figure 24 - Personnel Changes FY 2014 Budget vs. FY 2013 Budget

## Personnel Changes FY 2015 Conceptual Budget vs. FY 2014 Budget

<b>Planning and Operations Division</b>	
Planning & Operations	One Airport Operations Assistant position transferred from unfunded to funded
<b>Development Division</b>	
Facilities Development	One position added for Quality Assurance/Quality Control Manager

Figure 25 - Personnel Changes FY 2015 Conceptual Budget vs. FY 2014 Budget

# **EXECUTIVE DIVISION**



## Executive Division Overview

The Executive Division provides leadership and direction to Authority staff in accomplishing the Authority Board's strategies & initiatives. It consists of the Authority Board, Executive Office, General Counsel, Office of the Chief Auditor, Air Service Development Department and Inter-Governmental and Community Relations Department.

The twelve-member **Authority Board** is responsible for setting policies related to airport operations, airport land use planning and the future air transportation planning needs of the region.

The nine voting Board members are appointed to staggered terms of three years by various appointing authorities, (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). Board members may either be reappointed or replaced at the end of their three-year terms. The Mayor of the City of San Diego designates the Board Chair.

Compensation for all nine voting Board members 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.

There are also three non-voting ex-officio Board members, (one position is vacant as of June 6, 2013), who serve without compensation.

The **Executive Office** ensures delivery of "World Class" services to the traveling public through a cooperative and collaborative partnership with Authority employees, airlines, various business partners and relevant government agencies. The Executive Office also coordinates and oversees the overall day-to-day operations and development of San Diego International Airport. Other responsibilities include:

- Coordinating technical and staff support to the Authority Board and its various committees.
- Promoting positive collaborative relationships with its business partners and the community.
- Approving all contracts, deeds, leases and agreements that contractually bind the Authority.
- Ensuring that the region's long-term airport needs are identified and addressed.

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 and performs audits in accordance with current professional standards, and provides recommendations to enhance the Authority's internal control system. As authorized by the Board, the Office of the Chief Auditor is responsible for administering the Authority Ethics Program and confidential Hotline Reporting System. Other responsibilities include assisting management in maintaining the financial and operational integrity of the Authority, as well as analyzing and assessing the Authority's financial data, operations and programs for compliance with applicable laws, policies, procedures and mandates.

The **General Counsel** provides professional legal advice and representation to the Authority's Board, executive staff and the various divisions and departments of the Authority. The General Counsel is responsible for the following:

- Represents the Authority in all litigation and legal matters.
- Assists in the preparation and review of Authority leases, contracts and legal documents.
- Assists in the preparation and review of all ordinances and resolutions.
- Selects and manages all outside legal counsel.
- Advises with the objective to limit liability and exposure to claims and lawsuits.

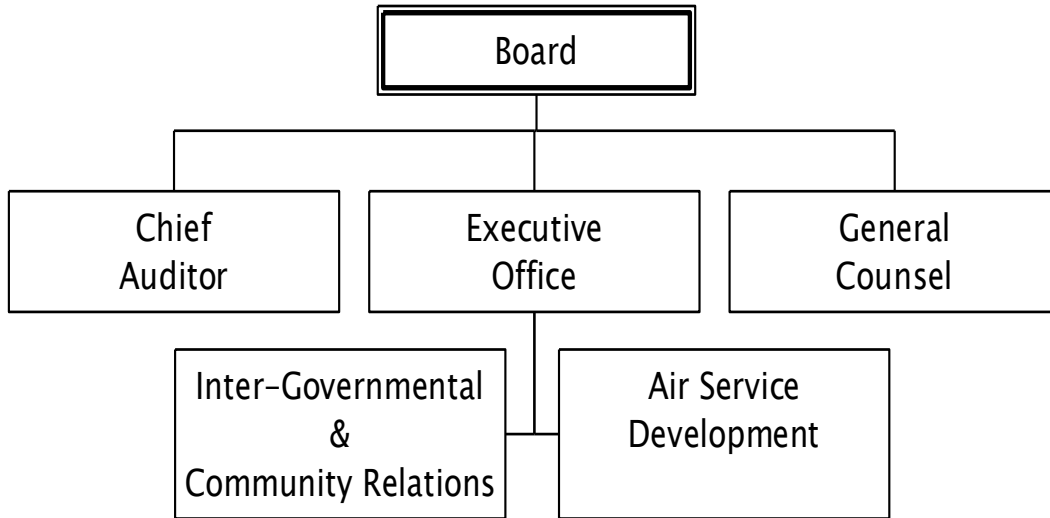
- Assists in the preparation of Authority bonds and other instruments.

The **Air Service Development Department** develops and implements strategies aimed at enhancing air service to San Diego International Airport. The Department also:

- Compiles and maintains the official airport passenger, operations and cargo statistics.
- Develops the annual air service strategic plan to target air service growth opportunities for San Diego International Airport.
- Develops relationships between incumbent and potential new airlines at San Diego International Airport.
- Presents business cases for specific route opportunities at San Diego International Airport.
- Manages San Diego International Airport's air service incentive policies.
- Consults with regional stakeholders on air service opportunities.

The **Inter-Governmental & Community Relations Department** develops and implements the Authority's legislative and regulatory program and monitors and analyzes legislative and regulatory actions at the Federal, State and Local levels. The department also provides advocacy services, in conjunction with contracted advocates in Sacramento and Washington D.C., in support of important Authority initiatives and programs.

## Executive Division Organizational Structure



## Division Personnel Summary

	FY 2012 Authorized & Funded Positions	FY 2013 Authorized & Funded Positions	FY 2014 Transfers	FY 2014 New/ (Eliminated) Positions	FY 2014 (Unfunded)/ Funded Positions	FY 2014 Authorized & Funded Positions	FY 2015 New/ (Eliminated) Positions	FY 2015 (Unfunded)/ Funded Positions	FY 2015 Authorized & Funded Positions
<b>Executive Group</b>									
Authority Board	1	1	-	-	-	1	-	-	1
Air Service Development	2	2	-	-	-	2	-	-	2
Inter-governmental Relations	3	4	-	-	-	4	-	-	4
Executive Office	4	4	-	-	-	4	-	-	4
General Counsel	6	6	-	-	-	6	-	-	6
Chief Auditor	7	7	-	1	-	8	-	-	8
<b>Total</b>	<b>23</b>	<b>24</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>
Authorized and Unfunded Positions	-	-	-	-	-	-	-	-	-
<b>Total Authorized Positions</b>	<b>23</b>	<b>24</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>

## Executive Division

### FY 2014 – FY 2015 Expense Budget Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 2,493,974	\$ 2,645,997	\$ 2,710,454	\$ 64,457	2.4%	\$ 2,844,338	\$ 133,885	4.9%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	1,101,730	1,157,254	1,222,227	64,973	5.6%	1,311,728	89,501	7.3%
Subtotal	3,595,704	3,803,251	3,932,681	129,430	3.4%	4,156,067	223,386	5.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>3,595,704</b>	<b>3,803,251</b>	<b>3,932,681</b>	<b>129,430</b>	<b>3.4%</b>	<b>4,156,067</b>	<b>223,386</b>	<b>5.7%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	1,848,690	1,970,600	1,991,850	21,250	1.1%	1,935,650	(56,200)	-2.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	237	1,000	900	(100)	-10.0%	950	50	5.6%
Maintenance	22	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1,528	2,850	2,700	(150)	-5.3%	2,700	-	0.0%
Operating Supplies	12,064	15,275	15,575	300	2.0%	15,929	354	2.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	138,343	165,263	176,550	11,287	6.8%	179,000	2,450	1.4%
Business Development	680,796	1,246,797	1,295,055	48,258	3.9%	1,038,535	(256,520)	-19.8%
Equipment Rentals & Repairs	15,785	5,850	6,450	600	10.3%	6,675	225	3.5%
<b>Total Non-Personnel Expenses</b>	<b>2,697,464</b>	<b>3,407,634</b>	<b>3,489,080</b>	<b>81,446</b>	<b>2.4%</b>	<b>3,179,439</b>	<b>(309,641)</b>	<b>-8.9%</b>
<b>Total Operating Expenses</b>	<b>6,293,169</b>	<b>7,210,886</b>	<b>7,421,761</b>	<b>210,875</b>	<b>2.9%</b>	<b>7,335,506</b>	<b>(86,255)</b>	<b>-1.2%</b>
<b>Non-Operating Expenses:</b>								
Legal Settlements Expense	160,330	20,000	20,000	-	0.0%	-	(20,000)	-100.0%
Other Non-Operating Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>160,330</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>(20,000)</b>	<b>-100.0%</b>
<b>Total Expenses</b>	<b>6,453,499</b>	<b>7,230,886</b>	<b>7,441,761</b>	<b>210,875</b>	<b>2.9%</b>	<b>7,335,506</b>	<b>(106,255)</b>	<b>-1.4%</b>
Equipment Outlay	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 6,453,499</b>	<b>\$ 7,230,886</b>	<b>\$ 7,441,761</b>	<b>\$ 210,875</b>	<b>2.9%</b>	<b>\$ 7,335,506</b>	<b>\$ (106,255)</b>	<b>-1.4%</b>

## Executive Division

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 7,230,886</b>	<b>\$ 7,441,761</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	57,950	89,501
Salary adjustments and pay-for-performance	45,707	133,885
1 new position - Auditor (salaries, benefits & employer taxes)	25,773	-
<b>Total Increase in personnel costs</b>	<b>129,430</b>	<b>223,386</b>
Increase in business development travel costs	30,600	10,000
Increase in outside legal services costs	20,000	-
Increase in promotional activities costs for table sponsorships and community outreach - transferred from Marketing and Public Relations	19,955	500
Increase/ Decrease in audit service costs for quality assessment review	17,000	(17,000)
Decrease in domestic and international air service development marketing costs due to timing of expenses	-	(275,000)
Decrease in outside professional consultant costs	(12,500)	(39,500)
Other, net	6,391	(8,640)
<b>Total Increase/Decrease in non-personnel costs</b>	<b>81,446</b>	<b>(329,641)</b>
<b>Total Increase/Decrease</b>	<b>210,875</b>	<b>(106,255)</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 7,441,761</b>	<b>\$ 7,335,506</b>

## Executive Division FY 2014 Expense Budget by Department

Departments	FY 2014 Budget
General Counsel	\$ 2,526,455
Air Service Development	1,515,568
Chief Auditor	1,071,662
Executive Office	1,007,285
Intergovernmental & Community Relations	998,928
Authority Board	321,863
<b>Total <sup>(1)</sup></b>	<b>\$ 7,441,761</b>

<sup>(1)</sup> Department total may differ due to rounding

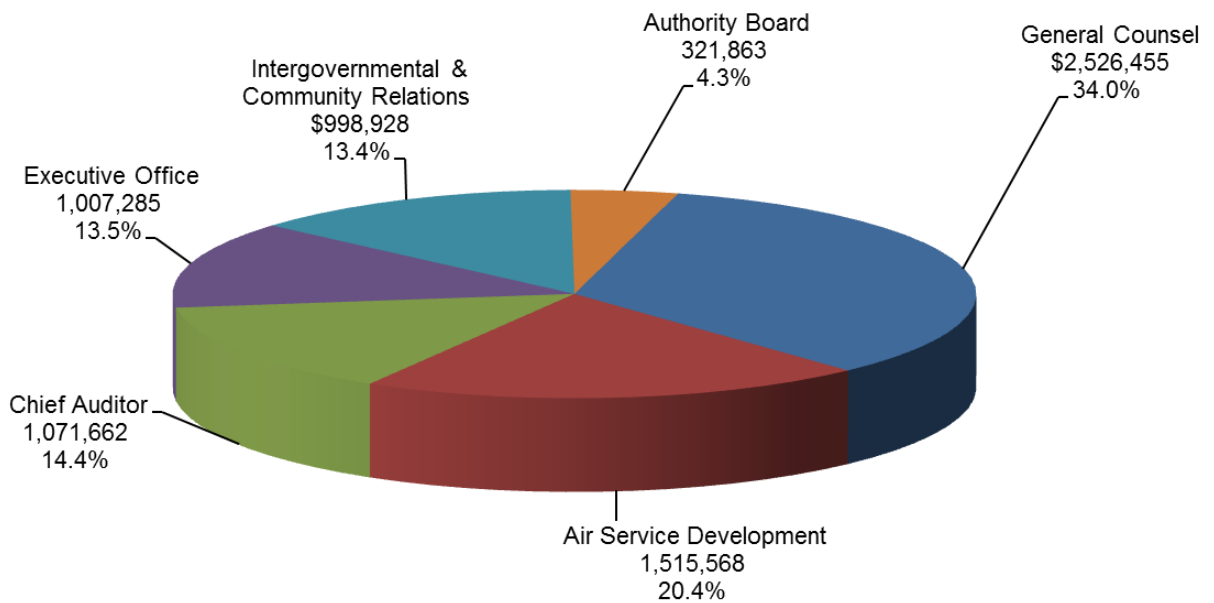


Figure 26 – FY 2014 Expense Budget by Department

## Executive Division FY 2015 Expense Budget by Department

Departments	FY 2015 Conceptual Budget
General Counsel	\$ 2,551,813
Air Service Development	1,207,009
Chief Auditor	1,173,491
Executive Office	1,039,639
Intergovernmental & Community Relations	1,035,659
Authority Board	327,895
<b>Total <sup>(1)</sup></b>	<b>\$ 7,335,506</b>

<sup>(1)</sup> Department total may differ due to rounding

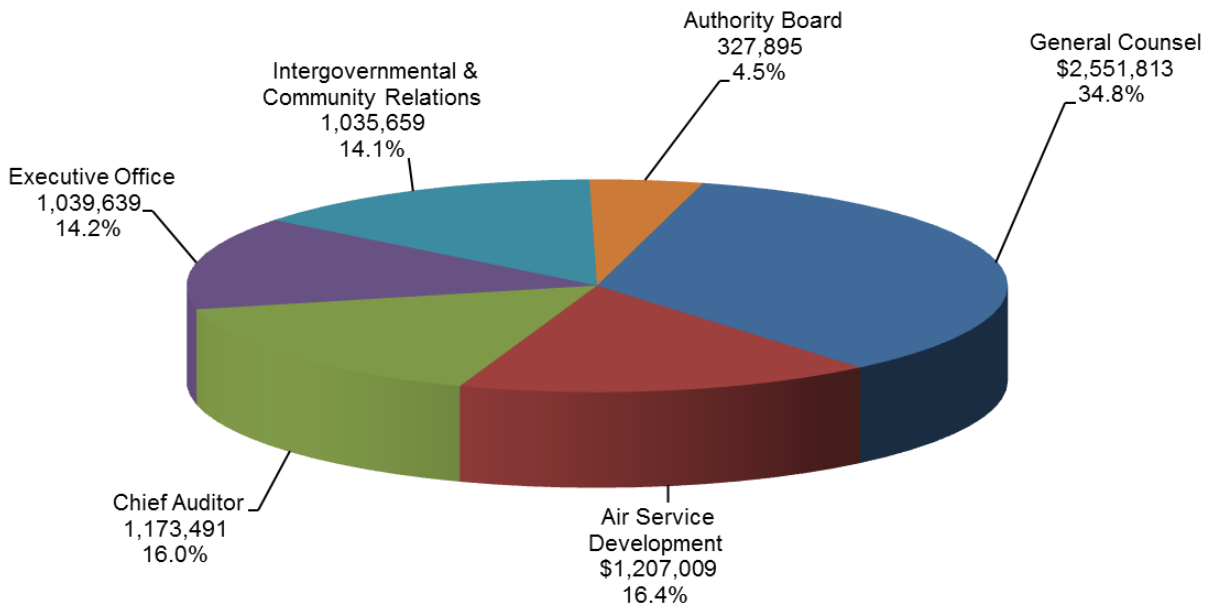
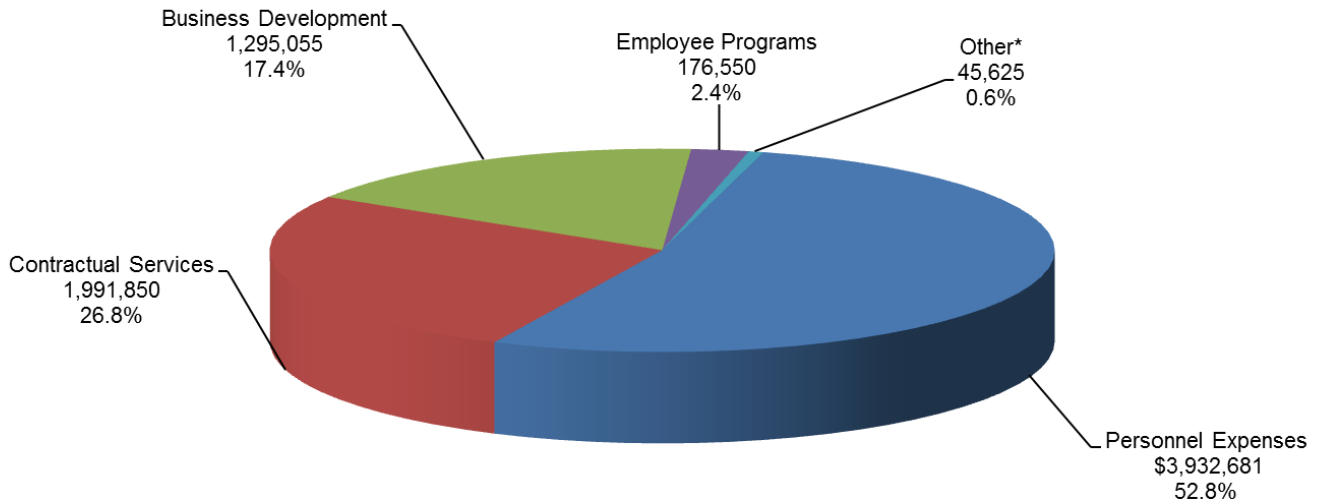


Figure 27 – FY 2015 Expense Budget by Department

## Executive Division FY 2014 Expense Budget by Category

Category		FY 2014 Budget
Personnel Expenses	\$	3,932,681
Contractual Services		1,991,850
Business Development		1,295,055
Employee Programs		176,550
Other*		45,625
<b>Total <sup>(1)</sup></b>	<b>\$</b>	<b>7,441,761</b>

<sup>(1)</sup> Category total may differ due to rounding



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

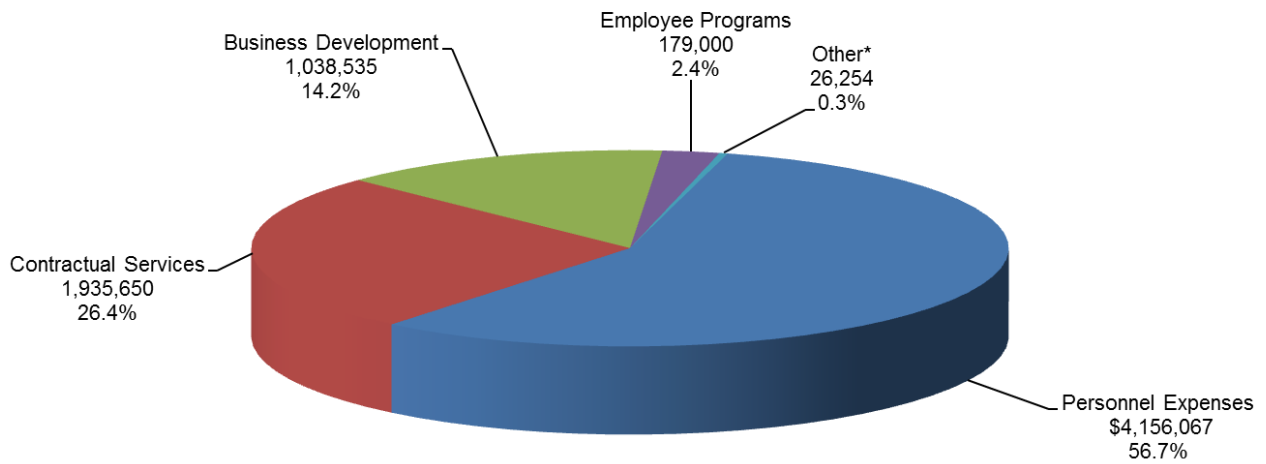
Figure 28 – FY 2014 Expense Budget by Category



## Executive Division FY 2015 Expense Budget by Category

FY 2015	
Category	Conceptual Budget
Personnel Expenses	\$ 4,156,067
Contractual Services	1,935,650
Business Development	1,038,535
Employee Programs	179,000
Other*	26,254
<b>Total <sup>(1)</sup></b>	<b>\$ 7,335,506</b>

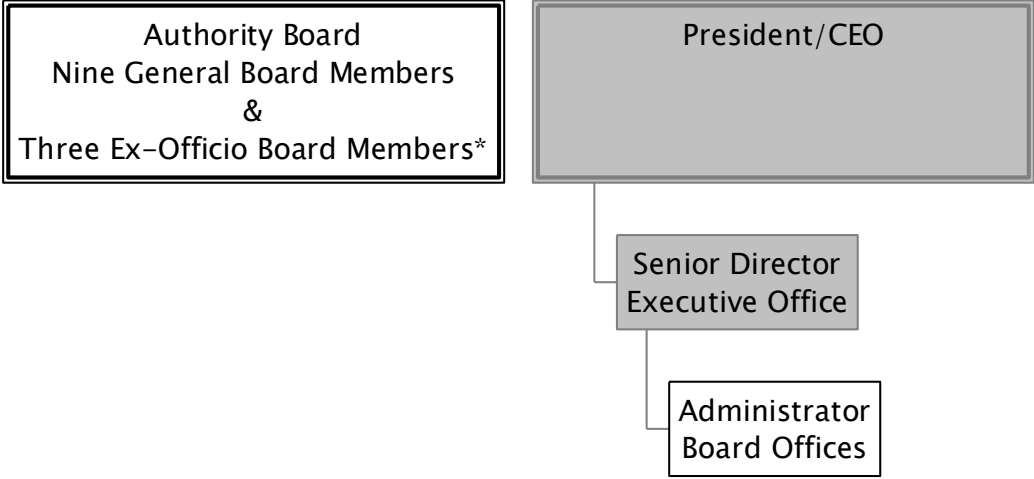
<sup>(1)</sup> Category total may differ due to rounding



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

Figure 29 – FY 2015 Expense Budget by Category

**Authority Board**  
**FY 2014 – FY 2015 Organizational Structure**



Positions shown in grey reside in Executive Office Department and are shown for reporting structure  
\*Unpaid positions per SB10

# Authority Board

## FY 2014 – FY 2015 Budget Expense Summary

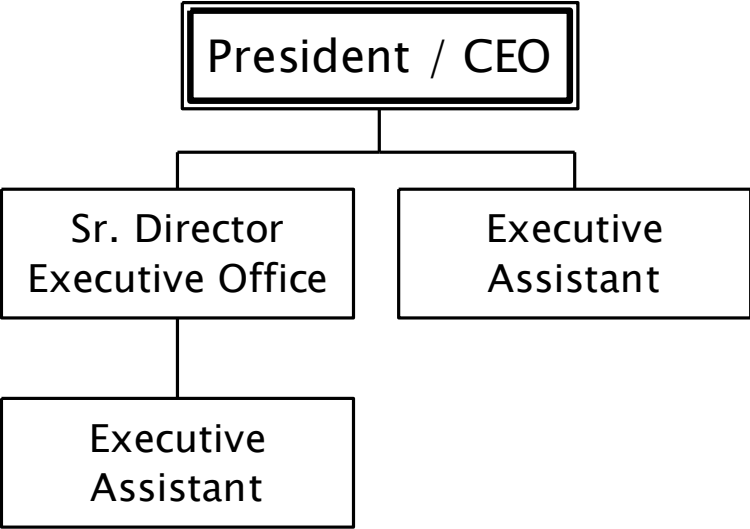
	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 80,673	\$ 83,001	\$ 84,868	\$ 1,868	2.3%	\$ 87,414	\$ 2,546	3.0%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	39,457	43,898	47,120	3,222	7.3%	50,255	3,135	6.7%
Subtotal	120,130	126,899	131,988	5,089	4.0%	137,670	5,681	4.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>120,130</b>	<b>126,899</b>	<b>131,988</b>	<b>5,089</b>	<b>4.0%</b>	<b>137,670</b>	<b>5,681</b>	<b>4.3%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	116,442	129,000	125,500	(3,500)	-2.7%	125,800	300	0.2%
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	-	500	500	-	0.0%	500	-	0.0%
Operating Supplies	954	3,075	2,675	(400)	-13.0%	2,675	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	11,094	13,300	17,300	4,000	30.1%	17,300	-	0.0%
Business Development	19,577	23,800	43,900	20,100	84.5%	43,950	50	0.1%
Equipment Rentals & Repairs	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>148,067</b>	<b>169,675</b>	<b>189,875</b>	<b>20,200</b>	<b>11.9%</b>	<b>190,225</b>	<b>350</b>	<b>0.2%</b>
<b>Total Operating Expenses</b>	<b>268,197</b>	<b>296,574</b>	<b>321,863</b>	<b>25,289</b>	<b>8.5%</b>	<b>327,895</b>	<b>6,031</b>	<b>1.9%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>268,197</b>	<b>296,574</b>	<b>321,863</b>	<b>25,289</b>	<b>8.5%</b>	<b>327,895</b>	<b>6,031</b>	<b>1.9%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 268,197</b>	<b>\$ 296,574</b>	<b>\$ 321,863</b>	<b>\$ 25,289</b>	<b>8.5%</b>	<b>\$ 327,895</b>	<b>\$ 6,031</b>	<b>1.9%</b>

## Authority Board

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 296,574</b>	<b>\$ 321,863</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	3,222	3,135
Salary adjustments and pay-for-performance	1,868	2,546
<b>Total Increase in personnel costs</b>	<b>5,089</b>	<b>5,681</b>
Increase in business development travel costs	20,600	-
Other, net	(400)	350
<b>Total Increase in non-personnel costs</b>	<b>20,200</b>	<b>350</b>
<b>Total Increase</b>	<b>25,289</b>	<b>6,031</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 321,863</b>	<b>\$ 327,895</b>

**Executive Office**  
**FY 2014 – FY 2015 Organizational Structure**



*No personnel changes planned for FY 2015*

## Executive Office

### FY 2014 FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 494,908	\$ 519,382	\$ 543,800	\$ 24,417	4.7%	\$ 560,453	\$ 16,654	3.1%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	240,526	219,938	226,335	6,397	2.9%	239,035	12,700	5.6%
Subtotal	735,434	739,320	770,135	30,814	4.2%	799,489	29,354	3.8%
Less: Capitalized Labor	-	-	-	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>735,434</b>	<b>739,320</b>	<b>770,135</b>	<b>30,814</b>	<b>4.2%</b>	<b>799,489</b>	<b>29,354</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	143,812	-	24,000	24,000	0.0%	24,000	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	78	250	250	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	509	500	500	-	0.0%	500	-	0.0%
Operating Supplies	6,070	3,000	3,000	-	0.0%	3,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	22,159	24,200	24,200	-	0.0%	24,200	-	0.0%
Business Development	221,175	222,372	184,700	(37,672)	-16.9%	187,700	3,000	1.6%
Equipment Rentals & Repairs	-	500	500	-	0.0%	500	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>393,801</b>	<b>250,822</b>	<b>237,150</b>	<b>(13,672)</b>	<b>-5.5%</b>	<b>240,150</b>	<b>3,000</b>	<b>1.3%</b>
<b>Total Operating Expenses</b>	<b>1,129,236</b>	<b>990,142</b>	<b>1,007,285</b>	<b>17,142</b>	<b>1.7%</b>	<b>1,039,639</b>	<b>32,354</b>	<b>3.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,129,236</b>	<b>990,142</b>	<b>1,007,285</b>	<b>17,142</b>	<b>1.7%</b>	<b>1,039,639</b>	<b>32,354</b>	<b>3.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,129,236</b>	<b>\$ 990,142</b>	<b>\$ 1,007,285</b>	<b>\$ 17,142</b>	<b>1.7%</b>	<b>\$ 1,039,639</b>	<b>\$ 32,354</b>	<b>3.2%</b>

## Executive Office

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 990,142</b>	<b>\$ 1,007,285</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	24,417	16,654
Burden (benefits & employer taxes) increase for current staff	6,397	12,700
<b>Total Increase in personnel costs</b>	<b>30,814</b>	<b>29,354</b>
Increase in other outside professional service costs	24,000	-
Decrease / Increase in memberships & dues for professional organization costs	(38,672)	2,000
Other, net	1,000	1,000
<b>Total Decrease/Increase in non-personnel costs</b>	<b>(13,672)</b>	<b>3,000</b>
<b>Total Increase</b>	<b>17,142</b>	<b>32,354</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,007,285</b>	<b>\$ 1,039,639</b>

## Executive Office Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. **Maintain minimum debt service coverage ratio of 1.5 while sustaining CPE below \$11.00.**

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

2. **Grow non-airline revenue by 5.2%.**

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

3. **Within overall budget parameters, demonstrate operational efficiency by completing 100% of program milestones under Authority control on time.**

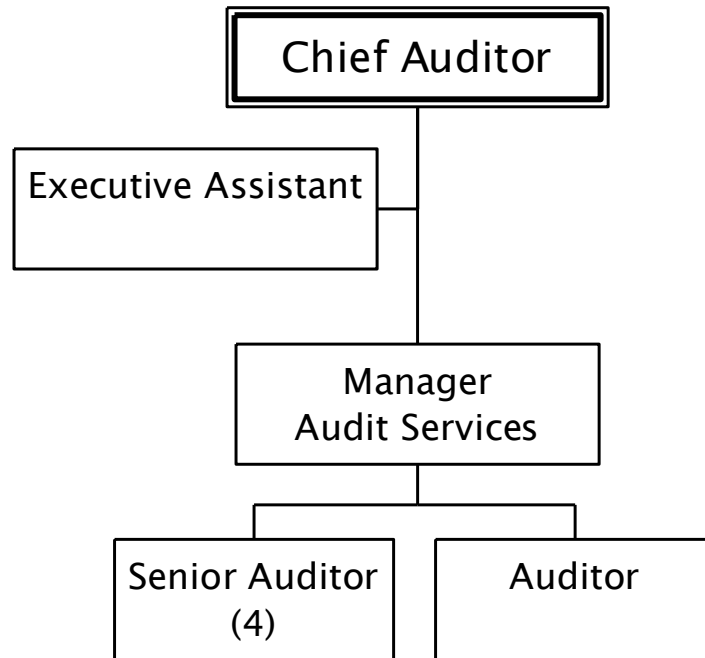
**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy # 1: Enhance the financial position of the Authority. Strategy # 3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.



# Chief Auditor

## FY 2014 – FY 2015 Organizational Structure



*No personnel changes planned for FY 2015*

# Chief Auditor

## FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 644,538	\$ 664,182	\$ 698,675	\$ 34,493	5.2%	\$ 777,789	\$ 79,114	11.3%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	290,762	296,896	317,962	21,066	7.1%	355,678	37,716	11.9%
Subtotal	935,300	961,078	1,016,637	55,559	5.8%	1,133,466	116,829	11.5%
Less: Capitalized Labor	-	-	-	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>935,300</b>	<b>961,078</b>	<b>1,016,637</b>	<b>55,559</b>	<b>5.8%</b>	<b>1,133,466</b>	<b>116,829</b>	<b>11.5%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	769	100	17,350	17,250	17250.0%	350	(17,000)	-98.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	92	250	250	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	225	750	500	(250)	-33.3%	500	-	0.0%
Operating Supplies	902	2,900	2,500	(400)	-13.8%	2,600	100	4.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	13,793	21,350	26,400	5,050	23.7%	27,850	1,450	5.5%
Business Development	4,010	3,275	3,525	250	7.6%	3,750	225	6.4%
Equipment Rentals & Repairs	15,245	4,000	4,500	500	12.5%	4,725	225	5.0%
<b>Total Non-Personnel Expenses</b>	<b>35,037</b>	<b>32,625</b>	<b>55,025</b>	<b>22,400</b>	<b>68.7%</b>	<b>40,025</b>	<b>(15,000)</b>	<b>-27.3%</b>
<b>Total Operating Expenses</b>	<b>970,337</b>	<b>993,703</b>	<b>1,071,662</b>	<b>77,959</b>	<b>7.8%</b>	<b>1,173,491</b>	<b>101,829</b>	<b>9.5%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>970,337</b>	<b>993,703</b>	<b>1,071,662</b>	<b>77,959</b>	<b>7.8%</b>	<b>1,173,491</b>	<b>101,829</b>	<b>9.5%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 970,337</b>	<b>\$ 993,703</b>	<b>\$ 1,071,662</b>	<b>\$ 77,959</b>	<b>7.8%</b>	<b>\$ 1,173,491</b>	<b>\$ 101,829</b>	<b>9.5%</b>

## Chief Auditor

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 993,703</b>	<b>\$ 1,071,662</b>
<b>Personnel costs</b>		
1 new position - Auditor (salaries, benefits & employer taxes)	25,773	-
Salary adjustments and pay-for-performance	15,743	79,114
Burden (benefits & employer taxes) increase for current staff	14,043	37,716
<b>Total Increase in personnel costs</b>	<b>55,559</b>	<b>116,829</b>
Increase / Decrease in audit service costs for quality assessment review	17,000	(17,000)
Other, net	5,400	2,000
<b>Total Increase / Decrease in non-personnel costs</b>	<b>22,400</b>	<b>(15,000)</b>
<b>Total Increase</b>	<b>77,959</b>	<b>101,829</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,071,662</b>	<b>\$ 1,173,491</b>

## Chief Auditor

### Departmental Objectives

#### FY 2013 Progress Report

1. **Effectively utilize Audit personnel's time performing audits to achieve an audit utilization rate equal to the cumulative percentage for all audit staff.**

**Progress:** The department utilization goal is 80%. During the last reporting period, Audit had a utilization rate of 83%.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. **Confirm revenues obtained from business partners and costs paid to contractors comply with the terms of agreements.**

**Progress:** During the most recent reporting period, the department had identified \$127,721 of additional revenue/cost savings during FY 2013.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

3. **Provide workable audit recommendations that help improve the Authority's operations with a 90% implementation rate.**

**Progress:** As of February 5, 2013, 76% of the recommendations provided to departments in FY 2013 have been implemented. The goal for implementation is 90% by the end of the fiscal year, and the department appears to be on track to achieve this goal.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. **Perform audit work in an efficient manner. 80% of all audits completed within budget time as established within the annual plan approved by the Board.**

**Progress:** As of February 5, 2013, 89% of the audits conducted during the fiscal year 2013 have been completed within the budgeted time.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. **Conduct audit engagements in a manner that meets the expectations of the customers. Achieve an internal customer satisfaction ratio of 4.0 on a scale of 1.0 to 5.0, with 1.0 being very dissatisfied and 5.0 being very satisfied.**

**Progress:** Internal customer satisfaction surveys are sent to auditees at the conclusion of each audit. The current internal customer satisfaction ratio is 4.28 out of 5.0.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

6. **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 Audit Committee and Board approved the audit plan before the beginning of the fiscal year.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

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

**Progress:** All staff is on track to achieve required continued professional education levels of training, and to meet training target for them during the annual performance reviews.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

# Chief Auditor

## Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Effectively utilize Audit personnel's time performing audits to achieve an audit utilization rate equal to the cumulative percentage for all audit staff.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Confirm revenues obtained from business partners and costs paid to contractors comply with the terms of agreements.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

3. Provide workable audit recommendations that help improve the Authority's operations within a 90% implementation rate.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Perform audit work in an efficient manner. 80% of all audits completed within budget time as established within the annual plan approved by the Board.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. Conduct audit engagements in a manner that meets the expectation of the customers. Achieve an internal customer satisfaction ratio of 4.0 on a scale of 1.0 to 5.0, with 1.0 being very dissatisfied and 5.0 being very satisfied.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

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

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner

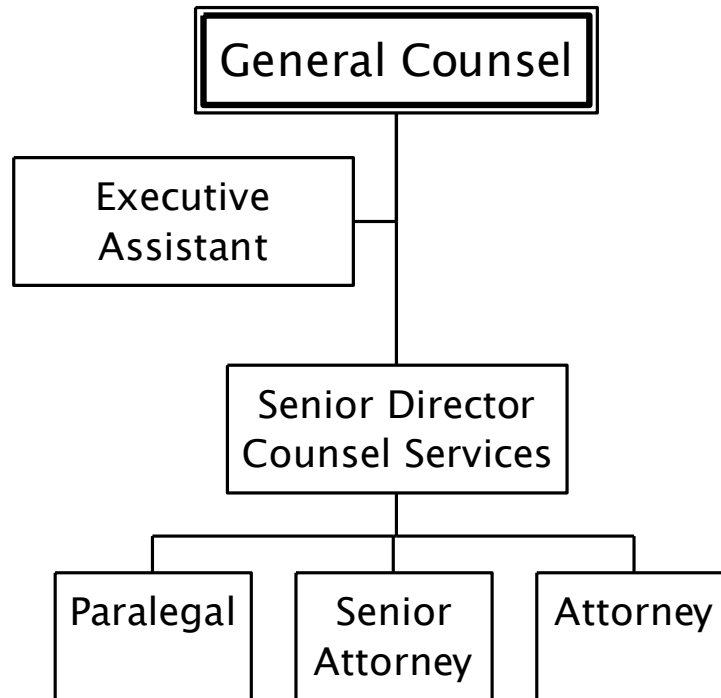
7. Provide tools and training for staff to ensure adequacy and effectiveness audits.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

# General Counsel

## FY 2014 – FY 2015 Organizational Structure



*No personnel changes planned for FY 2015*



# General Counsel

## FY 2014 - FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 834,301	\$ 852,930	\$ 841,575	\$ (11,355)	-1.3%	\$ 865,844	\$ 24,269	2.9%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	330,432	349,592	362,930	13,338	3.8%	384,019	21,089	5.8%
Subtotal	1,164,733	1,202,522	1,204,505	1,983	0.2%	1,249,863	45,358	3.8%
Less: Capitalized Labor	-	-	-	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,164,733</b>	<b>1,202,522</b>	<b>1,204,505</b>	<b>1,983</b>	<b>0.2%</b>	<b>1,249,863</b>	<b>45,358</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	1,086,593	1,251,000	1,231,000	(20,000)	-1.6%	1,231,000	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	67	250	250	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	206	1,000	1,000	-	0.0%	1,000	-	0.0%
Operating Supplies	2,767	3,000	4,000	1,000	33.3%	4,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	53,217	53,100	57,200	4,100	7.7%	57,200	-	0.0%
Business Development	4,699	7,400	7,400	-	0.0%	7,400	-	0.0%
Equipment Rentals & Repairs	540	1,100	1,100	-	0.0%	1,100	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,148,089</b>	<b>1,316,850</b>	<b>1,301,950</b>	<b>(14,900)</b>	<b>-1.1%</b>	<b>1,301,950</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>2,312,823</b>	<b>2,519,372</b>	<b>2,506,455</b>	<b>(12,917)</b>	<b>-0.5%</b>	<b>2,551,813</b>	<b>45,358</b>	<b>1.8%</b>
<b>Non-Operating Expenses:</b>								
Legal Settlements Expense	160,330	20,000	20,000	-	0.0%	-	(20,000)	-100.0%
Other Non-Operating Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>160,330</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>(20,000)</b>	<b>-100.0%</b>
<b>Total Expenses</b>	<b>2,473,153</b>	<b>2,539,372</b>	<b>2,526,455</b>	<b>(12,917)</b>	<b>-0.5%</b>	<b>2,551,813</b>	<b>25,358</b>	<b>1.0%</b>
Equipment Outlay	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,473,153</b>	<b>\$ 2,539,372</b>	<b>\$ 2,526,455</b>	<b>\$ (12,917)</b>	<b>-0.5%</b>	<b>\$ 2,551,813</b>	<b>\$ 25,358</b>	<b>1.0%</b>

## General Counsel

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
	<hr/>	<hr/>
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 2,539,372</b>	<b>\$ 2,526,455</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	13,338	21,089
Salary adjustments and pay-for-performance	(11,355)	24,269
<b>Total Increase in personnel costs</b>	<b>1,983</b>	<b>45,358</b>
Increase in outside legal services costs	20,000	-
Decrease in other outside professional consultant costs	(40,000)	-
Other, net	5,099	(20,000)
<b>Total Decrease in non-personnel costs</b>	<b>(14,900)</b>	<b>(20,000)</b>
<b>Total Decrease / Increase</b>	<b>(12,917)</b>	<b>25,358</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,526,455</b>	<b>\$ 2,551,813</b>

## General Counsel

### Departmental Objectives

#### FY 2013 Progress Report

1. **Reduce and contain outside legal counsel costs 3% by using in-house legal staff whenever feasible and through close reviews of legal counsel invoices.**

**Progress:** On target.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. **Provide professional legal services in the preparation, review, execution and enforcement of Authority contracts, leases and agreements that meet the needs of the Authority while complying with applicable law.**

**Progress:** On target.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. **Increase the educational activities of the office through at least quarterly educational seminars for Authority staff and management in legal areas regarding contracts, ethics, bidding, public records and related areas.**

**Progress:** On target.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. **Provide timely and professional legal services and advice in the preparation, review, execution and enforcement of Authority contracts, leases and licenses.**

**Progress:** On target.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

5. Provide timely and professional legal services and advice concerning the Authority's Codes, Policies, Rules and Regulations and practices to minimize the Authority's exposure to litigation.

**Progress:** On target.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

6. Increase and improve communication with Authority division heads to facilitate the early identification and efficient resolution of legal issues and provide successful alternatives and solutions.

**Progress:** On target.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

7. Educate the Authority's divisions and departments on the role of the General Counsel and the legal principles applicable to their responsibilities.

**Progress:** On target.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

8. Increase the Authority staff's early access to legal advice and counsel by promoting awareness of the General Counsel's "open door" policy.

**Progress:** Completed.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

9. Participate in and increase continuing legal educational activities to maintain and improve the legal expertise of the legal staff.

**Progress:** On target.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

10. Support the operational activities of the Authority with timely and appropriate legal advice, particularly the Terminal Development Program (“Green Build”), the North side projects, the Fixed-Base redevelopment, the RDC project, the Washington Street improvements, TDY demolition and development, compliance with the Attorney General’s MOU regarding GHG emissions and the environmental initiatives supporting such activities.

**Progress:** On target.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

11. Increase recycling in the department and the use of electronic documents rather than paper documents when possible.

**Progress:** On target.

**Sustainability Goal:** Economic Viability, Natural Resource Conservation.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

12. Increase the community image of the Authority by expanding the participation of the General Counsel’s office in legal, regional and national professional organizations.

**Progress:** On target.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

## General Counsel

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. Reduce and contain outside legal counsel costs 2% by using in-house legal staff whenever feasible and through close reviews of legal counsel invoices.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Airport Authority. Strategy #2: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #3: Achieve the highest level of internal and external customer satisfaction.

2. Provide professional legal services in the preparation, review, execution and enforcement of Authority contracts, leases and agreement that meet the needs of the Authority while complying with applicable laws and regulations.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Achieve the highest level of internal and external customer satisfaction. Strategy #2: Enhance the financial position of the airport authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Increase the educational activities of the office through at least bi-annual educational seminars for Authority staff and management in legal areas regarding contracts, ethics, bidding, public records and related areas.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Achieve the highest level of internal and external customer satisfaction. Strategy #2: Enhance the financial position of the airport authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Provide timely and professional legal services and advice in the preparation, review, execution and enforcement of Authority contracts, leases and licenses.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Achieve the highest level of internal and external customer satisfaction. Strategy #2: Ensure the highest level of employee commitment and performance. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Enhance the financial position of the airport authority.

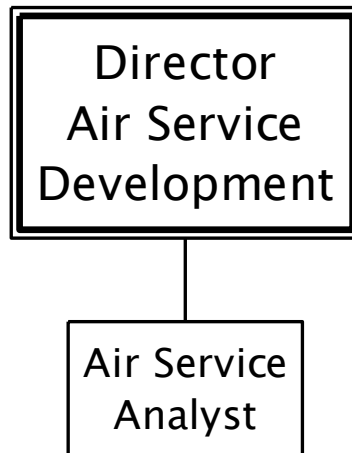
5. Provide timely and professional legal services and advice concerning the Authority's Codes, Policies, Rules and Regulations and practices to minimize the Authority's exposure to litigation.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

# Air Service Development

## FY 2014 – FY 2015 Organizational Structure



*No personnel changes planned for FY 2015*



## Air Service Development

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 173,235	\$ 171,840	\$ 178,106	\$ 6,266	3.6%	\$ 180,977	\$ 2,871	1.6%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	77,759	84,989	91,812	6,823	8.0%	96,781	4,969	5.4%
Subtotal	250,994	256,829	269,918	13,089	5.1%	277,759	7,841	2.9%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>250,994</b>	<b>256,829</b>	<b>269,918</b>	<b>13,089</b>	<b>5.1%</b>	<b>277,759</b>	<b>7,841</b>	<b>2.9%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	218,284	294,000	294,000	-	0.0%	244,000	(50,000)	-17.0%
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	588	-	-	-	0.0%	-	-	0.0%
Operating Supplies	658	1,200	1,200	-	0.0%	1,200	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	24,366	29,950	29,950	-	0.0%	29,950	-	0.0%
Business Development	404,522	909,100	920,500	11,400	1.3%	654,100	(266,400)	-28.9%
Equipment Rentals & Repairs	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>648,418</b>	<b>1,234,250</b>	<b>1,245,650</b>	<b>11,400</b>	<b>0.9%</b>	<b>929,250</b>	<b>(316,400)</b>	<b>-25.4%</b>
<b>Total Operating Expenses</b>	<b>899,412</b>	<b>1,491,079</b>	<b>1,515,568</b>	<b>24,489</b>	<b>1.6%</b>	<b>1,207,009</b>	<b>(308,559)</b>	<b>-20.4%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>899,412</b>	<b>1,491,079</b>	<b>1,515,568</b>	<b>24,489</b>	<b>1.6%</b>	<b>1,207,009</b>	<b>(308,559)</b>	<b>-20.4%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 899,412</b>	<b>\$ 1,491,079</b>	<b>\$ 1,515,568</b>	<b>\$ 24,489</b>	<b>1.6%</b>	<b>\$ 1,207,009</b>	<b>\$ (308,559)</b>	<b>-20.4%</b>

## Air Service Development

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 1,491,079</b>	<b>\$ 1,515,568</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	6,823	4,969
Salary adjustments and pay-for-performance	6,266	2,871
<b>Total Increase in personnel costs</b>	<b>13,089</b>	<b>7,841</b>
Increase business development travel costs to reflect actual activity to support route service development	10,000	10,000
Decrease in domestic and international air service development marketing costs due to timing of expenses	-	(275,000)
Decrease in other professional services costs for San Diego corporate outreach	-	(50,000)
Other, net	1,400	(1,400)
<b>Total Increase/Decrease in non-personnel costs</b>	<b>11,400</b>	<b>(316,400)</b>
<b>Total Increase/Decrease</b>	<b>24,489</b>	<b>(308,559)</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,515,568</b>	<b>\$ 1,207,009</b>

## Air Service Development Departmental Objectives

### FY 2013 Progress Report

1. **Secure at least one new domestic destination after every fiscal year where overall national domestic available seat departure growth exceeds 5%. Maintain number of domestic destinations served if national seat departure growth is between 0.00 - 4.99%.**

**Progress:** Fiscal year 2013 was extremely successful. By the end of the fiscal year a net 3 new domestic destinations will have been added.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

2. **Increase San Diego International Airport seat departures during years the national average seat departures grow.**

**Progress:** National average seat departures declined 0.3% year over year (June 2013). San Diego, however, is projected to be up 2.6% year over year.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Retain air services to London.**

**Progress:** Service to London continues.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Successfully launch (initial annual load factor 70%) and retain air services to Tokyo.**

**Progress:** Service to Tokyo was launched (estimated seat factor is 80%).

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. **Assuming aircraft are developed with the technical capabilities (e.g., Boeing 787 and A350), secure air service to Tokyo, Seoul or Asian hub after the fifth year of consecutive U.S.-East Asia seat departure growth, and by the fifth year anniversary of technically capable aircraft delivery to at least three U.S.-Asia airline candidate operators (e.g., JAL, ANA, Asiana, Korean Air).**

**Progress:** Achieved with Boeing 787 service to Tokyo.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

6. **Link San Diego to Manila with direct air service within twelve months of Philippine restoration to FAA IASA Category 1 status and by the first twelve months of Philippine-U.S. seat departure increases contributed by Philippine air carriers.**

**Progress:** The Republic of the Philippines remains in CAT 2 and therefore unable to commence service to San Diego.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

7. **Secure new, enhanced or additional air service to Canadian markets after the second year upon verifying that after an annual SAN-Canada market (e.g., Montreal, Edmonton and Winnipeg) reaches at least fifty passengers per day each way (PDEW) via connecting flights.**

**Progress:** No market size currently approaches 50 PDEW. Vancouver service was discontinued due to airline costs and a replacement service is being explored.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

8. **Secure new, enhanced or additional air service to Mexican markets by the second year after an annual SAN-Mexico market (e.g., Mexico City, Puerto Vallarta) reaches at least fifty PDEW.**

**Progress:** No additional markets currently exceed 50 PDEW.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

## Air Service Development Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. **Secure at least one new domestic destination after every fiscal year where overall domestic available seat departure growth exceeds 5%. Maintain number of domestic destinations served if national seat departure growth is between 0.00 – 4.99%.**

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

2. **Increase San Diego International seat departures during years the national average seat departures grow.**

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Retain Air Service to London.**

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Retain Air Service to Tokyo.**

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1 Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

5. **Link San Diego to Manila with direct air service within two years of Philippine restoration to FAA IASA Category 1 status and by the first year of Philippine-U.S. seat departure increases contributed by Philippine air carriers.**

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

6. **Secure new, enhanced or additional air service to Canadian markets after the second year upon verifying that after an annual SAN-Canada market (e.g., Vancouver, Montreal, Edmonton and Winnipeg) reaches at least fifty passengers per day each way (PDEW) via connecting flights.**

**Sustainability Goal:** Economic Viability, Operational Excellence.

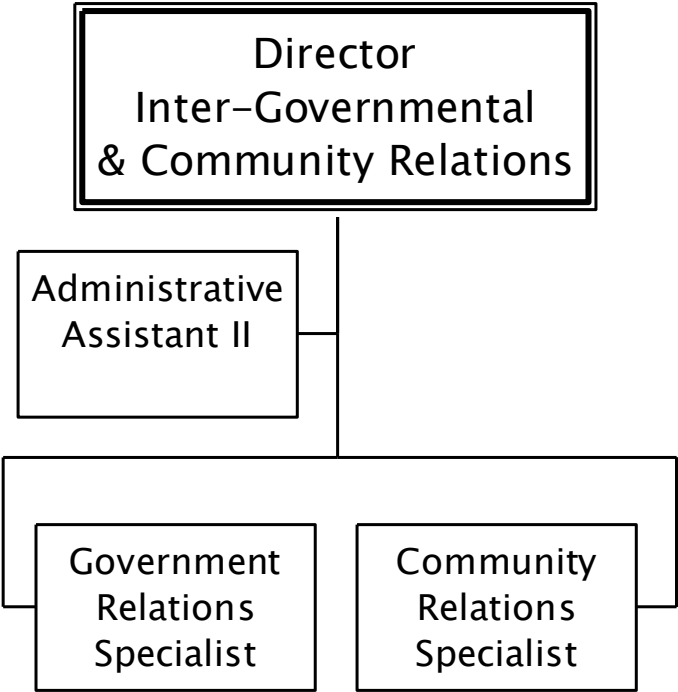
**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

7. Secure new, enhanced or additional air service to Mexican markets by the second year after an annual SAN-Mexico market (e.g., Mexico City, Puerto Vallarta) reaches at least fifty PDEW.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

**Inter-Governmental & Community Relations**  
**FY 2014 – FY 2015 Organizational Structure**



*No personnel changes planned for FY 2015*

## Inter-Governmental & Community Relations FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 266,319	\$ 354,662	\$ 363,429	\$ 8,767	2.5%	\$ 371,860	\$ 8,431	2.3%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	122,794	161,941	176,069	14,127	8.7%	185,960	9,891	5.6%
Subtotal	389,112	516,603	539,498	22,895	4.4%	557,820	18,322	3.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>389,112</b>	<b>516,603</b>	<b>539,498</b>	<b>22,895</b>	<b>4.4%</b>	<b>557,820</b>	<b>18,322</b>	<b>3.4%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	282,789	296,500	300,000	3,500	1.2%	310,500	10,500	3.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	250	150	(100)	-40.0%	200	50	33.3%
Maintenance	22	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	100	200	100	100.0%	200	-	0.0%
Operating Supplies	713	2,100	2,200	100	4.8%	2,454	254	11.5%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	13,714	23,363	21,500	(1,863)	-8.0%	22,500	1,000	4.7%
Business Development	26,813	80,850	135,030	54,180	67.0%	141,635	6,605	4.9%
Equipment Rentals & Repairs	-	250	350	100	40.0%	350	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>324,051</b>	<b>403,413</b>	<b>459,430</b>	<b>56,017</b>	<b>13.9%</b>	<b>477,839</b>	<b>18,409</b>	<b>4.0%</b>
<b>Total Operating Expenses</b>	<b>713,164</b>	<b>920,016</b>	<b>998,928</b>	<b>78,912</b>	<b>8.6%</b>	<b>1,035,659</b>	<b>36,731</b>	<b>3.7%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>713,164</b>	<b>920,016</b>	<b>998,928</b>	<b>78,912</b>	<b>8.6%</b>	<b>1,035,659</b>	<b>36,731</b>	<b>3.7%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 713,164</b>	<b>\$ 920,016</b>	<b>\$ 998,928</b>	<b>\$ 78,912</b>	<b>8.6%</b>	<b>\$ 1,035,659</b>	<b>\$ 36,731</b>	<b>3.7%</b>



## Inter-Governmental & Community Relations

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 920,016</b>	<b>\$ 998,928</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	14,127	9,891
Salary adjustments and pay-for-performance	8,767	8,431
<b>Total Increase in personnel costs</b>	<b>22,895</b>	<b>18,322</b>
Memberships & dues costs for federal and community organizations transferred from Marketing and Public Relations	38,575	6,005
Promotional activities costs for table sponsorships and community outreach transferred from Marketing and Public Relations	19,955	500
Increase in outside professional consultant service costs for federal, state, and local government relations consulting	3,500	10,500
Other, net	(6,013)	1,404
<b>Total Increase in non-personnel costs</b>	<b>56,017</b>	<b>18,409</b>
<b>Total Increase</b>	<b>78,912</b>	<b>36,731</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 998,928</b>	<b>\$ 1,035,659</b>

## Inter-Governmental & Community Relations Departmental Objectives

### FY 2013 Progress Report

#### 1. Maintain historic levels of Airport Improvement Program (AIP) funding, Quieter Home Program (QHP) funding.

**Progress:** The FAA Reauthorization Bill signed into law in 2012 provides AIP levels in line with historic funding amounts for the AIP program in FY 2013 (under which noise mitigation funds are provided).

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

#### 2. Obtain Federal funding for the Washington Street Road/Entrance Project.

**Progress:** Although staff worked with Facilities Development and Finance staff to apply for federal grants for Washington Street improvements, project timing precluded the use of federal funding.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

#### 3. Strengthen relationships with elected/appointed officials and staff and partner organizations (e.g., San Diego chambers of commerce, economic development corporations, San Diego Taxpayers Association). Establish relationships with newly elected/appointed officials and key transportation committee members and staff. This will be accomplished via a minimum of thirty airport briefings and/or airfield tours this year with a focus on the Green Build and other major SDIA projects and programs.

**Progress:** Inter-Governmental & Community Relations staff has conducted 20 individual briefings/tours with elected/appointed officials through the first six months of the fiscal year. Staff continues to schedule briefings/tours with officials, included newly elected officials as well as identifying opportunities to enhance the Authority's representation in the community.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

#### 4. Work with airport advocacy associations to obtain passage of legislation that will strategically position the Authority to maximize Federal funding awards for SDIA projects this year. This includes securing \$3.35 billion in the FY 2013 Transportation Appropriations bill.

**Progress:** After seven years without an FAA Reauthorization Bill, the president signed into law legislation authorizing federal aviation program funding through 2014. Although Congress did not pass a Transportation Appropriations bill for FY 2013, the six-month Continuing Resolution provided level funding for the AIP program.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

5. **Obtain a minimum of \$10 million to fund the SDIA Quieter Home Program in FY 2013.**

**Progress:** The Airport Authority was awarded a total of \$14.3 million for the Quieter Home Program this year. (This QHP funding level is specific to SDIA, whereas the level referred to in #1 is the overall noise mitigation funding made available to all airports by the federal government.)

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

6. **Prevent the passage/enactment of all State and Federal legislation that would negatively affect the Authority and/or SDIA.**

**Progress:** The Authority's legislative team identified several legislative bills of concern to the Authority being considered by the State Legislature and U.S. Congress. No bills opposed by the Authority obtained passage prior to the end of the 2012 State and Federal legislative sessions.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

7. **Obtain political/public support for the Airport Development Plan, SDIA's (ALUCP) and other key SDIA initiatives and funding requests this year.**

**Progress:** IGCR staff has coordinated numerous meetings with elected officials and community leaders this year to establish support for the ADP and obtain written support for funding requests. Staff has now turned to the coordination of similar meetings to obtain support for the SDIA ALUCP.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

8. **Obtain unanticipated funding for one major Authority project or program of at least \$500,000.**

**Progress:** Staff continues to pursue a TIGER grant and other State and Federal grant opportunities in an effort to obtain funding for Authority projects and programs.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

## Inter-Governmental & Community Relations Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. **Execute an advocacy plan in partnership with state and national airport associations to obtain passage of legislation in 2013, appropriating the total authorized funding level of \$3.35 billion for the Airport Improvement Program for the federal fiscal year 2014.**

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the Financial position of the Authority.

2. **Develop and implement an advocacy strategy to secure \$12 million in annual federal funding for the Airport Authority's Quieter Home Program in federal fiscal years 2013 and 2014.**

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. **During the 2013-14 State Legislative sessions, assist in obtaining passage of Assembly Bill 359, legislation sponsored by the California Airports Council that would eliminate the need for airports to fund and prepare an independent audit to collect customer facility charges.**

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure environmentally sound, effective and efficient manner.

4. **Increase positive advocacy for key fiscal year 2014 SDIA initiatives and funding requests by 10% over the level of support obtained in fiscal year 2013.**

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure environmentally sound, effective and efficient manner.

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# **ADMINISTRATION DIVISION**

## Administration Division Overview

The Administration Division consists of eight departments that provide the Authority with a wide range of specialized services in support of all other divisions and departments.

The **Business Planning Department** is responsible for the development, implementation and tracking of the strategic business plan. The department's goal is to prepare the strategic business plan, institutionalize an annual planning and reporting process and to support Authority-wide business process improvement initiatives.

The **Corporate Services Department** develops and implements procedures that enhance communications with the Board and the public, provides support to public meetings of the Board, Board Committees and other Board-related events. The department is also responsible for:

- Administration of the Authority lobbyist filings.
- Conflict of interest filings.
- Reception and mailroom operations.
- Authority's Records and Information Management Program.
- Public records requests process.

The **Human Resources Department** is responsible for employee recruitment, the employee benefits program and labor/employee relations. The department is also responsible for the Authority's workers' compensation and employee safety programs as well as wage and salary plan administration.

The **Information Technology Department** establishes and manages the Authority's information technology infrastructure, including hardware, software and communications technology. The department provides information technology services to all Authority departments, airlines and passengers via the Flight Information Displays and Common Use Terminal Equipment. The department is also responsible for developing and implementing the Authority's long-range automation plan.

The **Procurement Department** manages the solicitation and contract award process in a legal, ethical and transparent manner. Department responsibilities include providing research on resources, trends, product and services options, business outreach and negotiating contracts and price agreements. Additional responsibilities include managing the procurement card program, shipping, receiving and warehouse operations.

The **Risk Management Department** is responsible for coordinating with insurance brokers and carriers to identify risk exposures and securing & maintaining insurance coverage to protect the Authority's property and people assets at reasonable costs.

The **Training & Organization Development Department** is responsible for all non-regulatory training and manages the employee development initiatives for the organization. The department is also responsible for administering the Employee Opinion Survey and overseeing employee action teams that respond to the survey results. The department interfaces with other Authority departments and facilitates implementation of appropriate change management initiatives associated with organization transition activities.

The **Marketing & Public Relations Department** develops, implements and manages marketing initiatives that result in increased air service and revenues and provides media and public relations, strategic counsel, social

media, community outreach, corporate and internal communications, crisis communications and art services for the Authority.

**Marketing** activities include:

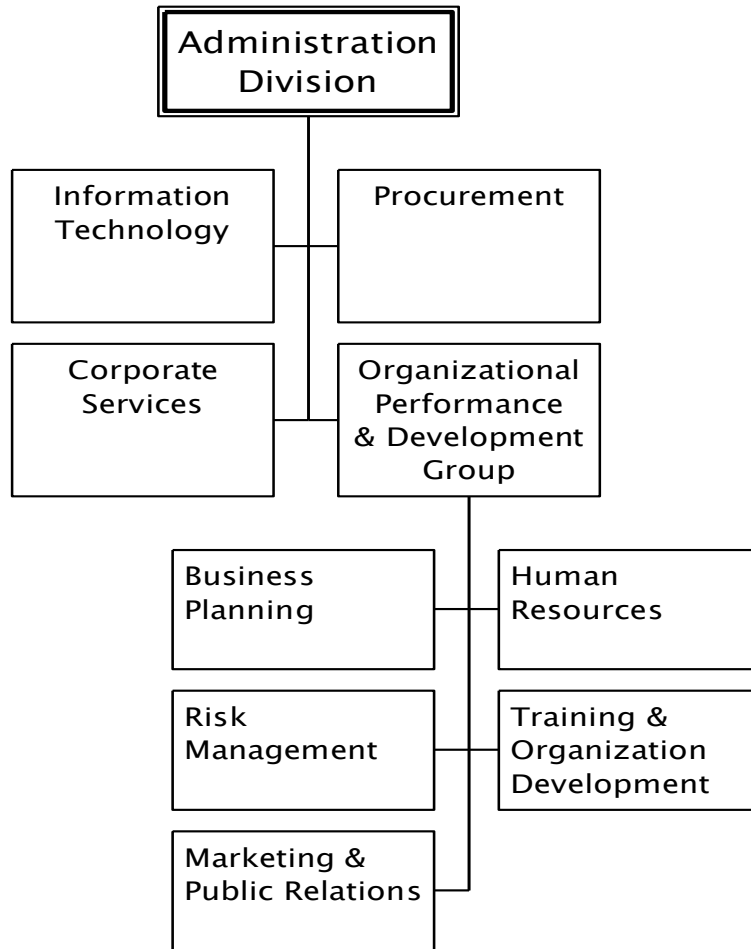
- Umbrella Marketing Plans for Authority initiatives (e.g. Quieter Home Program, SAN Park, Small Business Development and Green Build).
- Advertising, creative design and development, identity and brand development.
- Collateral materials and publications.
- Special events (i.e. new air service inaugurals, grand openings, conferences).
- Website development, video production and market research.
- Regional partnerships and aviation education outreach.
- Aviation Education.
- Outreach and collaboration with regional partners (e.g. Chambers of Commerce, Convention and Visitors Bureau (CONVIS), Economic Development Corporation (EDC), World Trade Center (WTC), San Diego Convention Center Corporation (SDCCC).

**Public Relations** activities include:

- News conferences & media event planning.
- News releases & media advisories.
- External and internal publications (i.e. Annual Report, Aviation Matters, SAN e-Newsletter, e-JetStreams).
- Social media (employee blog [Ambassablog.com], Facebook, Twitter, Flickr, YouTube, text alerts and e-Newsroom).
- Speaker's Bureau & speechwriting.
- Airport public tours.
- Permanent public art.
- Temporary and rotating exhibits.
- Performing arts.



# Administration Division Organizational Structure



## Division Personnel Summary

	FY 2012 Authorized & Funded Positions	FY 2013 Authorized & Funded Positions	FY 2014 Transfers	FY 2014 New/ (Eliminated) Positions	FY 2014 (Unfunded)/ Funded Positions	FY 2014 Authorized & Funded Positions	FY 2015 New/ (Eliminated) Positions	FY 2015 (Unfunded)/ Funded Positions	FY 2015 Authorized & Funded Positions
<b>Administration</b>									
Business Planning	4	4	-	-	-	4	-	-	4
Information Technology	22	23	1	-	-	24	-	-	24
Human Resources	10	11	-	-	-	11	-	-	11
Procurement	12	13	-	-	-	13	-	-	13
Risk Management	6	6	-	-	-	6	-	-	6
T&O Development	3	3	-	-	-	3	-	-	3
Marketing & Public Relations	17	14	(1)	1	-	14	-	-	14
Corporate Services	7	7	-	-	-	7	-	-	7
<b>Total</b>	<b>81</b>	<b>81</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>82</b>
Authorized and Unfunded Positions	4	2	-	-	-	2	-	-	2
<b>Total Authorized Positions</b>	<b>85</b>	<b>83</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>84</b>

## Administration Division

### FY 2014 – FY 2015 Expense Budget Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 6,039,738	\$ 6,442,963	\$ 6,623,602	\$ 180,639	2.8%	\$ 6,792,206	\$ 168,604	2.5%
Premium Overtime	177,549	153,500	202,400	48,900	31.9%	150,400	(52,000)	-25.7%
Employee Benefits	2,792,140	3,282,700	3,440,213	157,512	4.8%	3,651,951	211,738	6.2%
Subtotal	9,009,427	9,879,163	10,266,214	387,051	3.9%	10,594,557	328,343	3.2%
Less: Capitalized Labor	-	-	(74,193)	(74,193)	0.0%	(77,306)	(3,114)	4.2%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>9,009,427</b>	<b>9,879,163</b>	<b>10,192,022</b>	<b>312,859</b>	<b>3.2%</b>	<b>10,517,251</b>	<b>325,229</b>	<b>3.2%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	3,223,042	3,174,620	3,439,620	265,000	8.3%	3,361,150	(78,470)	-2.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	-	0.0%	1,200	-	0.0%
Utilities	362,435	398,625	485,500	86,875	21.8%	488,500	3,000	0.6%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	284,997	276,750	322,850	46,100	16.7%	329,000	6,150	1.9%
Operating Supplies	35,953	50,950	67,500	16,550	32.5%	68,000	500	0.7%
Insurance	764,193	872,318	1,253,579	381,261	43.7%	1,546,084	292,505	23.3%
Employee Programs	422,356	529,492	553,965	24,473	4.6%	559,488	5,523	1.0%
Business Development	1,010,779	1,687,525	1,058,790	(628,735)	-37.3%	1,140,160	81,370	7.7%
Equipment Rentals & Repairs	909,526	1,410,081	2,077,216	667,135	47.3%	2,166,817	89,601	4.3%
<b>Total Non-Personnel Expenses</b>	<b>7,013,280</b>	<b>8,401,561</b>	<b>9,260,220</b>	<b>858,659</b>	<b>10.2%</b>	<b>9,660,399</b>	<b>400,179</b>	<b>4.3%</b>
<b>Total Operating Expenses</b>	<b>16,022,707</b>	<b>18,280,724</b>	<b>19,452,242</b>	<b>1,171,518</b>	<b>6.4%</b>	<b>20,177,650</b>	<b>725,408</b>	<b>3.7%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>16,022,707</b>	<b>18,280,724</b>	<b>19,452,242</b>	<b>1,171,518</b>	<b>6.4%</b>	<b>20,177,650</b>	<b>725,408</b>	<b>3.7%</b>
<b>Equipment Outlay</b>	<b>6,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 16,028,787</b>	<b>\$ 18,280,724</b>	<b>\$ 19,452,242</b>	<b>\$ 1,171,518</b>	<b>6.4%</b>	<b>\$ 20,177,650</b>	<b>\$ 725,408</b>	<b>3.7%</b>

## Administration Division

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget</b>	<b>\$ 18,280,724</b>	<b>\$ 19,452,242</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	213,991	116,604
Burden (benefits & employer taxes) increase for current staff	98,868	211,738
1 New position - Airport Art Coordinator I limited duration (salaries, benefits & employer taxes)	74,193	-
Changes in capitalized labor	(74,193)	(3,114)
<b>Total Increase in personnel costs</b>	<b>312,859</b>	<b>325,229</b>
Increase in Common Use Passenger Processing Systems (CUPPS) costs	1,096,900	-
Increase in insurance costs	381,261	292,505
Increase in Network Switches & VoIP due to Green Build	144,895	-
Decrease / Increase in marketing, promotional activities and materials costs	(615,980)	75,300
Decrease in outside consultant costs	(228,500)	(49,470)
Other, net	80,083	81,844
<b>Total Increase in non-personnel costs</b>	<b>858,659</b>	<b>400,179</b>
<b>Total Increase</b>	<b>1,171,518</b>	<b>725,408</b>
<b>FY 2014 Proposed Budget / FY 2015 Conceptual Budget</b>	<b>\$ 19,452,242</b>	<b>\$ 20,177,650</b>

# Administration Division

## FY 2014 Expense Budget by Department

Department	FY 2014 Budget
Information Technology	\$7,064,738
Marketing & Public Relations	4,203,971
Risk Management	2,533,803
Human Resources	2,251,335
Procurement	1,477,820
Corporate Services	847,272
Training & Organization Development	579,257
Business Planning	494,045
<b>Total <sup>(1)</sup></b>	<b>\$ 19,452,242</b>

<sup>(1)</sup> Departmental total may differ due to rounding

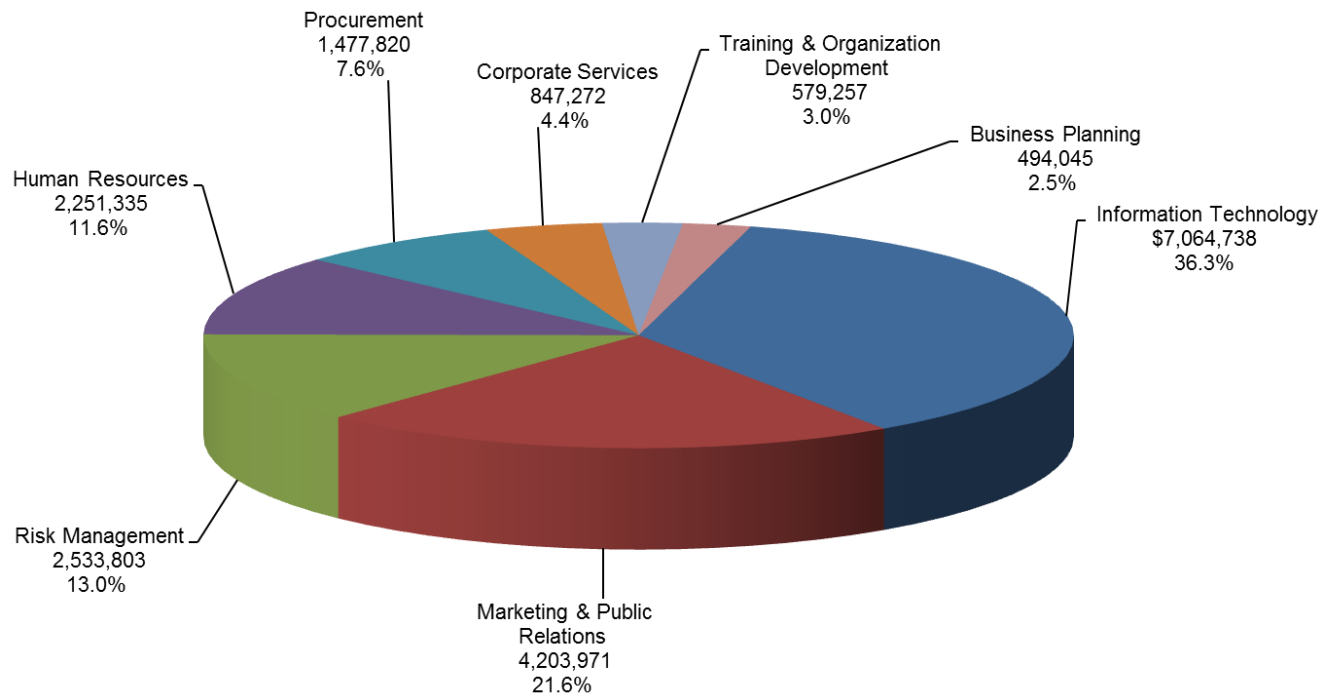


Figure 30 – FY 2014 Expense Budget by Department

## Administration Division FY 2015 Expense Budget by Department

Department	FY 2015 Conceptual Budget
Information Technology	\$ 7,235,513
Marketing & Public Relations	4,298,296
Risk Management	2,832,706
Human Resources	2,302,936
Procurement	1,539,619
Corporate Services	849,352
Training & Organization Development	605,170
Business Planning	514,058
<b>Total <sup>(1)</sup></b>	<b>\$ 20,177,650</b>

<sup>(1)</sup> Departmental total may differ due to rounding

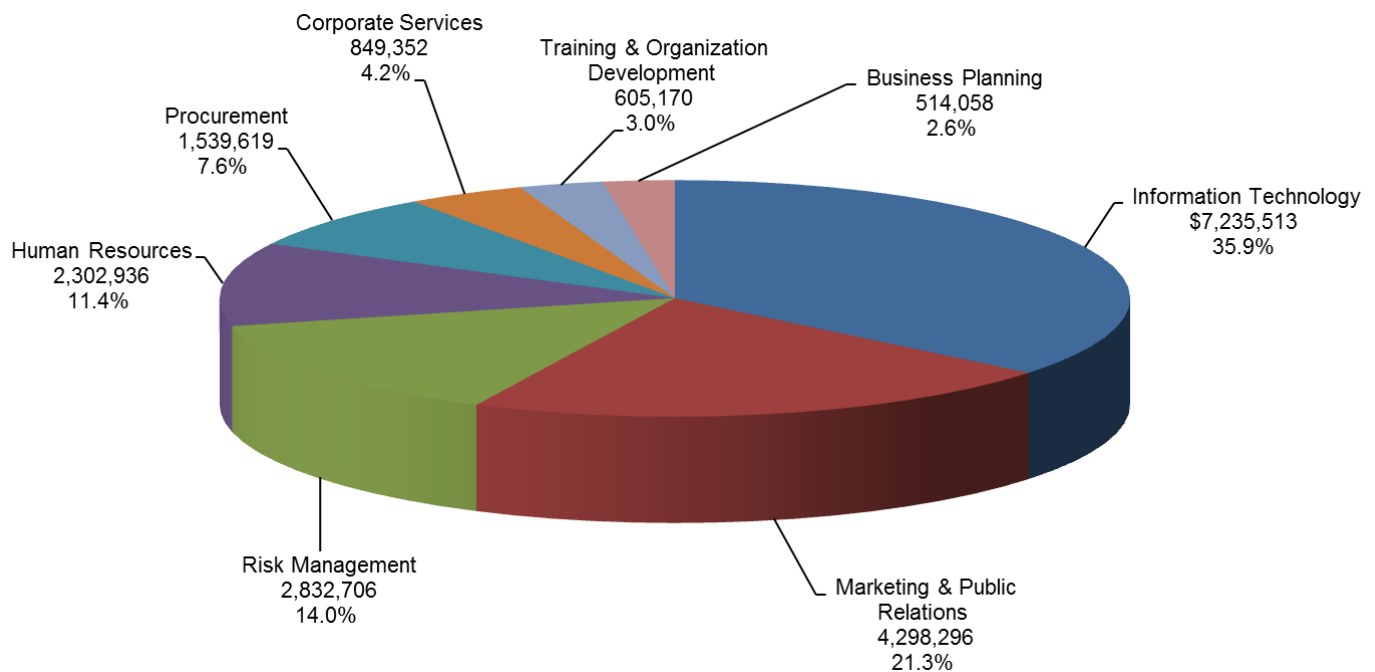
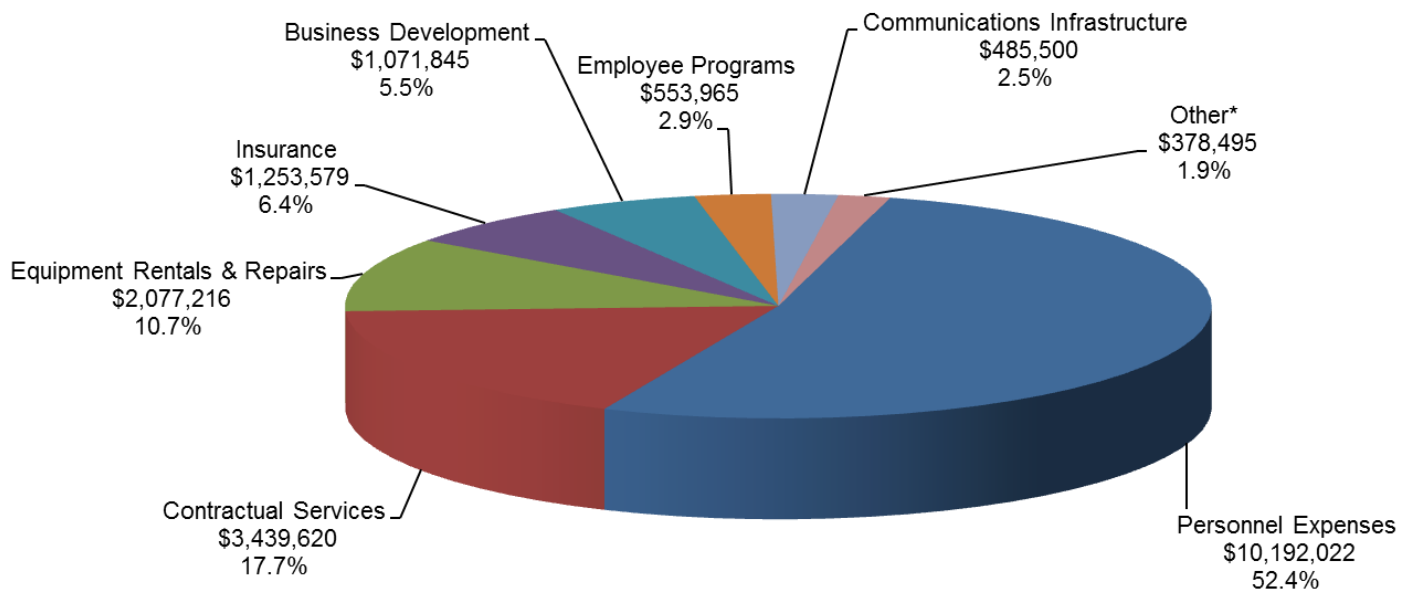


Figure 31 – FY 2015 Expense Budget by Department

## Administration Division FY 2014 Expense Budget by Category

Category	FY 2014 Budget
Personnel Expenses	\$ 10,192,022
Contractual Services	3,439,620
Equipment Rentals & Repairs	2,077,216
Insurance	1,253,579
Business Development	1,071,845
Employee Programs	553,965
Communications Infrastructure	485,500
Other*	378,495
<b>Total <sup>(1)</sup></b>	<b>\$ 19,452,242</b>

<sup>(1)</sup> Category total may differ due to rounding



\*Other includes operating equipment & systems, operating supplies, etc.

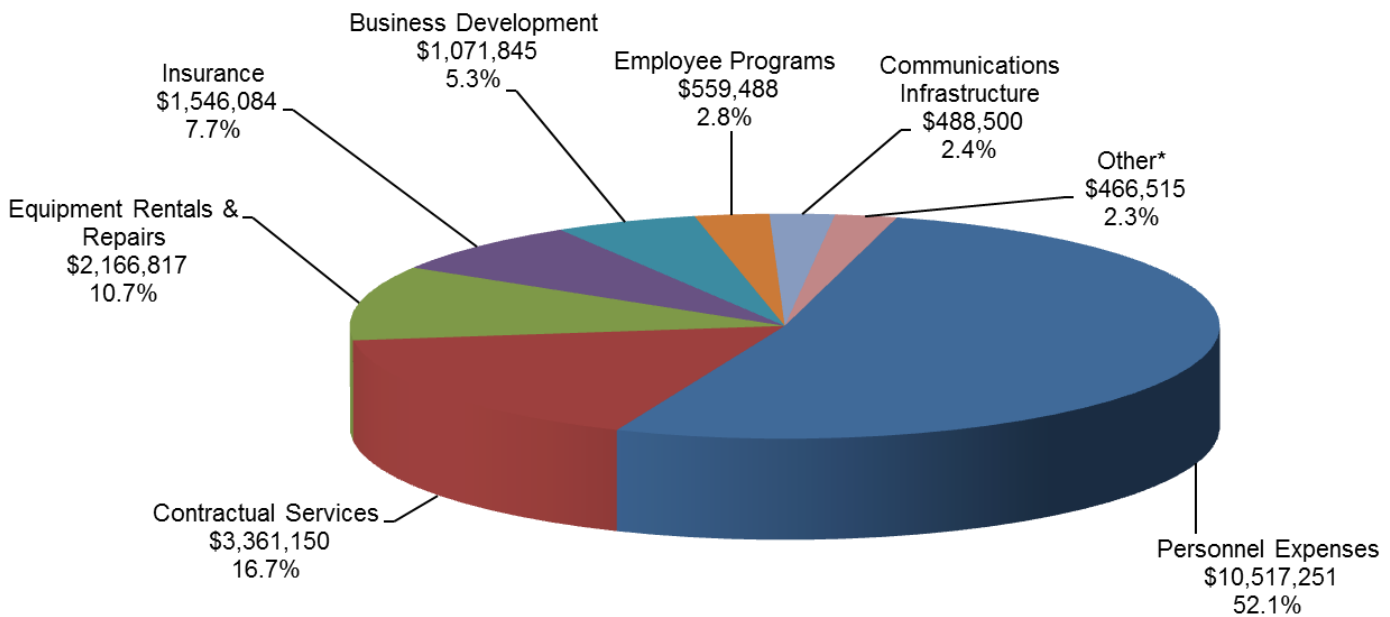
Figure 32 – FY 2014 Expense Budget by Category

# Administration Division

## FY 2015 Expense Budget by Category

Category	FY 2015 Conceptual Budget
Personnel Expenses	\$ 10,517,251
Contractual Services	3,361,150
Equipment Rentals & Repairs	2,166,817
Insurance	1,546,084
Business Development	1,071,845
Employee Programs	559,488
Communications Infrastructure	488,500
Other*	466,515
<b>Total <sup>(1)</sup></b>	<b>\$ 20,177,650</b>

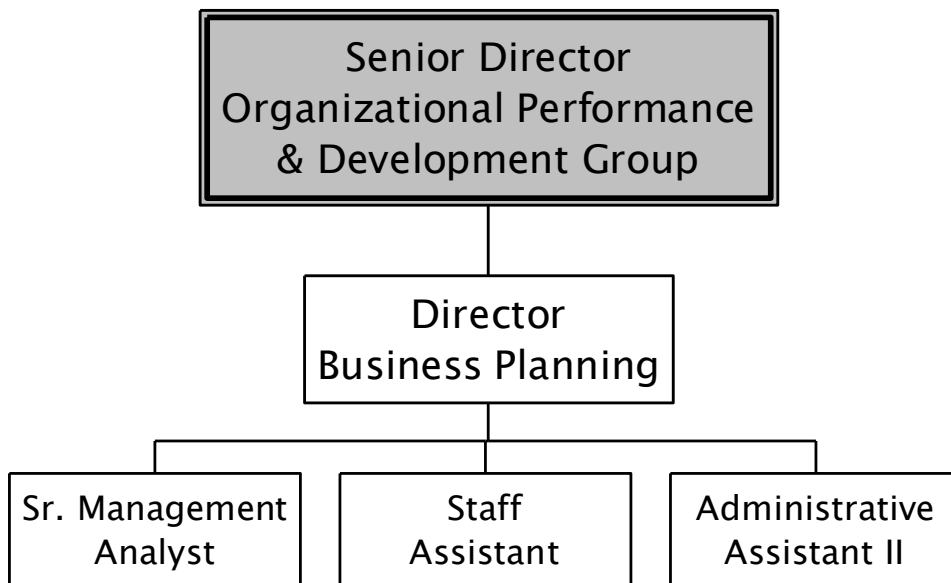
<sup>(1)</sup> Category total may differ due to rounding



\*Other includes operating equipment & systems, operating supplies, etc.

Figure 33 – FY 2015 Expense Budget by Category

## Business Planning FY 2014 – FY 2015 Organizational Structure



*Position shown in grey resides in Human Resources department and is shown for reporting structure  
No personnel changes planned for FY 2015*



## Business Planning

### FY 2014- FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 289,368	\$ 295,352	\$ 301,444	\$ 6,092	2.1%	\$ 310,488	\$ 9,043	3.0%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	141,640	157,872	172,351	14,479	9.2%	183,320	10,970	6.4%
Subtotal	431,008	453,224	473,795	20,571	4.5%	493,808	20,013	4.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>431,008</b>	<b>453,224</b>	<b>473,795</b>	<b>20,571</b>	<b>4.5%</b>	<b>493,808</b>	<b>20,013</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	112	-	-	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	21	1,000	1,000	-	0.0%	1,000	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	1,000	1,000	-	0.0%	1,000	-	0.0%
Operating Supplies	485	2,000	2,000	-	0.0%	2,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	6,514	13,500	13,500	-	0.0%	13,500	-	0.0%
Business Development	1,225	2,750	2,750	-	0.0%	2,750	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>8,356</b>	<b>20,250</b>	<b>20,250</b>	<b>-</b>	<b>0.0%</b>	<b>20,250</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>439,364</b>	<b>473,474</b>	<b>494,045</b>	<b>20,571</b>	<b>4.3%</b>	<b>514,058</b>	<b>20,013</b>	<b>4.1%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>439,364</b>	<b>473,474</b>	<b>494,045</b>	<b>20,571</b>	<b>4.3%</b>	<b>514,058</b>	<b>20,013</b>	<b>4.1%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 439,364</b>	<b>\$ 473,474</b>	<b>\$ 494,045</b>	<b>\$ 20,571</b>	<b>4.3%</b>	<b>\$ 514,058</b>	<b>\$ 20,013</b>	<b>4.1%</b>

## Business Planning

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 473,474</b>	<b>\$ 494,045</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	14,479	10,970
Salary adjustments and pay-for-performance	6,092	9,043
<b>Total Increase in personnel costs</b>	<b>20,571</b>	<b>20,013</b>
Other, net	-	-
<b>Total change in-non-personnel costs</b>	<b>-</b>	<b>-</b>
<b>Total Increase</b>	<b>20,571</b>	<b>20,013</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 494,045</b>	<b>\$ 514,058</b>

## Business Planning

### Departmental Objectives

#### FY 2013 Progress Report

1. **Strategic Program Management and Performance Measurement – Develop and deploy a Strategic Program Management and Performance Measurement system by June 30, 2013. This goal supports the Authority’s Strategic Engagement initiative to manage the “7 Priorities” project task tracking and to report on results. Success will be demonstrated by Authority management’s use of this system to more effectively monitor project progress, measure key performance indicators and adapt the project’s implementation based on changing business conditions.**

**Progress:** The Strategic Program Management and Performance Measurement system is deployed and tracked monthly. The OCA audited the Performance Measurement system in August 2012 and made the following observations as to how the system could be improved: 1) Policy and Procedure development; 2) (Better) Organizational Utilization of Performance Measure information; and 3) Data Verification control. These recommended improvements and refinements will be integrated into the current system through the first half of 2013.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. **Team Project Management Support – Integrate specified project risk management tools and methods into critical Authority projects by June 30, 2013 to ensure defined project requirements are fully met. A minimum of three (3) projects will be targeted to apply these tools and methods, resulting in enhanced decision making effectiveness, managed risk impact, reduced unforeseen issues and established contingency plans.**

**Progress:** Three (3) projects (Concession Development, TDP activation and Capital Project Planning) did (and continue to) apply risk management tools and methods as part of the project’s planning and execution. These methods and tools contributed to the CDP’s successful transition and the capital projects business case. These tools will continue to have expanded use for upcoming projects in the coming year.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. **Organizational change initiatives and business process improvement efforts – Implement a minimum of five (5) major organizational change efforts and/or business process improvement projects by June 30, 2013 to improve operational efficiency/productivity, engage the workforce and obtain greater customer satisfaction or more enhanced community image. All supporting documentation reflecting these operational improvements will be accurately and fully summarized upon completion.**

**Progress:** Either as discrete business process improvement efforts or as part of a larger organizational change initiative (e.g. strategic workforce planning), five (5) projects have been

completed or are scheduled to be completed in this fiscal year. These projects, ranging from functional improvements to knowledge transfer, reflect the efforts to improve workflows and employee productivity with documented, analyzed and improved work processes, enhanced customer satisfaction and/or improved overall quality.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

## Business Planning

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. Enhance and expand the Authority's Performance Measurement System to provide more timely, relevant, useful and accurate data for departmental and organizational decision-making.

Success will be measured by:

- a) implementing improved data collection and software upgrades for the specified key performance indicators aligned with the strategies; and
- b) deploying a more robust and comprehensive set of Senior Staff actions to keep the organization constantly and consistently focused on those key performance indicators.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Establish an Authority Process Optimization Strategy (POS) to compliment the Authority's Employee and Talent Strategy. This strategy would seek to ensure that the Authority's work activities align and support the immediate and long-range workforce effectiveness and efficiency plans.

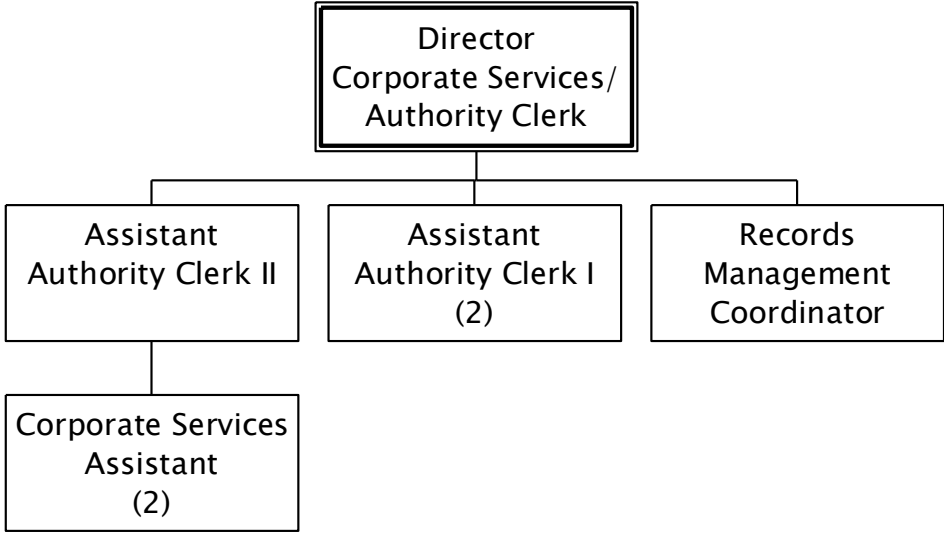
Success will be measured by:

- a) examining critical work tasks, associated processes and process performance issues;
- b) assessing, recommending, facilitating and measuring key process outcomes; and
- c) applying performance audit/ assessment tools and techniques to optimize process effectiveness, efficiency and flexibility.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

**Corporate Services**  
**FY 2014 – FY 2015 Organizational Structure**



*No personnel changes planned for FY 2015*

## Corporate Services

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 406,537	\$ 465,957	\$ 473,886	\$ 7,928	1.7%	\$ 488,102	\$ 14,217	3.0%
Premium Overtime	1,592	-	-	-	0.0%	-	-	0.0%
Employee Benefits	198,095	250,348	260,157	9,809	3.9%	276,420	16,263	6.3%
Subtotal	606,223	716,305	734,042	17,737	2.5%	764,522	30,480	4.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>606,223</b>	<b>716,305</b>	<b>734,042</b>	<b>17,737</b>	<b>2.5%</b>	<b>764,522</b>	<b>30,480</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	27,527	16,400	39,400	23,000	140.2%	10,000	(29,400)	-74.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	5	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	429	-	-	-	0.0%	-	-	0.0%
Operating Supplies	4,362	5,000	5,000	-	0.0%	5,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	12,227	13,230	14,230	1,000	7.6%	13,230	(1,000)	-7.0%
Business Development	23,126	21,500	26,600	5,100	23.7%	27,600	1,000	3.8%
Equipment Rentals & Repairs	21,387	21,452	28,000	6,548	30.5%	29,000	1,000	3.6%
<b>Total Non-Personnel Expenses</b>	<b>89,063</b>	<b>77,582</b>	<b>113,230</b>	<b>35,648</b>	<b>45.9%</b>	<b>84,830</b>	<b>(28,400)</b>	<b>-25.1%</b>
<b>Total Operating Expenses</b>	<b>695,287</b>	<b>793,887</b>	<b>847,272</b>	<b>53,385</b>	<b>6.7%</b>	<b>849,352</b>	<b>2,080</b>	<b>0.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>695,287</b>	<b>793,887</b>	<b>847,272</b>	<b>53,385</b>	<b>6.7%</b>	<b>849,352</b>	<b>2,080</b>	<b>0.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 695,287</b>	<b>\$ 793,887</b>	<b>\$ 847,272</b>	<b>\$ 53,385</b>	<b>6.7%</b>	<b>\$ 849,352</b>	<b>\$ 2,080</b>	<b>0.2%</b>

## Corporate Services

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 793,887</b>	<b>\$ 847,272</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	9,809	16,263
Salary adjustments and pay-for-performance	7,928	14,217
<b>Total Increase in personnel costs</b>	<b>17,737</b>	<b>30,480</b>
Increase / Decrease in use of outside professional services	23,000	(29,400)
Increase in computer licenses & agreements	6,000	-
Other, net	6,648	1,000
<b>Total Increase / Decrease in non-personnel costs</b>	<b>35,648</b>	<b>(28,400)</b>
<b>Total Increase</b>	<b>53,385</b>	<b>2,080</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 847,272</b>	<b>\$ 849,352</b>



## Corporate Services

### Departmental Objectives

#### FY 2013 Progress Report

1. **Ensure that official postings and the distribution of regular and special Board and Committee meeting notices and information are completed 100% of the time in accordance with Authority Policies and the Brown Act.**

**Progress:** Goal attained.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

2. **Respond to public records requests 100% of the time in accordance with the California Public Records Act and established procedures.**

**Progress:** Goal attained.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

3. **Facilitate the review and update of Authority Codes and Policies for Board review and approval by September 2012.**

**Progress:** Review and update still in progress.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Conduct annual compliance reviews of each department to ensure compliance with the requirements of the Approved Records and Information Management Program by December 2012.**

**Progress:** Goal attained.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. To assist in achieving the Authority's metric for reducing Xerox reprographic cost/consumption measures (5%/10%), Corporate Services will begin distributing ALUC, Board and Citizen Committee packets electronically to the fullest extent possible and continue to provide access to official records electronically.

**Progress:** Goal attained.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

## Corporate Services

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. **Increase the Department's Customer Satisfaction Score by 2 percentage points for Fiscal Year 2014.**

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

2. **Enhance access to records and information through the implementation of an Enterprise Content Management System (ECMS) by June 30, 2014.**

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

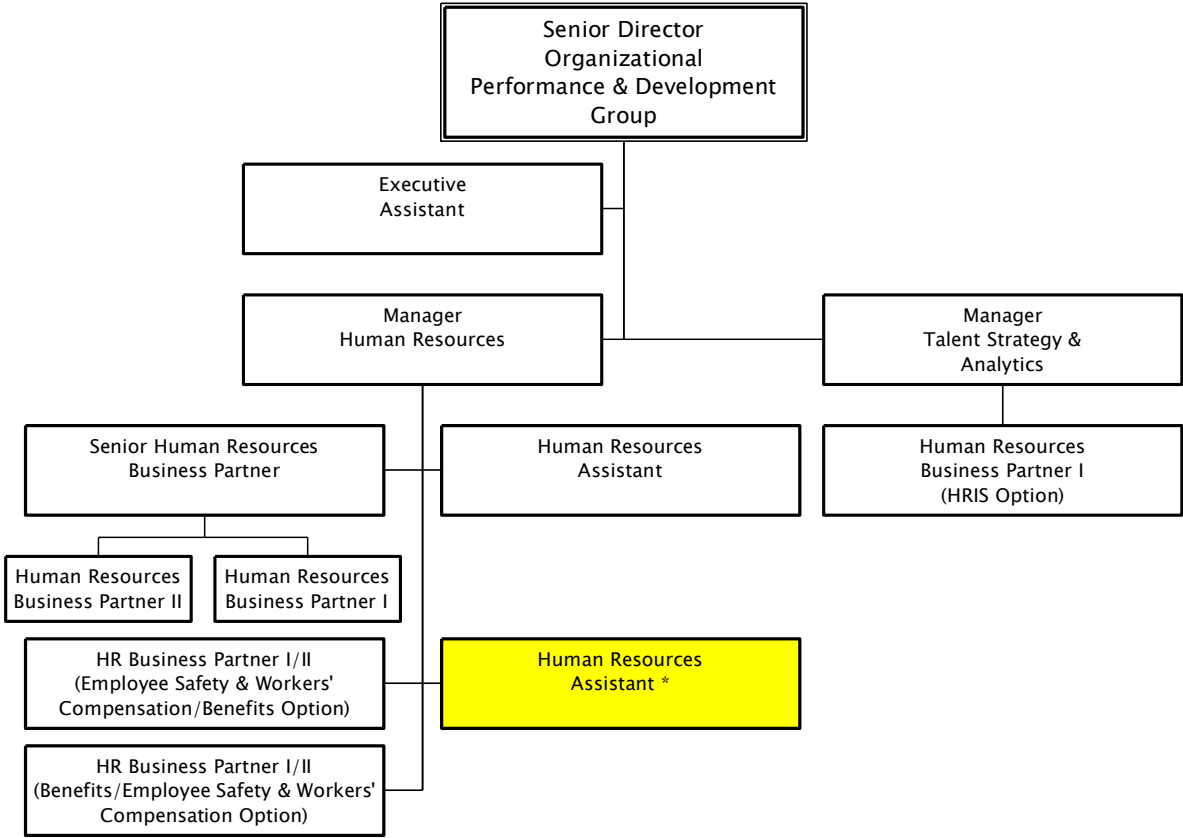
3. **Ensure that official postings and the distribution of regular and special Board and Committee meeting notices and information are completed 100% of the time in accordance with Authority Policies and the Brown Act.**

**Sustainability Goal:** Social Responsibility, Operational Excellence.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

# Human Resources

## FY 2014 – FY 2015 Organizational Structure



\*Unfunded position shown in yellow  
 No personnel changes planned for FY 2015

## Human Resources

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 744,443	\$ 932,942	\$ 962,523	\$ 29,580	3.2%	\$ 991,398	\$ 28,876	3.0%
Premium Overtime	521	-	-	-	0.0%	-	-	0.0%
Employee Benefits	367,903	434,676	471,402	36,726	8.4%	499,498	28,095	6.0%
Subtotal	1,112,868	1,367,619	1,433,925	66,306	4.8%	1,490,896	56,971	4.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,112,868</b>	<b>1,367,619</b>	<b>1,433,925</b>	<b>66,306</b>	<b>4.8%</b>	<b>1,490,896</b>	<b>56,971</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	589,329	699,720	512,220	(187,500)	-26.8%	508,950	(3,270)	-0.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	32	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	570	2,500	2,400	(100)	-4.0%	2,500	100	4.2%
Operating Supplies	3,923	6,000	5,300	(700)	-11.7%	5,300	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	212,512	253,825	254,200	375	0.1%	252,200	(2,000)	-0.8%
Business Development	26,640	62,745	38,290	(24,455)	-39.0%	38,090	(200)	-0.5%
Equipment Rentals & Repairs	5,415	5,500	5,000	(500)	-9.1%	5,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>838,421</b>	<b>1,030,290</b>	<b>817,410</b>	<b>(212,880)</b>	<b>-20.7%</b>	<b>812,040</b>	<b>(5,370)</b>	<b>-0.7%</b>
<b>Total Operating Expenses</b>	<b>1,951,289</b>	<b>2,397,909</b>	<b>2,251,335</b>	<b>(146,574)</b>	<b>-6.1%</b>	<b>2,302,936</b>	<b>51,601</b>	<b>2.3%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,951,289</b>	<b>2,397,909</b>	<b>2,251,335</b>	<b>(146,574)</b>	<b>-6.1%</b>	<b>2,302,936</b>	<b>51,601</b>	<b>2.3%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,951,289</b>	<b>\$ 2,397,909</b>	<b>\$ 2,251,335</b>	<b>\$ (146,574)</b>	<b>-6.1%</b>	<b>\$ 2,302,936</b>	<b>\$ 51,601</b>	<b>2.3%</b>

## Human Resources

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 2,397,909</b>	<b>\$ 2,251,335</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	36,726	28,095
Salary adjustments and pay-for-performance	29,581	28,876
<b>Total Increase in personnel costs</b>	<b>66,306</b>	<b>56,971</b>
Decrease in promotional activities	(20,805)	-
Decrease in use of outside professional services	(185,500)	(3,270)
Other, net	(6,575)	(2,100)
<b>Total Decrease in non-personnel costs</b>	<b>(212,880)</b>	<b>(5,370)</b>
<b>Total Decrease / Increase</b>	<b>(146,574)</b>	<b>51,601</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,251,335</b>	<b>\$ 2,302,936</b>

## Human Resources

### Departmental Objectives

#### FY 2013 Progress Report

1. **Maintain or improve worker's compensation loss rate versus five-year historical average as of July 1, 2012 through FY 2013. Success equals maintaining loss rate within +/- 5% of average.**

**Progress:** On track – loss rate is within established parameters.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

2. **Develop and implement a wellness scorecard program model that will facilitate calculating return on investment for identified wellness program components by June 30, 2013. Success equals activating benchmark program data gathering tool(s).**

**Progress:** On track.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

3. **Execute Strategic Workforce Planning and PACE action planning to meet stakeholder expectations. Success equals, that for each client group launched in FY 2013, the process is completed through determining current state (PACE) by June 30, 2013.**

**Progress:** On track.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. **Enhance the customer satisfaction rate of the HR department as measured through the annual Division Customer Satisfaction Survey. Success equals maintaining a three-year average level of customer responsiveness above 80% through FY 2013.**

**Progress:** On track, 3-year average exceeds 80%.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

## Human Resources

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. **Develop and execute a comprehensive talent strategy leveraging technology to increase employee performance and commitment and close any identified talent gaps in FY 2014.**

**Success equals:** Positions are sourced and filled within talent acquisition strategy execution plans. 3 to 5 year workforce plan for studied departments that identifies anticipated vacancies and presents a strategy to ensure departments have the talent necessary to execute the business plan.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee commitment and performance; Strategy #3: Operate or airport in a safe, secure and environmentally sound, effective and efficient manner; Strategy #1: Enhance the financial position of the Authority.

2. **Develop and implement a multi-platform engagement strategy to leverage the return on investment of safety and wellness programs and minimize/mitigate the increasing cost of employee health and safety programs in FY 2014.**

**Success equals:** Health/wellness costs and plans enable the organization to remain an employer of choice while operating within sustainable cost parameters.

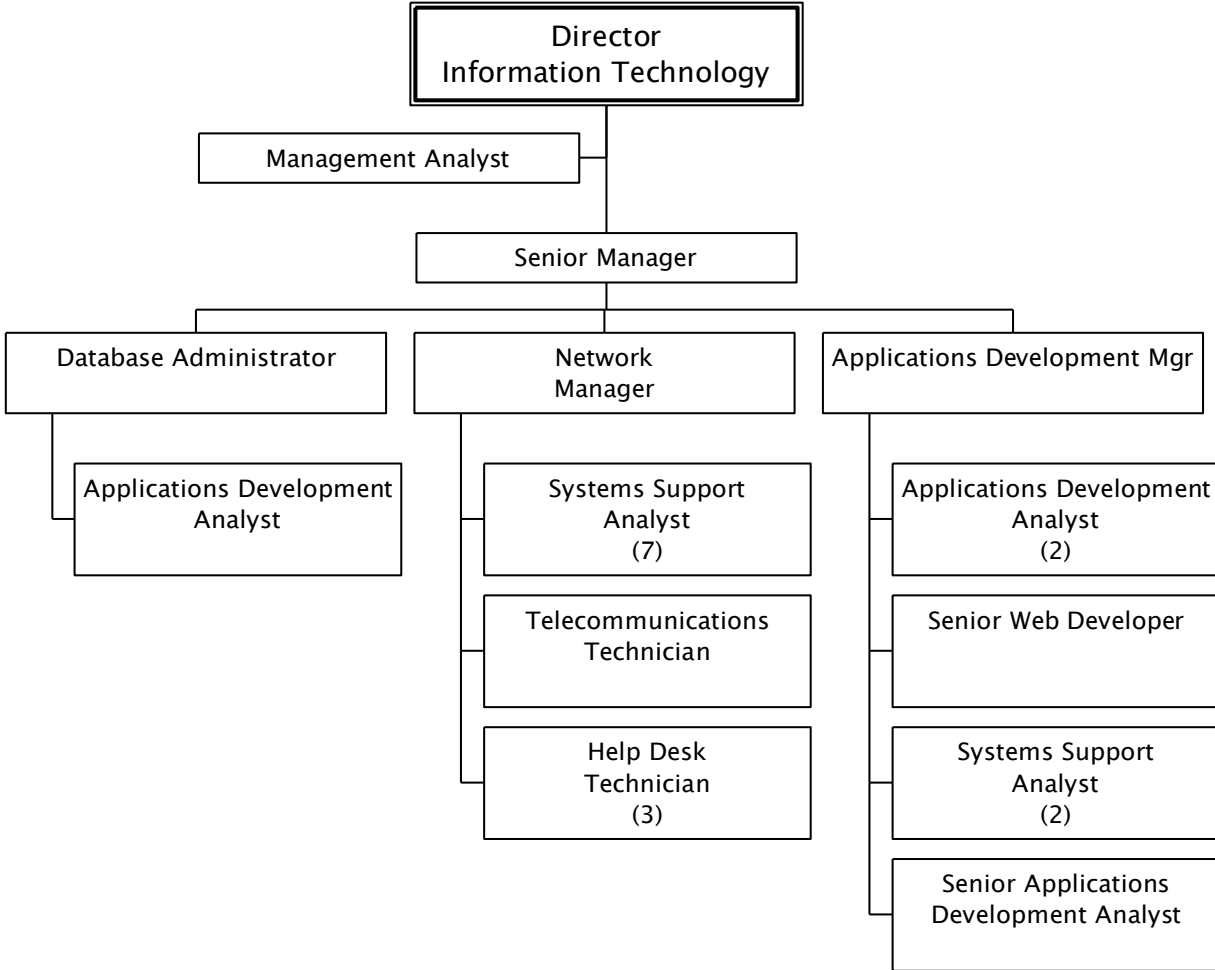
**Sustainability Goal:** Economic Viability; Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority; Strategy #4: Ensure the highest level of employee commitment and performance.



# Information Technology

## FY 2014 – FY 2015 Organizational Structure



No personnel changes planned for FY 2015

# Information Technology

## FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 1,657,970	\$ 1,764,279	\$ 1,971,628	\$ 207,348	11.8%	\$ 2,030,776	\$ 59,149	3.0%
Premium Overtime	171,176	152,000	202,000	50,000	32.9%	150,000	(52,000)	-25.7%
Employee Benefits	802,402	957,977	1,041,145	83,167	8.7%	1,106,870	65,725	6.3%
Subtotal	2,631,548	2,874,257	3,214,772	340,516	11.8%	3,287,646	72,874	2.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>2,631,548</b>	<b>2,874,257</b>	<b>3,214,772</b>	<b>340,516</b>	<b>11.8%</b>	<b>3,287,646</b>	<b>72,874</b>	<b>2.3%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	475,056	470,000	975,000	505,000	107.4%	975,000	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	362,218	397,125	484,000	86,875	21.9%	487,000	3,000	0.6%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	268,660	261,500	307,700	46,200	17.7%	313,000	5,300	1.7%
Operating Supplies	11,090	13,300	23,300	10,000	75.2%	23,800	500	2.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	39,108	52,000	71,400	19,400	37.3%	73,900	2,500	3.5%
Business Development	4,267	7,100	8,100	1,000	14.1%	8,100	-	0.0%
Equipment Rentals & Repairs	859,900	1,316,129	1,980,466	664,337	50.5%	2,067,067	86,601	4.4%
<b>Total Non-Personnel Expenses</b>	<b>2,020,298</b>	<b>2,517,154</b>	<b>3,849,966</b>	<b>1,332,812</b>	<b>52.9%</b>	<b>3,947,867</b>	<b>97,901</b>	<b>2.5%</b>
<b>Total Operating Expenses</b>	<b>4,651,846</b>	<b>5,391,411</b>	<b>7,064,738</b>	<b>1,673,328</b>	<b>31.0%</b>	<b>7,235,513</b>	<b>170,775</b>	<b>2.4%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>4,651,846</b>	<b>5,391,411</b>	<b>7,064,738</b>	<b>1,673,328</b>	<b>31.0%</b>	<b>7,235,513</b>	<b>170,775</b>	<b>2.4%</b>
<b>Equipment Outlay</b>	<b>6,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 4,657,925</b>	<b>\$ 5,391,411</b>	<b>\$ 7,064,738</b>	<b>\$ 1,673,328</b>	<b>31.0%</b>	<b>\$ 7,235,513</b>	<b>\$ 170,775</b>	<b>2.4%</b>

## Information Technology

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 5,391,411</b>	<b>\$ 7,064,738</b>
<b>Personnel costs</b>		
1 position transferred from Marketing & Public Relations (salaries, benefits & employer taxes)	151,994	-
Salary adjustments and pay-for-performance	141,717	7,149
Burden (benefits & employer taxes) increase for current staff	46,805	65,725
<b>Total Increase in personnel costs</b>	<b>340,516</b>	<b>72,874</b>
Increase in Common Use Passenger Processing Systems (CUPPS) costs	1,096,900	-
Increase in Network Switches & VoIP due to Green Build	144,895	7,245
Increase in equipment and systems costs	46,200	35,300
Increase in equipment & rental/leasing costs	20,000	-
Other, net	24,817	55,356
<b>Total Increase in non-personnel costs</b>	<b>1,332,812</b>	<b>97,901</b>
<b>Total Increase</b>	<b>1,673,327</b>	<b>170,775</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 7,064,738</b>	<b>\$ 7,235,513</b>

# Information Technology

## Departmental Objectives

### FY 2013 Progress Report

1. Provide technical training for IT personnel to ensure that they have the appropriate skills to troubleshoot and maintain Authority server, network and software systems without requiring excessive outside technical support. This includes:
  - Provide training for network personnel on the latest equipment and software;
  - Ensure server personnel receiving training on server and desktop operating systems, maintenance and operation of InfoShare and LiveMeeting; and
  - Ensure that software support personnel receive training on the variety of software systems they are responsible for maintaining.

**Progress:** On target. IT personnel have received training in all areas critical to proper operation and maintenance of Authority IT systems.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

2. Achieve 99.5% availability of computer and network systems, excluding scheduled maintenance downtimes, from July 2012 through June 2013. Success will be measured by:
  - Critical application servers (e-mail, network files) maintaining 99.5% uptime; and
  - Critical core switches (main computer room, not edge of network switches) maintaining 99.5% uptime.

**Progress:** On target to exceed specified goal.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Work with the Green Build construction team to ensure that the existing Authority network and the new Green Build network become a fully integrated system by May 2013. Success will be measured by:
  - Ensure that Security access control systems will be fully operational, including existing locations and newly installed Green Build systems;
  - Provide access anywhere on the merged network to all Administrative network users, including old network locations and newly installed Green Build systems; and
  - Manage the old network systems and newly installed Green Build systems from one central location.

**Progress:** On target. Have been working with the Green Build contractor to meet this goal. Initial integration is complete. Successful integration of security access control systems network is complete.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest levels of internal and external customer satisfaction.

4. **Achieve excellent IT Help Desk support service to the Authority by attaining customer satisfaction scores of 93% or higher on the December 2012 Administration Division's Customer Satisfaction Survey.**

**Progress:** On target to exceed specified goal.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

5. **Achieve 99.5% uptime for the Authority's desktop phone systems.**

**Progress:** On target to exceed specified goal.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

# Information Technology

## Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Work with the RCC team to ensure successful opening of the RCC facility in FY 2016, with all necessary Authority technology systems operating properly, while continuing to support the successful opening of the Green Build facility in August 2014.
  - Ensure that RCC technology plans allow the RCC to be fully integrated into the Authority network, to deliver Authority telecommunications services to the RCC by June 2014.
  - Continue integration of the existing Authority network with the Green Build network, so that Authority personnel are managing 100% of the merged network by June 2014.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. Support the implementation of the Telecommunications Concessionaire contract in conjunction with the AvCom department by August 2013.

**Sustainability Goal:** Economic Viability, Operational Excellence.

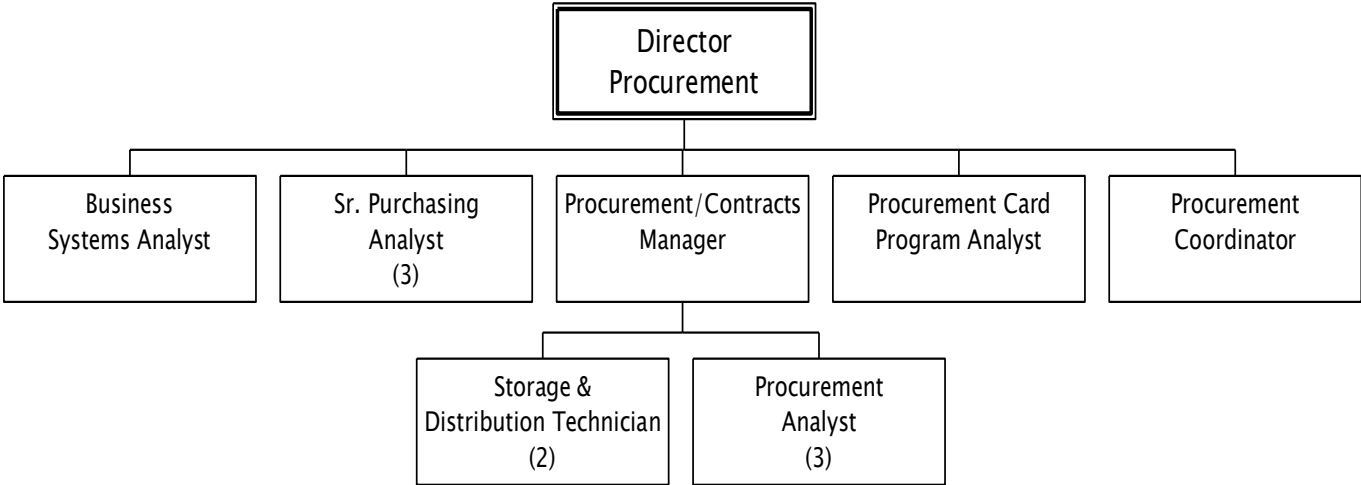
**Authority Strategy:** Strategy #1: Enhance the financial position of the Airport Authority.

3. Implement the Enterprise Content Management system, in conjunction with the Corporate Services Department, by October 2013.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Airport Authority.  
Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

**Procurement**  
**FY 2014 – FY 2015 Organizational Structure**



*No personnel changes planned for FY 2015*

# Procurement

## FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 772,864	\$ 862,173	\$ 886,183	\$ 24,010	2.8%	\$ 912,769	\$ 26,586	3.0%
Premium Overtime	56	1,000	400	(600)	-60.0%	400	-	0.0%
Employee Benefits	383,014	473,169	502,737	29,568	6.2%	535,350	32,613	6.5%
Subtotal	1,155,934	1,336,342	1,389,320	52,978	4.0%	1,448,519	59,199	4.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,155,934</b>	<b>1,336,342</b>	<b>1,389,320</b>	<b>52,978</b>	<b>4.0%</b>	<b>1,448,519</b>	<b>59,199</b>	<b>4.3%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	14,093	21,000	20,500	(500)	-2.4%	20,500	-	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	5,907	4,500	-	(4,500)	-100.0%	-	-	0.0%
Operating Supplies	2,124	7,200	7,200	-	0.0%	7,200	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	11,682	18,350	17,350	(1,000)	-5.4%	18,350	1,000	5.8%
Business Development	3,884	8,150	7,950	(200)	-2.5%	7,550	(400)	-5.0%
Equipment Rentals & Repairs	12,940	36,000	35,500	(500)	-1.4%	37,500	2,000	5.6%
<b>Total Non-Personnel Expenses</b>	<b>50,631</b>	<b>95,200</b>	<b>88,500</b>	<b>(6,700)</b>	<b>-7.0%</b>	<b>91,100</b>	<b>2,600</b>	<b>2.9%</b>
<b>Total Operating Expenses</b>	<b>1,206,565</b>	<b>1,431,542</b>	<b>1,477,820</b>	<b>46,278</b>	<b>3.2%</b>	<b>1,539,619</b>	<b>61,799</b>	<b>4.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,206,565</b>	<b>1,431,542</b>	<b>1,477,820</b>	<b>46,278</b>	<b>3.2%</b>	<b>1,539,619</b>	<b>61,799</b>	<b>4.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,206,565</b>	<b>\$ 1,431,542</b>	<b>\$ 1,477,820</b>	<b>\$ 46,278</b>	<b>3.2%</b>	<b>\$ 1,539,619</b>	<b>\$ 61,799</b>	<b>4.2%</b>



## Procurement

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 1,431,542</b>	<b>\$ 1,477,820</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	29,568	32,613
Salary adjustments and pay-for-performance	23,410	26,586
<b>Total Increase in personnel costs</b>	<b>52,978</b>	<b>59,199</b>
Increase in computer licenses and agreements (Bid Management System)	-	2,000
Decrease in equipment and systems	(4,500)	-
Other, net	(2,200)	600
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(6,700)</b>	<b>2,600</b>
<b>Total Increase</b>	<b>46,278</b>	<b>61,799</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,477,820</b>	<b>\$ 1,539,619</b>

## Procurement Departmental Objectives

### FY 2013 Progress Report

1. **Participate in ongoing professional education activities and benchmarked best practices for Procurement. Success equals:**
  - Receive the Achievement of Excellence in Procurement Award for FY 2012; and
  - 80% of Procurement Staff and 100% of Procurement Analysts will receive a minimum of two Continued Educational Units and share the knowledge learned in FY 2012.

**Progress:** The Procurement Department is on track for meeting the best practices and standards required to submit for the Achievement of Excellence in Procurement Award for FY 2013. Procurement staff continue to receive training and instruction specifically related to trends and best practices in Procurement and Contract Services.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

2. **Promote a sustainable procurement process. Success equals:**
  - Increase the number of solicitations accepting electronic submission to 50% in FY 2013, which results in reducing the Authority's carbon footprint in addition to saving the business community time and money.
  - Expand e-procurement capabilities to allow for the electronic submissions of public work construction projects by January 2013.

**Progress:** 65% of the solicitations processed in FY 2013 by the Procurement Department allowed for the acceptance of electronic submissions. 50% of the total solicitations processed in FY 2013 by Procurement were conducted by accepting 100% electronic submissions only.

Procurement has successfully implemented a new (upgraded) bid management system, which allows for the electronic submissions of public work construction projects. Procurement staff continues to work with relevant stakeholders on utilizing additional functions and capabilities of the new system.

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. **Achieve overall cost savings of 8% through increased competition and negotiations in FY 2013.**

**Progress:** The Procurement Department continues to achieve cost savings through increased competition and negotiations. Contract negotiations may also result in value added services, commitments and revenue for the Authority. A savings of over 10% has been achieved through negotiations and a savings of 8% has been achieved through increased bid competition.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

4. **Improve customer service to the business community through transparency, increased contracting opportunities and outreach. Success equals:**

- **Develop project-specific outreach plans for 90% of the open and competitive solicitations issued through procurement in FY 2013.**
- **Document and benchmark small and local business participation achieved in FY 2013 through an open and competitive solicitation process.**
- **Conduct one vendor training workshop and participate in two vendor outreach events in FY 2013.**

**Progress:** Project specific outreach plans were developed for 99% of the open and competitive solicitations issued through the Procurement Department. 100% of the solicitations documented small and local business participation. Outreach plans include preferences under Airport Authority policies 5.12 and 5.14 as applicable.

During the first 2 quarters of FY 2013, approximately 1442 vendors have actively participated by downloading contract opportunities. Of these vendors 22.7% are certified small business enterprises (SBEs), 41.7% are self-claimed local business enterprises (LBEs), 4.9% are certified disadvantaged business enterprises (DBEs) and 2.1% are certified disabled veterans business enterprises (DVBs). From 7/1/2012-12/31/2012 449 new vendors registered in the Authority's Vendor database as a result of outreach by Procurement and Small Business Development department staff and other Authority employees.

Procurement participated in a regional Small Business Matchmaking Event sponsored by the SBA Office and staff continues to participate and support business community meetings sponsored by the Authority and various business organizations throughout San Diego. On January 15, 2013, Authority Procurement staff was one of 2 "special districts" to serve on a statewide panel providing formal vendor training on "How to do business with Government Agencies".

**Sustainability Goal:** Social responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

# Procurement

## Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Achieve an overall cost savings of 8% through increased competition and negotiations in FY 2014.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

2. Improve customer service to the business community through transparency, increased contract opportunities outreach. Success equals:
  - Develop project-specific outreach plans for 90% of the open, competitive solicitations issued through procurement in FY 2014.
  - Document small and local business participation achieved in FY 2014 through an open, competitive solicitation process.
  - Conduct one vendor training workshop and participate in two vendor outreach events in FY 2014.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

3. Promote a sustainable procurement process. Success equals:
  - Increase the number of solicitations accepting electronic submission above 50% in FY 2014, which results in reducing the Authority's carbon footprint in addition to saving the business community time and money.
  - Update Procurement's sustainability statement and resource guide in FY 2014.

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation.

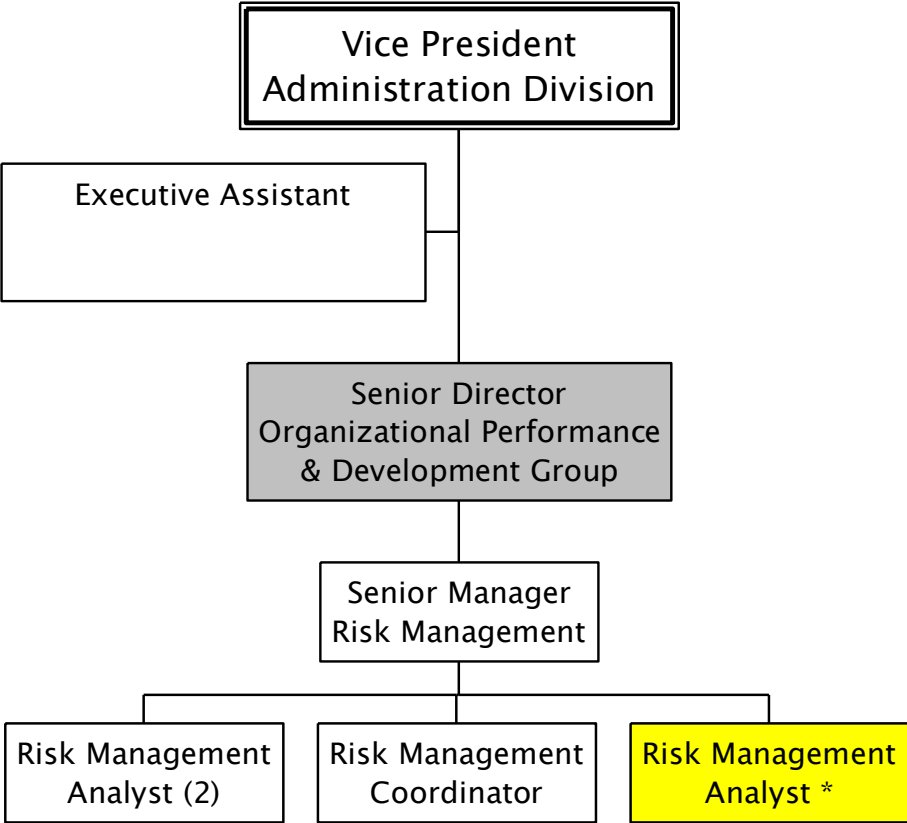
**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Continue to develop staff and promote best practices in Procurement. Success equals:
  - Receive the Achievement of Excellence in Procurement Award for FY 2013 by obtaining a high score based on standardized criteria designed to measure innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee commitment and performance.

# Risk Management FY 2014 – FY 2015 Organizational Structure



\* Unfunded position shown in yellow  
Position shown in grey resides in the Human Resources department and is shown for reporting structure  
No personnel changes planned for FY 2015

## Risk Management

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 490,254	\$ 558,118	\$ 641,792	\$ 83,674	15.0%	\$ 631,691	\$ (10,101)	-1.6%
Premium Overtime	-	500	-	(500)	-100.0%	-	-	0.0%
Employee Benefits	228,377	273,225	296,302	23,077	8.4%	312,007	15,705	5.3%
Subtotal	718,631	831,843	938,094	106,251	12.8%	943,698	5,603	0.6%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>718,631</b>	<b>831,843</b>	<b>938,094</b>	<b>106,251</b>	<b>12.8%</b>	<b>943,698</b>	<b>5,603</b>	<b>0.6%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	400,462	307,250	284,250	(23,000)	-7.5%	284,450	200	0.1%
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	765	250	250	-	0.0%	250	-	0.0%
Operating Supplies	2,642	5,000	5,000	-	0.0%	5,000	-	0.0%
Insurance	764,193	872,318	1,253,579	381,261	43.7%	1,546,084	292,505	23.3%
Employee Programs	18,247	43,450	39,250	(4,200)	-9.7%	39,650	400	1.0%
Business Development	5,685	13,555	13,380	(175)	-1.3%	13,575	195	1.5%
Equipment Rentals & Repairs	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,191,994</b>	<b>1,241,823</b>	<b>1,595,709</b>	<b>353,886</b>	<b>28.5%</b>	<b>1,889,009</b>	<b>293,300</b>	<b>18.4%</b>
<b>Total Operating Expenses</b>	<b>1,910,625</b>	<b>2,073,666</b>	<b>2,533,803</b>	<b>460,137</b>	<b>22.2%</b>	<b>2,832,706</b>	<b>298,903</b>	<b>11.8%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,910,625</b>	<b>2,073,666</b>	<b>2,533,803</b>	<b>460,137</b>	<b>22.2%</b>	<b>2,832,706</b>	<b>298,903</b>	<b>11.8%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,910,625</b>	<b>\$ 2,073,666</b>	<b>\$ 2,533,803</b>	<b>\$ 460,137</b>	<b>22.2%</b>	<b>\$ 2,832,706</b>	<b>\$ 298,903</b>	<b>11.8%</b>

## Risk Management

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 2,073,666</b>	<b>\$ 2,533,803</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	83,174	(10,101)
Burden (benefits & employer taxes) increase for current staff	23,077	15,705
<b>Total Increase in personnel costs</b>	<b>106,251</b>	<b>5,603</b>
Increase in insurance costs	381,261	292,505
Decrease / Increase in use of outside professional services	(23,000)	200
Other, net	(4,375)	595
<b>Total Increase in non-personnel costs</b>	<b>353,886</b>	<b>293,300</b>
<b>Total Increase</b>	<b>460,137</b>	<b>298,903</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,533,803</b>	<b>\$ 2,832,706</b>

## Risk Management Departmental Objectives

### FY 2013 Progress Report

1. Complete a revenue stream interruption study resulting from stakeholder interviews to develop contingency plans and enhance executive and senior staff decision making, to be published by May 31, 2013.

**Progress:** In progress.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

2. Educate each project lead stakeholder in the use of applicable risk assessment tool(s) in their decision making process for Authority projects as identified by the Business Planning function (e.g., GBAT, CDOG and CIP planning). To be successful, the embedding of the risk assessment decision making process will be offered to the project lead for each project identified by the Business Planning Department initiated throughout FY 2013.

**Progress:** In progress.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.



## Risk Management

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. Conduct a revenue stream risk assessment to develop contingency plans and enhance executive and senior staff decision making, to be completed by May 31, 2014.

**Sustainability Goal:** Economic Viability.

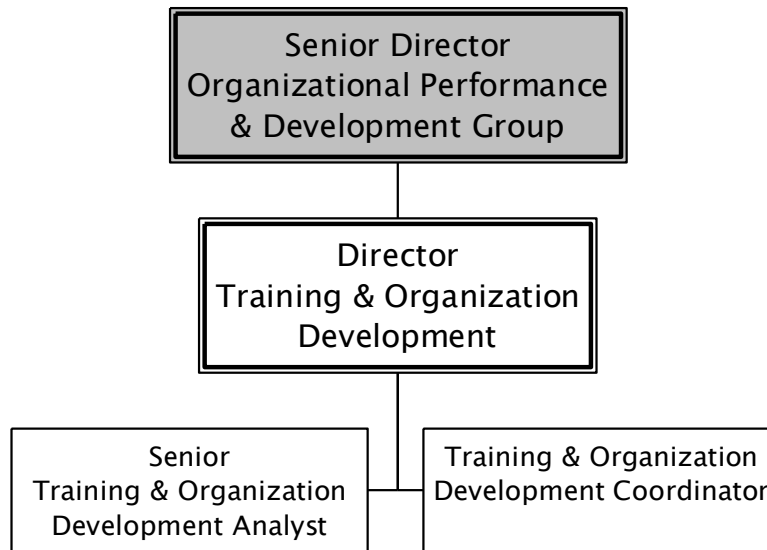
**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

2. Educate each project lead stakeholder in the use of applicable risk assessment tool(s) in their decision making process for Authority projects as identified by the Business Planning function. To be successful, the embedding of the risk assessment decision making process will be offered to the project lead for each project identified by the Business Planning Department initiated throughout FY 2014 and FY 2015.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy # 1: Enhance the financial position of the Authority.

## Training & Organization Development FY 2014 – FY 2015 Organizational Structure



*Position shown in grey resides in the Human Resources department and is shown for reporting structure  
No personnel changes planned for FY 2015*

## Training & Organization Development FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 252,531	\$ 258,855	\$ 267,756	\$ 8,901	3.4%	\$ 275,789	\$ 8,033	3.0%
Premium Overtime	291	-	-	-	0.0%	-	-	0.0%
Employee Benefits	112,749	118,866	127,651	8,784	7.4%	135,006	7,355	5.8%
Subtotal	365,571	377,722	395,407	17,685	4.7%	410,795	15,388	3.9%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>365,571</b>	<b>377,722</b>	<b>395,407</b>	<b>17,685</b>	<b>4.7%</b>	<b>410,795</b>	<b>15,388</b>	<b>3.9%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	41,019	97,000	86,000	(11,000)	-11.3%	96,000	10,000	11.6%
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	962	500	-	(500)	-100.0%	-	-	0.0%
Operating Supplies	1,382	2,000	3,000	1,000	50.0%	3,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	72,550	74,000	78,550	4,550	6.1%	78,550	-	0.0%
Business Development	8,774	7,250	9,050	1,800	24.8%	9,575	525	5.8%
Equipment Rentals & Repairs	7,000	7,500	7,250	(250)	-3.3%	7,250	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>131,688</b>	<b>188,250</b>	<b>183,850</b>	<b>(4,400)</b>	<b>-2.3%</b>	<b>194,375</b>	<b>10,525</b>	<b>5.7%</b>
<b>Total Operating Expenses</b>	<b>497,259</b>	<b>565,972</b>	<b>579,257</b>	<b>13,285</b>	<b>2.3%</b>	<b>605,170</b>	<b>25,913</b>	<b>4.5%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>497,259</b>	<b>565,972</b>	<b>579,257</b>	<b>13,285</b>	<b>2.3%</b>	<b>605,170</b>	<b>25,913</b>	<b>4.5%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 497,259</b>	<b>\$ 565,972</b>	<b>\$ 579,257</b>	<b>\$ 13,285</b>	<b>2.3%</b>	<b>\$ 605,170</b>	<b>\$ 25,913</b>	<b>4.5%</b>

## Training & Organization Development

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 565,972</b>	<b>\$ 579,257</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	8,901	8,033
Burden (benefits & employer taxes) increase for current staff	8,784	7,355
<b>Total Increase in personnel costs</b>	<b>17,685</b>	<b>15,388</b>
Decrease / Increase in use of outside professional services (employee opinion survey)	(11,000)	9,000
Other, net	6,600	1,525
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(4,400)</b>	<b>10,525</b>
<b>Total Increase</b>	<b>13,285</b>	<b>25,913</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 579,257</b>	<b>\$ 605,170</b>

# Training & Organization Development

## Departmental Objectives

### FY 2013 Progress Report

1. **Design customer service training by May 2012. Training delivered to 70% of Authority employees by December 2012.**

**Progress:** Training & OD created a class that was delivered to 90% of Authority employees to educate everyone on our customer service standards. In addition, we partnered with Root Learning and Through the Eyes of the Customer was delivered to 98% of all Authority employees.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

2. **Develop customer service training for our airport partners (airlines, concessions, taxis) and deliver by October 2012.**

**Progress:** Through our work with Root Learning, a customizable 3 part training is currently being finalized for our airport partners to use.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. **Conduct a skills needs assessment by December 2012 and develop and implement a strategic training plan to address the needs by July 2013.**

**Progress:** The assessment has been completed, the results shared with the executive team, and a training plan has been put in place to address the results.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

4. **Develop and deliver at least four new course offerings to address skill gaps identified through strategic engagement activities, Strategic Workforce Planning and training needs assessment by June 2013.**

**Progress:** Working with our Training Advisory Board, a training activity is being delivered each month on a strategy. January featured a learning activity on our Community Strategy, and February is highlighting the Customer Strategy.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

5. **Design and coordinate activities to follow up on the results of the 2012 EOS pulse survey to increase the employee engagement index by one point by February 2013.**

**Progress:** Results of the 2012 survey were shared throughout the Authority and a management-wide goal was set for the 2013 survey. Work has been done in each division to address the results.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

6. **Provide managers with access to information by creating and electronically distributing a management handbook for all Authority staff who manage employees by December 2013.**

**Progress:** We are currently benchmarking with other organizations to determine best business practices.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

## Training & Organization Development Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Continue implementation of the strategic training plan to include follow-up activities to measure and ensure training effectiveness.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee commitment and performance.

2. Manage follow up activities to the 2013 Employee Opinion Survey and administer a 2014 Pulse Survey by March 2014 to support sustainment of the 2013 organizational engagement index.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee commitment and performance.

3. Provide managers with access to information by creating and electronically distributing a management handbook for all Authority staff who manage employees by December 2013.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee commitment and performance.

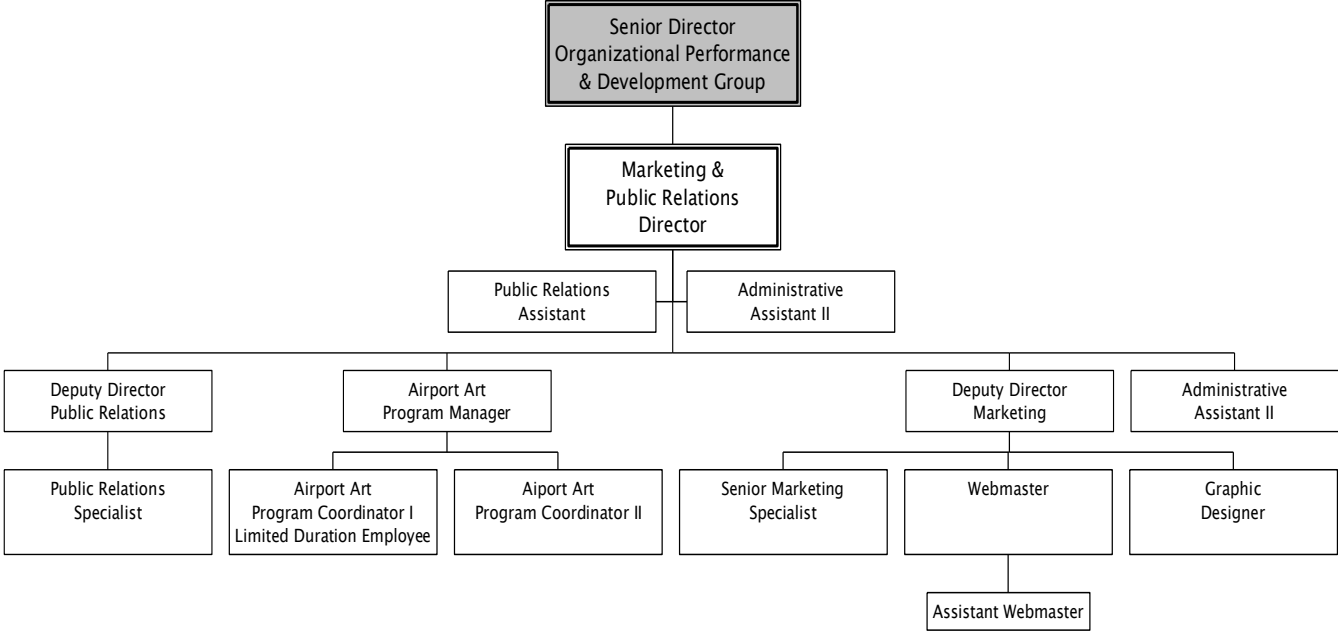
4. Conduct a skills needs assessment by December 2012 and develop and implement a strategic training plan to address the needs by July 2013.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee commitment and performance.

# Marketing & Public Relations

## FY 2014 – FY 2015 Organizational Structure



Position shown in grey resides in the Human Resources department and is shown for reporting structure  
 No personnel changes planned for FY 2015



## Marketing & Public Relations FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 691,251	\$ 1,305,285	\$ 1,118,390	\$ (186,895)	-14.3%	\$ 1,151,193	\$ 32,803	2.9%
Premium Overtime	18	-	-	-	0.0%	-	-	0.0%
Employee Benefits	296,189	616,567	568,468	(48,098)	-7.8%	603,480	35,012	6.2%
Subtotal	987,458	1,921,852	1,686,859	(234,993)	-12.2%	1,754,674	67,815	4.0%
<i>Less: Capitalized Labor</i>	-	-	(74,193)	(74,193)	0.0%	(77,306)	(3,114)	4.2%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>987,458</b>	<b>1,921,852</b>	<b>1,612,666</b>	<b>(309,185)</b>	<b>-16.1%</b>	<b>1,677,368</b>	<b>64,701</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	1,250,630	1,563,250	1,522,250	(41,000)	-2.6%	1,466,250	(56,000)	-3.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	-	0.0%	1,200	-	0.0%
Utilities	33	500	500	-	0.0%	500	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	6,919	6,500	11,500	5,000	76.9%	12,250	750	6.5%
Operating Supplies	5,639	10,450	16,700	6,250	59.8%	16,700	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	31,647	61,137	65,485	4,348	7.1%	70,108	4,623	7.1%
Business Development	174,506	1,564,475	952,670	(611,805)	-39.1%	1,032,920	80,250	8.4%
Equipment Rentals & Repairs	-	23,500	21,000	(2,500)	-10.6%	21,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,469,373</b>	<b>3,231,012</b>	<b>2,591,305</b>	<b>(639,707)</b>	<b>-19.8%</b>	<b>2,620,928</b>	<b>29,623</b>	<b>1.1%</b>
<b>Total Operating Expenses</b>	<b>2,456,831</b>	<b>5,152,864</b>	<b>4,203,971</b>	<b>(948,892)</b>	<b>-18.4%</b>	<b>4,298,296</b>	<b>94,324</b>	<b>2.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,456,831</b>	<b>5,152,864</b>	<b>4,203,971</b>	<b>(948,892)</b>	<b>-18.4%</b>	<b>4,298,296</b>	<b>94,324</b>	<b>2.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,456,831</b>	<b>\$ 5,152,864</b>	<b>\$ 4,203,971</b>	<b>\$ (948,892)</b>	<b>-18.4%</b>	<b>\$ 4,298,296</b>	<b>\$ 94,324</b>	<b>2.2%</b>

## Marketing & Public Relations

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc / (Dec) FY14 vs FY13 Budget	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 5,152,864</b>	<b>\$ 4,203,971</b>
<b>Personnel costs</b>		
1 New position - Airport Art Coordinator I, Limited Duration (salaries, benefits & employer taxes)	74,193	-
Salary adjustments and pay-for-performance	(59,709)	32,803
Burden (benefits & employer taxes) decrease / increase for current staff	(70,380)	35,012
Changes in capitalized labor	(74,193)	(3,114)
1 Position transferred to Information Technology department (salaries, benefits & employer taxes)	(179,096)	
<b>Total Decrease / Increase in personnel costs</b>	<b>(309,185)</b>	<b>64,701</b>
Decrease in use of outside professional services	(41,000)	(56,000)
Decrease / Increase in promotional materials costs	(51,000)	50,000
Decrease / Increase in marketing costs	(245,000)	99,000
Decrease in promotional activities costs	(295,000)	(73,000)
Other, net	(7,707)	9,623
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(639,707)</b>	<b>29,623</b>
<b>Total Decrease / Increase</b>	<b>(948,892)</b>	<b>94,324</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 4,203,971</b>	<b>\$ 4,298,296</b>

# Marketing & Public Relations

## Departmental Objectives

### FY 2013 Progress Report

1. **Provide strategic marketing, advertising and communications leadership and services to other Authority divisions and departments. Marketing will ensure a 95% on-time completion for all projects both internally and externally to maximize efficiency and minimize costs. Increase the number of in-house creative jobs completed in FY 2013 by 1% above the annual average of 200.**

**Progress:** Marketing & Public Relations has provided strategic marketing, advertising and communications leadership and creative services to various departments. Marketing & Public Relations is on target to accomplish this goal by June 30, 2013.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

2. **Educate the public on the role of the Airport Authority and the vital role the airport plays in the San Diego region. The Marketing & Public Relations Department director and team will reach out to a minimum of six business leaders and organizations to ensure the airport messages are appropriately communicated.**

**Progress:** Marketing & Public Relations continues to foster relationships with key stakeholders and is on target to accomplish this goal by June 30, 2013.

**Sustainability Goal:** Economic Viability, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Increase the number of visitors to the Authority website by 8%. Continue to test and improve the website by implementing advanced technologies to enhance the customer experience and provide access to vital information (e.g., flights, Green Build, contracting opportunities, concessions) and to improve our communication with the community.**

**Progress:** Marketing & Public Relations continues to work toward increasing the number of visitors to the Authority website and is on target to accomplish this goal by June 30, 2013.

**Sustainability Goal:** Economic Viability, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Oversee the completion of the intranet that will be used to improve employee communication.**

**Progress:** Complete.

**Sustainability Goal:** Economic Viability, Operational Excellence, Natural Resource Conservation, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate

our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

5. **Advance youth education in the areas of airports, aviation and aviation-related careers through planned specific annual outreach programs. Success equals communication through curriculum participation and/or educational item distribution to 11,000 children in the San Diego region.**

**Progress:** This goal has been met and exceeded with outreach serving to more than 15,000 children.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

6. **Develop social media revenue generation proposal, which identifies at least one revenue generation opportunity for each of the following social media tools by the end of the second quarter of FY 2013: Ambassablog, Facebook, Twitter, YouTube and Flickr.**

**Progress:** Marketing & Public Relations has researched the possibility of generating revenue using social media tools and has determined YouTube to be the feasible option, with no feasible opportunities related to the other social media tools at this time.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

7. **Develop a special events revenue generation proposal via rental of airport facilities for public and private events by the second quarter of FY 2013.**

**Progress:** Marketing & Public Relations has researched the possibility of generating revenue by renting airport facilities for public and private events and is on target to meet this goal.

**Sustainability Goal:** Economic Viability, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

8. **Establish a revenue-generating art sponsorship program whereby suitable sponsors are identified for both the Public Art Program and the Temporary and Rotating Exhibits Program, with revenue streams from these efforts realized by mid-FY 2013.**

**Progress:** Marketing & Public Relations continues to research a revenue-generating art sponsorship program and is on target to accomplish this goal by June 30, 2013.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

9. **Enhance social media communications: Reach out to the public and media using conventional and social media tools at each pre-determined milestone for the Green Build and Airport Development Plan, including North side Development, and show results with news coverage and social media comments from the public for each outreach effort over the course of FY 2013.**

**Progress:** Marketing & Public Relations proactively continues to reach out to the public and media using conventional and social media tools regarding the various development initiatives of the Airport Authority. As a result, the department has garnered positive news coverage and social media comments from the public throughout the course of FY 2013.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

**10. Launch a comprehensive mobile device application for SDIA by mid-FY 2013.**

**Progress:** Marketing & Public Relations has completed this goal with SDIA on the GateGuru mobile app.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

**11. Expand specialized community outreach to Little Italy, Mission Hills and Downtown San Diego to establish stronger relationships with the Authority as follows:**

- **Little Italy and Mission Hills: Visit eight to ten businesses per quarter and attend one community meeting per quarter of the Mission Hills Town Council and Little Italy Association.**
- **Downtown: Attend downtown business meeting (Friends of Downtown) monthly and expected to serve a two-year term as Board Member of the USS Midway Museum, attending meetings on a quarterly basis starting in February 2012.**

**Progress:** Goal moved to different department (IGR)

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

## Marketing & Public Relations Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. **By June 30, 2014, ensure that the negative media coverage category of the Authority's Community Strategy media audit performance measurement is no greater than 10%. To proactively work with the media to garner positive coverage on San Diego International Airport, the Authority and various Authority initiatives.**

**Measurement:** On Target – 10% rating

Consistently Exceeds Standards – 9% or lower rating

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

2. **By June 30, 2014, plan and execute an art symposium to generate a cross-disciplinary discussion on how art, culture, aesthetics and creative design affect the livelihood and perception of communities, including the airport.**

**Measurement:** On Target – Execute symposium

Consistently Exceeds Standards – Establish baseline rating of art symposium effectiveness via an on-line survey of participants

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

3. **By June 30, 2014, provide digital content for monitors in Airport Loop buses promoting SAN's food and retail concessions, including an incentive program designed in conjunction with Aviation & Commercial Business Development.**

**Measurement:** On Target – Provide digital content

Consistently Exceeds Standards – Establish baseline number of customers using the incentive program

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

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# **DEVELOPMENT DIVISION**



## Development Division Overview

The Development Division is composed of five departments responsible for the following activities:

**The Facilities Development Department (FDD)** has primary responsibility for the definition, planning, design and construction and close-out of Capital Improvement (CIP) and Major Maintenance (MMP) projects. FDD also 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, Geographical Information System (GIS) and Lease Plans. Further, FDD provides construction inspection, review and oversight of tenant improvement projects to meet the needs of the airlines and concessionaires operating at the Airport. In addition, FDD is responsible for comprehensive planning and implementation of the overall energy plan and overseeing the Life Cycle Cost Management Program for the Authority.

The **Facilities Management Department (FMD)** maintains Airport infrastructure and responds to all Airport and tenant service requests. The department also plans and executes the MMP and assists Facilities Development in the execution of the CIP. It oversees numerous service contracts, including airfield paving and striping, runway rubber removal, landscaping, elevator and escalator maintenance and other specialized services.

The **Airport Design and Construction Department (ADC)** is responsible for implementing the Authority's Airport Development Plan, including the design and construction of terminal, airside and landside improvements. Additionally, ADC is responsible for the design and construction of the Rental Car Center (RCC) located on the North side Development. Specifically, these projects include:

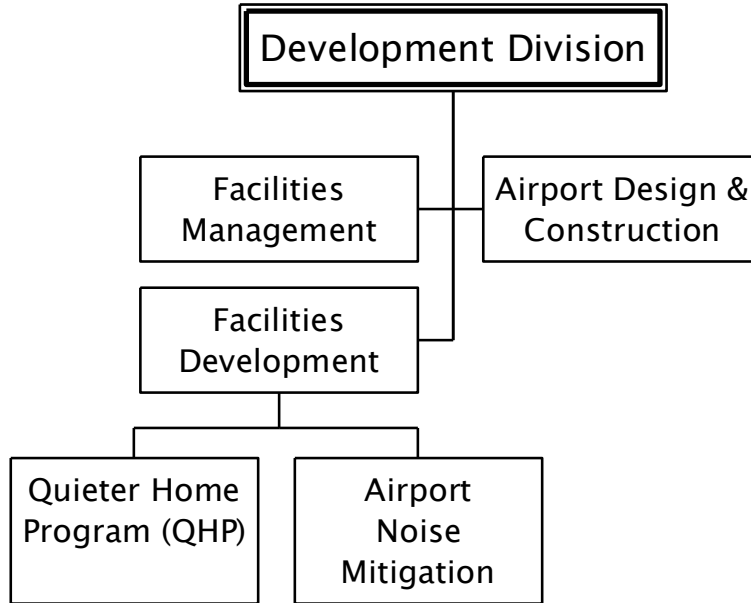
- 2 Million square feet consolidated rental car facility (customer service, quick turn-around, ready/returned vehicles and vehicle staging/storage).
- Additional parking for overnight aircraft, eliminating the need for aircraft to taxi across the runway.
- Taxiway improvements to enhance the flow of aircraft traffic.
- 460,000 square foot expansion of Terminal 2 West including:
  - 10 new jet gates and ticket lobby
  - Expanded dining and shopping options
  - More comfortable seating and waiting areas at the gates
  - A dual-level roadway at Terminal 2, featuring an arrivals curb on level one and a departures curb on level two to relieve current curbside congestion and provide a check-in pavilion that allows travelers to check in for their flight before entering the terminal
  - New enlarged security checkpoint
  - Public art integrated throughout the terminal expansion and check-in pavilions

The **Airport Noise Mitigation Department** administers the Federal Noise Compatibility Program and maintains compliance with the California Noise Standards. Additional services include:

- Monitoring and enforcing compliance with Airport Use Regulations.
- Oversight of the Residential Sound Attenuation (“Quieter Home”) Program.
- Leading the Community Noise Information and Education Program.
- Staff support to the Authority Board's community noise advisory committee.

**Quieter Home Program Department (QHP)**, manages the Authority's community program to reduce interior noise level of residential homes determined to be within the 65+ decibel level contour map around San Diego International Airport. The Federal Aviation Administration has set a goal of reducing interior noise levels for San Diego residents by at least five (5) decibels inside the home, providing a noticeable reduction in noise level.

# Development Division Organizational Structure



## Division Personnel Summary

	FY 2012 Authorized & Funded Positions	FY 2013 Authorized & Funded Positions	FY 2014 Transfers	FY 2014 New/ (Eliminated) Positions	FY 2014 (Unfunded)/ Funded Positions	FY 2014 Authorized & Funded Positions	FY 2015 New/ (Eliminated) Positions	FY 2015 (Unfunded)/ Funded Positions	FY 2015 Authorized & Funded Positions
<b>Development</b>									
Facilities Development	30	30	-	2	4	36	1	-	37
Terminal Development Program	12	9	-	5	-	14	-	-	14
Facilities Management	70	77	-	6	-	83	-	-	83
Airport Noise Mitigation	4	4	-	-	-	4	-	-	4
Quieter Home Program	7	7	-	-	-	7	-	-	7
<b>Total</b>	<b>123</b>	<b>127</b>	<b>-</b>	<b>13</b>	<b>4</b>	<b>144</b>	<b>1</b>	<b>-</b>	<b>145</b>
Authorized and Unfunded Positions	9	4	-	-	-	-	-	-	-
<b>Total Authorized Positions</b>	<b>132</b>	<b>131</b>	<b>-</b>	<b>13</b>	<b>4</b>	<b>144</b>	<b>1</b>	<b>-</b>	<b>145</b>

## Development Division

### FY 2014 – FY 2015 Expense Budget Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 8,248,771	\$ 8,671,275	\$ 10,040,895	\$ 1,369,620	15.8%	\$ 10,948,834	\$ 907,939	9.0%
Premium Overtime	504,189	460,000	450,000	(10,000)	-2.2%	500,000	50,000	11.1%
Employee Benefits	4,029,914	4,777,258	5,435,014	657,755	13.8%	6,007,872	572,859	10.5%
Subtotal	12,782,875	13,908,534	15,925,909	2,017,375	14.5%	17,456,706	1,530,798	9.6%
Less: Capitalized Labor	(4,310,701)	(4,465,578)	(5,572,107)	(1,106,530)	24.8%	(5,996,297)	(424,190)	7.6%
Less: QHP - Labor/Burden/Labor Overhead	(793,309)	(708,766)	(703,804)	4,962	-0.7%	(732,944)	(29,140)	4.1%
<b>Total Personnel Expenses</b>	<b>7,678,865</b>	<b>8,734,190</b>	<b>9,649,997</b>	<b>915,807</b>	<b>10.5%</b>	<b>10,727,466</b>	<b>1,077,468</b>	<b>11.2%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	547,534	836,183	1,163,700	327,516	39.2%	1,155,636	(8,063)	-0.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	6,306,091	7,350,000	8,075,000	725,000	9.9%	8,449,050	374,050	4.6%
Maintenance	7,171,253	7,030,600	10,000,204	2,969,604	42.2%	10,249,100	248,896	2.5%
Operating Equipment & Systems	21,970	26,048	20,729	(5,319)	-20.4%	20,268	(461)	-2.2%
Operating Supplies	77,869	78,037	84,277	6,240	8.0%	90,265	5,988	7.1%
Insurance	47	-	-	-	0.0%	-	-	0.0%
Employee Programs	76,986	127,359	136,583	9,224	7.2%	139,450	2,867	2.1%
Business Development	57,940	96,316	87,248	(9,068)	-9.4%	86,948	(300)	-0.3%
Equipment Rentals & Repairs	253,892	241,027	241,151	125	0.1%	256,629	15,477	6.4%
<b>Total Non-Personnel Expenses</b>	<b>14,513,582</b>	<b>15,785,570</b>	<b>19,808,891</b>	<b>4,023,322</b>	<b>25.5%</b>	<b>20,447,345</b>	<b>638,454</b>	<b>3.2%</b>
<b>Total Operating Expenses</b>	<b>22,192,447</b>	<b>24,519,760</b>	<b>29,458,889</b>	<b>4,939,129</b>	<b>20.1%</b>	<b>31,174,811</b>	<b>1,715,922</b>	<b>5.8%</b>
<b>Non-Operating Expenses:</b>								
Joint Studies/Sound Attenuation	14,617,463	15,181,596	15,176,621	(4,975)	0.0%	15,176,621	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>14,617,463</b>	<b>15,181,596</b>	<b>15,176,621</b>	<b>(4,975)</b>	<b>0.0%</b>	<b>15,176,621</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>36,809,910</b>	<b>39,701,356</b>	<b>44,635,510</b>	<b>4,934,153</b>	<b>12.4%</b>	<b>46,351,432</b>	<b>1,715,922</b>	<b>3.8%</b>
<b>Equipment Outlay</b>	<b>143,290</b>	<b>220,000</b>	<b>10,000</b>	<b>(210,000)</b>	<b>-95.5%</b>	<b>170,000</b>	<b>160,000</b>	<b>1600.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 36,953,200</b>	<b>\$ 39,921,356</b>	<b>\$ 44,645,510</b>	<b>\$ 4,724,153</b>	<b>11.8%</b>	<b>\$ 46,521,432</b>	<b>\$ 1,875,922</b>	<b>4.2%</b>

## Development Division

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13 Budget	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 39,921,356</b>	<b>\$ 44,645,510</b>
<b>Personnel costs</b>		
13 New positions (salaries, benefits & employer taxes)	912,396	-
Salary adjustments and pay-for-performance	495,825	860,189
Burden (benefits & employer taxes) increase for current staff	346,862	538,618
4 Unfrozen positions (salaries, benefits & employer taxes)	262,292	-
1 New position of Quality Assurance Manager (salaries, benefits & employer taxes)	-	131,990
Changes in capitalized labor costs	(1,101,568)	(453,329)
<b>Total Increase in personnel costs</b>	<b>915,807</b>	<b>1,077,468</b>
Baggage Handling System (BHS)	1,349,104	(1,349,104)
Increase in special maintenance costs	825,000	-
Increase in utilities	725,000	374,050
Increase in other annual repair and service contracts	607,000	1,647,000
Increase in Tenant Improvement oversight costs	200,000	-
Increase in major maintenance costs	100,000	-
Electrical switch gear maintenance costs	100,000	(100,000)
Decrease/ Increase in equipment outlay	(210,000)	160,000
Other, net	112,242	66,508
<b>Total Increase in non-personnel costs</b>	<b>3,808,346</b>	<b>798,454</b>
<b>Total Increase</b>	<b>4,724,153</b>	<b>1,875,922</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 44,645,510</b>	<b>\$ 46,521,432</b>

## Development Division FY 2014 Expense Budget by Department

Department	FY 2014 Budget
Facilities Management	\$ 26,731,573
Quieter Home Program	14,996,671
Facilities Development	2,197,976
Airport Noise Mitigation	677,478
Airport Design and Construction	41,812
<b>Total <sup>(1)</sup></b>	<b>\$ 44,645,510</b>

<sup>(1)</sup> Department total may differ due to rounding

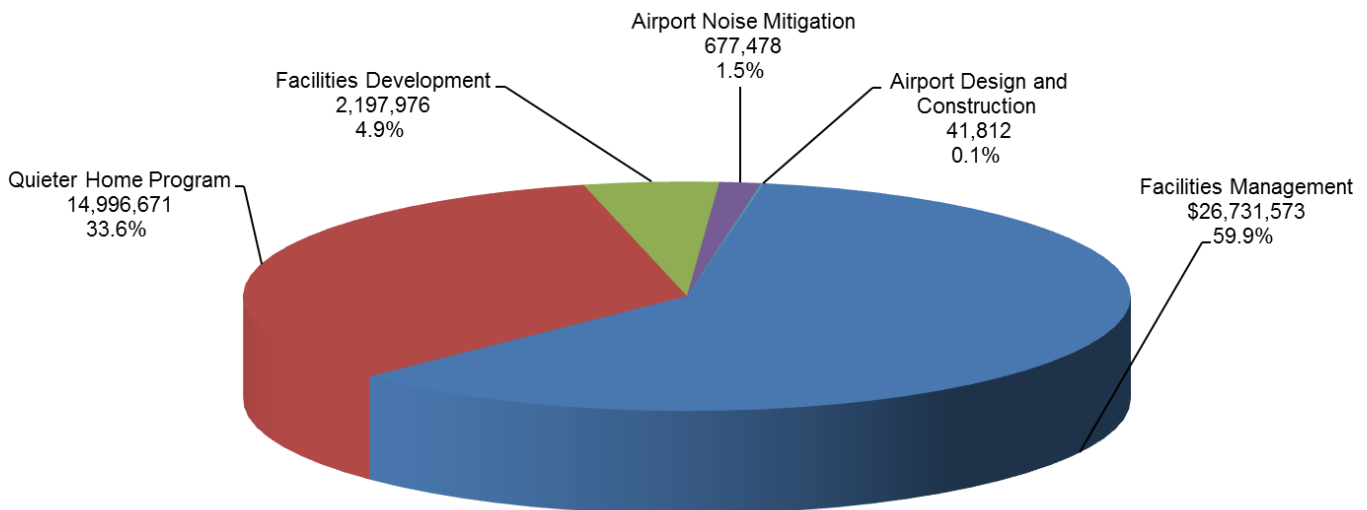


Figure 34 – FY 2014 Expense by Department

## Development Division FY 2015 Expense Budget by Department

Department	FY 2015 Conceptual Budget
Facilities Management	\$ 28,391,525
Quieter Home Program	14,996,571
Facilities Development	2,392,278
Airport Noise Mitigation	698,410
Airport Design and Construction	42,648
<b>Total <sup>(1)</sup></b>	<b>\$ 46,521,432</b>

<sup>(1)</sup> Department total may differ due to rounding

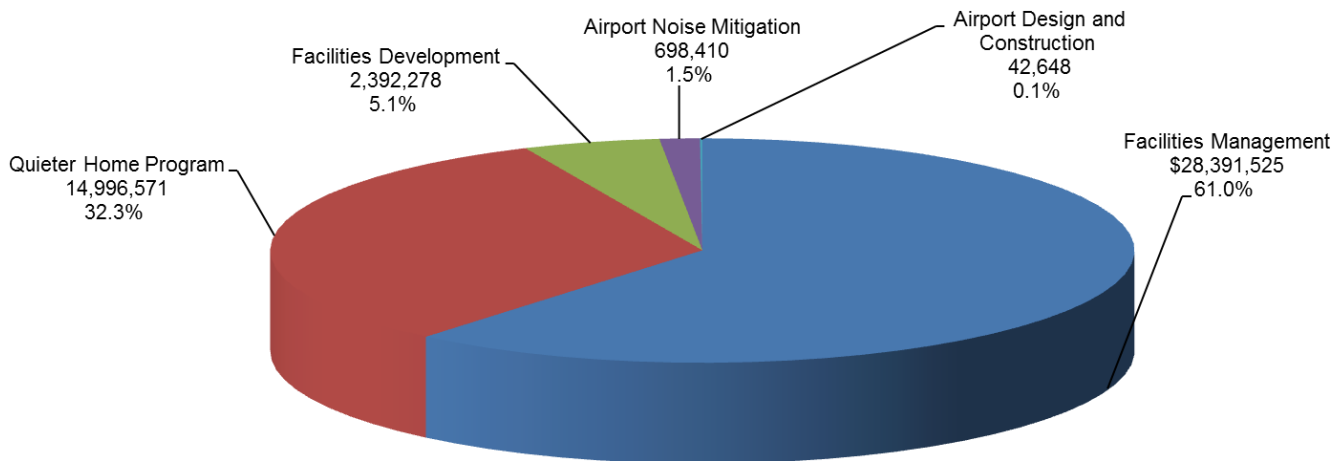
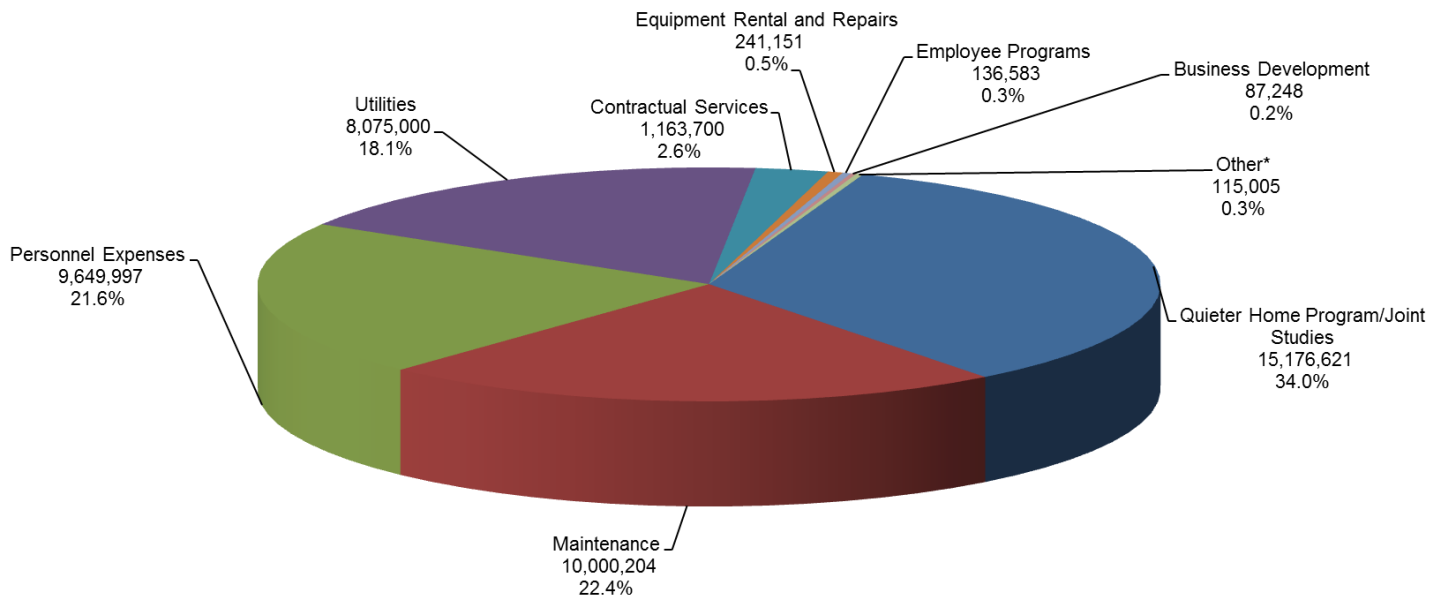


Figure 35 – FY 2015 Expense by Department

## Development Division FY 2014 Expense Budget by Category

Category	FY 2014 Budget
Quieter Home Program/Joint Studies	\$ 15,176,621
Maintenance	10,000,204
Personnel Expenses	9,649,997
Utilities	8,075,000
Contractual Services	1,163,700
Equipment Rental and Repairs	241,151
Employee Programs	136,583
Business Development	87,248
Other*	115,005
<b>Total <sup>(1)</sup></b>	<b>\$ 44,645,510</b>

<sup>(1)</sup> Category total may differ due to rounding



\* Other includes operating equipment & systems, and operating supplies.

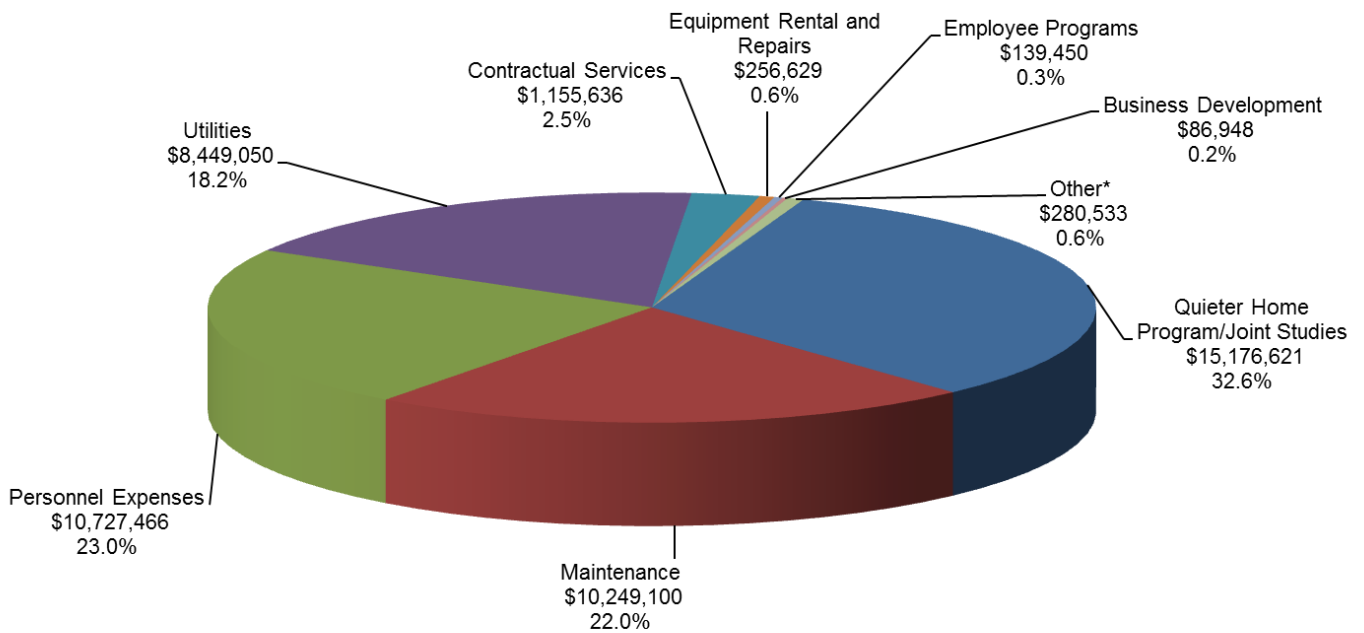
Figure 36 – FY 2014 Expense by Category



## Development Division FY 2015 Expense Budget by Category

Category	FY 2015 Conceptual Budget
Quieter Home Program/Joint Studies	\$ 15,176,621
Maintenance	10,249,100
Personnel Expenses	10,727,466
Utilities	8,449,050
Contractual Services	1,155,636
Equipment Rental and Repairs	256,629
Employee Programs	139,450
Business Development	86,948
Other*	280,533
<b>Total<sup>(1)</sup></b>	<b>\$ 46,521,432</b>

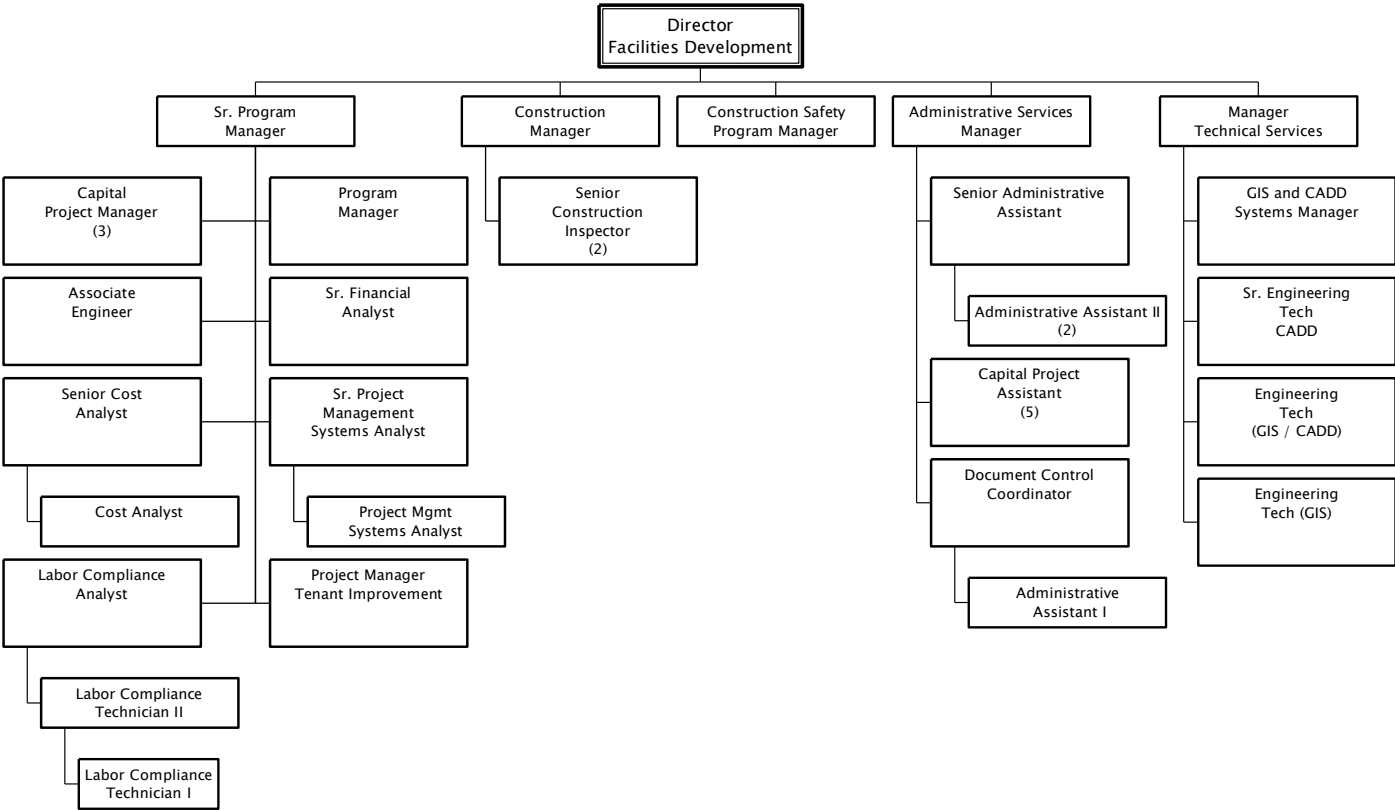
<sup>(1)</sup> Category total may differ due to rounding



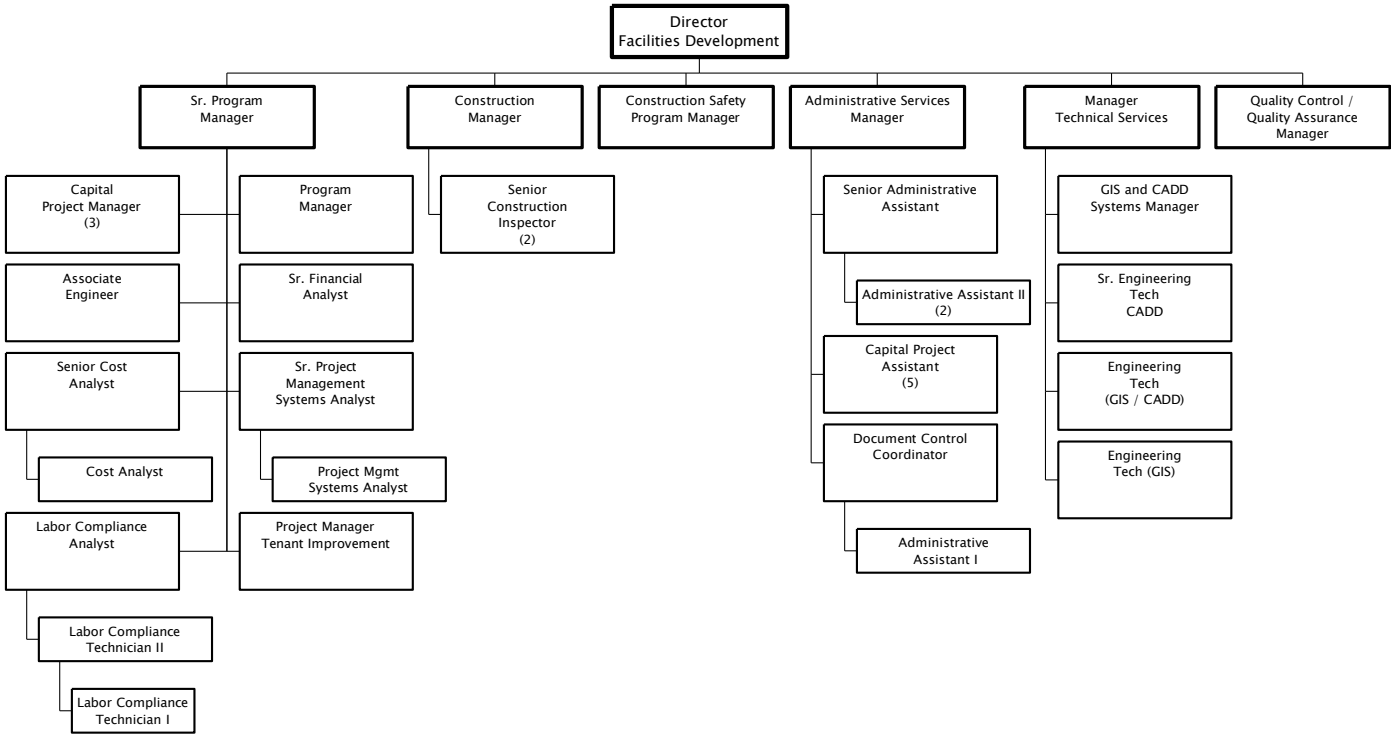
\* Other includes operating equipment & systems, and operating supplies.

Figure 37 – FY 2015 Expense by Category

# Facilities Development FY 2014 Organizational Structure



# Facilities Development FY 2015 Organizational Structure



## Facilities Development

### FY 2014 – FY 2015 Conceptual Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 2,155,102	\$ 2,300,746	\$ 2,562,167	\$ 261,421	11.4%	\$ 3,027,622	\$ 465,455	18.2%
Premium Overtime	10,718	10,000	-	(10,000)	-100.0%	-	-	0.0%
Employee Benefits	952,032	1,144,482	1,275,920	131,438	11.5%	1,486,076	210,156	16.5%
Subtotal	3,117,851	3,455,229	3,838,087	382,858	11.1%	4,513,698	675,611	17.6%
Less: Capitalized Labor	(3,029,908)	(2,760,095)	(3,176,373)	(416,278)	15.1%	(3,671,936)	(495,563)	15.6%
Less: QHP - Labor/Burden/Labor Overhead	(75,485)	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>12,458</b>	<b>695,133</b>	<b>661,714</b>	<b>(33,419)</b>	<b>-4.8%</b>	<b>841,762</b>	<b>180,048</b>	<b>27.2%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	393,900	763,183	1,111,700	348,516	45.7%	1,103,636	(8,063)	-0.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	36	-	-	-	0.0%	-	-	0.0%
Maintenance	8,175	200,000	110,000	(90,000)	-45.0%	110,000	-	0.0%
Operating Equipment & Systems	6,925	5,548	5,729	181	3.3%	5,268	(461)	-8.0%
Operating Supplies	10,141	5,137	8,327	3,190	62.1%	8,665	338	4.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	5,423	3,701	7,392	3,691	99.7%	7,623	231	3.1%
Business Development	10,540	23,620	23,277	(343)	-1.5%	22,377	(900)	-3.9%
Equipment Rentals & Repairs	53,942	30,145	56,509	26,365	87.5%	69,519	13,009	23.0%
<b>Total Non-Personnel Expenses</b>	<b>489,082</b>	<b>1,031,334</b>	<b>1,322,933</b>	<b>291,600</b>	<b>28.3%</b>	<b>1,327,087</b>	<b>4,154</b>	<b>0.3%</b>
<b>Total Operating Expenses</b>	<b>501,540</b>	<b>1,726,467</b>	<b>1,984,647</b>	<b>258,180</b>	<b>15.0%</b>	<b>2,168,849</b>	<b>184,202</b>	<b>9.3%</b>
<b>Non-Operating Expenses:</b>								
Joint Studies/Sound Attenuation	72,835	200,000	200,000	-	0.0%	200,000	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expense	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>72,835</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>0.0%</b>	<b>200,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>574,375</b>	<b>1,926,467</b>	<b>2,184,647</b>	<b>258,180</b>	<b>13.4%</b>	<b>2,368,849</b>	<b>184,202</b>	<b>8.4%</b>
Equipment Outlay	73,930	20,000	10,000	(10,000)	-50.0%	20,000	10,000	100.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 648,305</b>	<b>\$ 1,946,467</b>	<b>\$ 2,194,647</b>	<b>\$ 248,180</b>	<b>12.8%</b>	<b>\$ 2,388,849</b>	<b>\$ 194,202</b>	<b>8.8%</b>

## Facilities Development

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 1,946,467</b>	<b>\$ 2,194,647</b>
<b>Personnel costs</b>		
4 Unfrozen positions (salaries, benefits & employer taxes)	262,292	-
Burden (benefits & employer taxes) increase for current staff	55,986	175,916
2 New positions in FY2014 and 1 new position in FY15 (salaries, benefits & employer taxes)	35,247	131,990
Salary adjustments and pay-for-performance	29,333	367,705
Change in capitalized labor costs	(416,278)	(495,563)
<b>Total Decrease/ Increase in personnel costs</b>	<b>(33,419)</b>	<b>180,048</b>
Increase in Tenant Improvement oversight costs	200,000	-
Increase/ Decrease in Facilities Development consultant costs	136,016	(9,063)
Decrease in major maintenance costs	(90,000)	-
Other, net	35,583	23,217
<b>Total Increase in non-personnel costs</b>	<b>281,600</b>	<b>14,154</b>
<b>Total Increase</b>	<b>248,180</b>	<b>194,202</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,194,647</b>	<b>\$ 2,388,849</b>

## Facilities Development Departmental Objectives

### FY 2013 Progress Report

1. In order to ensure consistent and uniform processes to implement Capital Improvement (CIP) and Major Maintenance Projects (MMP), the Facilities Development Department (FDD) will provide a minimum of six (6) program management training sessions. At least 60% of staff will attend these training sessions and closely monitor staff to ensure at least 80% are following the set processes. With the new program management consultants coming on board, this training will provide new staff the necessary tools to FDD's processes to implement the CIP Program. By December 31, 2012, FDD will conduct a minimum of three training sessions, and by June 30, 2013, FDD will have completed a minimum of six program management training sessions.

**Progress:** A minimum of three (3) training sessions on Project Management was provided during the months of October through December 31, 2012. FDD staff is also training Authority staff in Lean Construction methods. Four sessions have been held focusing on Lean Construction for Project Management since July 2012. In addition, FDD provided two independent training sessions for non-FDD staff in the FMD training room for AvCom and FMD staff. This training focused on FDD's process on CIP project development and was specifically tailored to AvCom and FMD staff addressing various questions regarding project setup and monitoring through construction.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

2. By June 30, 2013, finalize overall RCC delivery schedule for program management. Meet with the RCC project team once each month over the next twelve months to ensure a consistent and reportable approach. Meetings will be documented and minutes distributed to project teams to address progress and associated risk with project development.

**Progress:** The Rental Car Center (RCC), formerly known as ConRAC, is now being managed by the Airport Design & Construction department.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

3. By June 30, 2013, import applicable internal GIS data layers into a GIS format that is compliant with A/C 150/5300-18B. Upon initial review, it was determined there are twenty-one (21) layers within the existing GIS database that needs to be imported into the new FAA compliant GIS format. By September 30, 2012, the FAA requirements will be fully researched and the existing database will be analyzed to determine the method of import into the new format. By March 30, 2013, the correct data layers will be imported. By June 13, 2013, quality control on the data transfer will be completed.

**Progress:** FDD has researched the FAA requirements and completed the data importing of GIS data layers into the new GIS format. FDD is currently conducting quality control and is ahead of schedule to complete this goal by June 2013.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

4. **Dedicate forty hours per employee to staff development.**

**Progress:** FDD Authority staff is currently meeting on a bi-weekly basis to discuss related issues within the department under the subject of employee engagement. This ongoing, interactive staff meeting addresses all aspects of Authority Policies ranging from administration through employee travel. This bi-weekly training allows for full discussion of current and related aspects of accountability, performance, responsibility and mentoring within the Authority's established Strategies and Sustainability goals.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

## Facilities Development Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. **Execute and deliver 100% of the Capital Improvement Program (CIP) projects on time and within budget that are scheduled to be completed by June 30, 2014.**

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

2. **Have zero audit findings for 90% of Capital Improvement Program (CIP) projects and have 10% or less of CIP projects with no significant audit findings by June 30, 2014.**

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **By June 30, 2014, successfully implement pilot E-Project Management System to improve process efficiency within the department and increase collaboration between project teams, consultants and contractors. The new system will have the capability to upload project documentation electronically that will decrease process time, cost of postage and courier services and reduce paper usage.**

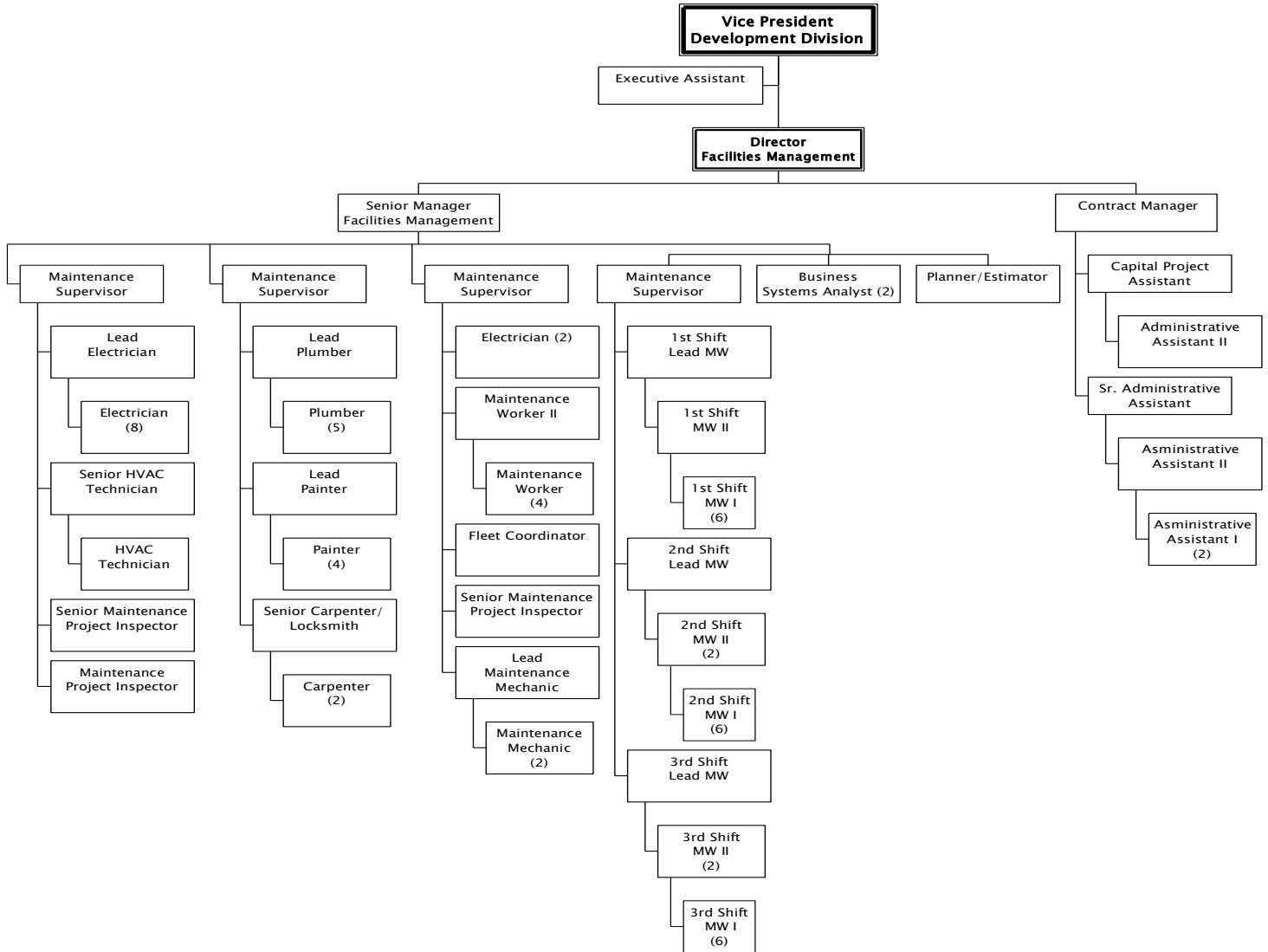
**Sustainability Goal:** Economic Viability, Natural Resource Conservation.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee commitment and performance.



# Facilities Management

## FY 2014 – FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Facilities Management

### FY 2014 – FY 2015 Conceptual Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 4,575,341	\$ 4,779,348	\$ 5,427,592	\$ 648,243	13.6%	\$ 5,808,542	\$ 380,950	7.0%
Premium Overtime	493,275	450,000	450,000	-	0.0%	500,000	50,000	11.1%
Employee Benefits	2,402,748	2,833,307	3,170,192	336,885	11.9%	3,469,198	299,006	9.4%
Subtotal	7,471,364	8,062,655	9,047,784	985,129	12.2%	9,777,740	729,956	8.1%
<i>Less: Capitalized Labor</i>	<i>(192,882)</i>	<i>(550,125)</i>	<i>(500,000)</i>	<i>50,125</i>	<i>-9.1%</i>	<i>(350,000)</i>	<i>150,000</i>	<i>-30.0%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>7,278,482</b>	<b>7,512,530</b>	<b>8,547,784</b>	<b>1,035,253</b>	<b>13.8%</b>	<b>9,427,740</b>	<b>879,956</b>	<b>10.3%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	141,659	63,000	42,000	(21,000)	-33.3%	42,000	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	6,306,037	7,350,000	8,075,000	725,000	9.9%	8,449,050	374,050	4.6%
Maintenance	7,163,078	6,830,600	9,890,204	3,059,604	44.8%	10,139,100	248,896	2.5%
Operating Equipment & Systems	11,153	17,500	15,000	(2,500)	-14.3%	15,000	-	0.0%
Operating Supplies	56,761	66,050	65,350	(700)	-1.1%	71,000	5,650	8.6%
Insurance	47	-	-	-	0.0%	-	-	0.0%
Employee Programs	47,100	75,800	79,910	4,110	5.4%	81,710	1,800	2.3%
Business Development	13,634	17,100	4,325	(12,775)	-74.7%	3,925	(400)	-9.2%
Equipment Rentals & Repairs	4,608	11,250	12,000	750	6.7%	12,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>13,744,077</b>	<b>14,431,300</b>	<b>18,183,789</b>	<b>3,752,489</b>	<b>26.0%</b>	<b>18,813,785</b>	<b>629,996</b>	<b>3.5%</b>
<b>Total Operating Expenses</b>	<b>21,022,560</b>	<b>21,943,830</b>	<b>26,731,573</b>	<b>4,787,742</b>	<b>21.8%</b>	<b>28,241,525</b>	<b>1,509,952</b>	<b>5.6%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>21,022,560</b>	<b>21,943,830</b>	<b>26,731,573</b>	<b>4,787,742</b>	<b>21.8%</b>	<b>28,241,525</b>	<b>1,509,952</b>	<b>5.6%</b>
<b>Equipment Outlay</b>	<b>69,361</b>	<b>200,000</b>	<b>-</b>	<b>(200,000)</b>	<b>-100.0%</b>	<b>150,000</b>	<b>150,000</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 21,091,920</b>	<b>\$ 22,143,830</b>	<b>\$ 26,731,573</b>	<b>\$ 4,587,742</b>	<b>20.7%</b>	<b>\$ 28,391,525</b>	<b>\$ 1,659,952</b>	<b>6.2%</b>

## Facilities Management

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 22,143,830</b>	<b>\$ 26,731,573</b>
<b>Personnel costs</b>		
6 New positions in FY14 (salaries, benefits & employer taxes)	249,004	-
Burden (benefits & employer taxes) increase for current staff	259,424	299,006
Salary adjustments, contracted wage increases and pay-for-performance	476,701	430,950
Changes in capitalized labor costs	50,125	150,000
<b>Total Increase in personnel costs</b>	<b>1,035,253</b>	<b>879,956</b>
Baggage Handling System (BHS)	1,349,104	(1,349,104)
Increase in special maintenance costs	825,000	-
Increase in utilities	725,000	374,050
Increase in other annual repair and service contracts	607,000	1,647,000
Increase in major maintenance costs	100,000	-
Electrical switch gear maintenance	100,000	(100,000)
Decrease/ Increase in equipment outlay	(200,000)	150,000
Other, net	46,385	58,050
<b>Total Increase in non-personnel costs</b>	<b>3,552,489</b>	<b>779,996</b>
<b>Total Increase</b>	<b>4,587,742</b>	<b>1,659,952</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 26,731,573</b>	<b>\$ 28,391,525</b>

## Facilities Management Departmental Objectives

### FY 2013 Progress Report

1. Continue the implementation of the Life Cycle Asset Management Program. Priorities for 2013 will be:

- By June 2013, establish listing of renewable systems and equipment, and develop a ten-year operational plan for renewal and overhaul.
- Complete retro-commissioning of the Commuter Terminal by December 2013.
- Reduce overall energy usage by 3%, and water consumption by 5%, from 2010 baseline, by June 2013.

**Progress:** Overhaul of two passenger boarding bridges (PBB's) to be complete by June 30, 2013, programmed rehabilitation of other PBB's to follow. Operational plan for the baggage system and major HVAC equipment pending. Retro-commissioning of the Commuter Terminal pending issuance of a Task Authorization to the consultant by June 2013. Reduction of energy usage and water consumption on-track to meet the 3% and 5% reduction, respectively, from the 2010 baseline.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Develop and implement a fully operational Computerized Maintenance Management System by June 30, 2013.

**Progress:** Vendor evaluation and selection to be completed by June 2013. Implementation to begin July 1, 2013, and will take approximately 9-12 months.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Design and implement a fully operational Building Management System to support the activation and operation of the Green Build Project by June 30, 2013.

**Progress:** Target turn-over date by Green Build contractor is June 30, 2013.

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. By June 2012, develop and implement an operational procedure that will identify existing facility issues and ensure that they are incorporated into development programs. They also will identify upcoming impacts to facilities that will allow for more closely coordinated projects. Overall procedure to incorporate a facility condition index system to indicate the current facility condition and allow for projections of conditions based on projects.

**Progress:** Completed.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. Establish a professional development program for the Maintenance Supervisors and Lead Technicians to encompass finance, procurement, airport operations and other aspects of the aviation industry. Program began in 2010 and continued to June 2012. Elements include: management team building, supervisory leadership, program management development and lead tradesmen skill development in the areas of job planning, job estimating and crew leadership.

**Progress:** Completed.

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

## Facilities Management Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. **By June 2014, develop and implement procedures for maintenance service agreements and on-call maintenance construction agreements to ensure consistent and uniform contract administration.**

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

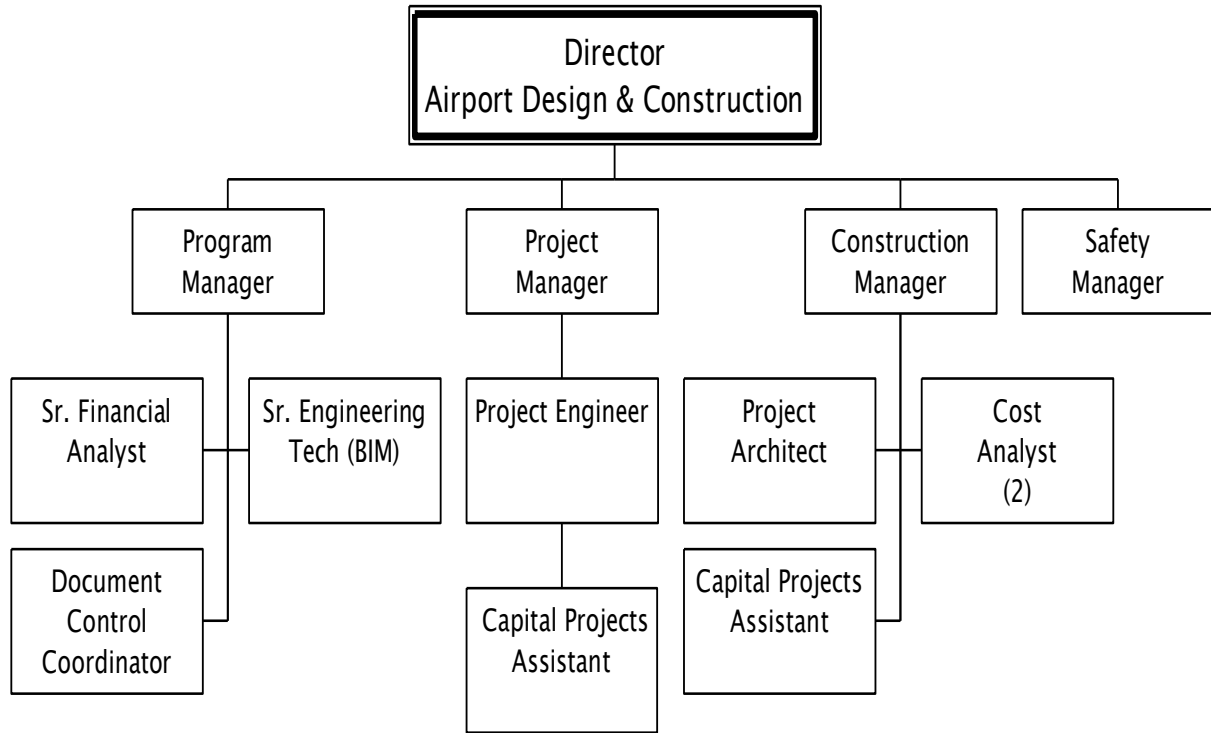
2. **Develop and administer training to department contract owners on contract administration procedures for service, and on-call maintenance construction agreements by June 2014.**

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

# Airport Design & Construction

## FY 2014 – FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Airport Design & Construction

### FY 2014 – FY 2015 Conceptual Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 756,797	\$ 818,761	\$ 1,314,016	\$ 495,255	60.5%	\$ 1,353,436	\$ 39,420	3.0%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	339,966	394,211	581,718	187,507	47.6%	620,924	39,206	6.7%
Subtotal	1,096,762	1,212,972	1,895,734	682,762	56.3%	1,974,361	78,627	4.1%
<i>Less: Capitalized Labor</i>	<i>(1,087,911)</i>	<i>(1,155,358)</i>	<i>(1,895,734)</i>	<i>(740,376)</i>	<i>64.1%</i>	<i>(1,974,361)</i>	<i>(78,627)</i>	<i>4.1%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>8,851</b>	<b>57,614</b>	<b>-</b>	<b>(57,614)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	95	-	-	-	0.0%	-	-	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	-	-	-	-	0.0%	-	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	7,088	22,605	22,795	190	0.8%	23,631	836	3.7%
Business Development	12,457	15,517	18,517	3,000	19.3%	18,517	-	0.0%
Equipment Rentals & Repairs	487	-	500	500	0.0%	500	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>20,127</b>	<b>38,122</b>	<b>41,812</b>	<b>3,690</b>	<b>9.7%</b>	<b>42,648</b>	<b>836</b>	<b>2.0%</b>
<b>Total Operating Expenses</b>	<b>28,978</b>	<b>95,736</b>	<b>41,812</b>	<b>(53,924)</b>	<b>-56.3%</b>	<b>42,648</b>	<b>836</b>	<b>2.0%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>28,978</b>	<b>95,736</b>	<b>41,812</b>	<b>(53,924)</b>	<b>-56.3%</b>	<b>42,648</b>	<b>836</b>	<b>2.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 28,978</b>	<b>\$ 95,736</b>	<b>\$ 41,812</b>	<b>\$ (53,924)</b>	<b>-56.3%</b>	<b>\$ 42,648</b>	<b>\$ 836</b>	<b>2.0%</b>



## Airport Design & Construction

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
	<hr/>	<hr/>
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 95,736</b>	<b>\$ 41,812</b>
<b>Personnel costs</b>		
5 New positions (salaries, benefits & employer taxes)	628,145	-
Burden (benefits & employer taxes) increase for current staff	29,526	39,206
Salary adjustments and pay-for-performance	25,091	39,420
Change in capitalized labor costs	(740,376)	(78,627)
<b>Total Decrease in personnel costs</b>	<b>(57,614)</b>	<b>-</b>
Other, net	3,690	836
<b>Total Increase in non-personnel costs</b>	<b>3,690</b>	<b>836</b>
<b>Total Decrease/ Increase</b>	<b>(53,924)</b>	<b>836</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 41,812</b>	<b>\$ 42,648</b>

# Airport Design & Construction

## Departmental Objectives

### FY 2013 Progress Report

1. Maintain the 1,350 short-term temporary parking spaces that existed as of April 18, 2011 and work with the Landside contractor to create a plan to open 700 short-term parking spaces in front of Terminal 2, as measured by opening sooner than the scheduled October 2012 date.

**Progress:** This objective was completed two months ahead of schedule.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Partner with Aviation Commercial Business Department to create a temporary concessions program by December 2012 to maintain the existing concession revenue during Green Build construction (Terminal 2 West), as measured by total sales per EPAX.

**Progress:** This objective was completed.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Throughout FY 2013-2014 forecast a final cost for the Green Build Program within or better than the approved budget of \$864.6 million, as measured by providing a quarterly forecast at completion report that demonstrates the Green Build Program is trending on budget. TDP will manage costs to provide end-of-program savings by achieving one of the following:

- Manage Green Build scope creep by proactively limiting additional scope to 30% below the total Program Reserve Fund;
- Reduce the amount of additional bonds that the airport will need to sell in 2013 by rigorously monitoring and managing the use of contract contingency funds so that the two design-build contracts close out at 5% below the guaranteed maximum prices (GMP)
- Maintain a lean, cost-effective staff that will result in a \$1.0 million staff budget and end-of-program savings.

**Progress:** Collectively managing scope creep, GMP spending and program management staff cost resulting in a Green Build program budget reduction of \$45 million, which reduced the amount of revenue bonds sold in 2013.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency.

4. Throughout FY 2013-2014, forecast a final completion date for the Green Build Program within or better than the GMP Baseline schedule, as measured by providing a quarterly forecast and completion report that demonstrates that the Green Build Program is trending on schedule for the GMP Baseline to open all areas of the new Terminal 2 West (T2W) Expansion program to the traveling public by August 2013. TDP will work with the design-builder to implement a plan that would permit the phased opening of the T2W Expansion Program successfully so key elements of work (e.g., security checkpoint, baggage screening/sorting and ticket counters) are open to the public between April 15, 2013, and August 1, 2013.

**Progress:** The phased completion of the Green Build program is on schedule.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

5. Ensure robust communications for TDP (internal/external) and enhance the community's (public, professional and tenant) understanding of the program, as measured by completing the following activities:

- Provide quarterly reports and briefings to the Board and senior management;
- Present briefings as needed to stakeholders and the Marketing & Public Relations Department;
- Deliver monthly construction updates;
- Give quarterly Program updates (Aviation Matters);
- Conduct weekly jobsite tours for internal and external stakeholders;
- Lead bi-monthly TDP "All Hands" meetings with staff;
- Activation planning and engagement for TDP staff; and
- Develop staff to help present Green Build updates to the public.

**Progress:** All elements of this goal have been accomplished.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

6. Enhance stakeholders' satisfaction with the TDP by continuing to engage the stakeholders during the design, construction and activation of the Green Build. Support activities include:

- Carry on with the weekly Green Build Activation Team meetings;
- Provide quarterly updates to the Board's TDP Committee;
- Provide budget and schedule updates to the Executive Steering Committee.

**Progress:** Continuing.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

7. **Develop the Green Build Activation Plan. The Activation Plan will be derived from meetings with stakeholders to gain their input and support. The goal will be to create a plan for the startup/commissioning of key program elements while training staff.**

**Progress:** Plan was developed and implemented.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

8. **Facilitate the implementation of the Green Build Activation Plan. Once the plan is developed, the GBOC will be responsible for working with the TDP to implement it.**

**Progress:** Complete (see objective 7).

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

9. **Provide opportunities for TDP staff to participate with the Green Build Activation Plan.**

**Progress:** Ongoing activity until grand opening.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

# Airport Design & Construction

## Departmental Objectives

### FY 2014 – FY 2015 Objectives

#### 1. Revenue Enhancements

Partner with Concessions Development Program (CDP) to continue temporary concessions program through second quarter of FY 2014, maintaining the temporary concession revenue during Green Build construction (Terminal 2 West), as measured by total sales per EPAX.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Airport Authority.  
Strategy #2: Achieve the highest level of internal and external customer satisfaction.  
Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

#### 2. Program Budget Performance

Throughout FY 2013-FY 2014 forecast a final cost for the Green Build Program within or better than the approved budget of \$864.6 million, as measured by providing a (quarterly) forecast at completion report that demonstrates the Green Build program is trending “on-budget” at \$864.6 million. ADC will manage costs to provide end-of-program savings by achieving one of the following:

- Over the course of the Green Build, proactively manage scope creep by limiting additional scope to 50% below the total Program Reserve Fund.
- Maintain a lean, cost effective staff that will result in a \$4.0 million staff budget end-of-program savings.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Airport Authority.  
Strategy #5: Be a trusted and highly responsive regional agency.

#### 3. Program Schedule Performance

Throughout FY 2013-FY 2014, forecast a final completion date for the Green Build program within or better than the “GMP Baseline” schedule, as measured by providing a quarterly forecast at completion report that demonstrates the Green Build program is trending “on-schedule” for the “GMP Baseline” to open all areas of the new T2W Expansion program to the traveling public by August 2013. ADC will work with the design-builder to successfully implement a plan that would permit the phased opening of the T2W Expansion program so key elements of work (e.g. the security checkpoint, baggage screening/sortation and the ticket counters) are opened to the public between April 15, 2013 and August 1, 2013.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Airport Authority.  
Strategy #2: Achieve the highest level of internal and external customer satisfaction.  
Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

4. Throughout FY 2014, break ground on RCC by November 2013, negotiate RCC GMP and complete 100% of the design and construction documents by February 2014.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Airport Authority.  
Strategy #2: Achieve the highest level of internal and external customer satisfaction.  
Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

5. Program Communication Performance

Ensure Robust Communications for ADC (internal/external) and enhance the community's (public, professional and tenants) understanding of the program, as measured by completing the following activities:

- Quarterly reports and briefings to the Board and Senior Management.
- As needed briefings to Stakeholders, Marketing and Public Relations.
- Monthly Construction Updates.
- Quarterly Program Update [Aviation Matters].
- Weekly Jobsite tours for internal/external Stakeholders.
- Bi-Monthly ADC "All-Hands" Meeting with staff.
- Activation planning and engagement for ADC staff.
- Develop staff to help publically present Green Build updates.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #1: Be a trusted and highly responsive regional agency.  
Strategy #2: Achieve the highest level of internal and external customer satisfaction.  
Strategy #3: Ensure the highest level of employee satisfaction.

6. Enhance stakeholders' satisfaction with the Terminal Development Program (TDP) by continuing to engage the stakeholders during the design, construction and activation of the Green Build.

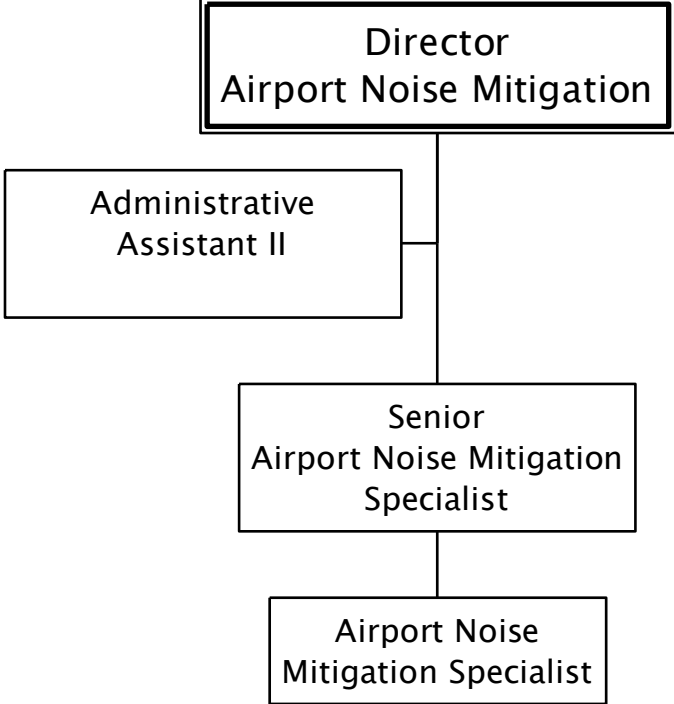
Support activities include:

- Carry on with the weekly Green Build Activation Team meetings.
- Provide quarterly updates to the Board via Capital Improvement Program Oversight Committee (CIPOC).
- Provide budget and schedule updates to the Executive Steering Committee (ESC).

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #1: Be a trusted and highly responsive regional agency.  
Strategy #2: Achieve the highest level of internal and external customer satisfaction.  
Strategy #3: Ensure the highest level of employee satisfaction.

**Airport Noise Mitigation**  
**FY 2014 – FY 2015 Organizational Structure**



*No personnel changes planned for FY 2015*

## Airport Noise Mitigation

### FY 2014 – FY 2015 Conceptual Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 282,639	\$ 285,500	\$ 291,891	\$ 6,391	2.2%	\$ 300,647	\$ 8,757	3.0%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	96,232	139,404	148,609	9,204	6.6%	157,316	8,707	5.9%
Subtotal	378,871	424,904	440,500	15,595	3.7%	457,964	17,464	4.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>378,871</b>	<b>424,904</b>	<b>440,500</b>	<b>15,595</b>	<b>3.7%</b>	<b>457,964</b>	<b>17,464</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	11,833	10,000	10,000	-	0.0%	10,000	-	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	126	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1,538	1,850	1,100	(750)	-40.5%	1,100	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	13,368	19,853	19,736	(117)	-0.6%	19,736	-	0.0%
Business Development	16,252	35,075	34,000	(1,075)	-3.1%	35,000	1,000	2.9%
Equipment Rentals & Repairs	194,855	199,632	172,142	(27,490)	-13.8%	174,610	2,468	1.4%
<b>Total Non-Personnel Expenses</b>	<b>237,972</b>	<b>266,410</b>	<b>236,978</b>	<b>(29,432)</b>	<b>-11.0%</b>	<b>240,446</b>	<b>3,468</b>	<b>1.5%</b>
<b>Total Operating Expenses</b>	<b>616,843</b>	<b>691,314</b>	<b>677,478</b>	<b>(13,837)</b>	<b>-2.0%</b>	<b>698,410</b>	<b>20,932</b>	<b>3.1%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>616,843</b>	<b>691,314</b>	<b>677,478</b>	<b>(13,837)</b>	<b>-2.0%</b>	<b>698,410</b>	<b>20,932</b>	<b>3.1%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 616,843</b>	<b>\$ 691,314</b>	<b>\$ 677,478</b>	<b>\$ (13,837)</b>	<b>-2.0%</b>	<b>\$ 698,410</b>	<b>\$ 20,932</b>	<b>3.1%</b>



## Airport Noise Mitigation

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
	<u>                    </u>	<u>                    </u>
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 691,314</b>	<b>\$ 677,478</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	9,204	8,707
Salary adjustments and pay-for-performance	6,391	8,757
<b>Total Increase in personnel costs</b>	<b>15,595</b>	<b>17,464</b>
Decrease in web-based flight tracking system costs	(8,400)	-
Decrease in flight performance & public display costs	(21,000)	-
Other, net	(32)	3,468
<b>Total Decrease/ Increase in non-personnel costs</b>	<b>(29,432)</b>	<b>3,468</b>
<b>Total Decrease/ Increase</b>	<b>(13,837)</b>	<b>20,932</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 677,478</b>	<b>\$ 698,410</b>

# Airport Noise Mitigation

## Departmental Objectives

### FY 2013 Progress Report

1. **Establish a Memorandum of Agreement (MOA) with the Federal Aviation Administration (FAA) to provide timely, accurate and reliable flight tracking data for the Authority's web-based flight tracking system. Success equals FAA approval and Authority integration by June 30, 2013.**

**Progress:** FAA approved and initiated an MOA in November 2012; MOA was immediately integrated into ANM operations.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Coordinate further (3-year) variance to the California Noise Standards (California Code of Regulations, Title 21, Section 5000) with CA Department of Transportation (DOT) as required by regulation and to demonstrate the Authority's continuing commitment to mitigate aircraft noise to the maximum extent possible. Success equals DOT acceptance by June 30, 2013.**

**Progress:** California Department of Transportation, Division of Aeronautics approved further variance to the California Noise Standards for SDIA in July 2012.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Implement approved elements of the FAA Noise Compatibility Program (FAR Part 150). Success equals budget authority to implement approved elements by June 30, 2013.**

**Progress:** Authority budget (FY 2014-FY 2015) contained no additional revenue to allow implementation of approved elements.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Enhance the Air Carrier Recognition Program to publicly evaluate and rate tenant air carrier and transient operations at SDIA and benchmark against a standardized scale.**

**Progress:** No revenue allocated for this effort.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

5. **Maintain the Quieter Home Program (residential sound insulation) acceleration and spending level. Success equals at least the same number of parcels attenuated as FY 2012.**

**Progress:** QHP received \$14,392,500 in AIP funding in FY 2013, an increase of \$5M over FY 2012. QHP attenuated 349 units in 2012, and 359 in 2013, an increase of 10 parcels.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

6. **Conduct preventative upgrades of the twelve remaining Remote Noise Monitoring Terminal (RMT) poles. Success equals:**

- **Approval by the City of San Diego to upgrade RMT's in place by end of FY 2013;**
- **Budget authority to implement the project; and**
- **Successful completion of all elements by FY 2015.**

**Progress:** CIP approved project Jan 2013; project assigned to project manager.

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation.

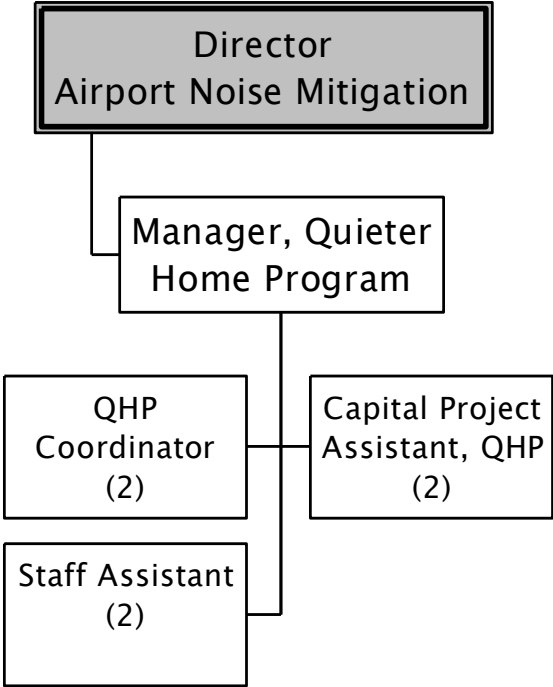
**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

## Airport Noise Mitigation Department Objectives

### FY 2014 – FY 2015 Objectives

- 1. Maintain the Quieter Home Program (residential sound insulation) acceleration and spending level. Success equals at least the same number of parcels attenuated as in FY 2013.**  
**Sustainability Goal:** Operational Excellence, Social Responsibility.  
**Authority Strategy:** Strategy # 2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.
- 2. Conduct upgrades of the twelve remaining Remote Noise Monitoring Terminal (RMT) poles. Success equals project completion by June 30, 2014.**  
**Sustainability Goal:** Operational Excellence, Natural Resource Conservation.  
**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.
- 3. Execute 100% of Department projects on time and with no addition to the overall budget. Success equals project completion on time and on budget.**  
**Sustainability Goal:** Operational Excellence.  
**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.
- 4. Have no significant audit findings for any project or contract. Success equals a spotless internal and external audit.**  
**Sustainability Goal:** Operational Excellence.  
**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

# Quieter Home Program FY 2014 – FY 2015 Organizational Structure



*Position shown in grey resides in the Airport Noise Mitigation department and is shown for reporting structure  
No personnel changes planned for FY 2015*

# Quieter Home Program

## FY 2014 – FY 2015 Conceptual Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 478,893	\$ 486,920	\$ 445,229	\$ (41,691)	-8.6%	\$ 458,586	\$ 13,357	3.0%
Premium Overtime	196	-	-	-	0.0%	-	-	0.0%
Employee Benefits	238,937	265,854	258,575	(7,279)	-2.7%	274,358	15,783	6.1%
Subtotal	718,026	752,774	703,804	(48,970)	-6.5%	732,944	29,140	4.1%
Less: Capitalized Labor	-	-	-	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	(717,824)	(708,766)	(703,804)	4,962	-0.7%	(732,944)	(29,140)	4.1%
<b>Total Personnel Expenses</b>	<b>202</b>	<b>44,008</b>	<b>-</b>	<b>(44,008)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	47	-	-	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	18	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	3,765	3,000	-	(3,000)	-100.0%	-	-	0.0%
Operating Supplies	9,429	5,000	9,500	4,500	90.0%	9,500	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	4,007	5,400	6,750	1,350	25.0%	6,750	-	0.0%
Business Development	5,057	5,004	7,129	2,125	42.5%	7,129	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>22,324</b>	<b>18,404</b>	<b>23,379</b>	<b>4,975</b>	<b>27.0%</b>	<b>23,379</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>22,526</b>	<b>62,412</b>	<b>23,379</b>	<b>(39,033)</b>	<b>-62.5%</b>	<b>23,379</b>	<b>-</b>	<b>0.0%</b>
<b>Non-Operating Expenses:</b>								
Joint Studies/Sound Attenuation	14,544,628	14,981,596	14,976,621	(4,975)	0.0%	14,976,621	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>14,544,628</b>	<b>14,981,596</b>	<b>14,976,621</b>	<b>(4,975)</b>	<b>0.0%</b>	<b>14,976,621</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>14,567,154</b>	<b>15,044,008</b>	<b>15,000,000</b>	<b>(44,008)</b>	<b>-0.3%</b>	<b>15,000,000</b>	<b>-</b>	<b>0.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 14,567,154</b>	<b>\$ 15,044,008</b>	<b>\$ 15,000,000</b>	<b>\$ (44,008)</b>	<b>-0.3%</b>	<b>\$ 15,000,000</b>	<b>\$ -</b>	<b>0.0%</b>

## Quieter Homes Program

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 15,044,008</b>	<b>\$ 15,000,000</b>
<b>Personnel costs</b>		
Change in capitalized labor costs	4,962	(29,140)
Burden (benefits & employer taxes) decrease/ increase for current staff	(7,279)	15,783
Salary adjustments and pay-for-performance	(41,691)	13,357
<b>Total Decrease in personnel costs</b>	<b>(44,008)</b>	<b>-</b>
<b>Total Decrease</b>	<b>(44,008)</b>	<b>-</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 15,000,000</b>	<b>\$ 15,000,000</b>

# Quieter Home Program

## Departmental Objectives

### FY 2013 Progress Report

1. **Develop and maintain partnering relationships with the stakeholders in the Quieter Home Program by conducting nine (9) interactive tours of the Program offices and field activities by June 30, 2013.**

**Progress:** The QHP Team conducted fifteen tours and in addition to informational sessions with stakeholders, including a Realtor's Open House, High Tech High School interns, other SDCRAA Departments, contractors and citizens interested in learning more about the Program.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Improve processes and procedures to continue utilization of new electronic software programs (Note Vault, Quiet Link, ePM, Docushare), to help streamline and automate the Quieter Home Program's efforts by reducing paperwork and increasing productivity by June 30, 2013.**

**Progress:** The QHP Team further refined the usage of electronic systems to automate and streamline business procedures. This past year all closeout documentation (warranty packages, final completion notices and shop drawings) went electronic and are submitted via ePM.

**Sustainability Goal:** Economic Viability, Operational Excellence, Natural Resource Conservation, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Provide sound insulation treatments to at least 300 homes, by identifying opportunities to decrease costs and increase productivity by June 30, 2013.**

**Progress:** During FY 2013, it is anticipated the program will complete 359 homes.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Incorporate different contracting and/or construction delivery methods to increase opportunities to utilize small, local and minority businesses and increase contractor involvement by June 30, 2013.**

**Progress:** The QHP Team worked with the Small Business Department mentoring several contractors that were involved in the Bond Surety Program. Special training and assistance was given to those contractors that had no experience in airport sound insulation programs.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.



5. On an annual basis, continue the involvement of the Team Building Team, made up of Program staff, to organize monthly team building events to foster inter-office relationships and prevent staff burnout.

**Progress:** A team of five QHP members coordinated over 14 events to celebrate holidays, achievements and special occasions. The team also started and continues to organize a monthly volunteer activity to feed the homeless in downtown San Diego.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

## Quieter Home Program Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. **Maintain the Quieter Home Program (residential sound insulation) acceleration and spending level. Success equals at least the same number of parcels attenuated as in FY 2013.**

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy # 2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Conduct upgrade of the twelve remaining Remote Noise Monitoring Terminal (RMT) poles. Success equals project completion by June 30, 2014.**

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. **Execute 100% of Department projects on time and with no addition to the overall budget. Success equals project completion on time and on budget.**

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy # 2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Have no significant audit findings for any project or contract. Success equals spotless internal and external audits.**

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

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**FINANCE  
DIVISION**

## Finance Division Overview

The Finance Division's four departments are responsible for providing the accounting, small business participation, financial planning, budgeting, capital funding, treasury, real estate and property management and terminal concession development.

The **Accounting Department** is responsible for maintenance, reporting and management of all General Ledger accounts, as well as providing cost accounting services in support of the Authority's financial goals and objectives. They are also responsible for:

- Timely and accurate reporting that complies with generally accepted accounting principles.
- In-depth transaction review and strict adherence to Authority policies to ensure safeguarding of Authority assets.
- Consistent, organized and systematic recordkeeping to provide detailed support of Authority financial history.

The **Aviation & Commercial Business Department** (formerly Real Estate Management Department) functions as the landlord of San Diego International Airport and other Authority-controlled property and facilities. It serves as the Authority's representative in acquiring off-airport property rights from other parties and is responsible for developing and implementing real estate-related agreements and business opportunities, including those with air carriers, ground servicing companies, fixed base operators and other aviation-related businesses, concessionaires, advertising and car rental companies, government entities and utility providers. Key responsibilities include:

- Development and implementation of revenue enhancement strategies.
- Negotiation for the development and lease of Authority property and facilities.
- Approval and oversight of tenant development/improvement projects.
- Property management and oversight of tenant activities.

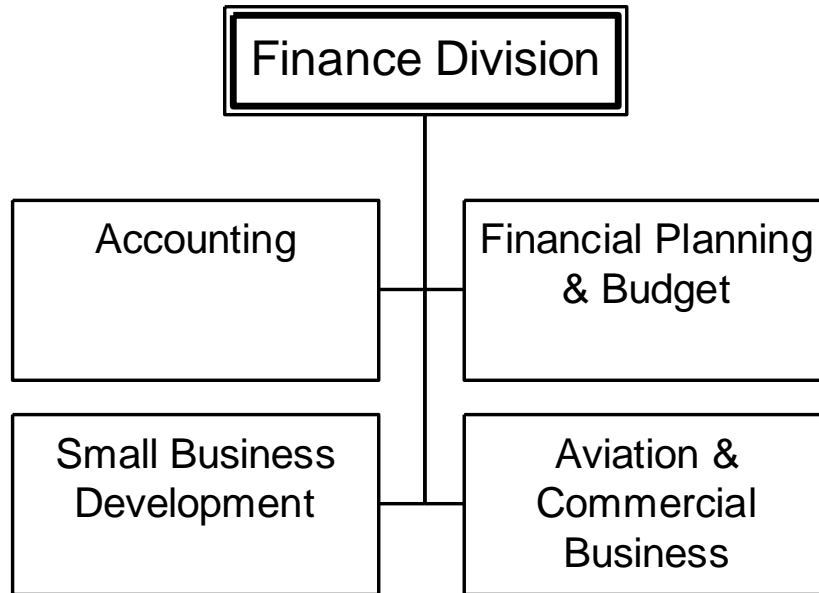
The **Financial Planning & Budget Department** is responsible for developing and administering the Operating and Capital Budgets to provide effective utilization of resources. The department is also responsible for the following:

- Revenue and expense forecasting.
- Calculation of airline rates, fees and charges.
- Grant, Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) administration.
- Treasury and investment management.
- Long-term and short-term debt issuance and management.

The **Small Business Development Department** manages the Authority's Small Business Program, including the Disadvantaged Business Enterprise (DBE) Program as required by Federal regulations. The department also conducts outreach efforts to San Diego County's small business community, encouraging small business and DBE participation on Authority projects and concession opportunities.

# Finance Division

## Organizational Structure



## Division Personnel Summary

	FY 2012 Authorized & Funded Positions	FY 2013 Authorized & Funded Positions	FY 2014 Transfers	FY 2014 New/ (Eliminated) Positions	FY 2014 (Unfunded)/ Funded Positions	FY 2014 Authorized & Funded Positions	FY 2015 New/ (Eliminated) Positions	FY 2015 (Unfunded)/ Funded Positions	FY 2015 Authorized & Funded Positions
<b>Finance</b>									
Financial Planning & Budget	11	12	-	-	-	12	-	-	12
Accounting	13	13	-	-	-	13	-	-	13
Aviation & Commercial Business	22	22	-	1	-	23	-	-	23
Small Business Development	4	5	-	(1)	-	4	-	-	4
<b>Total</b>	<b>50</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>
Authorized and Unfunded Positions	3	1	-	-	-	1	-	-	1
<b>Total Authorized Positions</b>	<b>53</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>53</b>

## Finance Division

### FY 2014 – FY 2015 Expense Budget Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 3,413,679	\$ 4,496,320	\$ 4,395,283	\$ (101,037)	-2.2%	\$ 4,717,215	\$ 321,932	7.3%
Premium Overtime	5,175	-	-	-	0.0%	-	-	0.0%
Employee Benefits	3,651,588	2,163,592	1,985,724	(177,869)	-8.2%	2,209,222	223,498	11.3%
Subtotal	7,070,442	6,659,913	6,381,007	(278,906)	-4.2%	6,926,436	545,429	8.5%
Less: Capitalized Labor	(86,662)	(118,545)	(102,717)	15,828	-13.4%	(106,919)	(4,202)	4.1%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses *</b>	<b>6,983,781</b>	<b>6,541,368</b>	<b>6,278,290</b>	<b>(263,078)</b>	<b>-4.0%</b>	<b>6,819,517</b>	<b>541,227</b>	<b>8.6%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	1,283,614	1,787,658	2,559,196	771,538	43.2%	2,522,773	(36,423)	-1.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	11,414,838	11,415,145	10,377,212	(1,037,933)	-9.1%	10,323,752	(53,460)	-0.5%
Utilities	2,594	1,950	3,750	1,800	92.3%	3,750	-	0.0%
Maintenance	18,140	18,593	18,593	-	0.0%	18,593	-	0.0%
Operating Equipment & Systems	27,950	12,000	5,500	(6,500)	-54.2%	5,500	-	0.0%
Operating Supplies	22,310	30,260	28,400	(1,860)	-6.1%	28,530	130	0.5%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	67,649	96,775	105,075	8,300	8.6%	104,115	(960)	-0.9%
Business Development	242,994	370,700	296,500	(74,200)	-20.0%	377,654	81,154	27.4%
Equipment Rentals & Repairs	46,375	45,392	20,500	(24,892)	-54.8%	21,500	1,000	4.9%
Tenant Improvements	70,800	516,800	359,900	(156,900)	-30.4%	-	(359,900)	-100.0%
<b>Total Non-Personnel Expenses</b>	<b>13,197,263</b>	<b>14,295,274</b>	<b>13,774,626</b>	<b>(520,648)</b>	<b>-3.6%</b>	<b>13,406,167</b>	<b>(368,459)</b>	<b>-2.7%</b>
<b>Total Operating Expenses</b>	<b>20,181,044</b>	<b>20,836,642</b>	<b>20,052,916</b>	<b>(783,726)</b>	<b>-3.8%</b>	<b>20,225,684</b>	<b>172,768</b>	<b>0.9%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>20,181,044</b>	<b>20,836,642</b>	<b>20,052,916</b>	<b>(783,726)</b>	<b>-3.8%</b>	<b>20,225,684</b>	<b>172,768</b>	<b>0.9%</b>
<b>Equipment Outlay</b>	<b>34,346</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 20,215,390</b>	<b>\$ 20,836,642</b>	<b>\$ 20,052,916</b>	<b>\$ (783,726)</b>	<b>-3.8%</b>	<b>\$ 20,225,684</b>	<b>\$ 172,768</b>	<b>0.9%</b>

## Finance Division

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Increase / Decrease

<b>FY 2013 Budget / FY 2014 Conceptual</b>	<b>\$ 20,836,642</b>	<b>\$ 20,052,916</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	133,954	133,448
1 New position and 1 eliminated position (salaries, benefits & employer taxes)	84,916	-
Changes in capitalized labor costs	15,828	(4,202)
Burden (benefits & employer taxes) increase for current staff	11,930	127,131
Change in vacancy savings and workers compensation losses	(509,706)	284,851
<b>Total Decrease / Increase in personnel costs</b>	<b>(263,078)</b>	<b>541,227</b>
Increase in Receiving & Distribution Center (RDC) operator costs	694,788	35,404
Increase in marketing materials for Concession Development Program (CDP)	164,400	62,700
Decrease in tenant improvements	(156,900)	(359,900)
Decrease / Increase in promotional activities costs	(234,000)	16,500
Decrease in space rental	(1,037,933)	(53,460)
Other, net	48,998	(69,703)
<b>Total Decrease in non-personnel costs</b>	<b>(520,648)</b>	<b>(368,459)</b>
<b>Total Decrease / Increase</b>	<b>(783,726)</b>	<b>172,768</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 20,052,916</b>	<b>\$ 20,225,684</b>



# Finance Division

## FY 2014 Expense Budget by Department

Department		FY 2014 Budget
Aviation & Commercial Business	\$	15,663,549
Financial Planning & Budget		2,150,398
Accounting		1,668,046
Small Business Development		810,839
Vacancy Savings and Worker's Compensation losses		(239,916)
<b>Total <sup>(1)</sup></b>	<b>\$</b>	<b>20,052,916</b>

<sup>(1)</sup> Department total may differ due to rounding

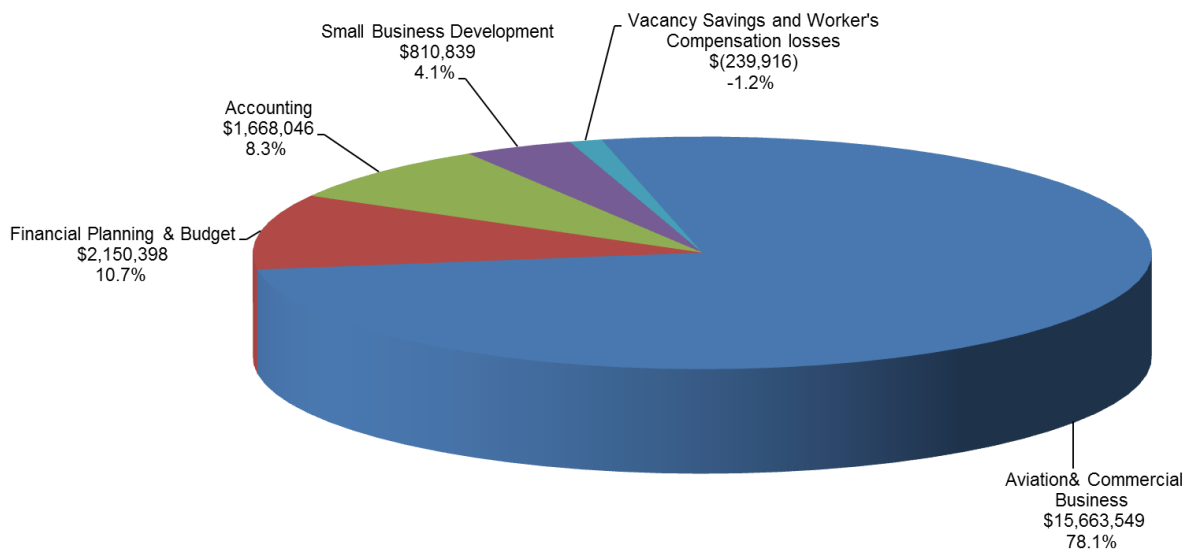


Figure 38 – FY 2014 Expense by Department

# Finance Division

## FY 2015 Expense Budget by Department

Department	FY 2015 Conceptual Budget
Aviation & Commercial Business	\$ 15,395,159
Financial Planning & Budget	2,224,988
Accounting	1,721,973
Small Business Development	838,629
Vacancy Savings and Worker's Compensation losses	44,935
<b>Total <sup>(1)</sup></b>	<b>\$ 20,225,684</b>

<sup>(1)</sup> Department total may differ due to rounding

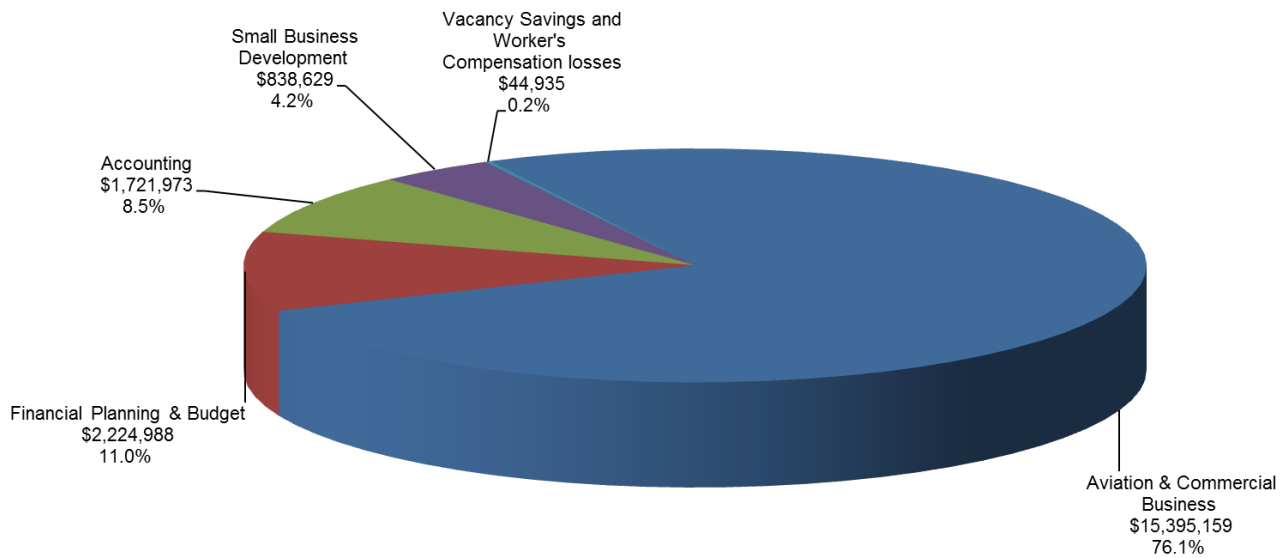


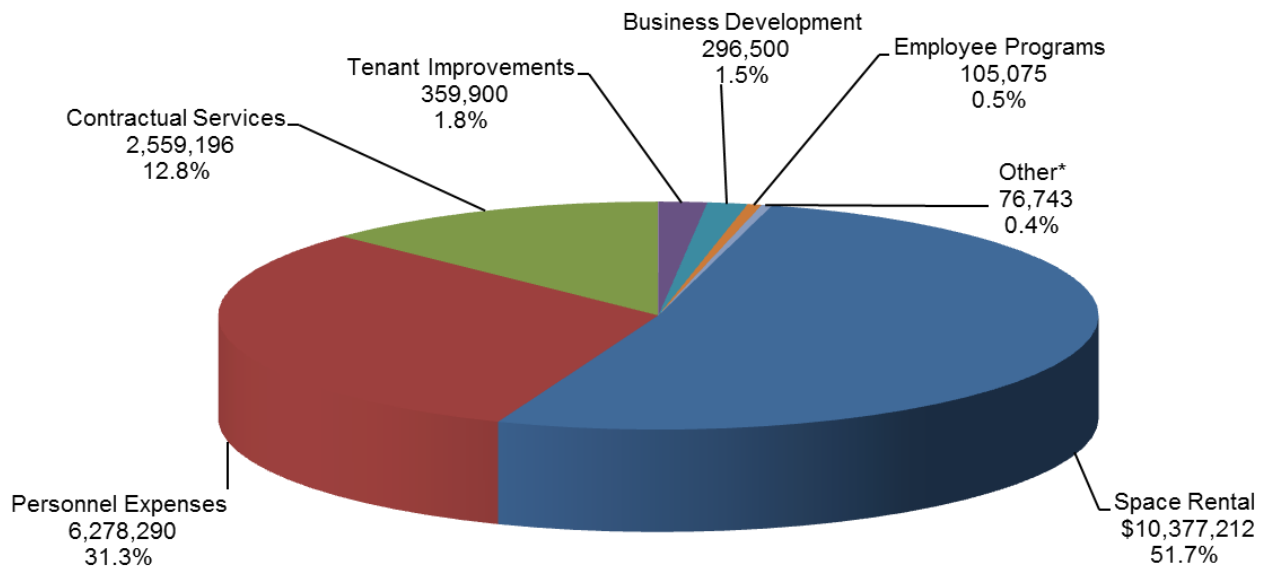
Figure 39 – FY 2015 Expense by Department

# Finance Division

## FY 2014 Expense Budget by Category

Category	FY 2014 Budget
Space Rental	\$ 10,377,212
Personnel Expenses	6,278,290
Contractual Services	2,559,196
Tenant Improvements	359,900
Business Development	296,500
Employee Programs	105,075
Other*	76,743
<b>Total<sup>(1)</sup></b>	<b>\$ 20,052,916</b>

<sup>(1)</sup> Category total may differ due to rounding



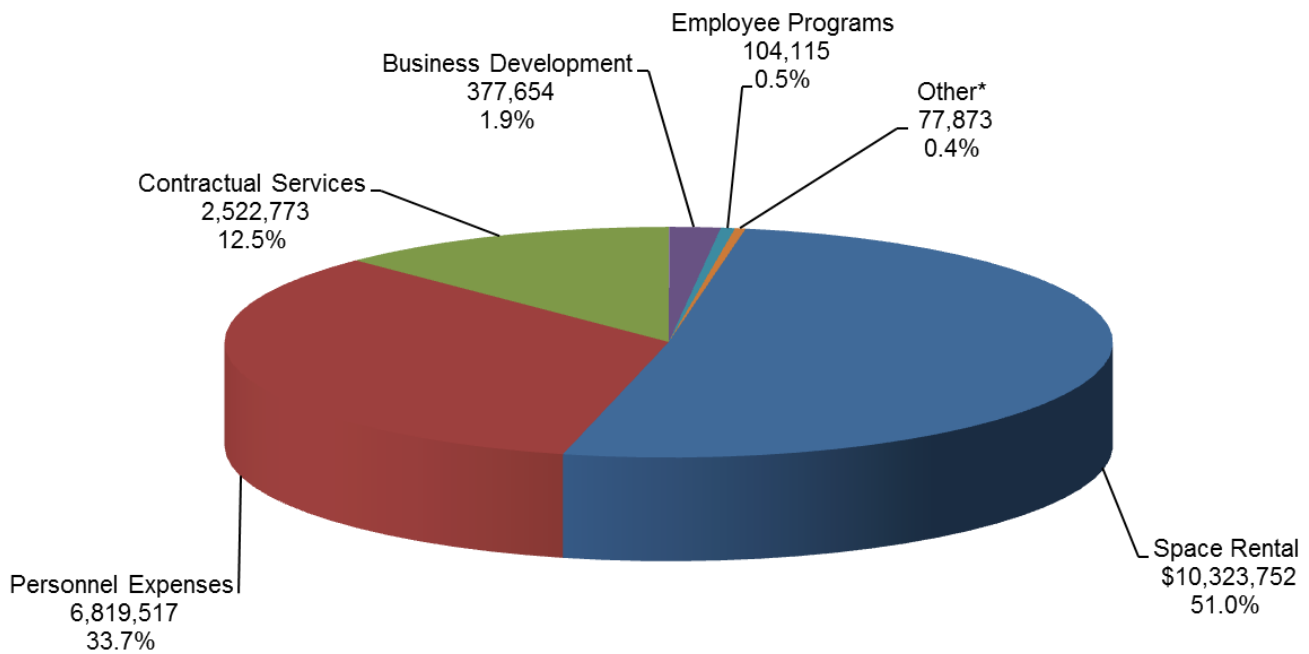
\*Other includes utilities, maintenance, operating equipment & systems, operating supplies, equipment rentals and repairs

Figure 40 – FY 2014 Expense by Category

## Finance Division FY 2015 Expense Budget by Category

Category	FY 2015 Conceptual Budget
Space Rental	\$ 10,323,752
Personnel Expenses	6,819,517
Contractual Services	2,522,773
Business Development	377,654
Employee Programs	104,115
Other*	77,873
<b>Total<sup>(1)</sup></b>	<b>\$ 20,225,684</b>

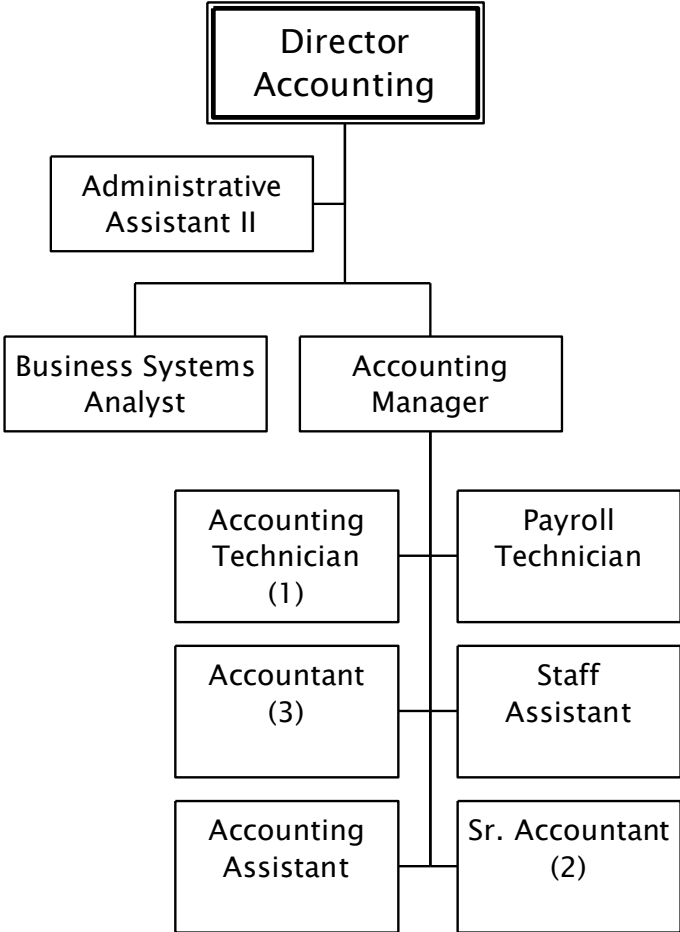
<sup>(1)</sup> Category total may differ due to rounding



\*Other includes utilities, maintenance, operating equipment & systems, operating supplies, equipment rentals and repairs

Figure 41 – FY 2015 Expense by Category

Accounting  
FY 2014 – FY 2015 Organizational Structure



No personnel changes planned for FY 2015

# Accounting

## FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 787,910	\$ 880,244	\$ 900,379	\$ 20,135	2.3%	\$ 927,391	\$ 27,011	3.0%
Premium Overtime	4,668	-	-	-	0.0%	-	-	0.0%
Employee Benefits	425,399	496,134	512,767	16,633	3.4%	545,682	32,915	6.4%
Subtotal	1,217,978	1,376,378	1,413,146	36,768	2.7%	1,473,073	59,926	4.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,217,978</b>	<b>1,376,378</b>	<b>1,413,146</b>	<b>36,768</b>	<b>2.7%</b>	<b>1,473,073</b>	<b>59,926</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	339,407	194,000	201,500	7,500	3.9%	197,500	(4,000)	-2.0%
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	5,034	2,000	2,000	-	0.0%	2,000	-	0.0%
Operating Supplies	7,873	11,860	11,500	(360)	-3.0%	11,500	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	12,376	10,800	10,800	-	0.0%	8,800	(2,000)	-18.5%
Business Development	44,604	29,100	29,100	-	0.0%	29,100	-	0.0%
Equipment Rentals & Repairs	49	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>409,342</b>	<b>247,760</b>	<b>254,900</b>	<b>7,140</b>	<b>2.9%</b>	<b>248,900</b>	<b>(6,000)</b>	<b>-2.4%</b>
<b>Total Operating Expenses</b>	<b>1,627,320</b>	<b>1,624,139</b>	<b>1,668,046</b>	<b>43,908</b>	<b>2.7%</b>	<b>1,721,973</b>	<b>53,926</b>	<b>3.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,627,320</b>	<b>1,624,139</b>	<b>1,668,046</b>	<b>43,908</b>	<b>2.7%</b>	<b>1,721,973</b>	<b>53,926</b>	<b>3.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,627,320</b>	<b>\$ 1,624,139</b>	<b>\$ 1,668,046</b>	<b>\$ 43,908</b>	<b>2.7%</b>	<b>\$ 1,721,973</b>	<b>\$ 53,926</b>	<b>3.2%</b>

## Accounting

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 1,624,139</b>	<b>\$ 1,668,046</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	20,135	27,011
Burden (benefits & employer taxes) increase for current staff	16,633	32,915
<b>Total Increase in personnel costs</b>	<b>36,768</b>	<b>59,926</b>
Increase in audit service costs	5,000	-
Increase / Decrease in use of outside professional consultants and other services	2,000	(4,000)
Other, net	140	(2,000)
<b>Total Increase / Decrease in non-personnel costs</b>	<b>7,140</b>	<b>(6,000)</b>
<b>Total Increase</b>	<b>43,908</b>	<b>53,926</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,668,046</b>	<b>\$ 1,721,973</b>

## Accounting

### Departmental Objectives

#### FY 2013 Progress Report

1. Update the format of the financial statements on the website with newer, interactive technology. The purpose is to provide a more interesting look and experience in reviewing financial statements on the website. Success target is 10 hits per quarter in FY 2013.

**Progress:** Met with marketing group to discuss ideas and possible implementation strategies.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

2. Develop and implement the Concession Development Program (CDP) accounting processes planned for FY 2012-2013, including billing, collection and reporting for accounts receivable. Success will be measured by producing accurate and on-time billing and pass-through costs following launch.

**Progress:** First billing in December. Continue refinement with Aviation Commercial Business Department.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

3. Support and accurately record and report all transactions regarding terminal development, both the Green Build and in general, to achieve zero audit findings or adjustments from external auditors. The measurement will be zero audit findings from the external auditors.

**Progress:** FY 2012 audit results finalized October 2012 resulted in zero audit findings.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. Final implementation of the new CFC fees by autumn of 2013, in compliance with California Civil Code section 1936.

**Progress:** Completed October 2012 and filed with the state.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.



## Accounting Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Continue to work with the departments responsible for CDP, Green Build and RCC to ensure accurate financial statement reporting for FY 2013-FY 2014. The measurement of success will be zero audit findings.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

2. Present the FY 2013 CAFR on the website using interactive technology. The purpose is to provide information to the public in a more interesting and engaging fashion. Success target is 10 hits per quarter starting in January, 2014.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

3. Collaborate with Rental Car Center program stakeholders to ensure accurate accounting treatment for all aspects of the project and assist in oversight of funding source compliance and controls. To achieve these objectives, accounting will develop reporting tools and processes to assist in monitoring progress and will provide timely communication to stakeholders. The measurement of success will be no more than one internal audit finding related to accounting oversight.

**Sustainability Goal:** Economic Viability, Operational Excellence.

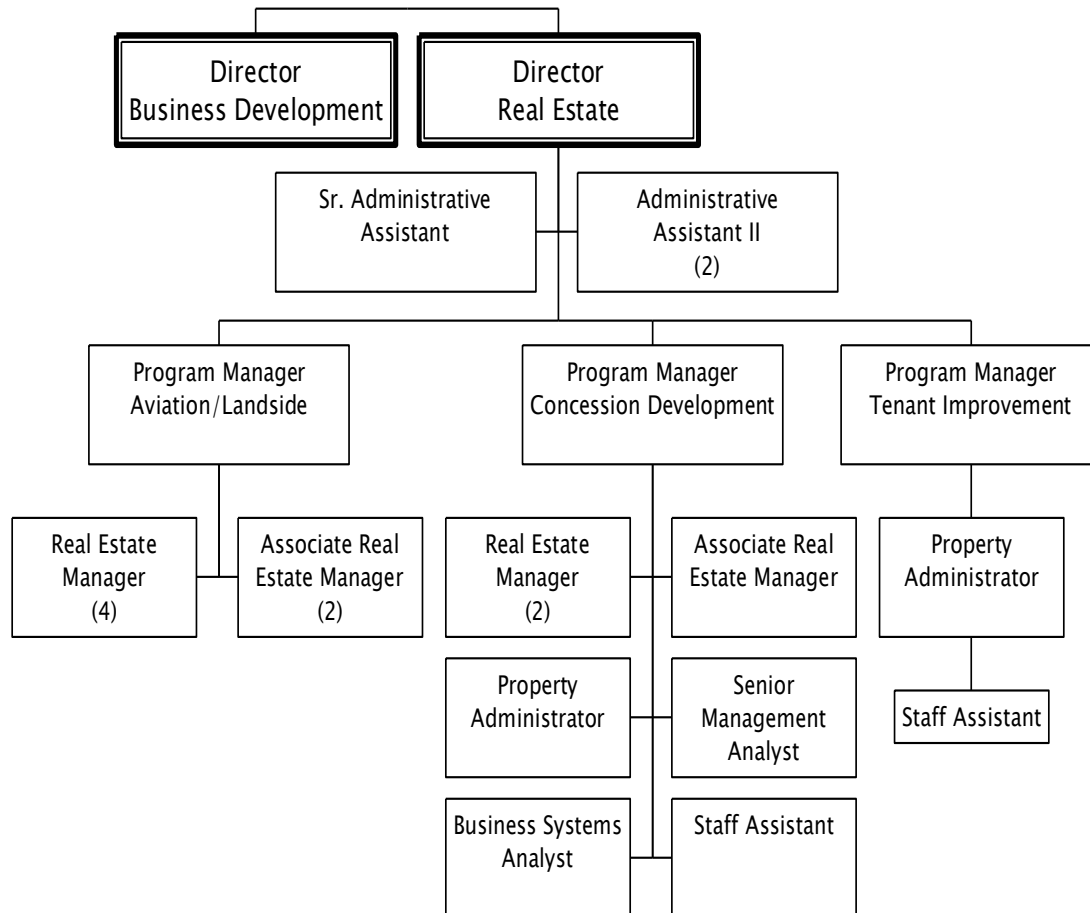
**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. Work as a primary team member in the first phase of implementing the ECMS. Success will be meeting the primary milestones.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

## Aviation & Commercial Business FY 2014 – FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Aviation & Commercial Business

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 1,283,609	\$ 1,939,578	\$ 2,027,035	\$ 87,457	4.5%	\$ 2,086,875	\$ 59,840	3.0%
Premium Overtime	506	-	-	-	0.0%	-	-	0.0%
Employee Benefits	581,149	907,701	925,213	17,511	1.9%	977,239	52,027	5.6%
Subtotal	1,865,264	2,847,280	2,952,248	104,968	3.7%	3,064,114	111,866	3.8%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,865,264</b>	<b>2,847,280</b>	<b>2,952,248</b>	<b>104,968</b>	<b>3.7%</b>	<b>3,064,114</b>	<b>111,866</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	567,479	934,608	1,701,396	766,788	82.0%	1,656,800	(44,596)	-2.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	11,414,838	11,415,145	10,377,212	(1,037,933)	-9.1%	10,323,752	(53,460)	-0.5%
Utilities	2,230	1,000	3,000	2,000	200.0%	3,000	-	0.0%
Maintenance	18,140	18,593	18,593	-	0.0%	18,593	-	0.0%
Operating Equipment & Systems	17,250	6,500	-	(6,500)	-100.0%	-	-	0.0%
Operating Supplies	8,049	5,000	5,000	-	0.0%	5,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	17,039	37,300	37,300	-	0.0%	37,300	-	0.0%
Business Development	27,024	31,000	200,900	169,900	548.1%	278,600	77,700	38.7%
Equipment Rentals & Repairs	34,260	32,892	8,000	(24,892)	-75.7%	8,000	-	0.0%
Tenant Improvements	70,800	516,800	359,900	(156,900)	-30.4%	-	(359,900)	-100.0%
<b>Total Non-Personnel Expenses</b>	<b>12,177,108</b>	<b>12,998,838</b>	<b>12,711,301</b>	<b>(287,537)</b>	<b>-2.2%</b>	<b>12,331,045</b>	<b>(380,256)</b>	<b>-3.0%</b>
<b>Total Operating Expenses</b>	<b>14,042,372</b>	<b>15,846,118</b>	<b>15,663,549</b>	<b>(182,569)</b>	<b>-1.2%</b>	<b>15,395,159</b>	<b>(268,390)</b>	<b>-1.7%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>14,042,372</b>	<b>15,846,118</b>	<b>15,663,549</b>	<b>(182,569)</b>	<b>-1.2%</b>	<b>15,395,159</b>	<b>(268,390)</b>	<b>-1.7%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 14,042,372</b>	<b>\$ 15,846,118</b>	<b>\$ 15,663,549</b>	<b>\$ (182,569)</b>	<b>-1.2%</b>	<b>\$ 15,395,159</b>	<b>\$ (268,390)</b>	<b>-1.7%</b>

## Aviation & Commercial Business

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 15,846,118</b>	<b>\$ 15,663,549</b>
<b>Personnel costs</b>		
1 New position - Property Administrator, (salaries, benefits & employer taxes)	103,810	-
Salary adjustments and pay-for-performance	15,722	59,840
Burden (benefits & employer taxes) decrease / increase for current staff	(14,565)	52,027
<b>Total Increase in personnel costs</b>	<b>104,968</b>	<b>111,866</b>
Increase in Receiving & Distribution Center (RDC) operator costs (FY13 7 months, FY14 full year)	694,788	35,404
Increase in marketing materials for Concession Development Program (CDP)	164,400	62,700
Increase / Decrease in use of outside professional consultants and other services	70,000	(50,000)
Decrease in tenant improvements	(156,900)	(359,900)
Decrease in space rental costs, (terminated lease for temp employee parking lot, etc.)	(1,037,933)	(53,460)
Other, net	(21,892)	(15,000)
<b>Total Decrease in non-personnel costs</b>	<b>(287,537)</b>	<b>(380,256)</b>
<b>Total Decrease</b>	<b>(182,569)</b>	<b>(268,390)</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 15,663,549</b>	<b>\$ 15,395,159</b>

# Aviation and Commercial Business (AvCom)

## Departmental Objectives

### FY 2013 Progress Report

1. Continue to work on terminal development by leading project teams for the Terminal 2 East Expansion and Concession Infrastructure Upgrade in the Commuter Terminal, Terminal 1 and Terminal 2 West (existing) throughout the fiscal year to optimize non-airline revenue opportunities and enhance customer service. Continue to support the Green Build by acting as liaison to tenant stakeholders and integrating new stores as part of the Concession Development Program, gate allocation plans and airline space allocations.

**Progress:** AvCom remains the project sponsor for these projects. Terminal 2 East South Package was completed, creating two concession shell spaces. Concession Infrastructure Upgrade has already begun with two locations completed in the Commuter Terminal and one location in Terminal 1. For the Green Build, the concession spaces are in the process of being turned over to tenants and tenant construction began in February 2013.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

2. Support the successful opening of the Green Build, including:
  - Negotiate for and oversee the construction of two airline lounges by August 2013; and
  - Direct the relocation of airlines planned to occupy space in Terminal 2 West, ensuring that the airlines are operational by August 2013.

**Progress:** The design and plan review is in process for the two airline lounges; construction began in May 2013. The planned relocation of airlines is on schedule.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. Implement the Concession Development Program (CDP) transition plan, completely revitalizing all food, beverage and retail concessions in all SDIA terminal facilities. Implementation includes:
  - Design and review tenant improvement build-outs of 79 stores as determined by the CDP phasing plan;
  - Closure of 55 existing concession units, re-opening on December 1, 2012 with 33 temporary and 7 permanent units; and
  - Transition to 24 permanent units opened by June 30, 2013.

**Progress:** CDP transition plan has been expanded to include 87 concession units. On November 30, 2012, 55 existing concession units were closed and overnight 28 temporary and 3 permanent units were opened under the Concession Development Program. By June 30, 2013, 23 permanent units are scheduled to open.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

**4. Oversee SDIA North side Development, including:**

- Complete construction of the Receiving and Distribution Center (RDC);
- Design the Rental Car Center (RCC) center by June 2013; and
- Design and permit construction of new general aviation facilities by May 2013.

**Progress:** Construction was completed for the Receiving and Distribution Center (RDC). The 30% schematic design is nearly completed for the Rental Car Center (RCC) facility and the tenants 30% design plans are under review for the new Fixed Base Operator (FBO) facility.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

**5. Continue to support the Green Build terminal development program, including:**

- Collaborate in the design process;
- Act as liaison to tenant stakeholders;
- Provide revenue projections, tenant space and gate allocations and preferred operational models; and
- Integrate the Concession Development Program.

**Progress:** The Aviation Commercial Business Department has been involved in all aspects of Green Build operational planning and implementation, including but not limited to, tenant build-outs and relocations and the Concession Development Program.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

# Aviation and Commercial Business (AvCom)

## Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Support the successful opening of the Green Build by: negotiating for and overseeing the construction of two airline lounges by August 2013, and directing the relocation of airlines planned to occupy space in Terminal 2 West ensuring airlines are operational by August 2013.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

2. Implement the Concession Development Program (CDP), which includes the tenant improvement build-outs of 87 stores to revitalize all food, beverage and retail concessions in all terminal facilities at SDIA by Q1 CY2014.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

3. Support the SDIA North side Development by: negotiating for and overseeing the leasing and construction of rental car and other tenant improvements to be completed with the Rental Car Center (RCC) opening, and the design and permitting for construction of new general aviation facilities by June 2013 with construction to be completed by May 2014.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. Continue to support the Green Build terminal development program by collaborating in tenant construction and start-up/relocations to be completed by August 2013.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

5. Continue to support terminal development by leading project teams and overseeing the negotiations and construction for the leasing of tenant facilities in Terminal 2 East Expansion, and Concession Infrastructure Upgrades in Commuter Terminal, Terminal 1 and Terminal 2 West (existing) throughout the fiscal year to optimize non-airline revenue opportunities and enhance customer service.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

**Financial Planning & Budget**  
**FY 2014 – FY 2015 Organizational Structure**



*\*Unfunded position shown in yellow  
No personnel changes planned for FY 2015*



## Financial Planning & Budget

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 1,053,432	\$ 1,157,213	\$ 1,245,731	\$ 88,518	7.6%	\$ 1,283,103	\$ 37,372	3.0%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	465,560	529,305	540,408	11,104	2.1%	573,082	32,674	6.0%
Subtotal	1,518,992	1,686,518	1,786,140	99,622	5.9%	1,856,185	70,046	3.9%
<i>Less: Capitalized Labor</i>	-	(99,650)	(102,717)	(3,067)	3.1%	(106,919)	(4,202)	4.1%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,518,992</b>	<b>1,586,868</b>	<b>1,683,423</b>	<b>96,555</b>	<b>6.1%</b>	<b>1,749,266</b>	<b>65,843</b>	<b>3.9%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	336,136	405,400	408,650	3,250	0.8%	416,823	8,173	2.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	186	650	650	-	0.0%	650	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	5,552	3,500	3,500	-	0.0%	3,500	-	0.0%
Operating Supplies	4,873	9,000	9,000	-	0.0%	9,180	180	2.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	27,042	30,975	33,975	3,000	9.7%	34,215	240	0.7%
Business Development	8,880	11,200	11,200	-	0.0%	11,354	154	1.4%
Equipment Rentals & Repairs	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>382,669</b>	<b>460,725</b>	<b>466,975</b>	<b>6,250</b>	<b>1.4%</b>	<b>475,722</b>	<b>8,747</b>	<b>1.9%</b>
<b>Total Operating Expenses</b>	<b>1,901,661</b>	<b>2,047,593</b>	<b>2,150,398</b>	<b>102,805</b>	<b>5.0%</b>	<b>2,224,988</b>	<b>74,590</b>	<b>3.5%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,901,661</b>	<b>2,047,593</b>	<b>2,150,398</b>	<b>102,805</b>	<b>5.0%</b>	<b>2,224,988</b>	<b>74,590</b>	<b>3.5%</b>
<b>Equipment Outlay</b>	<b>25,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,927,484</b>	<b>\$ 2,047,593</b>	<b>\$ 2,150,398</b>	<b>\$ 102,805</b>	<b>5.0%</b>	<b>\$ 2,224,988</b>	<b>\$ 74,590</b>	<b>3.5%</b>

## Financial Planning & Budget

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 2,047,593</b>	<b>\$ 2,150,398</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	88,518	37,372
Burden (benefits & employer taxes) increase for current staff	11,103	32,674
Changes in capitalized labor costs	(3,067)	(4,202)
<b>Total Increase in personnel costs</b>	<b>96,555</b>	<b>65,843</b>
Increase in use of outside professional consultants and other services	6,250	6,715
Other, net	-	2,032
<b>Total Increase in non-personnel costs</b>	<b>6,250</b>	<b>8,747</b>
<b>Total Increase</b>	<b>102,805</b>	<b>74,590</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,150,398</b>	<b>\$ 2,224,988</b>

## Financial Planning & Budget Departmental Objectives

### FY 2013 Progress Report

1. **By May 15, 2013, successfully execute the preparation and issuance of General Airport Revenue Bonds (GARBs) in an amount sufficient to complete necessary funding for the Green Build and relevant Capital Improvement Program (CIP) projects. The goal also includes issuance of GARBs at an interest rate that allows successful execution of the Authority's Plan of Finance.**

**Progress:** GARBs were issued on January 30, 2013 to complete bond funding of Green Build and the FY 2013 – FY 2017 CIP projects. Interest rates achieved were below levels anticipated by the plan of finance.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. **Improve efficiency, analysis and reporting capabilities through enhancement of existing financial models and development of new financial models for new programs by June 30, 2012.**

**Progress:** Multiple models were enhanced during FY 2013, which improved efficiency, analytical capabilities and reporting, including models for ground transportation, cost recovery, capital funding, parking revenues analysis and concession revenues analysis.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. **Collaborate with the Green Build Program to ensure alignment of funding sources with costs and jointly develop periodic reports that provide adequate financial information and status on at least a quarterly basis.**

**Progress:** Funding sources and project costs were reviewed and aligned in order to determine the sizing and tax classifications used for the 2013 bond issue. Life-to-date costs and funding source balances are jointly reported on a quarterly basis to the Capital Improvement Program Oversight Committee.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Support the Authority's revenue enhancement/cost reduction business cases priority by implementing a process to complete at least four financial analyses on proposed ideas no later than May 15, 2013. The goal includes providing Executive staff with the financial information necessary for decision making.**

**Progress:** The following financial analyses were completed: Terrazzo tile project, the ECM (Enterprise Content Management) project, IT's phone replacement analysis, parking garage and rental car storage revenue analysis, Pacific Highway parking space revenue analysis.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

5. Collaborate with Internal Audit and the Green Build Program to ensure execution of enhanced capital funding processes and controls that were developed in FY 2012. The goal is that, by the project completion date, all regulatory requirements are met, grant awards and PFC applications are amended or closed as needed and zero audit findings have been achieved.

**Progress:** Analysis and testing of project expenditures for effectiveness of controls and compliance with regulations is on-going. PFC amendments and grant closeouts will be prepared in FY 2014 following project completion. There have been no audit findings to date.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

6. Engage the Authority workforce planning team to perform a departmental workforce planning assessment and recommendation. Begin execution of the plan and implement all accepted FY 2013 recommendations by May 15, 2013.

**Progress:** Strategic workforce planning efforts were initiated and a number of short-term recommendations have been implemented. The effort was temporarily suspended to allow the necessary focus on a successful bond issuance. Now that the bond issuance has been successfully completed, the strategic workforce planning efforts will resume, focusing on longer-term departmental and Authority needs.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction.

7. Reduce variances in FY 2013 parking revenue vs. actual by at least 25 % compared to FY 2012 through increased collaboration of stakeholders and more precise forecasting.

**Progress:** As of the end of January 2013, variances were reduced by 16%.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

8. Support the Concession Development Program (CDP) financial analysis and reporting needs by taking ownership of the financial model that provides budget forecasting and monthly reporting capabilities by March 31, 2013.

**Progress:** A new monthly sales reporting model that provides forecasting capabilities was created.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

# Financial Planning & Budget

## Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. By May 15, 2014, successfully execute the preparation and issuance of Customer Facility Charge (CFC) Revenue Bonds in an amount sufficient to complete necessary funding for the Rental Car Center (RCC). The goal also includes issuance of CFC Bonds at an interest rate and financing structure that allows successful execution of the RCC project and the Authority Plan of Finance.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

2. Engage the Authority workforce planning team to perform a departmental workforce planning assessment and provide recommendations. Begin execution of the plan and implement all accepted FY 2014 recommendations by May 15, 2014.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee commitment and performance.

3. Provide enhanced financial analysis and decision support for the Capital Program by coordinating stakeholders and project concepts, performing business case financial analyses, identifying potential funding sources and developing the plan of finance in conjunction with the annual budget process. This goal also includes providing real-time financial metrics to the Capital Improvement Committee as project additions or changes are evaluated.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. Engage authority-wide department heads in at least a quarterly budget variance analysis and the resulting impact on organizational objectives by producing managerial reports and conducting discussions with respective directors by May 15, 2014. The goal is to establish an open line of communication between the departments and budget analysts during the fiscal year, resulting in improvements to the forecasting and budget processes and becoming a business partner for Authority departments.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee commitment and performance.

5. By November 30, 2013, enhance revenue bond tax and covenant compliance by creating and utilizing written procedures, checklists and an annual timetable.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee commitment and performance.

**Small Business Development**  
**FY 2014 – FY 2015 Organizational Structure**



*No personnel changes planned for FY 2015*



## Small Business Development

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 288,728	\$ 316,803	\$ 307,487	\$ (9,316)	-2.9%	\$ 316,712	\$ 9,225	3.0%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	144,080	163,143	161,902	(1,241)	-0.8%	171,418	9,516	5.9%
Subtotal	432,808	479,947	469,389	(10,558)	-2.2%	488,129	18,741	4.0%
<i>Less: Capitalized Labor</i>	<i>(86,662)</i>	<i>(18,895)</i>	-	18,895	-100.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>346,146</b>	<b>461,052</b>	<b>469,389</b>	<b>8,337</b>	<b>1.8%</b>	<b>488,129</b>	<b>18,741</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	40,592	253,650	247,650	(6,000)	-2.4%	251,650	4,000	1.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	177	300	100	(200)	-66.7%	100	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	114	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1,516	4,400	2,900	(1,500)	-34.1%	2,850	(50)	-1.7%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	11,192	17,700	23,000	5,300	29.9%	23,800	800	3.5%
Business Development	162,486	299,400	55,300	(244,100)	-81.5%	58,600	3,300	6.0%
Equipment Rentals & Repairs	12,067	12,500	12,500	-	0.0%	13,500	1,000	8.0%
<b>Total Non-Personnel Expenses</b>	<b>228,144</b>	<b>587,950</b>	<b>341,450</b>	<b>(246,500)</b>	<b>-41.9%</b>	<b>350,500</b>	<b>9,050</b>	<b>2.7%</b>
<b>Total Operating Expenses</b>	<b>574,291</b>	<b>1,049,002</b>	<b>810,839</b>	<b>(238,163)</b>	<b>-22.7%</b>	<b>838,629</b>	<b>27,791</b>	<b>3.4%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>574,291</b>	<b>1,049,002</b>	<b>810,839</b>	<b>(238,163)</b>	<b>-22.7%</b>	<b>838,629</b>	<b>27,791</b>	<b>3.4%</b>
<b>Equipment Outlay</b>	<b>8,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 582,813</b>	<b>\$ 1,049,002</b>	<b>\$ 810,839</b>	<b>\$ (238,163)</b>	<b>-22.7%</b>	<b>\$ 838,629</b>	<b>\$ 27,791</b>	<b>3.4%</b>

## Small Business Development

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Budget</b>	<b>\$ 1,049,002</b>	<b>\$ 810,839</b>
<b>Personnel costs</b>		
Changes in capitalized labor costs	18,895	-
Salary adjustments and pay-for-performance	9,578	9,225
Burden (benefits & employer taxes) decrease / increase for current staff	(1,241)	9,516
1 eliminated position of Small Business Development Program Manager-(salaries, benefits & employer taxes)	(18,895)	-
<b>Total Increase in personnel costs</b>	<b>8,337</b>	<b>18,741</b>
Increase in use of outside professional consultants and other services	-	4,000
Decrease / Increase in promotional activities	(235,000)	1,500
Other, net	(11,500)	3,550
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(246,500)</b>	<b>9,050</b>
<b>Total Decrease / Increase</b>	<b>(238,163)</b>	<b>27,791</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 810,839</b>	<b>\$ 838,629</b>

## Small Business Development Departmental Objectives

### FY 2013 Progress Report

1. Continue active implementation of remedies to address bonding issues and fostering relationships with prime contractors, which were two barriers to small business participation in SDCRAA contracts, by June 30, 2013.

**Progress:** Bonding and Contract Financing Assistance Program and Authority Outreach practices fully implemented.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

2. Continue to enhance local awareness of Authority contracting opportunities by hosting at least twelve business opportunity outreach events and education programs targeting small businesses in order to maximize opportunity awareness efforts by June 30, 2013.

**Progress:** On target to exceed 12 events.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. Oversee the planning, marketing and implementation of the 29<sup>th</sup> Annual Airport Business Diversity Conference, with more than 1,000 attendees, in June 2013.

**Progress:** On target to meet goal.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

## Small Business Development Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Continue active implementation of remedies to address bonding issues and foster relationships with prime contractors, two barriers to small business participation in SDCRAA contracts, by June 30, 2014.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

2. Continue to enhance local awareness of Authority contracting opportunities by hosting at least twelve opportunity awareness events and education programs targeting small businesses in order to maximize efforts by June 30, 2014.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. Enhance communications with key stakeholders by reaching out to the small business community using conventional and social media tools to inform on major projects, workshops and other business enhancement opportunities.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

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# **PLANNING & OPERATIONS DIVISION**

## Planning & Operations Division

### Overview

The Planning & Operations Division is responsible for complying with legislative mandates for San Diego International Airport and the Airport Authority. These include compliance with local, State and Federal environmental laws, State and Federal aviation security rules and regulations, and support for the Authority Board in reviewing land use decisions in the areas surrounding the region's airports. The division frequently coordinates with regulatory agencies and regional transportation partners to accomplish the Authority's goals. The division is also responsible for meeting the safety and operational needs of the traveling public, both landside and airside. The division consists of five departments with distinctly different goals and responsibilities.

The **Airport Planning Department** is responsible for all short and long-term planning for SDIA and the Airport Authority. It is also responsible for supporting the Authority Board in its role as the Airport Land Use Commission, as well as in the development of the comprehensive land use plans for all public airports in San Diego County (including military airfields). The Department also:

- Provides technical support in the Authority's efforts to meet the regional air transportation needs of San Diego County.
- Prepares and updates the Airport Development Plan, including Development Plan Amendments.
- Ensures compliance with environmental laws governing development at the Airport, including the California Environmental Quality Act, the National Environmental Policy Act and the California Coastal Act.

The **Airside Operations Department** oversees the myriad of daily activities occurring on the airfield and is responsible 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. Trained Duty Managers monitor conditions on the airfield and in the terminals around the clock; direct remedial action to repair inoperative systems; and summon fire, police and life safety responders to urgent situations or potential emergencies. The department also:

- Develops, administers and implements the Airport Certification Manual (ACM).

The **Aviation Security & Public Safety Department** implements all required FAA and TSA security programs and security equipment improvements. The Department also:

- 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 (ASP), Airport Emergency Plan (AEP).
- Ensures high level of emergency / crisis preparedness through coordination with local, State and Federal agencies.

The **Environmental Affairs Department** manages environmental-related programs, including regulatory compliance, water and air quality, site remediation, hazardous material handling and natural resources protection. The department interfaces with other Authority departments to assess potential environmental impacts of all proposed projects. The department is also involved with long-range airport facility planning related to environmental and sustainability opportunities and initiatives.

The various programs administered by Environmental Affairs are as follows:

- Storm Water Management.
- Hazardous Materials and Waste Management.
- Air Quality Management.
- Site Assessment and Remediation.
- Waste Reduction and Recycling.
- Industrial Hygiene.
- Wildlife Preservation.
- Airport Sustainability.

The **Ground Transportation Department** is responsible for operations from the terminal curb and roadways to the parking lots. Two on-airport and four off-airport parking lots require shuttle bus services. Additionally, the three terminals at SDIA are serviced by the Airport Loop shuttle bus. The department regulates the Airport's commercial transportation service providers, including, taxicabs, shuttles, limousines and courtesy vehicles. The department also:

- Manages Transportation Islands at Terminal 1 and Terminal 2 for travelers.
- Issues permits for all ground transportation service provider vehicles.
- Permits and completes security checks for taxicab and shuttle drivers.
- Manages airport parking card program for external and internal stakeholders.
- Manages employee parking lots and employee shuttles

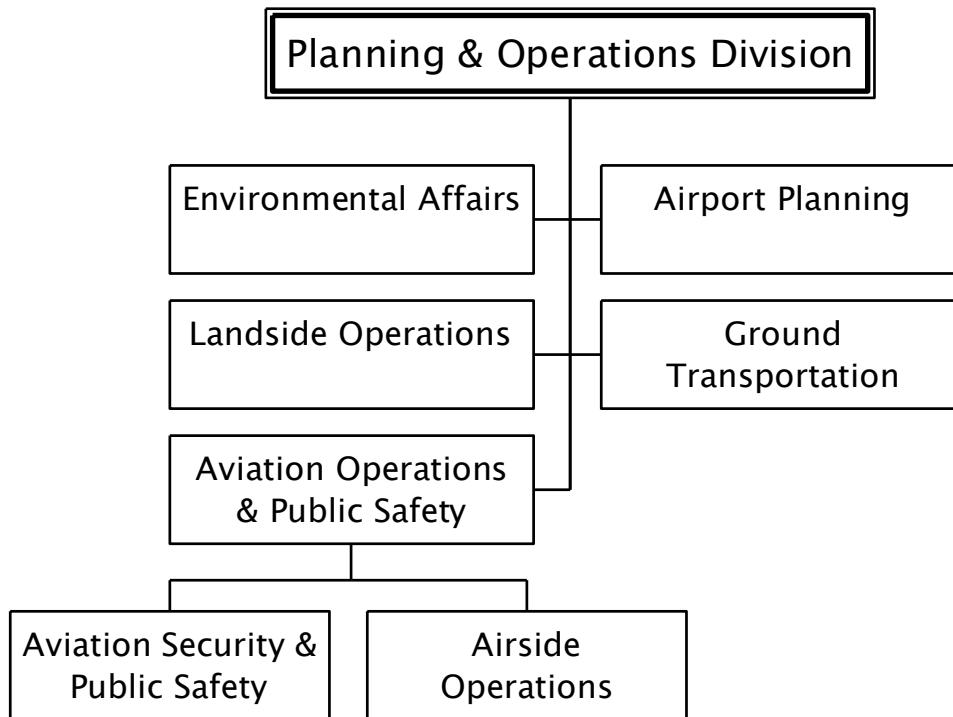
The **Landside Operations Department** oversees the airport terminal buildings and other facilities. Participates in the inspection of landside facilities (air carrier, federal inspection service, concessionaires, etc.) to identify any maintenance and safety deficiencies to ensure operating standards are being met; ensures the prompt resolution of any deficiencies identified; oversees the administration of contracts for custodial and waste collection services to ensure contract requirements are met.

- Oversees the Authority's traffic enforcement functions; manages traffic enforcement operations around airport terminal buildings, ensuring compliance with FAA, TSA, State and local law and regulations; oversees the issuance and processing of traffic and parking citations and hearings regarding disputed violations.
- Oversees customer service activities and services for both tenants and the traveling public; manages and directs the development and administration of service programs focused on travelers and other consumers; oversees and participates in the resolution of complaints involving terminal operations from customers and tenants.
- Oversees the airport lost and found facility to ensure reasonable best efforts are attempted for returning lost property to their rightful owners.



# Planning & Operations Division

## Organizational Structure



## Division Personnel Summary

	FY 2012 Authorized & Funded Positions	FY 2013 Authorized & Funded Positions	FY 2014 Transfers	FY 2014 New/ (Eliminated) Positions	FY 2014 (Unfunded/ Funded Positions	FY 2014 Authorized & Funded Positions	FY 2015 New/ (Eliminated) Positions	FY 2015 (Unfunded/ Funded) Positions	FY 2015 Authorized & Funded Positions
<b>Planning &amp; Operations</b>									
Airport Planning	10	10	-	-	-	10	-	-	10
Landside Operations	54	55	(49)	-	-	6	-	-	6
Environmental Affairs	6	6	-	-	1	7	-	-	7
Aviation Security & Public Safety	11	11	-	-	-	11	-	-	11
Airside Operations	16	16	-	-	-	16	-	1	17
Ground Transportation	5	6	49	5	-	60	-	-	60
<b>Total</b>	<b>102</b>	<b>104</b>	<b>-</b>	<b>5</b>	<b>1</b>	<b>110</b>	<b>-</b>	<b>1</b>	<b>111</b>
Authorized and Unfunded Positions	3	4	-	-	-	3	-	-	2
<b>Total Authorized Positions</b>	<b>105</b>	<b>108</b>	<b>-</b>	<b>5</b>	<b>1</b>	<b>113</b>	<b>-</b>	<b>1</b>	<b>113</b>

## Planning & Operations Division

### FY 2014 - FY 2015 Expense Budget Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 6,692,222	\$ 6,808,575	\$ 7,399,653	\$ 591,078	8.7%	\$ 7,701,448	\$ 301,795	4.1%
Premium Overtime	256,610	205,000	215,000	10,000	4.9%	215,300	300	0.1%
Employee Benefits	3,359,699	3,817,397	4,236,336	418,939	11.0%	4,520,940	284,604	6.7%
Subtotal	10,308,532	10,830,971	11,850,988	1,020,017	9.4%	12,437,687	586,699	5.0%
<i>Less: Capitalized Labor</i>	<i>(339,797)</i>	<i>(374,318)</i>	-	<i>374,318</i>	<i>-100.0%</i>	-	-	<i>0.0%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	<i>0.0%</i>	-	-	<i>0.0%</i>
<b>Total Personnel Expenses</b>	<b>9,968,735</b>	<b>10,456,653</b>	<b>11,850,988</b>	<b>1,394,335</b>	<b>13.3%</b>	<b>12,437,687</b>	<b>586,699</b>	<b>5.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	20,002,637	21,596,179	24,124,768	2,528,588	11.7%	25,077,402	952,634	3.9%
Safety and Security	22,625,169	22,408,160	24,975,465	2,567,305	11.5%	27,111,790	2,136,326	8.6%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	3,067	1,500	1,500	-	0.0%	1,500	-	0.0%
Maintenance	1,307,173	1,185,550	1,642,550	457,000	38.5%	1,750,000	107,450	6.5%
Operating Equipment & Systems	66,824	141,400	105,000	(36,400)	-25.7%	143,000	38,000	36.2%
Operating Supplies	156,237	175,200	178,600	3,400	1.9%	228,720	50,120	28.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	210,861	267,575	287,425	19,850	7.4%	443,160	155,735	54.2%
Business Development	100,656	183,595	206,160	22,565	12.3%	216,748	10,588	5.1%
Equipment Rentals & Repairs	38,479	42,500	85,900	43,400	102.1%	117,950	32,050	37.3%
<b>Total Non-Personnel Expenses</b>	<b>44,511,103</b>	<b>46,001,659</b>	<b>51,607,368</b>	<b>5,605,708</b>	<b>12.2%</b>	<b>55,090,271</b>	<b>3,482,903</b>	<b>6.7%</b>
<b>Total Operating Expenses</b>	<b>54,479,838</b>	<b>56,458,313</b>	<b>63,458,356</b>	<b>7,000,043</b>	<b>12.4%</b>	<b>67,527,958</b>	<b>4,069,602</b>	<b>6.4%</b>
<b>Total Non-Operating Expenses</b>	-	-	-	-	<b>0.0%</b>	-	-	<b>0.0%</b>
<b>Total Expenses</b>	<b>54,479,838</b>	<b>56,458,313</b>	<b>63,458,356</b>	<b>7,000,043</b>	<b>12.4%</b>	<b>67,527,958</b>	<b>4,069,602</b>	<b>6.4%</b>
<b>Equipment Outlay</b>	<b>505,421</b>	<b>1,162,000</b>	-	<b>(1,162,000)</b>	<b>-100.0%</b>	-	-	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 54,985,259</b>	<b>\$ 57,620,313</b>	<b>\$ 63,458,356</b>	<b>\$ 5,838,043</b>	<b>10.1%</b>	<b>\$ 67,527,958</b>	<b>\$ 4,069,602</b>	<b>6.4%</b>

## Planning & Operations Division

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	<u>Inc/(Dec) FY14 vs FY13 Budget</u>	<u>Inc/(Dec) FY15 Conceptual vs FY14</u>
<b>FY 2013 Budget/ FY 2014 Budget</b>	<b>\$ 57,620,313</b>	<b>\$ 63,458,356</b>
<b>Personnel costs</b>		
Change in capitalized labor	374,318	-
Salary adjustments,contracted wage increases and pay-for-performance	276,425	259,101
4 New Airport Traffic Officer (ATO) positions, limited duration (salaries, benefits & employer taxes)	263,956	-
Burden (benefits & employer taxes) increase for current staff	257,795	258,945
1 New position of Ground Transportation Manager (salaries, benefits & employer taxes)	117,927	-
Unfrozen position of Senior Environmental Specialist (salaries, benefits & employer taxes)	103,913	-
Unfrozen position of Airport Operations Assistant (salaries, benefits & employer taxes)	-	68,652
<b>Total Increase in personnel costs</b>	<b>1,394,335</b>	<b>586,699</b>
Increase in law enforcement costs - Harbor Police Department	1,992,133	1,823,329
Increase in shuttles and parking operations	1,269,359	139,790
Increase in Airport custodial contract (Green Build, Concession Development Program and general activity)	1,122,279	122,844
Increase in Ramp Control Facility professional services	534,400	20,000
Increase in security guard services	472,100	125,000
Increase in access control system maintenance	417,000	57,450
Increase in Water Quality/San Diego Bay Sediment Quality Objectives costs	199,500	100,000
Increase in ARFF contract costs	155,197	159,854
Increase in Stormwater Management Program and USDA Wildlife Assesment costs	100,000	200,000
Rental Car Center training	-	155,000
Decrease/ Increase in Airport Land Use Compatibility Plans (ALUCPs) costs	(800,000)	650,000
Decrease in equipment outlay	(1,162,000)	-
Other, net	143,741	(70,364)
<b>Total Increase in non-personnel costs</b>	<b>4,443,708</b>	<b>3,482,903</b>
<b>Total Increase</b>	<b>5,838,043</b>	<b>4,069,602</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 63,458,356</b>	<b>\$ 67,527,958</b>

## Planning & Operations Division FY 2014 Expense Budget by Department

Department	FY 2014 Budget
Aviation Security and Public Safety	\$ 22,711,400
Ground Transportation	13,974,309
Airside Operations	8,359,289
Landside Operations	7,665,578
Ground Transportation ATOs	4,974,894
Environmental Affairs	3,138,939
Airport Planning	2,633,946
<b>Total<sup>(1)</sup></b>	<b>\$ 63,458,356</b>

<sup>(1)</sup> Department total may differ due to rounding

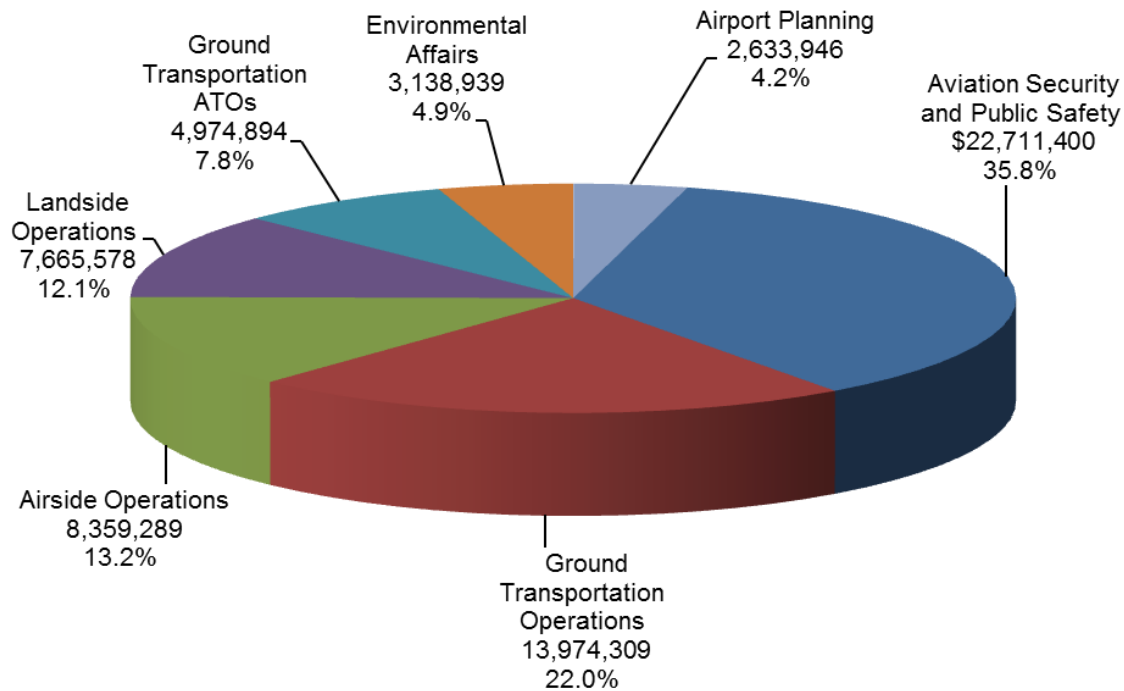


Figure 42 – FY 2014 Expense Budget by Department

## Planning & Operations Division FY 2015 Expense Budget by Department

Department	FY 2015 Conceptual Budget
Aviation Security and Public Safety	\$ 24,885,271
Ground Transportation	14,144,185
Airside Operations	8,847,495
Landside Operations	7,832,106
Ground Transportation ATOs	5,171,245
Environmental Affairs	3,327,852
Airport Planning	3,319,804
<b>Total<sup>(1)</sup></b>	<b>\$ 67,527,958</b>

<sup>(1)</sup> Department total may differ due to rounding

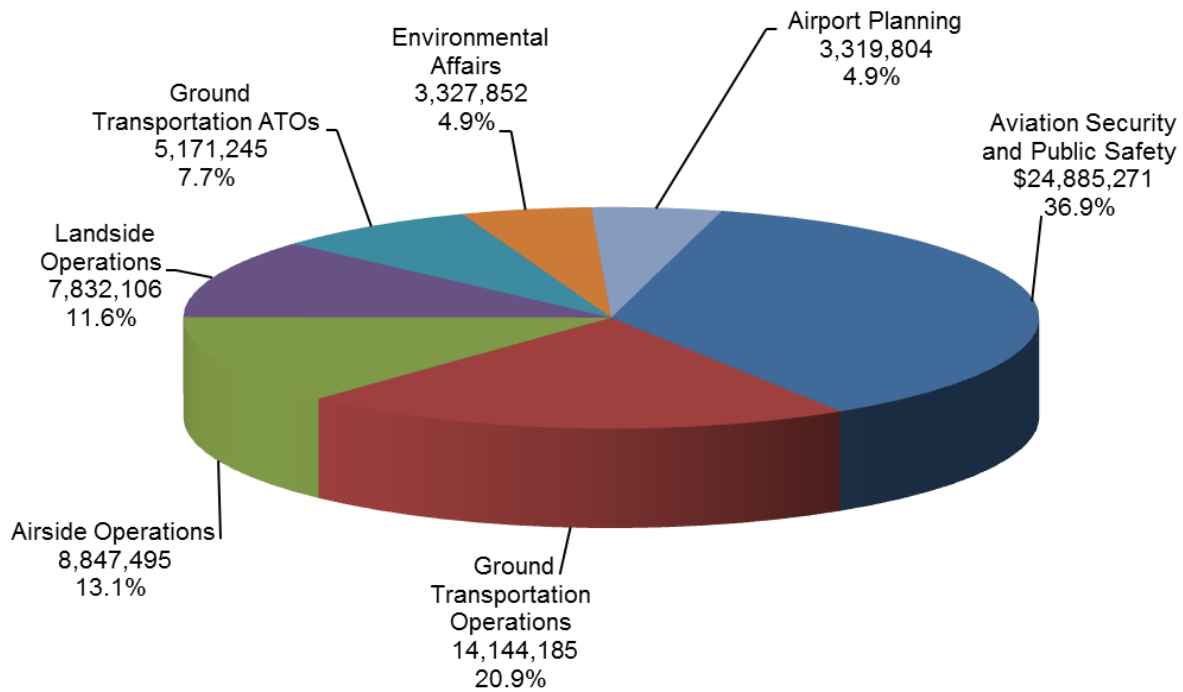
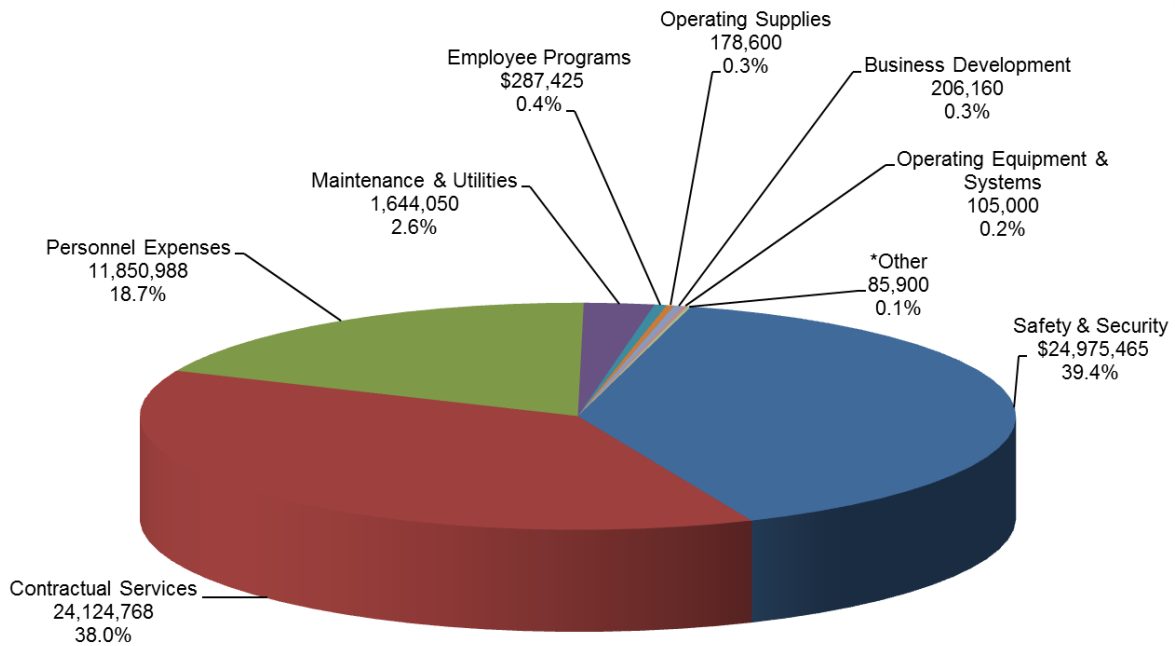


Figure 43 – FY 2015 Expense Budget by Department

## Planning & Operations Division FY 2014 Expense Budget by Category

Category	FY 2014 Budget
Safety & Security	\$ 24,975,465
Contractual Services	24,124,768
Personnel Expenses	11,850,988
Maintenance & Utilities	1,644,050
Employee Programs	287,425
Operating Supplies	178,600
Business Development	206,160
Operating Equipment & Systems	105,000
Other*	85,900
<b>Total</b>	<b>\$ 63,458,356</b>

<sup>(1)</sup> Category total may differ due to rounding



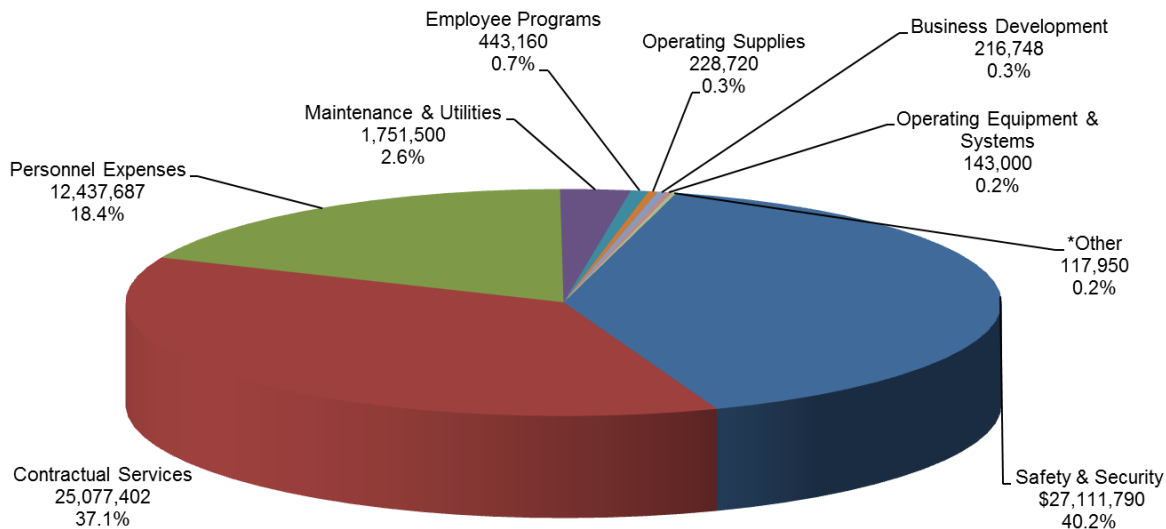
\* Other includes space rental, Utilities, operating equipment & systems, operating supplies, etc.

Figure 44 – FY 2014 Expense Budget by Category

## Planning & Operations Division FY 2015 Expense Budget by Category

Category	FY 2015 Conceptual Budget
Safety & Security	\$ 27,111,790
Contractual Services	25,077,402
Personnel Expenses	12,437,687
Maintenance & Utilities	1,751,500
Employee Programs	443,160
Operating Supplies	228,720
Business Development	216,748
Operating Equipment & Systems	143,000
*Other	117,950
<b>Total</b>	<b>\$ 67,527,958</b>

<sup>(1)</sup> Category total may differ due to rounding

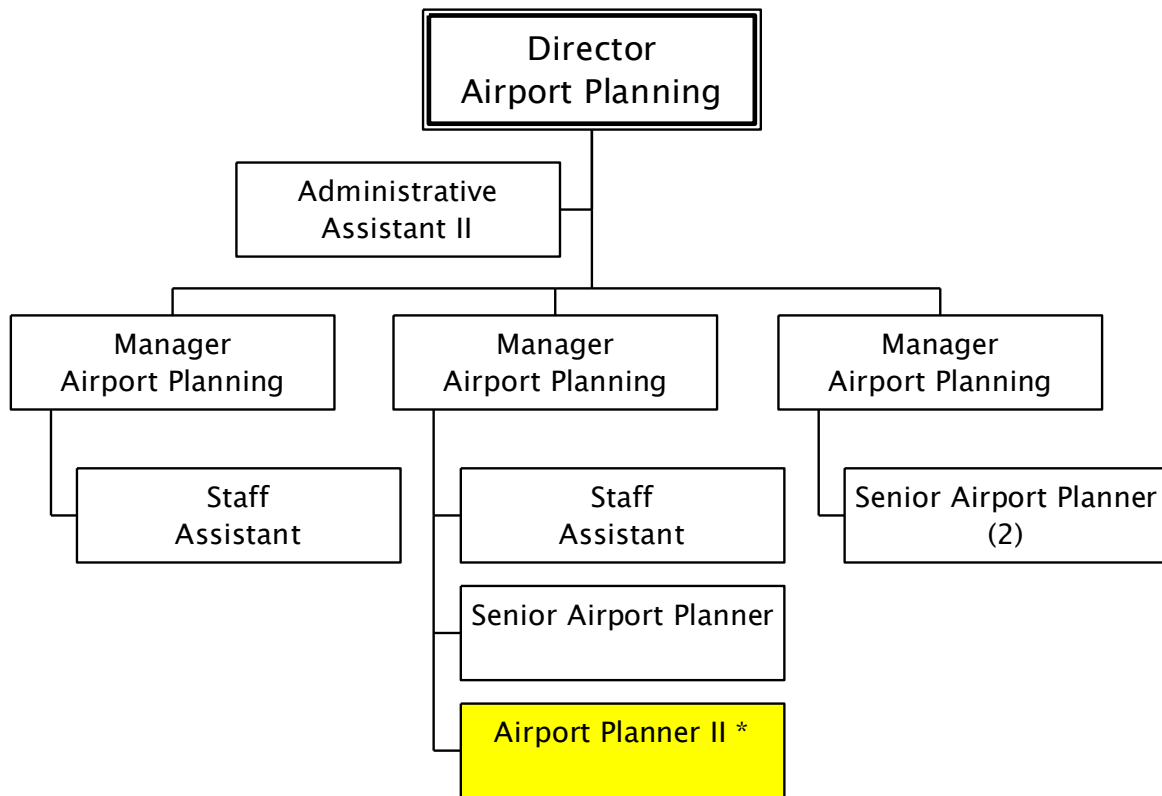


\* Other includes space rental, Utilities, operating equipment & systems, operating supplies, etc.

Figure 45 – FY 2015 Expense Budget by Category

# Airport Planning

## FY 2014 – FY 2015 Organizational Structure



*\*Unfunded position shown in yellow  
No personnel changes planned for FY 2015*



## Airport Planning

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 865,425	\$ 870,219	\$ 876,840	\$ 6,621	0.8%	\$ 903,146	\$ 26,305	3.0%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	373,699	408,150	431,306	23,156	5.7%	455,358	24,053	5.6%
Subtotal	1,239,124	1,278,369	1,308,146	29,777	2.3%	1,358,504	50,358	3.8%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,239,124</b>	<b>1,278,369</b>	<b>1,308,146</b>	<b>29,777</b>	<b>2.3%</b>	<b>1,358,504</b>	<b>50,358</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	1,638,143	2,110,000	1,257,000	(853,000)	-40.4%	1,907,000	650,000	51.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	427	500	500	-	0.0%	500	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	276	1,000	1,000	-	0.0%	1,000	-	0.0%
Operating Supplies	4,514	5,000	4,000	(1,000)	-20.0%	4,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	35,537	41,000	29,500	(11,500)	-28.0%	29,500	-	0.0%
Business Development	8,614	7,800	33,800	26,000	333.3%	19,300	(14,500)	-42.9%
Equipment Rentals & Repairs	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,687,512</b>	<b>2,165,300</b>	<b>1,325,800</b>	<b>(839,500)</b>	<b>-38.8%</b>	<b>1,961,300</b>	<b>635,500</b>	<b>47.9%</b>
<b>Total Operating Expenses</b>	<b>2,926,636</b>	<b>3,443,669</b>	<b>2,633,946</b>	<b>(809,723)</b>	<b>-23.5%</b>	<b>3,319,804</b>	<b>685,858</b>	<b>26.0%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,926,636</b>	<b>3,443,669</b>	<b>2,633,946</b>	<b>(809,723)</b>	<b>-23.5%</b>	<b>3,319,804</b>	<b>685,858</b>	<b>26.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,926,636</b>	<b>\$ 3,443,669</b>	<b>\$ 2,633,946</b>	<b>\$ (809,723)</b>	<b>-23.5%</b>	<b>\$ 3,319,804</b>	<b>\$ 685,858</b>	<b>26.0%</b>

## Airport Planning

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget/ FY 2014 Budget</b>	<b>\$ 3,443,669</b>	<b>\$ 2,633,946</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	23,156	24,053
Salary adjustments and pay-for-performance	6,621	26,305
<b>Total Increase in personnel costs</b>	<b>29,777</b>	<b>50,358</b>
Decrease in other outside professional services Airport Planning	(50,000)	-
Decrease in SDIA Airport Land Use Compatibility Plans (ALUCPs) costs	(300,000)	(500,000)
Decrease / Increase in North Island Beach Airport Land Use Compatibility Plans (ALUCPs) costs	(500,000)	750,000
Increase in update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs) costs	-	400,000
Other, net	10,500	(14,500)
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(839,500)</b>	<b>635,500</b>
<b>Total Decrease / Increase</b>	<b>(809,723)</b>	<b>685,858</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,633,946</b>	<b>\$ 3,319,804</b>

## Airport Planning Departmental Objectives

### FY 2013 Progress Report

1. The Airport Development Plan (ADP) will define future airport facilities through the year 2035. Provided that timely and adequate funding is available, the following ADP tasks will be completed by May 31, 2013:

- Those tasks listed in the Scope of Work as Task 1, which include initial workshops, operational assessments and defining the current state of the airport; and
- Task 2, which is to define the airport's facility requirements.

**Progress:** By May 31, 2013, it is anticipated that all tasks listed in the Scope of Work as Tasks 1 and 2 will be completed.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Employee engagement opportunities will be provided in the Airport Development Plan (ADP) by preparing at least three educational resources (e.g., e-mail blasts, information meetings) for all Authority employees by May 31, 2013.

**Progress:** On target. More than three ADP educational resources will be provided for all Authority employees by May 31, 2013.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

3. The Airport Planning Department will continue to improve individual passengers' experiences at SDIA by becoming highly educated regarding the Green Build projects and their upcoming openings and by increasing community awareness of airport projects and programs. To that end, by May 31, 2013, every member of the Airport Planning Department will spend a minimum of four hours in the terminals assisting in any approved activities such as:

- Experience SAN (through Customer Service);
- Staffing an inaugural flight or other Marketing & Public Relations Department event;
- Conducting TSA line management;
- Assisting during any of the busy holiday periods;
- Leading an educational or public airport tour; or
- Assisting the Landside Operations or Aviation & Commercial Business departments in an approved way.

**Progress:** Every Airport Planning employee has spent a minimum of four hours in the terminals assisting in approved activities.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

4. Greenhouse gas (GHG) emission reduction measures will be integrated into Airport Planning programs consistent with the California Attorney General (AG) Memorandum of Understanding (MOU), by preparing quarterly reports that summarize all GHG emission reduction measures for the adopted Airport Master Plan and Green Build Program, including mitigation measures identified in the certified Final Programmatic EIR, coastal development permit and the adopted Air Quality Management Plan by May 31, 2013.

**Progress:** Quarterly reports have been consistently prepared, per the AG MOU.

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. The draft Airport Land Use Compatibility Plan (ALUCP) for SDIA, which will help guide future land use in the vicinity of the airport, and associated environmental documents will be completed by May 31, 2013.

**Progress:** The ALUCP for SDIA is on track to be completed by May 31, 2013.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #5: Be a trusted and highly responsive regional agency.

## Airport Planning Departmental Goals

### FY 2014 – FY 2015 Objectives

1. The Airport Development Plan (ADP) will define future airport facilities through the year 2035. By May 31, 2014, all alternatives will be presented to the Airport Authority Board for consideration of a possible preferred alternative, and the environmental analyses will have begun.

**Sustainability Goal:** Operational Excellence.

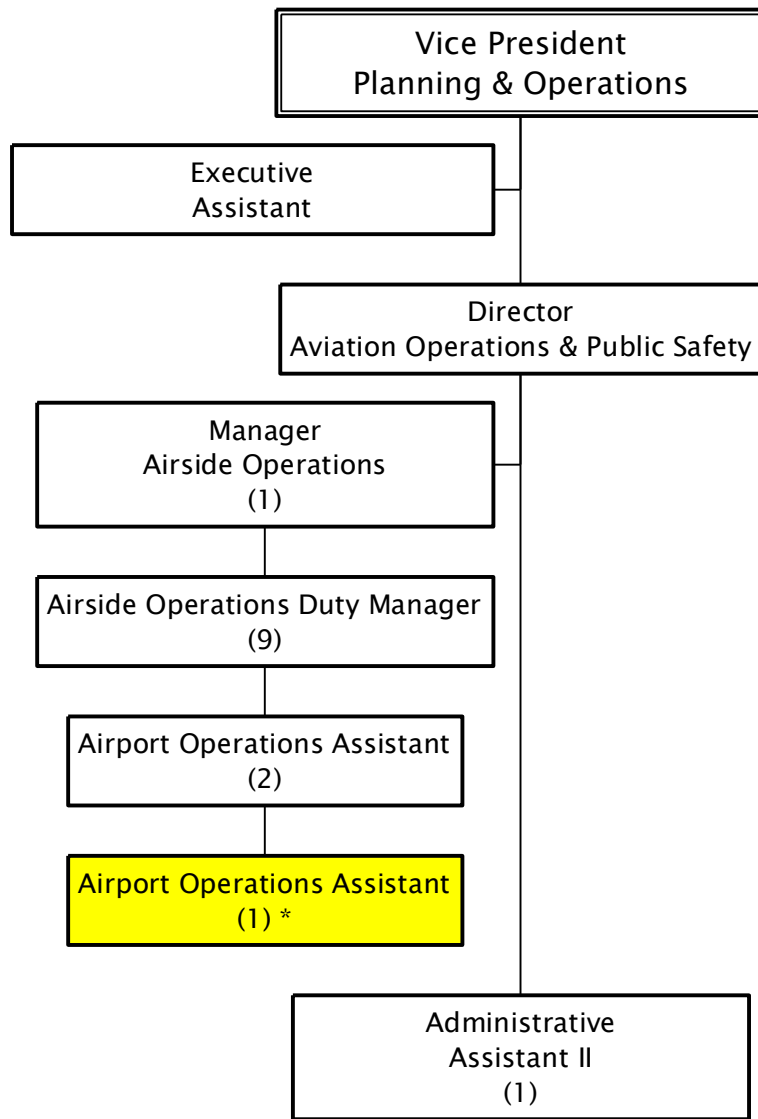
**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. The final Airport Land Use Compatibility Plan (ALUCP) for SDIA, which will help guide future land use in the vicinity of the airport, and associated environmental documents, will be completed by May 31, 2014.

**Sustainability Goal:** Operational Excellence.

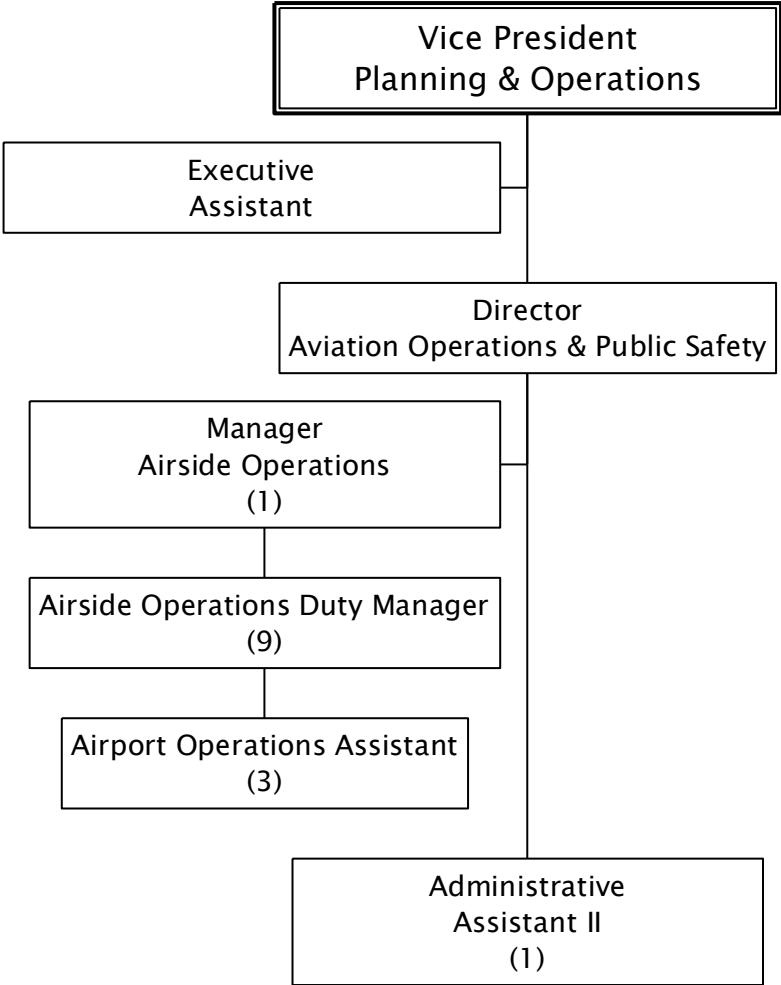
**Authority Strategy:** Strategy #1: Be a trusted and highly responsive regional agency.

# Airside Operations FY 2014 Organizational Structure



\* Unfunded position shown in yellow

**Airside Operations**  
**FY 2015 Organizational Structure**



## Airside Operations

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 1,381,049	\$ 1,349,451	\$ 1,371,359	\$ 21,908	1.6%	\$ 1,455,493	\$ 84,134	6.1%
Premium Overtime	17,946	15,000	15,000	-	0.0%	15,300	300	2.0%
Employee Benefits	665,911	691,743	744,931	53,188	7.7%	815,995	71,064	9.5%
Subtotal	2,064,906	2,056,193	2,131,289	75,096	3.7%	2,286,788	155,499	7.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>2,064,906</b>	<b>2,056,193</b>	<b>2,131,289</b>	<b>75,096</b>	<b>3.7%</b>	<b>2,286,788</b>	<b>155,499</b>	<b>7.3%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	583	345,600	780,000	434,400	125.7%	900,000	120,000	15.4%
Safety and Security	4,829,884	5,173,278	5,328,475	155,197	3.0%	5,488,329	159,854	3.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	8,091	21,200	11,200	(10,000)	-47.2%	31,200	20,000	178.6%
Operating Supplies	5,198	7,800	7,800	-	0.0%	7,920	120	1.5%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	21,314	37,025	36,725	(300)	-0.8%	37,320	595	1.6%
Business Development	8,395	8,600	10,100	1,500	17.4%	10,188	88	0.9%
Equipment Rentals & Repairs	15,115	20,700	53,700	33,000	159.4%	85,750	32,050	59.7%
<b>Total Non-Personnel Expenses</b>	<b>4,888,581</b>	<b>5,614,203</b>	<b>6,228,000</b>	<b>613,797</b>	<b>10.9%</b>	<b>6,560,707</b>	<b>332,707</b>	<b>5.3%</b>
<b>Total Operating Expenses</b>	<b>6,953,487</b>	<b>7,670,396</b>	<b>8,359,289</b>	<b>688,893</b>	<b>9.0%</b>	<b>8,847,495</b>	<b>488,206</b>	<b>5.8%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>6,953,487</b>	<b>7,670,396</b>	<b>8,359,289</b>	<b>688,893</b>	<b>9.0%</b>	<b>8,847,495</b>	<b>488,206</b>	<b>5.8%</b>
<b>Equipment Outlay</b>	<b>117,388</b>	<b>470,000</b>	<b>-</b>	<b>(470,000)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 7,070,875</b>	<b>\$ 8,140,396</b>	<b>\$ 8,359,289</b>	<b>\$ 218,893</b>	<b>2.7%</b>	<b>\$ 8,847,495</b>	<b>\$ 488,206</b>	<b>5.8%</b>



## Airside Operations

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget/ FY 2014 Budget</b>	<b>\$ 8,140,396</b>	<b>\$ 8,359,289</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	53,188	45,406
Salary adjustments and pay-for-performance	21,908	41,441
Unfrozen position of Aiport Operations Assistant (salaries, benefits & employer taxes)	-	68,652
<b>Total Increase in personnel costs</b>	<b>75,096</b>	<b>155,499</b>
Increase in Ramp Control Facility professional services	534,400	20,000
Increase in ARFF contract costs	155,197	159,854
Decrease/ Increase in USDA Wildlife Assessment	(100,000)	100,000
Decrease in equipment outlay	(470,000)	-
Other, net	24,200	52,853
<b>Total Increase in non-personnel costs</b>	<b>143,797</b>	<b>332,707</b>
<b>Total Increase</b>	<b>218,893</b>	<b>488,206</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 8,359,289</b>	<b>\$ 8,847,495</b>

## Airside Operations

### Departmental Objectives

#### FY 2013 Progress Report

1. Sponsor airfield capital projects to enhance airfield safety and efficiency. Projects include the Runway 09 ILS/displaced threshold project. Sponsorship will include participation in project planning and design as well as operational and safety oversight during construction. Planning, design and construction began in FY 2011 and will continue into FY 2014.

**Progress:** Ongoing.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Ensure that SDIA is operated and maintained in compliance with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of achieving no discrepancies. Completion date is September 30, 2012.

**Progress:** During the annual 2012 FAA Certification Inspection, the Airside Department received one discrepancy regarding ARFF training documentation. As a result there have been several meetings with the ARFF Training staff to reformat training records in accordance with FAA guidelines.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Work with the FAA to develop operating procedures in support of the new ramp control facility that promote the safe and expeditious flow of ramp aircraft traffic from gates 32-51 to the movement area. Completion date is January 30, 2013.

**Progress:** Through a series of meetings with the FAA in the spring/summer of 2012, Airside Operations developed a draft Letter of Agreement regarding operating procedures for the ramp control facility. Serco Inc. was selected to provide staffing and assists in the finalization of ramp control procedures by March 15, 2013. Between March 15 – April 1, 2013, a series of meeting with the Airlines and Chief Pilots will occur during which these procedures will be disseminated.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

4. Work with internal and external stakeholders to facilitate numerous upcoming airfield construction projects safely while minimizing negative impacts to our tenants and ATC operations. These projects include the storm drain rehabilitation project, forced main installation project, North side development, relocation of DHL and the Runway 09 ILS/displaced threshold project. Success will be measured by ensuring detailed coordination among stakeholders that result in no runway or taxiway incursions during the above projects.

**Progress:**

- Runway 09 ILS/Displaced Threshold: In support of this project, Airside Operations has worked with FDD, Planning and the FAA's Western Flight Procedures office to mitigate obstructions that impact the 3.1 degree instrument landing system glide slope, which needs to be cleared prior to the additional displacement of the Runway 09 threshold. Nearly all of the obstructions have been mitigated in support of this project.
- The storm drain rehabilitation project was substantially completed by March 14, 2013.
- The DHL relocation was completed in April 2012.
- The North side development project coordination continues. Planning review meetings with the impacted stakeholders (FDD, FAA and Planning) are currently in progress.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

5. **Work with Planning and the Facilities Development Department (FDD) to develop design improvements to Taxiway Bravo associated with the removal of the TDY buildings that meet with FAA approval and minimize the Airside escorting requirements associated with Group V aircraft. Planning and design may continue into FY 2014. Success will be measured by approval of design plans that minimize airside escort requirements for Group V aircraft.**

**Progress:** Airside Operations is currently working with FDD on Taxiway Bravo design and processes to maintain safe operations in compliance with applicable Federal Aviation Regulations while improvements are made.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

## Airside Operation

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. Ensure that SDIA complies with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of no more than one discrepancy. Completion date is August 31, 2013.

**Sustainability Goal:** Operational Excellence and Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

2. Sponsor airfield capital improvement projects to enhance safety and efficiency. Projects include the airfield service road repaving and relocation, installation of a blast fence at the southwest corner of the commuter terminal ramp and the Runway 09/ILS displaced threshold project. Sponsorship will include participation in project planning and design, as well as operational and safety oversight during construction. Planning, design and construction will take place throughout FY 2014 and continue into FY 2015.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy # 3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

3. Update the Airport Certification Manual to ensure that the content is current and in compliance with FAR Part 139 requirements. The updated manual will be submitted to the FAA Office of Airport Safety for review and approval. Success will be measured by FAA approval. Completion date is September 31, 2013.

**Sustainability Goal:** Operational Excellence .

**Authority Strategy:** Strategy # 3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

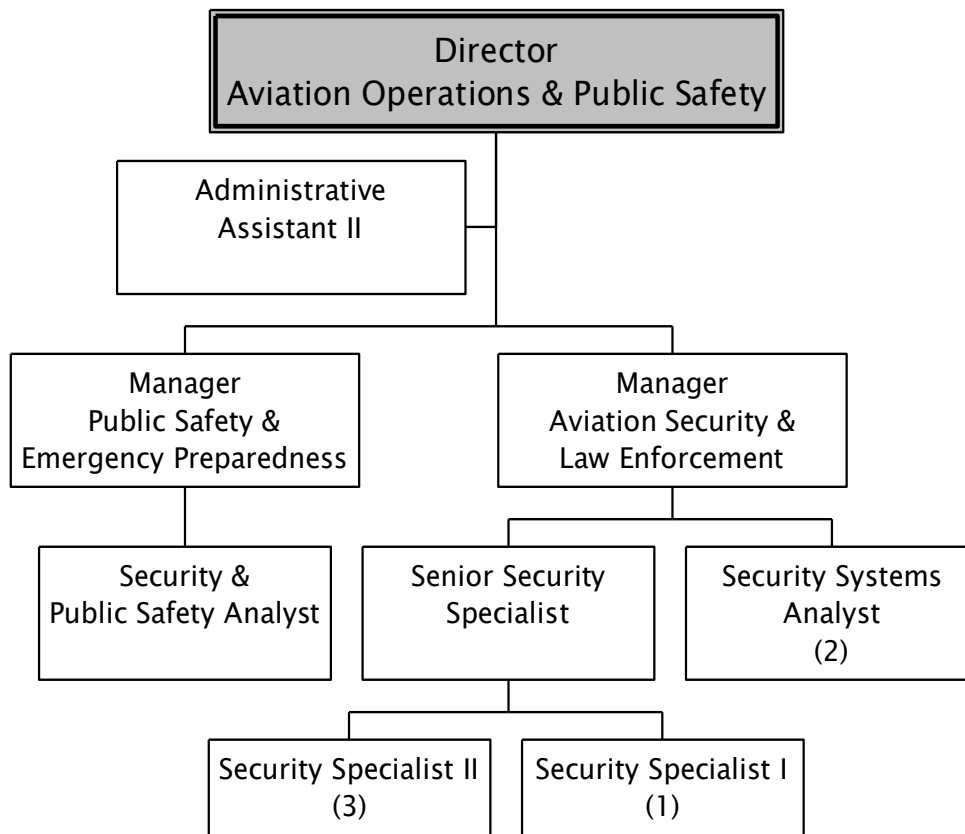
4. Work with Planning and Facilities Development to develop design improvements and aircraft gate restrictions in order to relocate the vehicle service road along the terminals further south in order to increase the taxiway object free area clearances. This will provide greater separation between the vehicle service road and Taxiway Bravo between Taxiway B6 and B10. Completion date is September 31, 2013.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally friendly sound, effective and efficient manner.

# Aviation Security & Public Safety

## FY 2014 – FY 2015 Organizational Structure



Position shown in grey resides in the Airside Operations department and is shown for reporting structure  
 No personnel changes planned for FY 2015

## Aviation Security & Public Safety

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 778,179	\$ 764,927	\$ 788,042	\$ 23,115	3.0%	\$ 811,683	\$ 23,641	3.0%
Premium Overtime	46,392	40,000	40,000	-	0.0%	40,000	-	0.0%
Employee Benefits	389,287	419,145	450,019	30,874	7.4%	478,126	28,108	6.2%
Subtotal	1,213,857	1,224,072	1,278,060	53,989	4.4%	1,329,809	51,749	4.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,213,857</b>	<b>1,224,072</b>	<b>1,278,060</b>	<b>53,989</b>	<b>4.4%</b>	<b>1,329,809</b>	<b>51,749</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	367,736	367,855	444,000	76,145	20.7%	454,000	10,000	2.3%
Safety and Security	17,795,286	17,234,882	19,646,990	2,412,108	14.0%	21,623,461	1,976,472	10.1%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	864,636	725,550	1,142,550	417,000	57.5%	1,200,000	57,450	5.0%
Operating Equipment & Systems	6,441	32,200	32,200	-	0.0%	35,200	3,000	9.3%
Operating Supplies	92,427	105,800	106,200	400	0.4%	156,200	50,000	47.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	11,468	15,400	23,150	7,750	50.3%	23,350	200	0.9%
Business Development	26,606	11,250	11,250	-	0.0%	36,250	25,000	222.2%
Equipment Rentals & Repairs	6,041	17,100	27,000	9,900	57.9%	27,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>19,170,640</b>	<b>18,510,037</b>	<b>21,433,340</b>	<b>2,923,303</b>	<b>15.8%</b>	<b>23,555,461</b>	<b>2,122,122</b>	<b>9.9%</b>
<b>Total Operating Expenses</b>	<b>20,384,497</b>	<b>19,734,109</b>	<b>22,711,400</b>	<b>2,977,291</b>	<b>15.1%</b>	<b>24,885,271</b>	<b>2,173,870</b>	<b>9.6%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>20,384,497</b>	<b>19,734,109</b>	<b>22,711,400</b>	<b>2,977,291</b>	<b>15.1%</b>	<b>24,885,271</b>	<b>2,173,870</b>	<b>9.6%</b>
<b>Equipment Outlay</b>	<b>388,033</b>	<b>422,000</b>	<b>-</b>	<b>(422,000)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 20,772,530</b>	<b>\$ 20,156,109</b>	<b>\$ 22,711,400</b>	<b>\$ 2,555,291</b>	<b>12.7%</b>	<b>\$ 24,885,271</b>	<b>\$ 2,173,870</b>	<b>9.6%</b>

## Aviation Security & Public Safety

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget/ FY 2014 Budget</b>	<b>\$ 20,156,109</b>	<b>\$ 22,711,400</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	30,874	28,108
Salary adjustments and pay-for-performance	23,115	23,641
<b>Total Increase in personnel costs</b>	<b>53,989</b>	<b>51,749</b>
Increase in law enforcement costs - Harbor Police Department	1,992,133	1,823,329
Increase in security guard services	472,100	125,000
Increase in access control system maintenance	417,000	57,450
Increase in services other	72,845	-
Decrease/ Increase in safety equipment & supplies	(20,000)	50,000
Decrease in equipment outlay	(422,000)	-
Other, net	(10,775)	66,343
<b>Total Increase in non-personnel costs</b>	<b>2,501,303</b>	<b>2,122,122</b>
<b>Total Increase</b>	<b>2,555,291</b>	<b>2,173,870</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 22,711,400</b>	<b>\$ 24,885,271</b>

# Aviation Security & Public Safety

## Departmental Objectives

### FY 2013 Progress Report

1. Enhance our regional partnership with the County of San Diego's Office of Emergency Services (OES) with the following initiatives:

- Improve the Authority's ability to track regional events that affect SDIA by making necessary upgrades to the Emergency Operations Center (EOC) during FY 2013 and FY 2014; and
- Establish a cache of emergency supplies to ensure that the Authority can sustain itself during the critical days of a region-wide emergency during FY 2013 and FY 2014.

**Progress:** The Aviation Security and Public Safety Department entered into an RFP Process to select a company to install the necessary upgrades to the EOC. That company has been selected and work will commence soon. The Aviation Security and Public Safety Department procured emergency supplies for phase 1 and is in the process of procuring supplies for phase 2 of our emergency supply plan.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. Design, develop and implement a comprehensive transition program to update Access Control System (ACS) technology campus-wide. This will enhance AVSEC/PS operational capabilities and provide enhanced support to law enforcement, TSA and other federal agencies. Additionally, this upgrade will prepare the facility for implementation of a smart card/biometric-based system of credentialing and access.

**Progress:** Through its incorporation into the Green Build, the Department has begun the transition to a "smart card" based ACS. It is expected the complete transition will occur within 6 months of Green Build completion. Additionally, all Sterile Badge holders will be transitioned into a biometric-based identification system.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. Continue to provide opportunities for professional development and personal growth for all department staff, as well as operational Authority staff through public safety-oriented programs (e.g., CPR, First Aid) and operations-specific training.

**Progress:** The Department has offered continuous professional development and growth opportunities to the Authority through its ongoing CPR and First Aid training efforts. In addition, numerous personnel within the Division have attended enhanced security awareness training offered by AVSEC/PS.

**Sustainability Goal:** Operational Excellence, Social Responsibility.



**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee commitment and performance.

4. Enhance Emergency/Disaster Preparedness training of Authority staff, airport tenants and appropriate agencies by conducting the following training initiatives during FY 2013 and FY 2014:
  - Active Shooter Training/Exercise for Authority staff, to be completed by the fourth quarter of FY 2013;
  - Tabletop exercise for the Traffic Plan – Harbor Drive Closures, to be completed by the fourth quarter of FY 2013;
  - Joint BCP/EOC Functional Exercise, to be completed by the fourth quarter of FY 2013; and
  - Initiate Fire Alarm/Terminal Evacuation training sessions at tenant staff meetings, to be conducted during FY 2013 and FY 2014.

Success will be measured by the completion of these exercises and training initiatives, the completion of any necessary After Action Reports for lessons learned and the completion of any necessary revisions of Plans and Procedures.

**Progress:** Active Shooter Training took place for all Authority Staff during the summer of 2012. Planning for an Active Shooter Exercise has begun with the exercise to take place in August 2013. The Joint BCP/EOC Functional Exercise took place on October 11, 2012 and an After Action Report was prepared. Fire Alarm and Terminal Evacuation Training has been conducted throughout the fiscal year at Tenant Safety Meetings, PREP Meetings and Department staff meetings. Roundtable discussions have taken place regarding the Traffic Plan – Harbor Drive Closures and appropriate revisions have been made due to construction activities.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

5. Participate in the Green Build Activation Team (GBAT) to ensure that all Security Special Systems are planned, designed and implemented. This will include all hardware and software as well as the maintenance and management of the Access Control System (ACS).

**Progress:** The Department continues to work with the GBAT and Technical Roundtable Teams to ensure that all systems are implemented as designed. To date, these systems have included: the consolidated network, ACS, CCTV, breach management, FLIR systems and fire alarm systems.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

6. **Work with the Harbor Police Department (HPD) to develop a Law Enforcement staffing model for the Green Build infrastructure. The staffing model will focus on meeting or exceeding all required TSA response times while ensuring police officer and public safety. Model planning will include new opportunities for HPD staff to use bicycles and other personal transport equipment to respond inside Terminal buildings.**

**Progress:** The Department has completed work with HPD to create a staffing model incorporating the Green Build that does not require any additional staffing resources.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

# Aviation Security & Public Safety

## Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Ensure that SDIA 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 a Tabletop Exercise in compliance with FAR Part 139.325(g)(4) by second quarter FY 2014 (November 2013); and conducting a full-scale mass-casualty field exercise in compliance with FAR Part 139.325(h) by second quarter FY 2015 (November 2014).

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. Maintain a cache of emergency supplies with the intention of ensuring that the Authority can sustain itself during the critical initial days of a region-wide emergency, during FY 2014 & FY 2015, by providing water and heated meals for 1,200 people for three days.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. Ensure that AVSEC/PS, in cooperation with its contract providers, delivers mandated security services in a fiscally responsible manner. Continue to work with contract providers to maintain sustainable staffing levels by investigating and utilizing operational enhancements such as alternative forms of transportation (i.e., Segway's, electric carts, etc.) Provide an EOY report documenting all cost-savings measures gained by modifying procedures, staffing plans and technology.

**Sustainability Goal:** Operational Excellence.

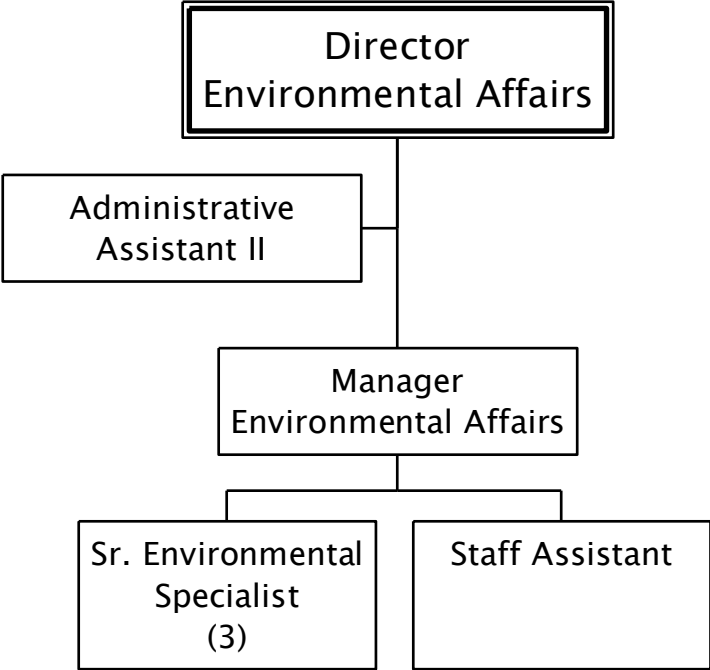
**Authority Strategy:** Strategy #1: Enhance the Financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner.

4. Continue to provide opportunities for professional development and personal growth for all department staff, as well as operational Authority staff through public safety-oriented programs (e.g., CPR, first aid, etc.) and operational specific training. Document opportunities provided to staff and development training completed by staff.

**Sustainability Goal:** Social Responsibility, Operational Excellence.

**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee commitment and performance.

**Environmental Affairs**  
**FY 2014 – FY 2015 Organizational Structure**



*No personnel changes planned for FY 2015*

## Environmental Affairs

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 522,928	\$ 522,521	\$ 629,084	\$ 106,563	20.4%	\$ 647,208	\$ 18,124	2.9%
Premium Overtime	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	202,902	267,358	321,355	53,996	20.2%	342,144	20,790	6.5%
Subtotal	725,830	789,879	950,439	160,559	20.3%	989,352	38,914	4.1%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>725,830</b>	<b>789,879</b>	<b>950,439</b>	<b>160,559</b>	<b>20.3%</b>	<b>989,352</b>	<b>38,914</b>	<b>4.1%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	1,081,964	991,500	1,516,000	524,500	52.9%	1,616,000	100,000	6.6%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	292	1,000	1,000	-	0.0%	1,000	-	0.0%
Maintenance	442,537	460,000	500,000	40,000	8.7%	550,000	50,000	10.0%
Operating Equipment & Systems	286	1,000	1,000	-	0.0%	1,000	-	0.0%
Operating Supplies	2,779	4,000	4,000	-	0.0%	4,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	96,919	101,200	125,600	24,400	24.1%	125,600	-	0.0%
Business Development	29,301	33,900	38,900	5,000	14.7%	38,900	-	0.0%
Equipment Rentals & Repairs	-	1,500	2,000	500	33.3%	2,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,654,076</b>	<b>1,594,100</b>	<b>2,188,500</b>	<b>594,400</b>	<b>37.3%</b>	<b>2,338,500</b>	<b>150,000</b>	<b>6.9%</b>
<b>Total Operating Expenses</b>	<b>2,379,906</b>	<b>2,383,979</b>	<b>3,138,939</b>	<b>754,959</b>	<b>31.7%</b>	<b>3,327,852</b>	<b>188,914</b>	<b>6.0%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,379,906</b>	<b>2,383,979</b>	<b>3,138,939</b>	<b>754,959</b>	<b>31.7%</b>	<b>3,327,852</b>	<b>188,914</b>	<b>6.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,379,906</b>	<b>\$ 2,383,979</b>	<b>\$ 3,138,939</b>	<b>\$ 754,959</b>	<b>31.7%</b>	<b>\$ 3,327,852</b>	<b>\$ 188,914</b>	<b>6.0%</b>

## Environmental Affairs

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget/ FY 2014 Budget</b>	<b>\$ 2,383,979</b>	<b>\$ 3,138,939</b>
<b>Personnel costs</b>		
Unfrozen position of Senior Environmental Specialist (salaries, benefits & employer taxes)	103,913	-
Salary adjustments and pay-for-performance	30,581	18,124
Burden (benefits & employer taxes) increase for current staff	26,065	20,790
<b>Total Increase in personnel costs</b>	<b>160,559</b>	<b>38,914</b>
Increase in Stormwater Management Program costs	200,000	100,000
Increase in Water Quality/San Diego Bay Sediment Quality Objectives	199,500	100,000
Increase/ Decrease in other outside professional services	125,000	(100,000)
Increase in refuse and hazardous waste disposal	40,000	50,000
Other, net	29,900	-
<b>Total Increase in non-personnel costs</b>	<b>594,400</b>	<b>150,000</b>
<b>Total Increase</b>	<b>754,959</b>	<b>188,914</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 3,138,939</b>	<b>\$ 3,327,852</b>

## Environmental Affairs

### Departmental Objectives

#### FY 2013 Progress Report

1. **Develop a strategic plan to convert all airside Ground Service Equipment (GSE) and airside service vehicles to electric or alternative clean fuels. The plan is to be ready for implementation by June 30, 2013.**

**Progress:** Draft language has been developed for the Airlines Operators Agreement (AOA) with provisions for the conversion of GSE with electric or alternative fuel vehicles at the end of the useful life, along with a GSE tracking and identification system. Plan implementation is now anticipated for December 2013 in concert with Airside Operations.

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation and Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Update air emissions inventory for calendar year 2012, track Greenhouse Gas (GHG) reductions and provide recommendations to enhance emission reduction opportunities. Findings are to be published in an updated Air Quality Management Plan (AQMP) by June 30, 2013.**

**Progress:** 2012 updates to GHG emissions inventory and AQMP are on track for completion by June 30, 2013.

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **By June 30, 2013, expand the use of the fully implemented online storm water inspection database to incorporate tracking compliance of the construction portion of the Authority's Storm Water Management Plan.**

**Progress:** Our consultant is currently developing the construction inspection module of the storm water inspection database. This will include the ability to log and track construction projects at the airport and the associated inspection data. The database will also have the ability to document information communicated at pre-bid, pre-construction and progress meetings. This module will be accessible from a mobile device for access in the field. Completion is anticipated in March 2013.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

## Environmental Affairs

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. **Develop a strategic plan to convert all airside Ground Service Equipment (GSE) and airside service vehicles to electric or alternative clean fuels. The plan is to be ready for implementation by December 31, 2013.**

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation and Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Revise and update Environmental Management System (EMS) Plan and implement new plan by June 31, 2014.**

**Sustainability Goal:** Operational Excellence, Natural Resource Conservation and Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Perform a water use assessment study for the airport, which evaluates current water usage and identifies opportunities for rainwater capture and reuse for non-potable applications, with results published by June 31, 2014.**

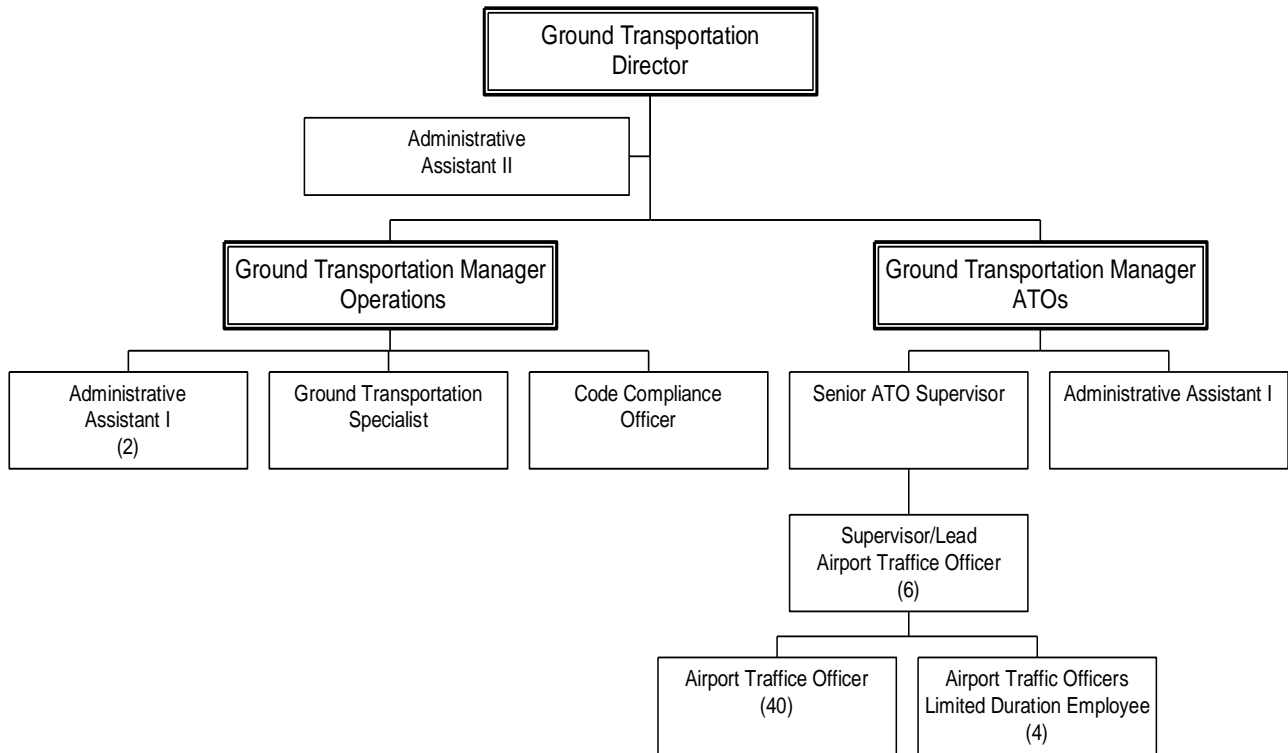
**Sustainability Goal:** Economic Vitality, Operational Excellence, Natural Resource Conservation and Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.



# Ground Transportation

## FY 2014 – FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Ground Transportation \*

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 272,467	\$ 332,299	\$ 458,135	\$ 125,836	37.9%	\$ 474,982	\$ 16,847	3.7%
Premium Overtime	33,704	-	10,000	10,000	0.0%	10,000	-	0.0%
Employee Benefits	165,804	190,392	230,190	39,798	20.9%	233,428	3,238	1.4%
Subtotal	471,975	522,690	698,324	175,634	33.6%	718,410	20,085	2.9%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>471,975</b>	<b>522,690</b>	<b>698,324</b>	<b>175,634</b>	<b>33.6%</b>	<b>718,410</b>	<b>20,085</b>	<b>2.9%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	12,680,899	12,010,170	13,245,435	1,235,265	10.3%	13,240,225	(5,210)	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	4	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	389	800	800	-	0.0%	800	-	0.0%
Operating Supplies	11,569	12,000	12,000	-	0.0%	12,000	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	8,149	5,250	7,750	2,500	47.6%	162,750	155,000	2000.0%
Business Development	7,488	13,000	10,000	(3,000)	-23.1%	10,000	-	0.0%
Equipment Rentals & Repairs	419	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>12,708,918</b>	<b>12,041,220</b>	<b>13,275,985</b>	<b>1,234,765</b>	<b>10.3%</b>	<b>13,425,775</b>	<b>149,790</b>	<b>1.1%</b>
<b>Total Operating Expenses</b>	<b>13,180,893</b>	<b>12,563,911</b>	<b>13,974,309</b>	<b>1,410,398</b>	<b>11.2%</b>	<b>14,144,185</b>	<b>169,875</b>	<b>1.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>13,180,893</b>	<b>12,563,911</b>	<b>13,974,309</b>	<b>1,410,398</b>	<b>11.2%</b>	<b>14,144,185</b>	<b>169,875</b>	<b>1.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>270,000</b>	<b>-</b>	<b>(270,000)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 13,180,893</b>	<b>\$ 12,833,911</b>	<b>\$ 13,974,309</b>	<b>\$ 1,140,398</b>	<b>8.9%</b>	<b>\$ 14,144,185</b>	<b>\$ 169,875</b>	<b>1.2%</b>

\* Air Traffic Officers (ATO) personnel and non-personnel expenses tracked separately for rates, fees and charges purposes. See page 287

## Ground Transportation \*

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget/ FY 2014 Budget</b>	<b>\$ 12,833,911</b>	<b>\$ 13,974,309</b>
<b>Personnel costs</b>		
1 New Manager position (salaries, benefits & employer taxes)	117,927	-
Salary adjustments and pay-for-performance	55,607	16,847
Burden (benefits & employer taxes) increase for current staff	2,100	3,238
<b>Total Increase in personnel costs</b>	<b>175,634</b>	<b>20,085</b>
Increase in shuttle operations	1,187,825	212,127
Increase/ Decrease in parking operations	81,534	(72,337)
Increase/ Decrease in Alternative Fuel Vehicle incentive costs	20,906	(145,000)
Rental Car Center training	-	155,000
Decrease in equipment outlay	(270,000)	-
Other, net	(55,500)	-
<b>Total Increase in non-personnel costs</b>	<b>964,765</b>	<b>149,790</b>
<b>Total Increase</b>	<b>1,140,398</b>	<b>169,875</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 13,974,309</b>	<b>\$ 14,144,185</b>

\* Air Traffic Officers (ATO) personnel and non-personnel expenses tracked separately for rates, fees and charges purposes. See page 288

## Ground Transportation (ATOs)\* FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ -	\$ -	\$ 2,837,176	\$ 2,837,176	0.0%	\$ 2,956,749	\$ 119,573	4.2%
Premium Overtime	-	-	148,000	148,000	0.0%	148,000	-	0.0%
Employee Benefits	-	-	1,813,518	1,813,518	0.0%	1,935,556	122,038	6.7%
Subtotal	-	-	4,798,694	4,798,694	0.0%	5,040,305	241,611	5.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	-	-	<b>4,798,694</b>	<b>4,798,694</b>	<b>0.0%</b>	<b>5,040,305</b>	<b>241,611</b>	<b>5.0%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	-	-	46,000	46,000	0.0%	1,000	(45,000)	-97.8%
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	-	-	1,100	1,100	0.0%	1,100	-	0.0%
Operating Supplies	-	-	38,300	38,300	0.0%	38,300	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	-	-	50,000	50,000	0.0%	49,740	(260)	-0.5%
Business Development	-	-	40,800	40,800	0.0%	40,800	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	-	-	<b>176,200</b>	<b>176,200</b>	<b>0.0%</b>	<b>130,940</b>	<b>(45,260)</b>	<b>-25.7%</b>
<b>Total Operating Expenses</b>	-	-	<b>4,974,894</b>	<b>4,974,894</b>	<b>0.0%</b>	<b>5,171,245</b>	<b>196,351</b>	<b>3.9%</b>
<b>Total Non-Operating Expenses</b>	-	-	-	-	<b>0.0%</b>	-	-	<b>0.0%</b>
<b>Total Expenses</b>	-	-	<b>4,974,894</b>	<b>4,974,894</b>	<b>0.0%</b>	<b>5,171,245</b>	<b>196,351</b>	<b>3.9%</b>
<b>Equipment Outlay</b>	-	-	-	-	<b>0.0%</b>	-	-	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,974,894</b>	<b>\$ 4,974,894</b>	<b>0.0%</b>	<b>\$ 5,171,245</b>	<b>\$ 196,351</b>	<b>3.9%</b>

\* Air Traffic Officers (ATO) personnel and non-personnel expenses transferred from Landside department and tracked separately for rates, fees and charges purposes.

## Ground Transportation (ATOs)\*

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget/ FY 2014 Budget</b>	\$ -	\$ 4,974,894
<b>Personnel costs</b>		
Transfer of 49 positions from Landside department	3,932,673	-
Change in capitalized labor	374,318	-
4 New Airport Traffic Officer (ATO) positions (salaries, benefits & employer taxes)	263,956	-
Salary adjustments,contracted wage increases and pay-for-performance	122,638	119,573
Burden (benefits & employer taxes) increase for current staff	105,110	122,038
<b>Total Increase in personnel costs</b>	<b>4,798,694</b>	<b>241,611</b>
Transfer of Airport Traffic Officers (ATO) non-personnel costs from Landside department	176,200	-
Decrease in ticketman maintenance/warranty costs	-	(44,000)
Other, net	-	(1,260)
<b>Total Increase/ Decrease in non-personnel costs</b>	<b>176,200</b>	<b>(45,260)</b>
<b>Total Increase</b>	<b>4,974,894</b>	<b>196,351</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 4,974,894</b>	<b>\$ 5,171,245</b>

\* Air Traffic Officers (ATO) personnel and non-personnel expenses transferred from Landside department and tracked separately for rates, fees and charges purposes.

# Ground Transportation

## Departmental Objectives

### FY 2013 Progress Report

1. **Minimize wait times for taxicabs and implement Taxicab/VFH Memorandums of Agreement with industry associations. Success is measured by average wait times of less than one-half hour by September 1, 2012.**

**Progress:** Taxicab wait times were measured through June 30, 2012 and the average wait times were less than one-half hour.

**Sustainability Goal:** Economic Viability, Operational Excellence, Natural Resource Conservation, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Conduct monthly meetings with taxicab and vehicle for hire association leadership, present data from vehicle inspections and continue to monitor compliance with rules and regulations through code compliance officers.**

**Progress:** From July 2012 through March 2013, monthly meetings were conducted with taxicab and vehicle for hire association leaders. During this period, vehicle inspections were routinely conducted at the taxi/shuttle hold lot and the terminal transportation islands, and the results were shared at the meetings. A Code Compliance Officer was assigned to monitor the taxi/shuttle hold lot and the terminal transportation islands.

**Sustainability Goal:** Economic Viability, Operational Excellence, Natural Resource Conservation and Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Conduct four vehicle (taxicabs and vehicles for hire) inspections by June 30, 2013. Benchmark results to ensure vehicles and drivers meet known standards and expectations.**

**Progress:** The Ground Transportation department conducted two taxi cab and two vehicle for hire inspections between July 1, 2012 and October 31, 2012. The department plans to conduct two more inspections prior to June 30, 2013.

**Sustainability Goal:** Economic Viability, Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Monitor financial expenses of parking and shuttle operators to ensure actual expenses are +/- 5% of budgeted expenses.**

**Progress:** Financial expenses for both parking and shuttle operations are monitored on an ongoing basis. As of February 1, 2013, actual expenses are within the goal of +/- 5% of budgeted expenses.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

**5. Retire and replace certain shuttles from the SDIA courtesy shuttle fleet by January 1, 2013.**

**Progress:** As of February 15, 2013, the Authority has taken delivery of six new shuttles and anticipates replacing another twelve vehicles by May 1, 2013. The eighteen new vehicles will be powered with propane.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

## Ground Transportation Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Conduct quarterly meetings with taxicab and vehicle for hire association leadership, present data from vehicle inspections and continue to monitor compliance with rules and regulations through code compliance officers.

**Sustainability Goal:** Economic Viability, Operational Excellence, Natural Resource Conservation, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. Complete the implementation of the Ground Transportation Strategic Workforce Plan by January 1, 2014. This implementation includes updated organizational charts, all available positions filled, updated job descriptions and finalized roles and responsibilities.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. Manage the Ace Parking Management Inc. contracts for parking and shuttle services to ensure actual expenses do not exceed budgeted amounts.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

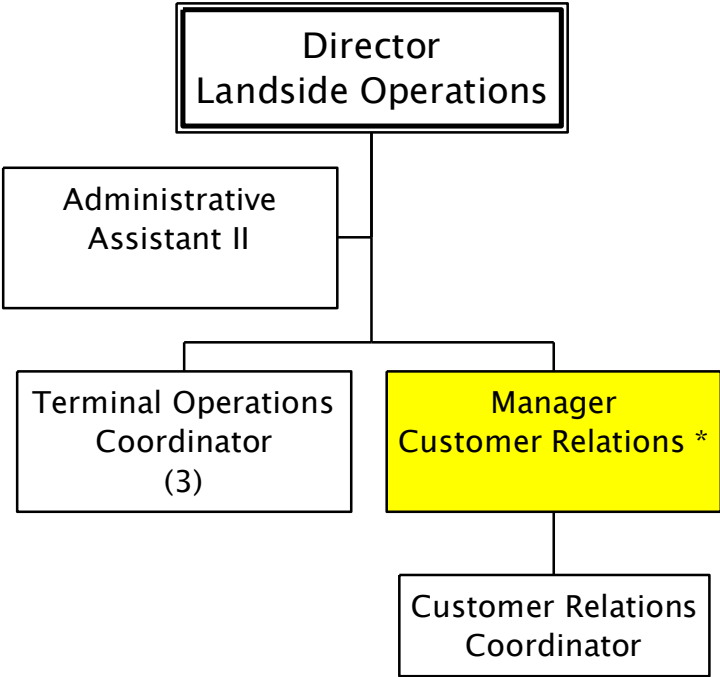
4. Implement updates to Ground Transportation systems by May 1, 2014. The system updates include installation of software upgrades for Gatekeeper System Inc. for the Automatic Vehicle Identification (AVI) system and Commercial Vehicle Management system, Airport-wide upgrades of hardware for the AVI system, installation of the automated trip fee collection system for Airport permitted taxicab vehicles and drivers and installation of the automated taxicab dispatch system.

**Sustainability Goal:** Economic Viability, Operational Excellence

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.



**Landside Operations**  
**FY 2014 – FY 2015 Organizational Structure**



*\*Unfunded position shown in yellow  
No personnel changes planned for FY 2015*

## Landside Operations\*

### FY 2014 – FY 2015 Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>								
<b>Personnel Expenses</b>								
Salaries and Wages	\$ 2,872,174	\$ 2,969,158	\$ 439,017	\$ (2,530,141)	-85.2%	\$ 452,187	\$ 13,171	3.0%
Premium Overtime	158,569	150,000	2,000	(148,000)	-98.7%	2,000	-	0.0%
Employee Benefits	1,562,096	1,840,609	245,018	(1,595,591)	-86.7%	260,332	15,313	6.2%
Subtotal	4,592,839	4,959,767	686,035	(4,273,732)	-86.2%	714,519	28,484	4.2%
<i>Less: Capitalized Labor</i>	(339,797)	(374,318)	-	374,318	-100.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>4,253,043</b>	<b>4,585,449</b>	<b>686,035</b>	<b>(3,899,414)</b>	<b>-85.0%</b>	<b>714,519</b>	<b>28,484</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>								
Contractual Services	4,233,312	5,771,054	6,836,333	1,065,279	18.5%	6,959,177	122,844	1.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	2,345	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	51,341	85,200	57,700	(27,500)	-32.3%	72,700	15,000	26.0%
Operating Supplies	39,749	40,600	6,300	(34,300)	-84.5%	6,300	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	37,473	67,700	14,700	(53,000)	-78.3%	14,900	200	1.4%
Business Development	20,253	109,045	61,310	(47,735)	-43.8%	61,310	-	0.0%
Equipment Rentals & Repairs	16,904	3,200	3,200	-	0.0%	3,200	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>4,401,376</b>	<b>6,076,799</b>	<b>6,979,543</b>	<b>902,744</b>	<b>14.9%</b>	<b>7,117,587</b>	<b>138,044</b>	<b>2.0%</b>
<b>Total Operating Expenses</b>	<b>8,654,419</b>	<b>10,662,248</b>	<b>7,665,578</b>	<b>(2,996,670)</b>	<b>-28.1%</b>	<b>7,832,106</b>	<b>166,528</b>	<b>2.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>8,654,419</b>	<b>10,662,248</b>	<b>7,665,578</b>	<b>(2,996,670)</b>	<b>-28.1%</b>	<b>7,832,106</b>	<b>166,528</b>	<b>2.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 8,654,419</b>	<b>\$ 10,662,248</b>	<b>\$ 7,665,578</b>	<b>\$ (2,996,670)</b>	<b>-28.1%</b>	<b>\$ 7,832,106</b>	<b>\$ 166,528</b>	<b>2.2%</b>

\* Air Traffic Officers (ATO) personnel and non-personnel expenses transferred to Ground Transportation department

## Landside Operations

### Major Drivers of FY 2014 Budget & FY 2015 Conceptual Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget/ FY 2014 Budget</b>	<b>\$ 10,662,248</b>	<b>\$ 7,665,578</b>
<b>Personnel costs</b>		
Burden (benefits & employer taxes) increase for current staff	17,304	15,313
Salary adjustments and pay-for-performance	15,955	13,171
Transfer of 49 positions to Ground Transportation ATOs department	(3,932,673)	-
<b>Total Decrease/ Increase in personnel costs</b>	<b>(3,899,414)</b>	<b>28,484</b>
Increase in Airport custodial contract (Green Build, Concession Development Program and general activity)	1,122,279	122,844
Transfer of Airport Traffic Officers (ATO) non-personnel costs to Ground Transportation ATOs department	(176,200)	-
Other, net	(43,335)	15,200
<b>Total Increase in non-personnel costs</b>	<b>902,744</b>	<b>138,044</b>
<b>Total Decrease/ Increase</b>	<b>(2,996,670)</b>	<b>166,528</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 7,665,578</b>	<b>\$ 7,832,106</b>

# Landside Operations

## Departmental Objectives

### FY 2013 Progress Report

1. **Ensure that SDIA maintains code compliance with State and Federal ADA laws. Success will be measured through quarterly self-audits in anticipation of State and Federal inspections to be conducted during the year.**

**Progress:** The ADA oversight audits by Landside Operations were shifted over to the planning department mid 2012. The most recent audit produced valuable information with corrective action planning underway.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. **Establish stricter oversight of our recycling by coordinating efforts with our waste management partner, concession program and the airport janitorial staff. Oversight of the recycling program will ensure tenant compliance, with an expected 15% increase in overall recycling efforts. Success will be measured using monthly waste management statistics that are included with the billing.**

**Progress:** With the acquisition of a cardboard bailer and agreements with the janitorial staff, we have increased our recycling to the expected 15% and potential to exceed this by an additional 5%.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Activate a new and remodeled facility from the state of static completion to normal operations and mitigate surprises on opening day. Success will be measured through:**

- **A comprehensive training and familiarization program suitable to specific user needs;**
- **Collaboration;**
- **A transparent process for all stakeholders; and**
- **Focus on the passenger experience as well as scope, budget and schedule reviews.**

**Progress:** Although the success of this goal will not be fully measured until completion of the Green Build, the activation planning thus far has met every stakeholders concern through continued communication, weekly meetings, familiarization tours, planning involvement and meeting budget constraints. All Stakeholders are actively involved with hands-on training.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Partner with the air carrier station managers, contractors, janitorial and TSA to maintain efficient and safe passenger flow throughout the terminals during the Green Build construction. Success will be measured through daily interaction, monthly meetings and passenger comments received through various media connections and comment cards.**

**Progress:** Constant communication with the various stakeholders has continued throughout this past year. In many cases the stakeholders input has greatly enhanced the successful changes necessary while construction impacted the terminals/roadways. Case in point was the Traffic Officers input throughout the many roadway diversions. Their input was invaluable and without it, we would have had many more operational issues.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee commitment and performance. Strategy #5: Be a trusted and highly responsive regional agency.

5. **Maximize customer service training for Airport Traffic Officers (ATOs). The current customer service ranking for the ATOs maintains a consistent average of 90%. With the additional responsibility of the lost and found function, our department has an opportunity to increase this percentage to the mid-nineties.**

**Progress:** Our customer service focus continues through regularly scheduled training and daily line-ups. Even with the Green Build, construction causing numerous roadway challenges the ATOs continues to maintain their consistent 90% customer service ranking.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

6. **Maximize operational efficiency by decreasing average passenger time to 15 minutes in security checkpoint lines.**

**Progress:** Data provided by the TSA and our own data collection provides consistent data to support the 15 minute or less average passenger waiting times.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction.

7. **Install one liquid collection container at each security checkpoint. Eliminating liquid filled containers reduces substantial waste weight and increases container recyclability. A decrease of 10,000 -15,000 pounds in monthly waste is expected.**

**Progress:** The overall terminal construction and concession changes have placed this project on hold due to lack of space as a result of construction.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

8. **Hold monthly meetings with air carrier station managers, contractors, janitorial and TSA coordinators to maintain efficient and safe passenger flow throughout the terminals as we move into the Green Build project.**

**Progress:** Lindbergh Airline Manager Council (LAMC) meetings are conducted the third Wednesday of every month.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

9. **Maintain fiscal responsibility by implementing safe work practices to achieve workers compensation cost containment measures. Success equals maintaining the loss rate per \$80 per payroll at or better than the FY 2010 rate for the ATOs.**

**Progress:** The oversight of this program is maintained and controlled through our HR safety program. This safe work practices program was implemented by the safety department and should be moved to their oversight responsibility.

**Sustainability Goal:** Economic Viability, Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

10. **Install 20 new outdoor waste containers to enhance our outdoor recycling efforts. These containers would supplement existing indoor recycling efforts and help to maintain a more than 15 % increase in overall recycling efforts.**

**Progress:** This project was placed on hold due to the many construction projects that impact the curbside operation. We plan to add the containers once the construction is complete and permanent spaces can be established.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

## Landside Operations

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. Establish stricter oversight of our recycling by coordinating efforts with our waste management partner, tenants, AvCom concession program and Flagship janitorial management. Oversight of the recycling program will ensure tenant compliance, with an expected 30% increase in overall recycling efforts. Success will be measured using monthly waste management statistics that are included with the monthly billing.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy # 1: Enhance the financial position of the Authority. Strategy #3 Operate our airport in a safe, secure, environmentally sound effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

2. Partner with the air carrier Station Managers, contract vendors, janitorial and TSA to maintain efficient and safe passenger flow throughout the terminals. Success will be measured through daily interaction, i.e. managing by walking around (MBWA), Airport Ambassador meetings, monthly LAMC meetings and passenger comments received through various media connections and comment letters.

**Sustainability Goal:** Operational Excellence, Social Responsibility.

**Authority Strategy:** Strategy #1: Enhance the final position of the Authority. Strategy #2: Achieve the highest level of internal customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee commitment and performance. Strategy #5: Be a trusted and highly responsive regional agency.

# 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 primarily based on payments of principal interest, and fees for the revenue bonds and the commercial paper program. Debt service expenses (net of capitalized interest) are projected at \$58,027,215 for the FY 2014 Budget and \$64,640,770 for the FY 2015 Conceptual Budget.

### Allowed Purposes and Types of Debt

The 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 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 Authority's policy is to manage its current and future debt service requirements in compliance with all bond covenants, while prudently meeting the Authority's capital needs. The 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% of annual senior lien bond debt service and that subordinate net revenues shall exceed 110% of subordinate lien debt service. A debt service coverage table is shown on 302. The Authority has a cap on the annual debt service, not a cap on the amount of outstanding debt. This is a common provision in airport bond resolutions.

In addition, the Board has adopted a debt policy that calls for minimum debt service coverage of 175% for senior lien debt and aggregate debt service coverage (senior and subordinate) of 150%.

## Outstanding Debt

### Series 2005 Bonds

On December 21, 2012, the Authority defeased all of its outstanding Airport Revenue Refunding Bonds, Series 2005, by depositing proceeds of Subordinate Commercial Paper Notes and certain other available moneys into an irrevocable escrow fund. The amounts on deposit in the escrow fund will be used to pay the principal of and interest on the Senior Series 2005 Bonds until their final maturity date of July 1, 2020.

### Series 2010 Bonds

On October 5, 2010, the Authority issued \$572,565,000 in Subordinate Airport Revenue Bonds. The bond proceeds are being used primarily for construction of The Green Build as well as projects in the Capital Improvement Program. The bonds were issued in the following series and amounts: Series A (non-AMT) \$313,150,000; Series B (non-AMT) \$44,055,000; and Series C (Build America Bonds) \$215,360,000.

The purpose of Build America Bonds (BABs) is to reduce the cost of borrowing for State and local government issuers and governmental agencies. The program was applicable to new issue capital expenditure bonds issued before January 1, 2011. There are two types of BABs: "Tax Credit BABs" and "Direct Payment BABs." The Authority issued Direct Payment BABs which provide a federal subsidy of 35% of the interest paid on the bonds directly to the Authority. The subsidy is not included in "Net revenues", as defined below, rather it is used to pay debt service.

The Series 2010 Bonds were structured as serial and term bonds that bear interest at rates ranging from 2.0% to 6.63% (prior to BAB subsidy) maturing in fiscal years 2015 to 2041. Interest on the bonds is payable semiannually on January 1 and July 1 of each year.

The Series 2010 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 Authority’s airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

**Series 2013 Bonds**

On January 30, 2013, the Authority issued \$379,585,000 in Senior Airport Revenue Bonds. The Bond Proceeds will be used primarily to finance a portion of the construction of the Green Build and certain projects in the Capital Improvement Program. The bonds were issued in the following series and amounts: Series A (non-AMT) \$107,285,000; and Series B (AMT) 272,300,000.

The Series 2013 Bonds were structured as serial and term bonds that bear interest rates ranging from 3.0% to 5.0% maturing in fiscal years 2016-2044.

The Series 2013 Bonds are payable solely from and secured by a pledge of “Net Revenues.” Net Revenues are generally defined as all revenues and other cash receipts of the Authority’s airport operations less amounts required to pay operations and maintenance expenses of the Airport. Pledged “Net Revenues” do not include cash received from PFCs, CFCs or Federal grants.

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

<b>Rating Agency</b>	<b>Standard &amp; Poors</b>	<b>Moody’s</b>	<b>Fitch</b>
<b>Series 2013(senior)</b>	<b>A+</b>	<b>A1</b>	<b>A+</b>
<b>Series 2010(subordinate)</b>	<b>A</b>	<b>A2</b>	<b>A</b>

**Commercial Paper Series A, B and C**

The Authority’s outstanding commercial paper, Series A (non AMT), Series B (AMT) and Series C (taxable) is secured by a pledge of airport revenues. This pledge of airport revenue is subordinated to the pledge of net airport revenues securing the payment of the Series 2013 Bonds and on parity with the pledge of subordinated net airport revenues securing the payment of the Series 2010 Bonds. The authorized program provides for borrowings up to \$250,000,000 through September 1, 2027. Each commercial paper note matures at the end of a period not to exceed 270 days and can be continually rolled into another issuance until the earlier of September 10, 2014 or five days prior to the date no letter of credit is securing the commercial paper notes. At that time, the total outstanding principal becomes due. The commercial paper notes require that the charges for services be set each year at rates sufficient to produce Pledged Revenues of at least 1.10 times the debt service on subordinate obligations, including the commercial paper notes, for that year.

Each series of notes are additionally secured by an irrevocable letter of credit issued by Lloyds TSB Bank plc. The letter of credit expires on September 10, 2014. Interest on the notes is paid at a rate based on the market for similar commercial paper notes.

Commercial Paper Series A and B Rating

Standard & Poors

Moody's

A-1

P-1

The principal amount of Commercial Paper Notes outstanding as of June 30, 2013 will be \$19,924,000 in Series B and \$31,045,000 in Series C.

**Debt Service Coverage**

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

	<b>FY 2012 Actuals</b>	<b>FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>FY 2015 Conceptual Budget</b>
Airport Revenues	158,311,785	178,573,651	194,511,102	213,108,446
Operations & Maintenance Expenses	(118,941,148)	(127,287,524)	(139,821,260)	(146,258,908)
<b>Net Revenue Available for Senior &amp; Subordinate Lien Debt Service</b>	<b>39,370,637</b>	<b>51,286,127</b>	<b>54,689,842</b>	<b>66,849,539</b>
Senior Bonds Debt Service	5,355,975	14,351,775	16,645,434	20,064,575
PFCs used to pay Debt Service	-	(8,987,300)	(6,151,675)	(7,432,159)
<b>Senior Bonds Debt Service, net of PFCs</b>	<b>5,355,975</b>	<b>5,364,475</b>	<b>10,493,759</b>	<b>12,632,416</b>
<b>Senior Bonds Debt Service Coverage (x)</b>	<b>7.35</b>	<b>9.56</b>	<b>5.21</b>	<b>5.29</b>
<b>Subordinate Net Revenues</b>	<b>34,014,662</b>	<b>45,921,652</b>	<b>44,196,083</b>	<b>54,217,123</b>
Subordinate Lien Bonds	12,575,681	31,973,215	37,490,498	40,149,398
Commercial Paper	1,077,868	1,346,005	6,971,218	7,433,643
PFCs used to pay Debt Service	-	(15,274,750)	(21,707,487)	(22,792,052)
BAB Subsidy	(4,995,921)	(4,995,921)	(4,741,129)	(4,741,129)
<b>Subordinate Debt Service, Net of PFCs and BAB subsidy</b>	<b>8,657,628</b>	<b>13,048,548</b>	<b>18,013,100</b>	<b>20,049,861</b>
<b>Subordinate Debt Service Coverage (x)</b>	<b>3.93</b>	<b>3.52</b>	<b>2.45</b>	<b>2.70</b>
Aggregate (Senior and Subordinate Lien) Debt service	19,009,524	47,670,994	61,107,150	67,647,617
PFCs used to pay Debt Service	-	(24,262,050)	(27,859,162)	(30,224,211)
BAB Subsidy	(4,995,921)	(4,995,921)	(4,741,129)	(4,741,129)
<b>Total Debt service, net of PFCs and BAB subsidy</b>	<b>14,013,603</b>	<b>18,413,023</b>	<b>28,506,859</b>	<b>32,682,277</b>
<b>Total Debt service coverage (x)</b>	<b>2.81</b>	<b>2.79</b>	<b>1.92</b>	<b>2.05</b>

## Outstanding Debt Service

Year Ended July 1	Commercial Paper Principal, Interest and Fees	2005*/2013 Senior Bonds Principal and Interest	2010 Subordinate Bonds Principal and Interest	Total
2013**	\$5,877,567	\$2,478,489	\$31,973,215	\$40,329,271
2014***	6,971,217	16,645,435	37,490,498	61,107,150
2015***	7,433,644	20,064,575	40,149,398	67,647,617
2016	7,755,396	20,504,600	40,151,798	68,411,794
2017	7,761,871	20,504,950	40,146,248	68,413,069
2018	7,760,671	20,503,750	40,149,748	68,414,169
2019	7,772,696	20,494,150	40,145,848	68,412,694
2020	2,267,434	26,006,350	40,143,798	68,417,582
2021	2,264,796	26,000,100	40,150,548	68,415,444
2022	2,271,584	25,994,350	40,151,423	68,417,357
2023	2,267,459	26,003,100	40,144,111	68,414,670
2024	2,267,709	25,999,600	40,148,486	68,415,795
2025	2,267,209	25,998,350	40,149,486	68,415,045
2026	2,265,959	26,003,100	40,147,486	68,416,545
2027	2,268,959	26,002,350	40,143,236	68,414,545
2028	2,266,084	25,996,000	40,151,736	68,413,820
2029	2,272,459	25,989,850	40,151,736	68,414,045
2030	2,267,834	26,002,750	40,145,486	68,416,070
2031	-	16,667,500	50,928,986	67,596,486
2032	-	16,979,000	50,619,205	67,598,205
2033	-	17,239,750	50,356,695	67,596,445
2034	-	17,606,000	49,994,740	67,600,740
2035	-	18,016,250	49,581,574	67,597,824
2036	-	18,551,750	49,045,358	67,597,108
2037	-	19,104,500	48,493,038	67,597,538
2038	-	19,691,500	47,909,880	67,601,380
2039	-	20,293,750	47,306,652	67,600,402
2040	-	20,923,000	46,678,384	67,601,384
2041	-	67,600,250	-	67,600,250
2042	-	67,600,250	-	67,600,250
2043	-	67,597,500	-	67,597,500
<b>Total</b>	<b>\$76,280,548</b>	<b>\$795,062,849</b>	<b>\$1,202,748,797</b>	<b>\$2,074,092,194</b>

\*Series 2005 Bonds were defeased on December 21, 2012. FY 2013 includes the final 2005 Bonds debt service payment of \$830,074

\*\* FY 2013 projected

\*\*\* FY 2014 – 2015 Budgeted

## Debt Service by Source

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Budget	Inc/(Dec) FY14 Budget vs FY13 Budget	% Change	FY 2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Debt Service</b>								
Principal on Commercial Paper	\$ 780,000	\$ 805,000	\$ 6,065,000	\$ 5,260,000	653.4%	\$ 6,149,000	\$ 84,000	1.4%
Principal on Revenue Bonds	4,410,000	4,610,000	5,785,000	1,175,000	25.5%	10,695,000	4,910,000	84.9%
Interest Expense - Capitalized Leases	-	-	877,298	877,298	0.0%	877,298	-	0.0%
Interest on Revenue Bonds and Commercial Paper	2,107,034	42,875,729	48,988,040	6,112,310	14.3%	50,080,268	1,092,228	2.2%
Fees	262,691	354,577	315,674	(38,903)	-11.0%	767,690	452,016	143.2%
Amortization of Bond Premium and Cost of Issuance	(1,057,447)	(1,002,227)	(4,003,797)	(3,001,570)	299.5%	(3,928,486)	75,311	-1.9%
<b>Total Debt Service</b>	<b>\$ 6,502,278</b>	<b>\$ 47,643,080</b>	<b>\$ 58,027,215</b>	<b>\$ 10,384,136</b>	<b>21.8%</b>	<b>\$ 64,640,770</b>	<b>\$ 6,613,555</b>	<b>11.4%</b>

# CAPITAL PROGRAM

## Capital Program

### Overview

The capital program at SDIA consists of the Capital Improvement Program (CIP) and the Green Build/Terminal Development Program (Green Build). The CIP is a rolling five-year program that provides critical improvements and asset preservation. The 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 and Transportation Security Agency grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), airport operating revenues, airport revenue bonds and short-term borrowing using commercial paper. The capital program includes funding for the Green Build to expand Terminal 2 with 10 additional passenger gates, a new dual-level roadway at Terminal 2 and additional overnight aircraft parking areas. The Green Build will be completed in CY 2013 and is estimated to cost approximately \$820 million.

### Program Summary

FY 2013 Capital Improvement Program	\$	596,083,643
FY 2013 Project Closeouts		(2,833,636)
FY 2013 Project Cancellations		(180,000)
FY 2013 Project Adjustments, Net		50,810,466
FY 2013 Capital Improvement Program Balance		<u>643,880,473</u>
Proposed New Projects		57,272,718
Proposed RCC Projects		30,600,000
The Green Build		<u>820,000,000</u>
<b>Proposed FY 2014 – 2018 Capital Program</b>	<b>\$</b>	<b><u>1,551,753,191</u></b>

## Sources & Uses of Funds by Fiscal Year

### Sources of Funds

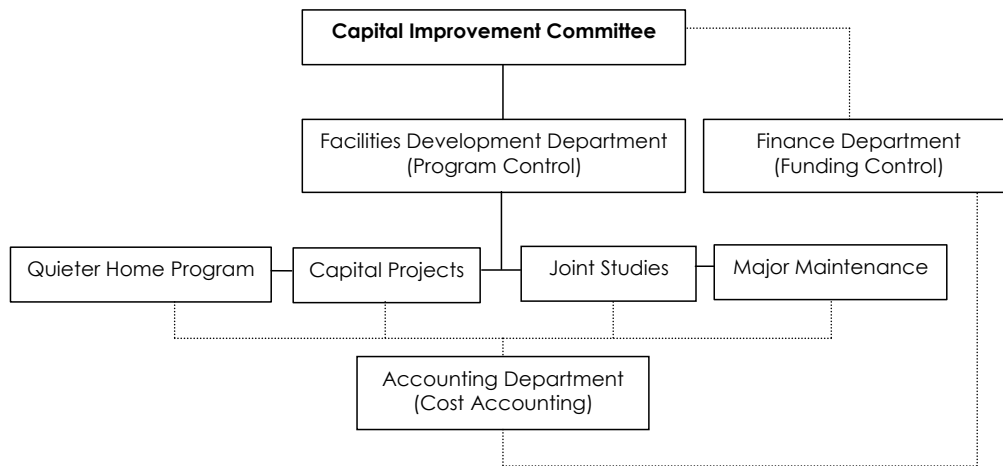
	Pre FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total
<b>The Green Build</b>							
Airport Revenue Bonds	\$ 525,369,830	\$111,916,405	\$ -	\$ -	\$ -	\$ -	\$ 637,286,235
Passenger Facility Charges	117,436,785	1,348,668	-	-	-	-	118,785,453
Federal Grants	61,720,255	801,420	-	-	-	-	62,521,675
Airport Funds	1,145,482	261,155	-	-	-	-	1,406,637
<b>TOTAL</b>	<b>\$ 705,672,352</b>	<b>\$114,327,648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 820,000,000</b>
<b>Capital Improvement Program</b>							
Customer Facility Charges *	\$ 19,270,230	\$105,711,883	\$192,687,814	\$ 55,928,621	\$ -	\$ -	\$ 373,598,548
Airport Revenue Bonds	79,193,907	67,309,125	6,779,112	501,701	-	-	153,783,845
Federal Grants	6,738,560	13,203,316	10,615,097	4,992,436	20,876,478	34,769,806	91,195,695
Passenger Facility Charges	10,925,194	16,828,940	8,400,930	5,670,819	9,666,062	8,374,264	59,866,210
Airport Funds	3,269,101	21,154,517	15,262,922	9,245,698	1,724,497	902,159	51,558,893
Other	-	-	1,750,000	-	-	-	1,750,000
<b>TOTAL</b>	<b>\$ 119,396,993</b>	<b>\$224,207,780</b>	<b>\$235,495,875</b>	<b>\$ 76,339,276</b>	<b>\$ 32,267,038</b>	<b>\$ 44,046,229</b>	<b>\$ 731,753,191</b>
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 825,069,345</b>	<b>\$338,535,428</b>	<b>\$235,495,875</b>	<b>\$ 76,339,276</b>	<b>\$ 32,267,038</b>	<b>\$ 44,046,229</b>	<b>\$1,551,753,191</b>
<b>Use of Funds</b>							
<b>The Green Build</b>							
Airside	\$ 64,284,987	\$ 4,700,812	\$ -	\$ -	\$ -	\$ -	\$ 68,985,799
Landside	226,714,390	24,348,476	-	-	-	-	251,062,867
Terminal	414,672,975	85,278,359	-	-	-	-	499,951,335
<b>TOTAL</b>	<b>\$ 705,672,352</b>	<b>\$114,327,648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 820,000,000</b>
<b>Capital Improvement Program</b>							
Landside	\$ 53,443,397	\$157,632,852	\$206,753,961	\$ 61,916,016	\$ 762,741	\$ -	\$ 480,508,967
Airside	11,251,999	19,256,069	15,972,112	9,592,807	31,066,724	43,894,188	131,033,899
Terminal	51,675,867	40,521,119	11,631,087	4,136,018	285,532	-	108,249,624
Administrative	3,025,730	6,797,740	1,138,715	694,435	152,041	152,041	11,960,701
<b>TOTAL</b>	<b>\$ 119,396,993</b>	<b>\$224,207,780</b>	<b>\$235,495,875</b>	<b>\$ 76,339,276</b>	<b>\$ 32,267,038</b>	<b>\$ 44,046,229</b>	<b>\$ 731,753,191</b>
<b>TOTAL USE OF FUNDS</b>	<b>\$ 825,069,345</b>	<b>\$338,535,428</b>	<b>\$235,495,875</b>	<b>\$ 76,339,276</b>	<b>\$ 32,267,038</b>	<b>\$ 44,046,229</b>	<b>\$1,551,753,191</b>

\* Includes pay-as-you-go usage and proceeds from CFC backed special facility bonds.



## Capital Improvement Committee

The Capital Improvement Committee (CIC) is composed of the Airport Authority's four Vice Presidents and oversees the Capital Improvement Program. The CIC meets monthly and reviews all new project requests, changes to project scopes, budgets and schedules and ensures the efficient use of the Authority's capital resources.



## Capital Program Process

The **Capital Improvement 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 working group comprised of staff representatives from various Authority departments.

After the request is submitted to the working group, interviews are conducted between Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Taking into account the 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 Authority's ability to provide natural resource conservation while being socially responsible are evaluated.

Following the interviews, the working group forwards evaluations of the proposed projects to a review group comprised of key department Directors. The review group then forwards recommendations to the CIC. The CIC may direct the Facilities Development Department (FDD), in coordination with project sponsors, to define the project deliverables and report on estimated costs. Project budgets, schedules, issues and proposed funding sources are then presented to the CIC. The CIC recommends the project to be included in the CIP or the CIC may revise the list of projects to be presented to the Authority Board based on funding availability and project necessity. Following Authority Board approval of the CIP, FDD project teams request the CIC to release funding and begin the project as planned and approved.

During each fiscal year, budget and schedule changes to on-going projects are reviewed and approved by the CIC. The CIC may also review new project requests throughout the year to accommodate the ever-changing airport environment and regulatory requirements.

The **Green Build** is a separate program chartered with implementing specific terminal expansion, roadway and airside projects. It is under the oversight of the Board's Capital Improvement Program Oversight Committee (formerly known as the Terminal Development Program Committee) as well as the Executive Steering Committee, which consists of the Authority's executive staff members. As the Green Build moves

toward completion, the implementation team has been organized into the Airport Design and Construction Department that will primarily focus on the Rental Car Center (RCC) as well as future projects.

## Funding

### Airport Improvement Program

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

Title 49 of the United States Code (U.S.C.) authorizes the AIP program. 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 program includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passenger boardings 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 program typically provides funding up to 80.59% of eligible project costs.

Once awarded, AIP grants must typically be expended within four years. However, the Authority expends funds for eligible capital projects and is then reimbursed with grant proceeds. Projected expenditures to be reimbursed by AIP grants is \$14.0 million in FY 2014 and \$10.6 million in FY 2015.

### Passenger Facility Charge

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 PFC is that the PFC is a fee directly to the passenger, is administratively retained by the airport and is considered local funds versus airport funds.

SDIA 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 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 authority of approximately \$1.1 billion in support of the Terminal Development Program. A ninth application for \$31.3 million was approved in July 2012. The majority of this application will provide funding for the Quieter Home Program as well as the completed Rehabilitate Taxiway "C" project.

### Customer Facility Charge

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. Implementation of a CFC at SDIA was approved by the Board in FY 2009. Board authorization for the use of CFCs for initial planning efforts was given in FY 2010. Subsequently in FY 2012, Board authorization was given for the use of CFCs for design and enabling projects in the amount of \$60 million. 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 will increase from \$6.00 to \$7.50 per rental day. CFCs will support the

funding for the construction of a consolidated car rental facility. Projected pay-as-you-go usage of CFCs for enabling projects is \$11.8 million in FY 2014 and \$5.6 million in FY 2015.

### **Transportation Security Agency Other Transaction Agreement**

The Transportation Security Agency (TSA) is authorized by the Homeland Security Act of 2002 to utilize Other Transaction Agreements (OTA) to fund its Explosive Baggage Screening Program (EBSP) and its Closed Circuit TV (CCTV) Program at the Nation's airports. TSA's use of OTA's is primarily as a mechanism for providing reimbursement funding and outlining the roles and responsibilities associated with these shared airport projects. SDIA received a \$28 million OTA from the TSA in FY 2010 for installation and construction costs associated with Explosive Detection Systems as part of the Terminal 2 expansion.

## Project Descriptions & Funding Sources

### Airside Projects

#### 103044 – NTC Landfill Remediation

*Description:* This project includes the required environmental remediation of the contaminated areas on the former Naval Training Center (NTC), which is approximately 51 acres of land transferred to the Port District from the Navy for Airport use.

##### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
1,812,571						\$ 1,812,571

##### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		518,567		1,294,004		\$ 1,812,571

#### 104087 – Runway 9 Displaced Threshold Relocation

*Description:* This project relocates the Runway 09 displaced threshold by 300 ft. east and includes pavement striping, marking, relocation, color change-out of existing threshold, touchdown and approach lighting systems.

##### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
825,270	2,604,333	35,000				\$ 3,464,603

##### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	3,464,603					\$ 3,464,603

#### 104110 – Rehabilitate Runway/Taxiway Storm Water/Airfield Drainage System

*Description:* This project will improve and strengthen drainage pipes located on the airfield beneath the runway and taxiways.

##### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
7,197,818	302,182					\$ 7,500,000

##### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
6,044,250		1,455,750				\$ 7,500,000

**104128 – Construct FBO Taxiway and FBO Development**

*Description:* This project provides a single taxi lane to connect the FBO apron with Taxiway “C” and provides developer oversight for the duration of the project.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
360,854	3,941,996					\$ 4,302,850

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	3,732,850	570,000				\$ 4,302,850

**104129 – Relocate Taxiway B**

*Description:* This project relocates the existing parallel Taxiway “B” from its current position of 362.5 feet south of Runway 9/27 centerline to a position 400 feet south of the runway centerline. This position will place the parallel taxiway at the Federal Aviation Administration’s required safety distance.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
			300,000	9,500,000	29,424,070	\$ 39,224,070

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
31,610,678	7,613,392					\$ 39,224,070

**104130 – North side Cargo Taxi Lanes and Development**

*Description:* This project provides two taxi lanes to connect the cargo apron with Taxiway “C” and developer oversight for the duration of the project.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	500,000					\$ 500,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		500,000				\$ 500,000

**104149 – SDIA Airport Development Plan (Airside Allocation)**

*Description:* This project will define the future plan for SDIA through the year 2035. The near-term phase will focus on the replacement of Terminal 1 and the Commuter Terminal. The future uses of the TDY property will also be defined, as well as the ultimate build-out of all airport property north of the runway. It will include associated environmental analyses and documentation (both CEQA and NEPA) and preparation of an FAA-approved Airport Layout Plan (ALP) package.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
1,008,085	1,201,854	1,040,061				\$ 3,250,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	3,250,000					\$ 3,250,000

**104164 – Remote Noise Monitor Pole Replacement**

*Description:* This project will replace twelve remote noise monitoring poles in the community which have been in place since the 1970s and 1980s, in order to meet State Dept. of Transportation requirements, as well as address liability and safety issues.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
47,401	237,249	159,866	32,284			\$ 476,800

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	476,800					\$ 476,800

**Rehabilitate Cross Taxiway B8 & Terminal Aprons**

*Description:* This project will reconstruct portions of Taxiway B8, Taxi Lane W, Terminal 1 apron, Terminal 2 apron and the Cargo apron.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	1,703,910	5,111,730	1,703,910			\$ 8,519,550

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
6,865,905	1,653,645					\$ 8,519,550

### Construct North side Bypass and Taxiway

*Description:* This project will replace the existing pavement on the northeastern end of Runway 9-27 to support Group 5 aircraft loading and relieve aircraft traffic on Taxiway C.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	2,000,000	8,000,000				<b>\$ 10,000,000</b>

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
8,059,000	1,941,000					<b>\$ 10,000,000</b>

### Rehabilitate Cross Taxiways (B4-B7 & C3-C6) & Commuter Terminal Apron

*Description:* This project will replace the existing pavement on Cross Taxiways B4-B7, Cross Taxiways C3-C6 and the Commuter Terminal apron.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
			2,457,888	9,831,552		<b>\$ 12,289,440</b>

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
9,904,060	2,385,380					<b>\$ 12,289,440</b>

### Rehabilitate Runway 9-27

*Description:* This project provides for rehabilitation of the airfield asphalt pavement on Runway 9/27 which includes milling and replacing the top three inches of the approximately 9,400 ft. x 200 ft. pavement surface; removal and replacement of failed sub-grade; adjustment of electrical runway lights and appurtenances; striping, marking and related work.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
				5,880,000	13,720,000	<b>\$ 19,600,000</b>

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
15,795,640	3,804,360					<b>\$ 19,600,000</b>

**104163 (New) – Pre-Conditioned Air Installation – Terminal 1 West & Terminal 2 East**

*Description:* This project will install pre-conditioned air at 18 gate locations – seven in Terminal 1 and eleven in Terminal 2 East. This will allow aircraft parked at the gates to connect to ground power sources and reduce aircraft engine use and air emissions, thereby meeting our commitments to the AG.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	4,800,000					<b>\$ 4,800,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
3,868,320	931,680					<b>\$ 4,800,000</b>

**New – Replace Passenger Loading Bridges in Terminal 1**

*Description:* This project will replace three passenger loading bridges and bridge foundations at gates 3, 5 and 16 in Terminal 1.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	1,494,545	1,625,455				<b>\$ 3,120,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	3,120,000					<b>\$ 3,120,000</b>

**New – Cargo Taxiways**

*Description:* This project will provide two taxiways connecting Taxiway Charlie with the planned North side cargo facility. This will include demolition of existing pavement, excavation and disposition of soil, compaction and a base layer.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
			4,772,500	4,772,500		<b>\$ 9,545,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	9,545,000					<b>\$ 9,545,000</b>



**New – Construct Apron Blast Fence at Commuter Terminal**

*Description:* This project will provide a ten- foot high blast fence along the east side of the Commuter Terminal apron to direct jet blast away from Winship Lane and Lot 8.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
			297,000	693,000		<b>\$ 990,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
797,841				192,159		<b>\$ 990,000</b>

**New – Construct FAA Waterline**

*Description:* This project will replace the existing corroded waterline to the Air Traffic Control Tower with a 2” PVC waterline, along with a booster pump and two water meters. This will provide potable water to the FAA Control Tower.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	470,000					<b>\$ 470,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				470,000		<b>\$ 470,000</b>

**New – Reconstruct Aprons (Cargo & Terminal 1)**

*Description:* This project will replace the existing pavement on cross taxiways B4-B7, cross taxiways C3-C6 and the Commuter Terminal apron.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
			29,225	389,672	750,118	<b>\$ 1,169,015</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				1,169,015		<b>\$ 1,169,015</b>

## Landside Projects

### 104066 – TDY Site Demolition

*Description:* This project consists of site demolition and environmental remediation, both of which are governed by the Settlement Agreement: “2701 North Harbor Drive Site Demolition and Remediation Settlement Agreement, Releases and Covenants Not to Sue” executed March 23, 2007. The parties to the agreement are SDCRAA, the Port District and Allegheny Technologies, Inc. SDCRAA’s role includes oversight and coordination with the other two parties to ensure visibility of the expenditure of the settlement funds. The scope of the demolition includes removal of all infrastructures above and below the surface with the exception of a few active storm water conveyances.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
8,619,009	172,991					\$ 8,792,000

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		8,792,000				\$ 8,792,000

### 104118 – Interior North side Road and Utilities

*Description:* This project provides the necessary utility infrastructure to support the implementation of the North side development plan including sewer, water, natural gas, electrical, telecommunications and storm drains.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
3,248,774	14,511,185	55,000				\$ 17,814,959

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		9,569,881	6,565,078	1,680,000		\$ 17,814,959

### 104118E – North side Utility – Storm Drain Trunk

*Description:* This project provides a 32 cfs stormwater pump station, approximately 8,600 feet of stormwater force main and outfall from the pump station heading westerly to the existing boat channel and approximately 1,700 feet of gravity stormwater trunk line, upgrading of the pump station along the interior road/utility corridor to drain the North side development.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
1,342,912	13,671,675					\$ 15,014,587

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
7,000,000		5,355,504	2,659,083			\$ 15,014,587

**104124 – Washington Street Intersection & Access Improvements**

*Description:* This project includes modifications to the existing Washington Street / Pacific Highway Off-Ramp intersection and reconstruction of the Washington Street SDIA and Marine Corps Recruiting Depot access roadway south of the Pacific Highway Off-Ramp including access to the Central Receiving and Distribution Center.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
5,462,058	114,742					\$ 5,576,800

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		5,576,800				\$ 5,576,800

**104126 – South Side Site Protection**

*Description:* This project provides finish grading, compaction and paving the approximately 40-acre site with approximately 2-inches of asphalt following demolition of buildings and foundations. Included in the work is the installation of surface swales and drainage piping.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
4,439,403	1,688,867					\$ 6,128,270

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		6,128,270				\$ 6,128,270

**104127 – Reconstruction of Lot 8 / San Park Harbor Drive**

*Description:* This project includes reconstruction of Lot 8 and SAN Park - Harbor Drive after all demolition and remediation operations are completed under Project No. 104066 - TDY Demolition.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
3,953,701	256,750					\$ 4,210,451

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		4,210,451				\$ 4,210,451

**104134 – Terminal Link Road**

*Description:* This project provides a two-way dedicated perimeter road that connects the airport terminals to the RCC.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
953,035	5,014,272	9,363,416	938,687			\$ 16,269,410

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		1,495,846	9,273,564	5,500,000		\$ 16,269,410

**104136 – Airport Electrical Distribution System**

*Description:* This project will construct a new 12kV electrical distribution system to provide power to the new facilities at Teledyne Ryan and on the North side of the airport.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
3,596,388	12,547,005	3,366,393				\$ 19,509,786

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		15,868,986	3,640,800			\$ 19,509,786

**104145 – Relocate Lot 6 Employee Parking**

*Description:* This project includes the relocation of Lot 6 employee parking on Harbor Island to a SAN Park - Harbor Drive location after all demolition and remediation operations on the TDY property are completed.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
5,785,108	264,892					\$ 6,050,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		6,050,000				\$ 6,050,000

**104146 – San Park 2 Pacific Highway North**

*Description:* This project consists of creating approximately 1,967 additional spaces located at the southeasterly corner of Pacific Highway and Washington Street. This project provides a long term parking facility to replace existing parking areas that will be impacted by the development of the future RCC and FBO sites on the North side.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
1,216,008	10,694,992					\$ 11,911,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		10,175,081	1,735,919			\$ 11,911,000

**104151 – Rental Car Center (RCC) Development**

*Description:* This project consists of developing a rental car facility on the North side/old General Dynamic site. It will provide on-airport rental car parking stalls for those companies that want to operate on-airport and an opportunity for passenger bus transfers for companies that elect to conduct their operations off-airport.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
12,793,059	86,245,603	162,384,500	54,700,942			\$ 316,124,104

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
			316,124,104			\$ 316,124,104

**104133 – Storm Water BMP's**

*Description:* This project provides for installation of Storm Water Treatment Best Management Practices (BMP's) in existing parking lots, airport internal roadways and lawn areas - including wire mesh screen at curb inlets & curb inlet filters, and replacement of existing lawn areas with artificial turf.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	53,186	1,009,414				\$ 1,062,600

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		1,062,600				\$ 1,062,600

**104153 – Earthquake Fault Study for North Side & TDY Properties**

*Description:* This project will conduct a fault study in order to determine the proper building placement on the North side, as well as, planning of TDY site. The study will include the old General Dynamics site (excluding RCC site), TDY site and three Least Tern nesting ovals.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
1,446,083	3,917					\$ 1,450,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		1,450,000				\$ 1,450,000

**104159 – FBO Demolition and Site Remediation**

*Description:* This project will demolish the existing FBO facility and associated ramp areas, including underground storage tanks, and provide environmental remediation of the site for future development of North side projects.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
445,840	1,000,000	2,054,160				\$ 3,500,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		1,750,000			1,750,000	\$ 3,500,000

**104166 (New) – Upgrade Ground Transportation Systems**

*Description:* This project will upgrade the ground transportation systems to include a taxicab trip fee payment system, automatic vehicle identification (AVI) reader replacement and an automated taxi and shuttle dispatch system. Planning costs for this project were incurred previously and funded by the FY 2013 CIP.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
210,000	2,540,000					\$ 2,750,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				2,750,000		\$ 2,750,000

**104168 (New) – Wayfinding Signage and Directories**

*Description:* This project will fund off-airport roadway wayfinding/signage analysis. The analysis will determine the secondary approach paths for motorists destined for the North side RCC and determine the status and effectiveness of current SAN vehicular wayfinding/signage. Planning costs for this project were incurred previously and funded by the FY 2013 CIP.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
37,500	2,482,500	2,470,000				\$ 4,990,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				4,990,000		\$ 4,990,000

**New – Acquire RCC Buses**

*Description:* This project will purchase or provide for a capital lease for 25 CNG buses to provide passengers transportation between the RCC on the North side and all terminals.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	805,000	15,295,000				\$ 16,100,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
			16,100,000			\$ 16,100,000

**New – Bus Parking/Fueling Facility**

*Description:* This project will provide a facility for parking and fueling of the RCC buses including: a maintenance building with office space, fueling stations for two buses, a dual bay wash rack and parking for 25 CNG buses, 2 Zero Emission Vehicle (ZEV) buses and employees.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	5,800,000	8,700,000				\$ 14,500,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
			14,500,000			\$ 14,500,000

**New – Construct RCC Restaurant Warm Shell**

*Description:* This project will develop a shell space for a food and beverage tenant improvement in the RCC. This will include foundations, floor and roof structures, exterior cladding, stairs/vertical transportation and on-site utilities.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
		991,000	3,468,500	495,500		\$ 4,955,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				4,955,000		\$ 4,955,000

**New – Cargo Development Oversight**

*Description:* This project will provide project management oversight for a cargo building tenant improvement on the North side.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
		641,380	641,380	267,240		\$ 1,550,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				1,550,000		\$ 1,550,000

**New – Acquire ZEV Buses**

*Description:* This project will purchase two electric motor-powered ZEV and one charging station.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	55,000	60,000	2,385,000			\$ 2,500,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
1,250,000			1,250,000			\$ 2,500,000

**New – North Side Landscaping**

*Description:* This project will provide improvements along Pacific Highway from Washington Street to the Wind Tunnel Fence. This will include trees and landscaping, sidewalk, rehabilitation of the street and relocation of dry and wet utilities to accommodate the sidewalk improvements.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	750,000	1,750,000				\$ 2,500,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				2,500,000		\$ 2,500,000



## Terminal Projects

### 104056 – Expand Terminal 2 East Facilities

*Description:* This project will expand the Terminal 2 East building area between Gates 24/26 and 26/28 to increase hold room area, provide new concession and restroom areas by approximately 11,000 SF, relocate the American Airlines Admiral’s Club, build out the second story above American Airlines’ bag makeup area by approximately 7,360 SF, and provide concession shell spaces. Pre-security, the concession area and food court will be converted to new concession shell spaces and an expanded ticket lobby area. The project will also build out between Gates 25 and 27 by approximately 7,000 SF to provide for new concessions core area. The completion of the project will result in increased seating capacity, increased concession space post-security, enhanced customer service areas, increased revenue and less passenger congestion in the ticket lobby.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
35,731,206	17,102,162					\$ 52,833,368

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	7,675,500	45,157,868				\$ 52,833,368

### 104122 – Refurbish Concession Support Infrastructure

*Description:* This project will demolish and rebuild concession shells, upgrade utilities and utility monitoring systems, redesign and rebuild neutral piers and sign bands, and perform tenant improvement design review and construction inspections at all proposed concession spaces in the Commuter Terminal, T1 & partial T2W. The scope of work also includes rearrangement of T1 Food Court concession spaces and common seating area layout.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
9,037,627	8,263,117					\$ 17,300,744

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		17,300,744				\$ 17,300,744

### 104152 – Concession Development Program Support

*Description:* This project includes 3<sup>rd</sup> party program management, architectural review and construction inspection support for SDIA’s Concession Development Program.

#### Project Cash Flow

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
2,750,064	1,058,936					\$ 3,809,000

#### Funding Source

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		3,809,000				\$ 3,809,000

**104041 – Public Art Allowance**

*Description:* The Public Art Allowance is to provide a source of funds for inclusion of public art in conjunction with the appropriate CIP Project.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
71,384	285,532	285,532	285,532	285,532		\$ 1,213,512

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				1,213,512		\$ 1,213,512

**104147 – T2 Ceiling Art Integration – Public Art**

*Description:* This project will create a signature artwork that initiates combined experiences with existing (and possibly new) pedestrian bridges.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
82,000	174,000	44,000				\$ 300,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				300,000		\$ 300,000

**104149 – SDIA Airport Development Plan (Terminal Allocation)**

*Description:* This project will define the future plan for SDIA through the year 2035. The near-term phase will focus on the replacement of Terminal 1 and the Commuter Terminal. The future uses of the TDY property will also be defined, as well as the ultimate build-out of all airport property north of the runway. It will include associated environmental analyses and documentation (both CEQA and NEPA) and preparation of an FAA-approved Airport Layout Plan (ALP) package.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
1,008,085	1,201,854	1,040,061				\$ 3,250,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	3,250,000					\$ 3,250,000

**FMD – Facilities Management Department Capital Expenditures - Terminal**

*Description:* This project provides for the necessary ongoing maintenance of various capital improvement projects.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
2,804,024	3,631,992	3,631,992	3,631,992			<b>\$ 13,700,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		2,730,864		10,969,136		<b>\$ 13,700,000</b>

**104158 – T1 Food Court – Public Art**

*Description:* This project will provide an opportunity for an artistic design and enhancement to be applied to a structural wall within the T1 Food Court.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
26,000	84,000					<b>\$ 110,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		110,000				<b>\$ 110,000</b>

**104160 – Portable Art Display Cases – Public Art**

*Description:* This project will provide portable cases to protect public art that is shifted throughout the airport.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
35,000						<b>\$ 35,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		35,000				<b>\$ 35,000</b>

**104169 – Terminal 1 Art Wall – Public Art**

*Description:* This project will remove & relocate sandcast sculpture from T1 Food Court and move to a new location including structural changes to the supporting wall.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	50,000					<b>\$ 50,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		50,000				<b>\$ 50,000</b>

**104167 – CT Exterior East-Facing Wall – Public Art**

*Description:* This project will fabricate and install a billboard-type metal structural truss/support system on the east-facing wall of the Commuter Terminal to house a replicated vinyl mural that will be created.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
25,000	300,000					<b>\$ 325,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		325,000				<b>\$ 325,000</b>

**New – Sky Club Conversion**

*Description:* This project will demolish the existing 3,000 SF Delta Sky Club in Terminal 2 West and construct 1,000 SF. of hold room space and 2,000 SF of shell space for a future tenant.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	1,046,500	448,500				<b>\$ 1,495,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				1,495,000		<b>\$ 1,495,000</b>

**New – Terminal Flight Information Display System (FIDS) Update**

*Description:* This project will replace the current 32” FIDS monitors with 67 new 46” monitors, including surrounds, steel frames, free-standing steel towers and controller.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	2,266,500	755,500				<b>\$ 3,022,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	3,022,000					<b>\$ 3,022,000</b>

**New – T1 Baggage Claim Enhancements & T2E Ceiling Upgrade**

*Description:* This project will enhance the T1 baggage claim area by raising the ceiling, replacing light fixtures, carpeting, signage and fascia and repositioning FIDS and artwork. The T2E ceiling upgrade will replace the ceiling at the security checkpoint and ticket counter to match the rest of T2E.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	1,216,800	2,839,200				<b>\$ 4,056,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				4,056,000		<b>\$ 4,056,000</b>

**New – T2E Customer Use Passenger Processing System (CUPPS) Expansion**

*Description:* This project will install seven CUPPS in T2E; replacing existing ticket counters with CUPPS stations.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	2,800,000	1,200,000				<b>\$ 4,000,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
	4,000,000					<b>\$ 4,000,000</b>

**Administrative/Other Projects**

**FMD – Facilities Management Department Capital Expenditures - Administrative**

*Description:* This project provides for the necessary ongoing maintenance of various capital improvement projects.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
2,572,818	542,394	542,394	542,394			<b>\$ 4,200,000</b>

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		1,735,633		2,464,367		<b>\$ 4,200,000</b>

**104161A/B – Electronic Content Management (ECM) and E-Project Management System**

*Description:* The ECM project will provide the Authority with an integrated document/image, records and e-mail management solution as well as a workflow solution, if needed. The E-Project Mgmt. System will select and pilot a web-based single software solution (owner focused) that meets all of SDCRAA's project management and collaboration requirements.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
452,415	1,103,305	444,280				\$ 2,000,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				2,000,000		\$ 2,000,000

**104069 – Capital Project Allowance**

*Description:* This project will provide a source of funds for the design and construction of unforeseen projects during the course of implementing the Airport Capital Improvement Program (CIP).

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	5,000,000					\$ 5,000,000

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
		2,000,000		3,000,000		\$ 5,000,000

**New – Public Art Allowance**

*Description:* This project will provide a source of funds for the Public Art Program projects during the course of implementing the Airport CIP.

**Project Cash Flow**

Prior Years	FY 2014	FY 2015	FY 2016	FY2017	FY2018	Total
	152,041	152,041	152,041	152,040	152,040	\$ 760,203

**Funding Source**

AIP	PFC	Revenue Bonds	CFC	Airport Funds	Other	Total
				760,203		760,203

## Capital Program Impact to Operating Budget

### Capital Improvement Program Budget Impact

The following tables indicate the potential incremental effect on the operating budget in various fiscal years resulting from the proposed Capital Improvement Program. Amounts for FY 2014 and FY 2015 are reflected in the FY 2014 Budget and FY 2015 Conceptual Budget. Future year amounts are estimates and will be included in future budgets, if appropriate.

#### Operating Revenue Impact:

Project No.	Project Description	Revenue Category	FY14	FY15	FY16
104152	<b>Concession Development Program</b> Increase in gross sales and cost recovery from concessionaires for operating and maintenance expenses	Terminal Concessions	\$3,131,770	\$1,929,131	\$367,334
New	<b>Construct RCC Restaurant Warm Shell</b>		TBD*	TBD*	TBD*

\*The Authority is conducting a cost/benefit analysis to determine project feasibility. If the project proceeds, anticipated operating budget impacts will be included in future budget books.

## Operating Expense Impact\*:

<b>Terminal</b>					
<b>Project No.</b>	<b>Project Description</b>	<b>Expense Category</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
104056	Expand T2E Facilities	Maintenance	\$138,541	\$120,000	\$85,000
		Insurance	15,000	19,320	4,942
104122	Refurbish Concessions Support Infrastructure	Maintenance	118,750	110,000	65,000
104152	Concession Development Program Support	Maintenance	1,067,722	176,558	45,180
		Contractual Services	620,788	35,404	45,759
		Promotional Materials	164,400	63,200	6,828
<b>Sub Total:</b>			<b>\$2,125,201</b>	<b>\$ 524,482</b>	<b>\$252,709</b>
<b>Landside</b>					
104118	Interior North Side Road and Utilities	Maintenance	\$8,062	\$10,000	\$10,000
104126	South Side Site Protection	Maintenance	3,589	4,500	6,000
104134	Terminal Link Road	Maintenance	47,500	47,500	47,500
104136	Airport Electrical Distribution System	Maintenance	28,000	31,365	41,245
104151	Rental Car Center (RCC) Development	Insurance	-	-	137,940
		Maintenance	30,000	25,000	20,000
104159	FBO Demolition And Site Remediation	Space Rental	(4,860)	(53,460)	-
104166	Upgrade Ground Transportation Systems	Maintenance	-	10,000	-
New	Acquire RCC Buses	Contractual Services	-	155,000	2,691,207
New	Bus Parking/Fueling Facility	Utilities	-	-	10,000
<b>Sub Total:</b>			<b>\$112,291</b>	<b>\$229,905</b>	<b>\$2,963,892</b>



<b>Airside</b>					
104163	Pre-Conditioned Air Installation – Terminal 1 West & Terminal 2 East	Utilities	\$48,697	\$52,593	\$56,800
		<b>Sub Total:</b>	<b>\$48,697</b>	<b>\$52,593</b>	<b>\$56,800</b>
<b>Administrative</b>					
104161 A/B	Electronic Content Management (ECM) and E-Project Management System		\$30,000	-	-
		<b>Sub Total:</b>	<b>\$30,000</b>	<b>\$ -</b>	<b>\$ -</b>
		<b>Grand Total:</b>	<b>\$2,316,189</b>	<b>\$806,980</b>	<b>\$3,273,401</b>

\*Negatives reflect decrease in expenses from prior year levels, primarily due to completion of the one-time purchases/events.

## Green Build Program Budget Impact

The following table indicates the potential incremental effect on the operating expense budget in various fiscal years resulting from the Green Build:

### Operating Revenue Impact:

Location	Revenue Category	FY14	FY15	FY16
Airside	Security Surcharge	\$325,230	\$ -	\$ -
	Landing fees	251,879	31,753	32,753
<b>Sub Total:</b>		<b>\$577,109</b>	<b>\$31,753</b>	<b>\$32,753</b>
Common Use System Support Charges	Common Use System Support Charges	1,116,900	-	33,507
		<b>\$1,116,900</b>	<b>\$-</b>	<b>\$33,507</b>
Terminal	Security Surcharge	109,551	-	-
	Building Rentals	2,471,297	567,031	199,627
<b>Sub Total:</b>		<b>\$2,580,848</b>	<b>\$567,031</b>	<b>\$199,627</b>
<b>Grand Total:</b>		<b>\$4,274,857</b>	<b>\$598,784</b>	<b>\$265,887</b>

### Operating Expense Impact\*:

Location	Expense Category	FY14	FY15	FY16
Airside	Contractual Services	\$534,400	\$20,000	\$24,000
	Equipment & Systems	(469,000)	(15,900)	153
	Insurance	(23,182)	158	180
	Maintenance	170,000	25,000	5,850
	Utilities	39,661	2,495	2,570
<b>Sub Total:</b>		<b>\$251,879</b>	<b>\$31,753</b>	<b>\$32,753</b>
Landside	Insurance	\$3,651	\$1,476	\$1,687
	Maintenance	58,000	(28,000)	900
	Personnel	646,900	42,223	20,674
	Utilities	90,086	5,668	5,838
<b>Sub Total:</b>		<b>\$798,637</b>	<b>\$21,367</b>	<b>\$29,099</b>

Location	Expense Category	FY14	FY15	FY16
<b>Common Use System Support Charges</b>	Common Use	1,116,900	-	33,507
	System Support Charges			
	<b>Sub Total:</b>	<b>\$1,116,900</b>	<b>\$-</b>	<b>\$33,507</b>
<b>Terminal</b>	Contractual Services	\$947,387	\$1,134,817	\$90,401
	Insurance	117,236	21,718	24,846
	Maintenance	1,496,104	(246,104)	57,750
	Equipment & Systems	113,995	(11,755)	7,192
	Personnel	423,251	317,120	32,226
	Promotional Activities	(350,750)	(425,000)	-
	Utilities	788,252	43,932	47,950
	<b>Sub Total:</b>	<b>\$3,535,475</b>	<b>\$834,728</b>	<b>\$293,872</b>
	<b>Grand Total:</b>	<b>\$5,702,891</b>	<b>\$887,848</b>	<b>\$355,724</b>

\*Negatives reflect decrease in expenses from prior year levels, primarily due to completion of the one-time purchases/events.

# PERFORMANCE INDICATORS

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

## Operating Ratio

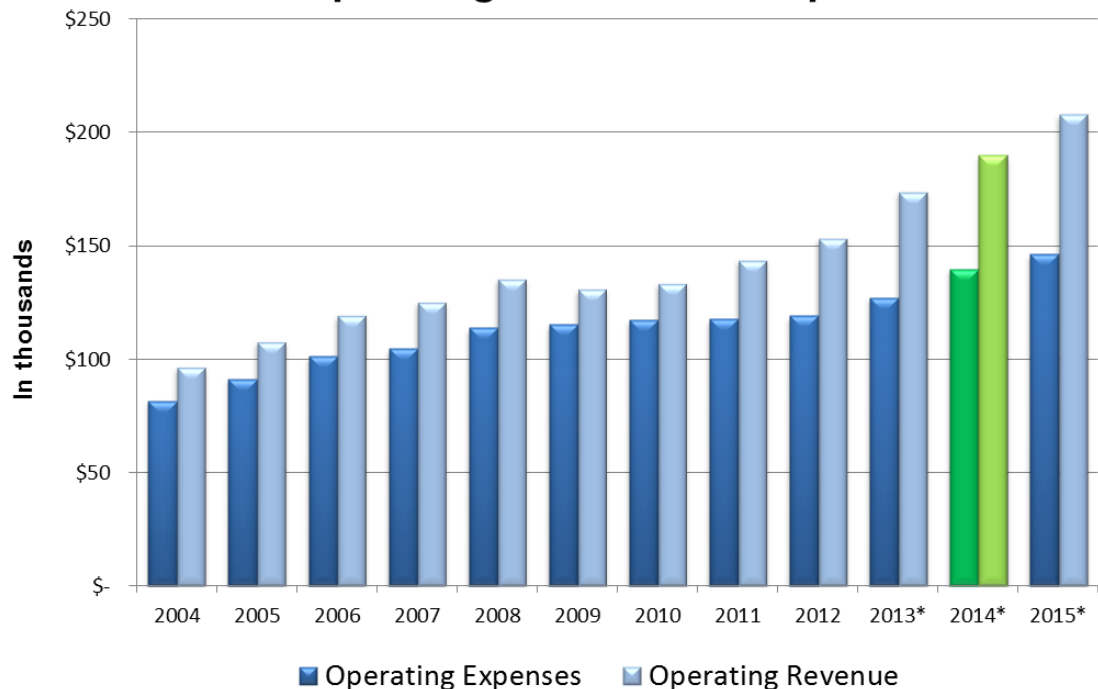
This is a measure of operating efficiency that compares operating expense to operating revenue. Operating revenue must exceed operating expenses to provide a financial cushion and cover debt service expenses.

Fiscal Years ended June 30, 2004 to 2015

Fiscal Year	Operating Expenses <sup>(1)</sup>	Operating Revenue <sup>(1)</sup>	Operating Ratio	% Change
2004	\$81,633	\$96,572	0.85	-1.3%
2005	91,369	108,123	0.85	0.0%
2006	101,356	119,495	0.85	0.4%
2007	104,551	125,367	0.83	-1.7%
2008	113,985	135,682	0.84	0.7%
2009	115,278	130,977	0.88	4.8%
2010	117,288	133,695	0.88	-0.3%
2011	117,841	144,007	0.82	-6.7%
2012	119,169	153,550	0.78	-5.2%
2013*	127,306	174,087	0.73	-5.8%
2014*	139,844	189,912	0.74	0.7%
2015*	146,442	208,090	0.70	-4.4%

<sup>(1)</sup> In thousands

### Operating Revenue vs. Expense



\* Budgeted FY 2013, FY 2014 & FY 2015

Figure 46 – Operating Ratio

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

## Operating Revenue per Enplanement

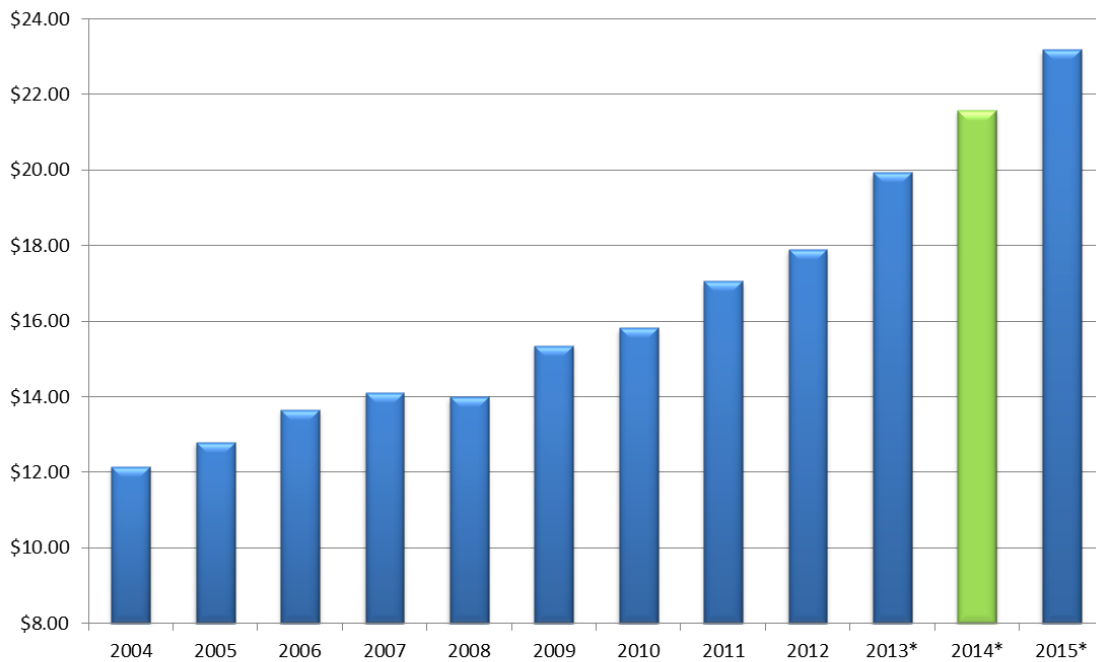
This is a measure of airline and non-airline derived operating revenues per enplaned passenger.

Fiscal Years ended June 30, 2004 to 2015

Fiscal Year	Operating Revenue <sup>(1)</sup>	Enplaned Passengers <sup>(1)</sup>	Operating Revenue per Enplanement	% Change
2004	\$96,572	7,947	\$12.15	6.9%
2005	108,123	8,449	12.80	5.3%
2006	119,495	8,750	13.66	6.7%
2007	125,367	8,892	14.10	3.2%
2008	131,320	9,389	13.99	-0.8%
2009	130,977	8,536	15.34	9.7%
2010	133,695	8,454	15.81	3.1%
2011	144,007	8,441	17.06	7.9%
2012	153,550	8,575	17.91	5.0%
2013*	174,087	8,736**	19.93	11.3%
2014*	189,912	8,800	21.58	8.3%
2015*	208,090	8,976	23.18	7.4%

(1) In thousands

### Operating Revenue per Enplaned Passenger



\* Budgeted FY 2013, FY 2014 & FY 2015

\*\* Projected

Figure 47 – Operating Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

## Non-Airline Revenue per Enplanement

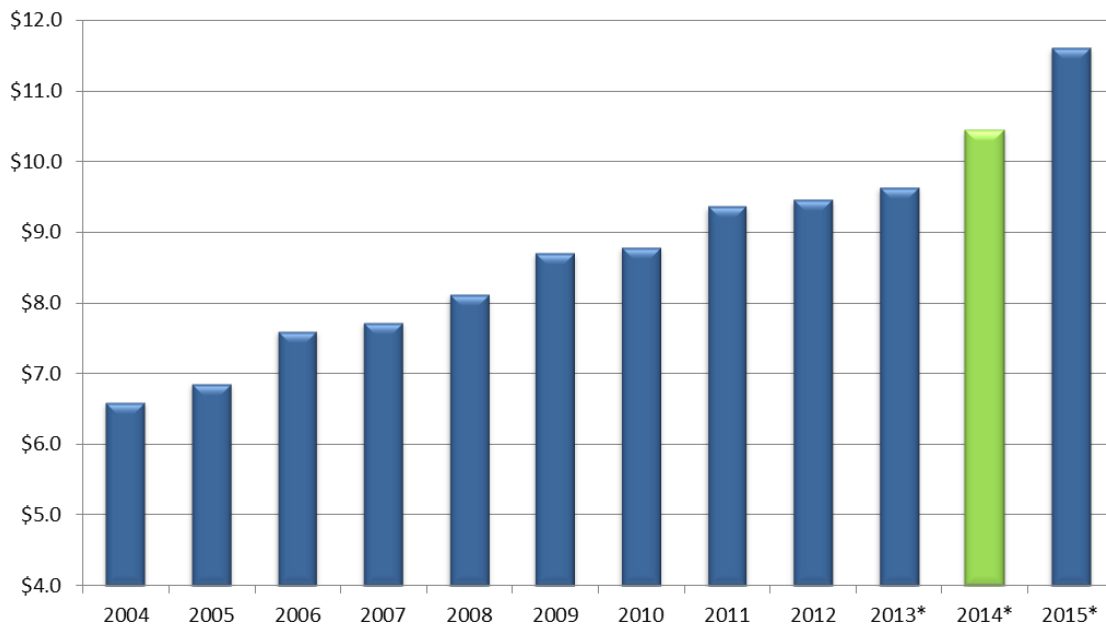
This is a measure of non-airline derived operating revenues per enplaned passenger. This includes terminal concessions, parking, rental car and ground rental revenues divided by enplanement.

Fiscal Years ended June 30, 2004 to 2015

Fiscal Year	Non-Airline Revenue <sup>(1)</sup>	Enplaned Passengers <sup>(1)</sup>	Non-Airline Revenue per Enplanement	% Change
2004	\$52,375	7,947	\$6.59	6.1%
2005	57,918	8,449	6.86	4.0%
2006	66,489	8,750	7.60	10.8%
2007	68,667	8,892	7.72	1.6%
2008	76,227	9,389	8.12	5.1%
2009	74,241	8,536	8.70	7.1%
2010	74,297	8,454	8.79	1.0%
2011	79,044	8,441	9.36	6.5%
2012	81,120	8,575	9.46	1.0%
2013*	84,124	8,736 **	9.63	1.8%
2014*	91,989	8,800	10.45	8.6%
2015*	104,194	8,976	11.61	11.0%

<sup>(1)</sup> In thousands

### Non-Airline Revenue per Enplaned Passenger



\* Budgeted FY 2013, FY 2014 & FY 2015

\*\* Projected

Figure 48 – Non-Airline Revenue per Enplanement

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

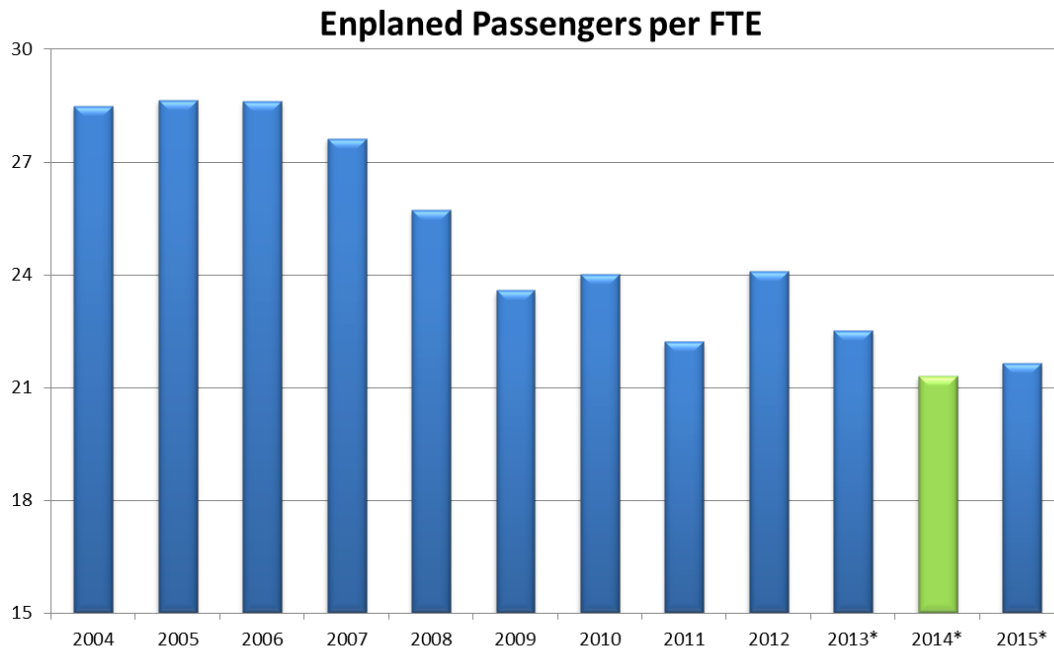
## Enplaned Passengers per FTEs

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

Fiscal Years ended June 30, 2004 to 2015

Fiscal Year	Enplaned Passengers per FTEs	FTEs	Enplaned Passengers <sup>(1)</sup>
2004	28	279	7,947
2005	29	295	8,449
2006	29	306	8,750
2007	28	322	8,892
2008	26	365	9,389
2009	24	362	8,536
2010	24	352	8,454
2011	22	380	8,441
2012	24	356	8,575
2013*	23	388	8,736 **
2014*	21	413	8,800
2015*	22	415	8,976

<sup>(1)</sup> In thousands



\*Budgeted and Funded positions, FY 2013, 2014, 2015

\*\*Projected

Figure 49 - Enplaned Passengers per FTEs

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.



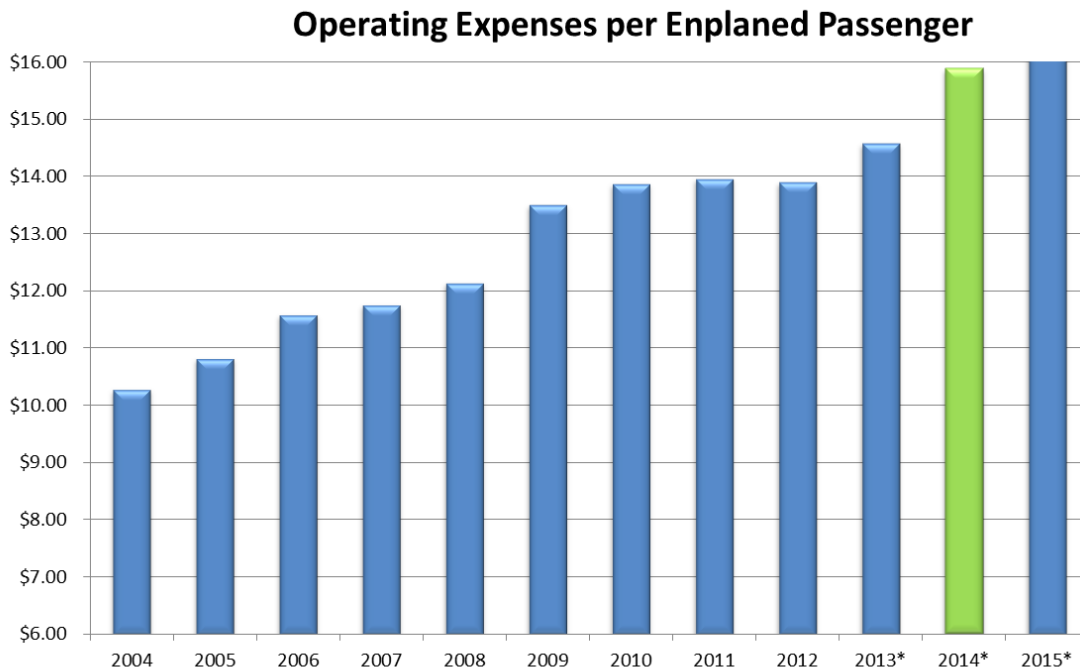
## Operating Expenses per Enplanement

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

Fiscal Years ended June 30, 2004 to 2015

Fiscal Year	Operating Expenses <sup>(1)</sup>	Enplaned Passengers <sup>(1)</sup>	Operating Expenses per Enplanement	% Change
2004	\$81,633	7,947	\$10.27	5.4%
2005	91,369	8,449	10.81	5.3%
2006	101,356	8,750	11.58	7.1%
2007	104,551	8,892	11.76	1.5%
2008	113,985	9,389	12.14	3.2%
2009	115,278	8,536	13.51	11.2%
2010	117,288	8,454	13.87	2.7%
2011	117,841	8,441	13.96	0.6%
2012	119,169	8,575	13.90	-0.5%
2013*	127,306	8,736 **	14.57	4.9%
2014*	139,844	8,800	15.89	9.0%
2015*	146,442	8,976	16.31	2.7%

<sup>(1)</sup> In thousands



\* Budgeted FY2013, FY 2014 & FY 2015

\*\* Projected

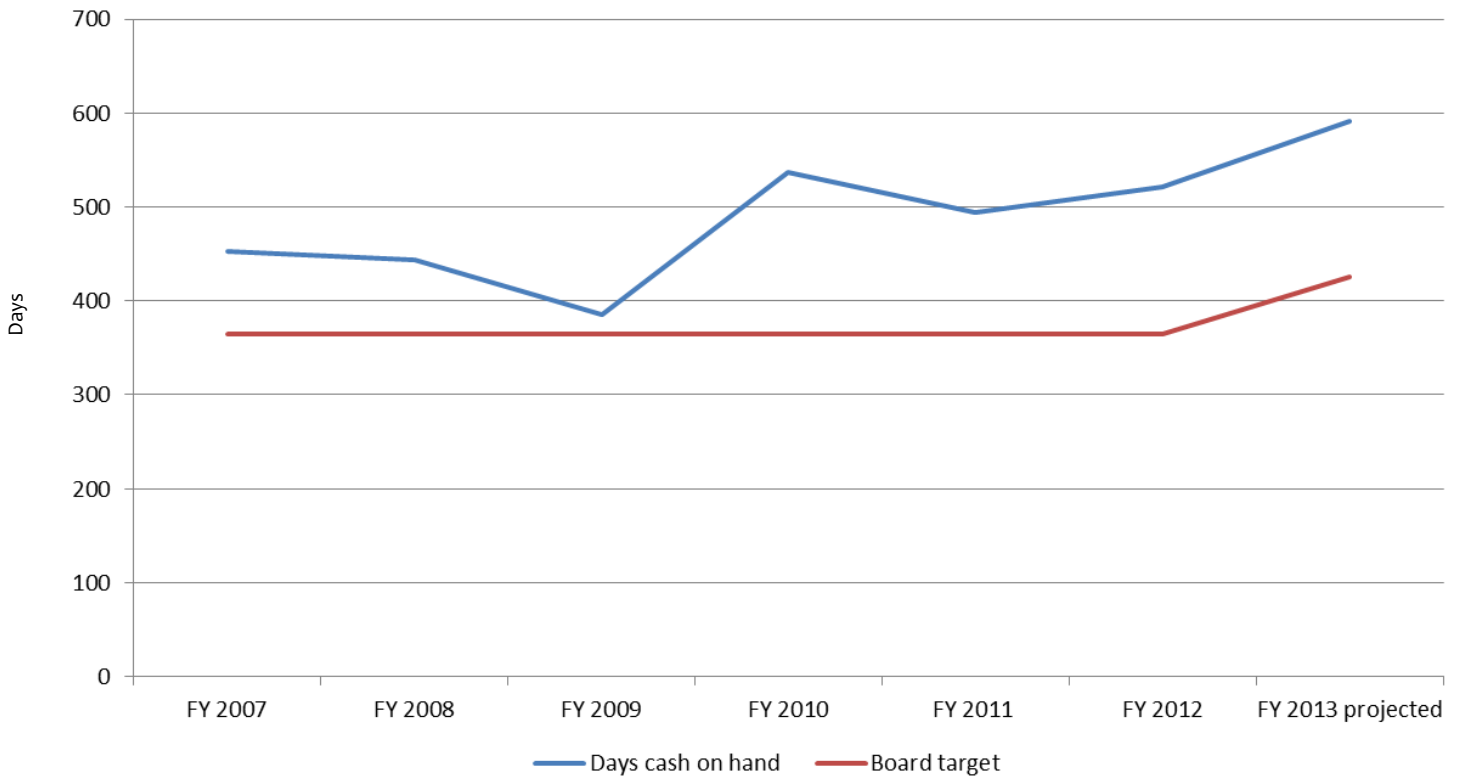
Figure 50 – Operating Cost per Enplanement

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

## Days Cash on Hand

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The 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 425 days of budgeted operating and maintenance expenses for the current fiscal year.

**Days Cash on Hand Compared to Board Approved Target**



**Figure 51 – Days Cash on Hand**

Source: San Diego County Regional Airport Authority. Information presented reflects those years with full year's audited financial statements.

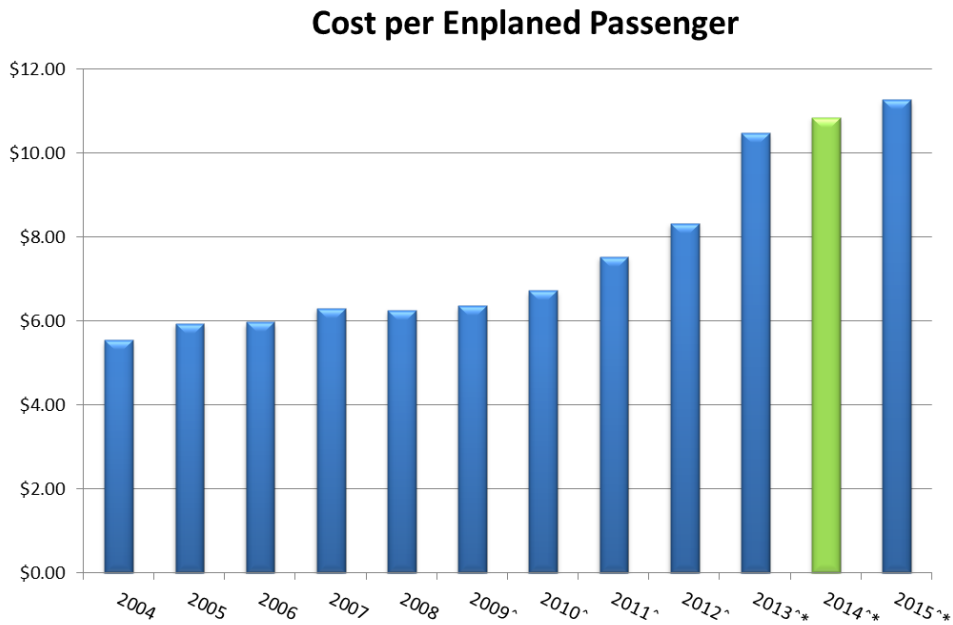
## Airline Cost per Enplaned Passenger

Airline Cost per Enplaned Passenger 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, 2004 to 2015

Fiscal Year	Enplaned Passengers <sup>(1)</sup>	Cost per Enplaned Passenger
2004	7,947	\$5.55
2005	8,449	\$5.94
2006	8,750	\$5.98
2007	8,892	\$6.31
2008	9,389	\$6.26
2009 <sup>^</sup>	8,536	\$6.36
2010 <sup>^</sup>	8,454	\$6.73
2011 <sup>^</sup>	8,441	\$7.54
2012 <sup>^</sup>	8,575	\$8.33
2013 <sup>*^</sup>	8,736	\$10.47
2014 <sup>*^</sup>	8,800	\$10.85
2015 <sup>*^</sup>	8,976	\$11.27

<sup>(1)</sup> In thousands



\* Projected FY 2013 and Budgeted FY 2014 & 2015

<sup>^</sup>Fuel farm cost recovery and fuel franchise fees are excluded from the FY 2009 through FY 2014 calculations per new Airline Operating Agreement methodology.

Figure 52 – Airline Cost per Enplaned Passenger

Source: San Diego Unified Port District (for Fiscal Years 2000-2002 and the first six months of Fiscal Year 2003) and SDCRAA.

## Airline Cost per Enplaned Passenger by Airport

Airline Cost per Enplaned Passenger is the total annual cost of fees and charges paid by the airlines divided by the total enplanements. This graph shows how SDIA compares to other large airports.

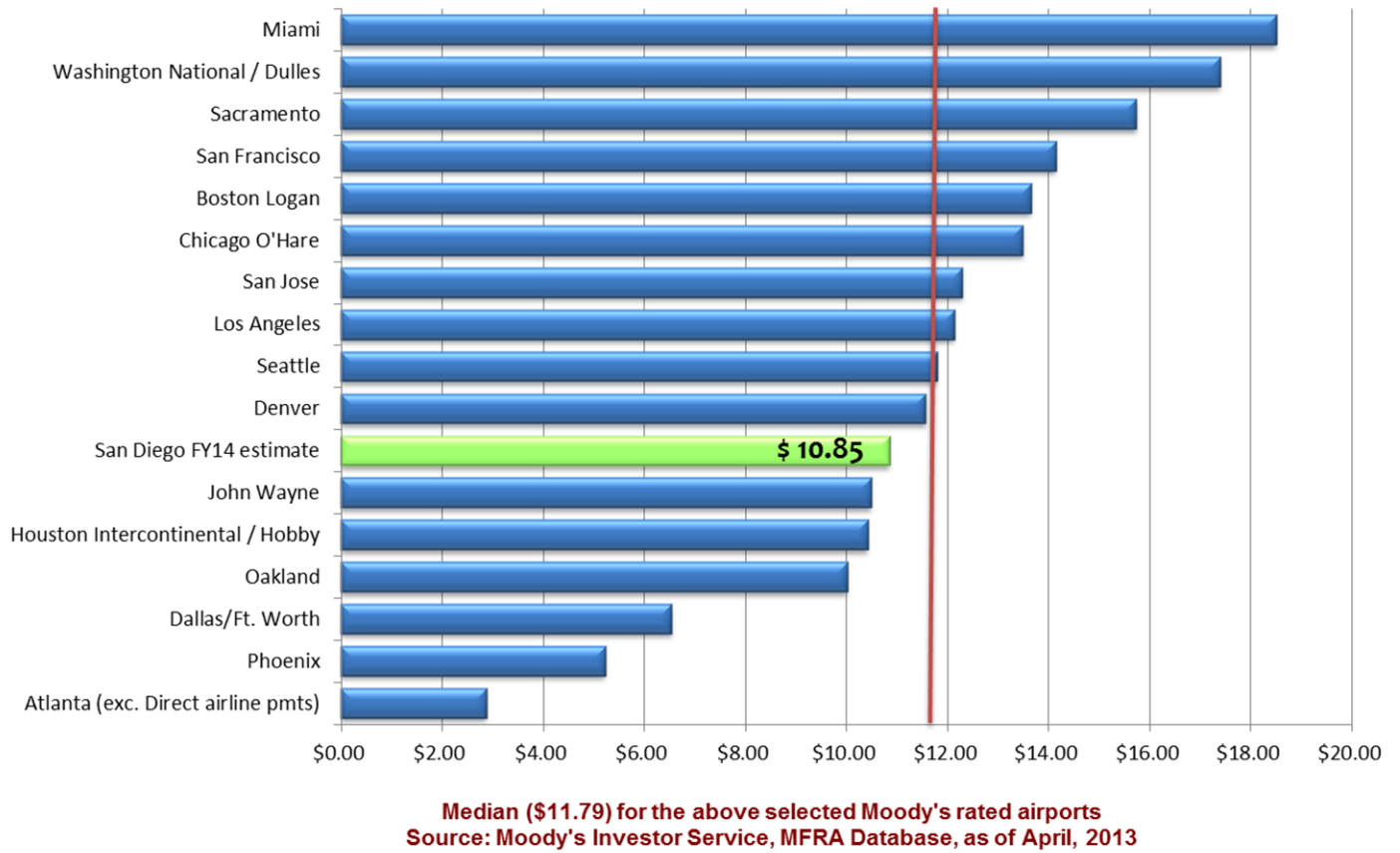


Figure 53 – Airline Cost per Enplaned Passenger by Airport

## Passenger Satisfaction Rating

Since 2004 SDIA has been measuring passenger satisfaction on a quarterly basis. Based on a five (5) point scale where one (1) is very dissatisfied and five (5) is very satisfied. The satisfaction rating graphs outline the percentage of customers that rated a four (4) or better.

### Overall Passenger Satisfaction

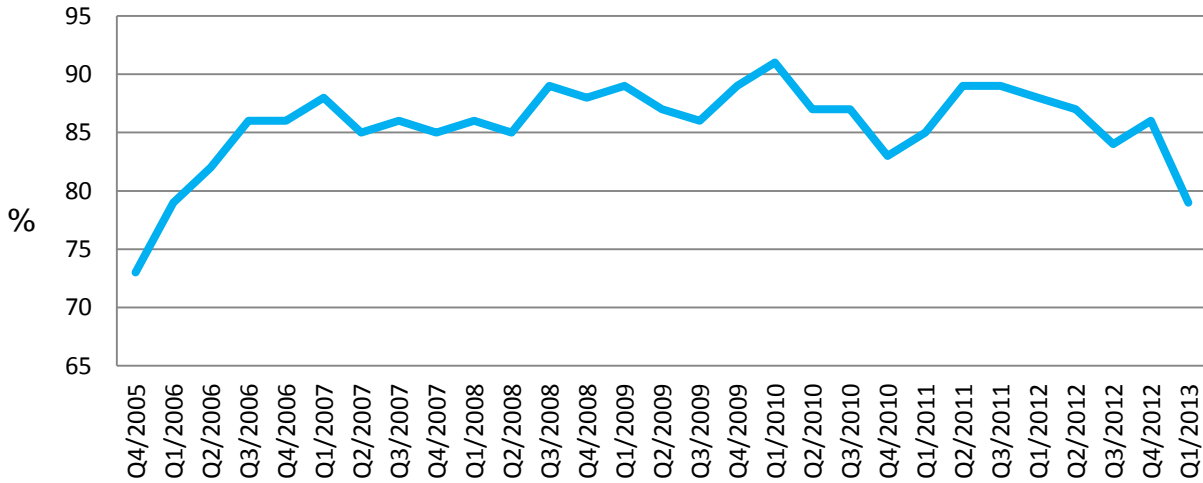


Figure 54 – Passenger Satisfaction Rating

### Food and Beverages Satisfaction Rating

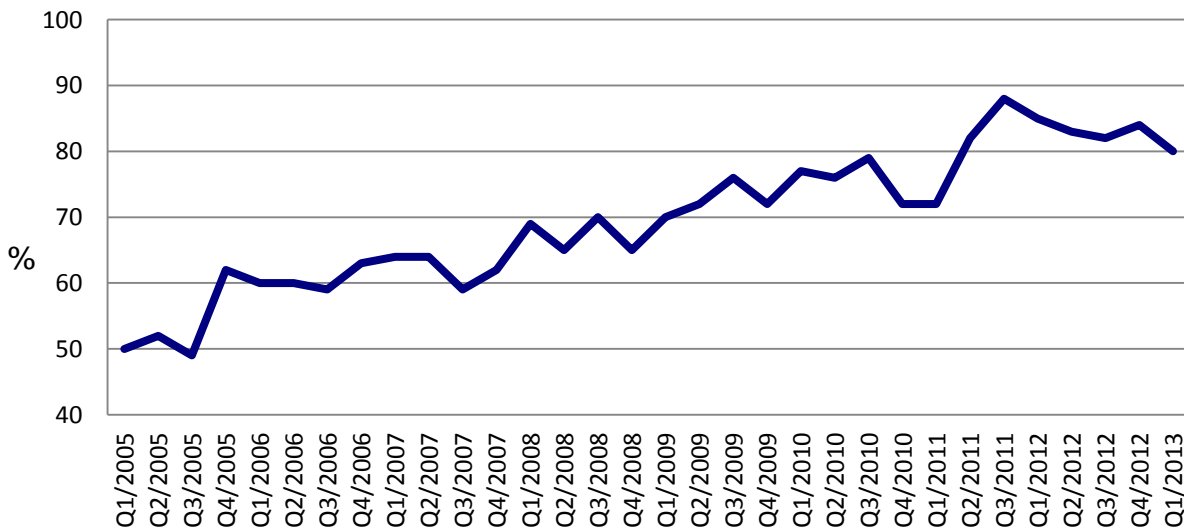


Figure 55 – Food and Beverage Satisfaction Rating

## Passenger Satisfaction Rating (cont.)

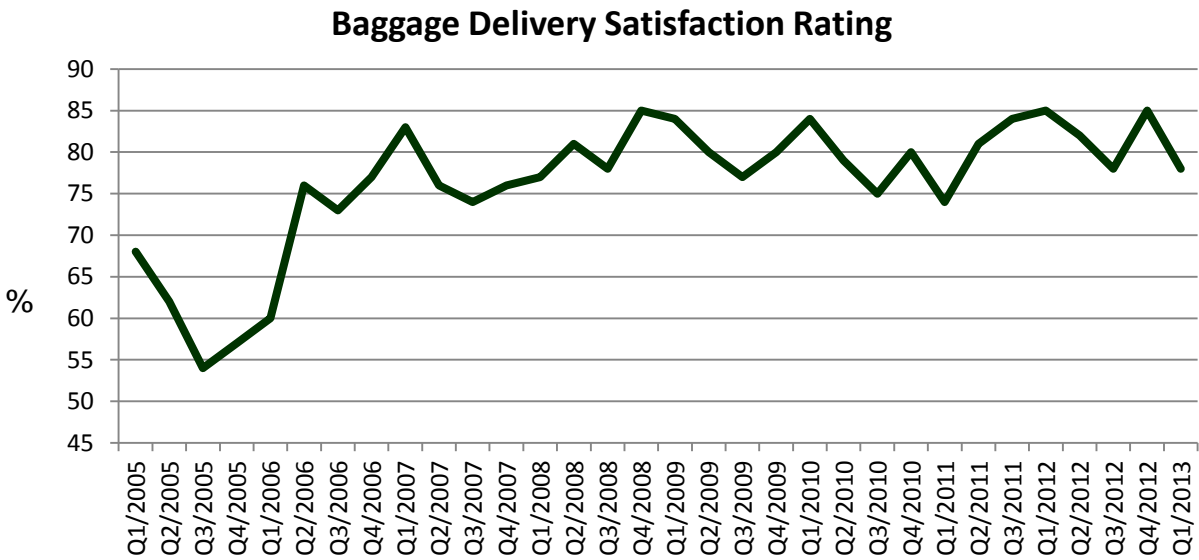


Figure 56 – Baggage Delivery Satisfaction Rating



Figure 57 – Terminal Facilities Satisfaction Rating

## Passenger Satisfaction Rating (cont.)



Figure 58 – Security Checkpoint Satisfaction Rating



Figure 59 – Retail Satisfaction Rating

# **S U P P L E M E N T A L D A T A**



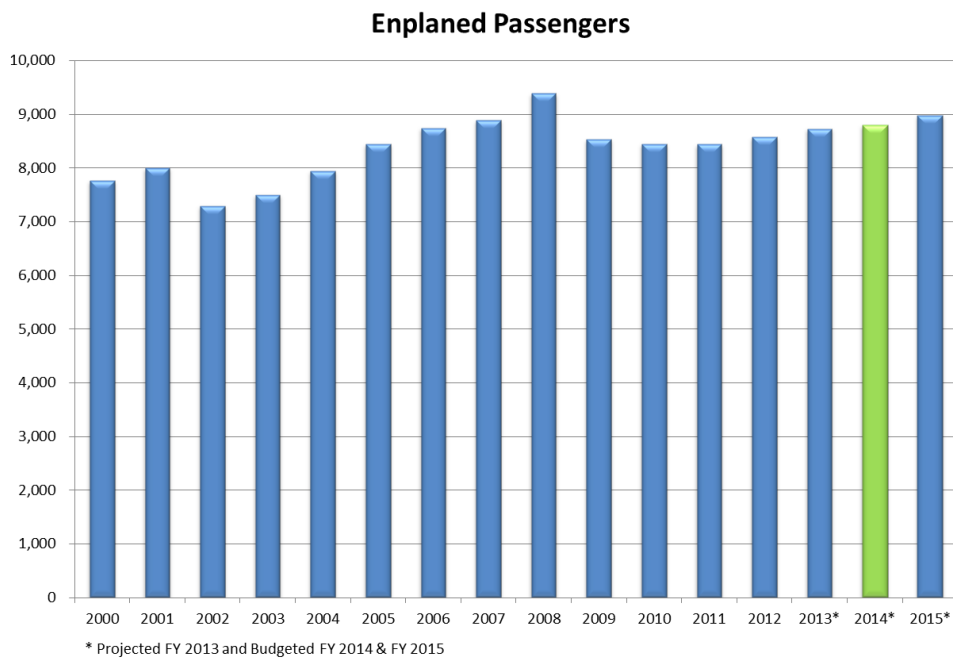
## Supplemental Data

### Annual Enplaned Passengers

Fiscal years ended June 30, 2000 to 2015

Fiscal Year	Enplaned Passengers <sup>(1)</sup>	% Change
2000	7,768	2.8%
2001	8,004	3.0%
2002	7,300	-8.8%
2003	7,506	2.8%
2004	7,947	5.9%
2005	8,449	6.3%
2006	8,750	3.6%
2007	8,892	1.6%
2008	9,389	5.6%
2009	8,536	-9.1%
2010	8,454	-1.0%
2011	8,441	-0.2%
2012	8,575	1.6%
2013*	8,736	1.9%
2014*	8,800	0.7%
2015*	8,976	2.0%

<sup>(1)</sup> In thousands



**Figure 60 –Annual Enplaned Passengers**

Source: San Diego Unified Port District (for Fiscal Years 2000-2002 and the first six months of Fiscal Year 2003) and SDCRAA.

In FY 2014, enplaned passenger traffic at SDIA is projected to reach 8.80 million, which represents a increase of 2.3% from the 8.61 million enplanements used in the FY 2013 Budget and a 0.7% increase over the 8.74 million enplanements projected for FY 2013. Enplaned passengers are projected to increase by 2.0% to 8.98 million in the FY 2015 Conceptual Budget.

# Airline Market Share FY 2003 – FY 2012

Air Carrier	2003		2004		2005		2006		2007		2008		2009		2010		2011		2012	
	Enplane-ments	Share	Enplane-ments	Share	Enplane-ments	Share	Enplane-ments	Share	Enplane-ments	Share	Enplane-ments	Share	Enplane-ments	Share	Enplane-ments	Share	Enplane-ments	Share	Enplane-ments	Share
Aeromexico	43,154	0.6%	47,533	0.6%	49,488	0.6%	58,969	0.7%	39,518	0.4%	32,223	0.3%	27,772	0.3%	24,335	0.3%	-	0.0%	-	0.0%
Air Canada	-	-	-	-	-	-	-	-	55,398	0.6%	55,031	0.6%	27,255	0.3%	46,959	0.6%	58,539	0.7%	56,470	0.7%
AirTran Airways	-	-	-	-	-	-	-	-	7,983	0.1%	97,937	1.0%	66,475	0.8%	37,530	0.4%	17,978	0.2%	-	0.0%
Alaska Airlines	419,644	5.6%	439,430	5.5%	476,395	5.6%	492,891	5.6%	536,784	6.0%	498,169	5.3%	428,515	5.0%	435,722	5.2%	514,498	6.1%	579,457	6.8%
Aloha Airlines	-	-	-	-	29,051	0.3%	41,882	0.5%	38,418	0.4%	33,620	0.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
America West	369,279	4.9%	450,256	5.7%	466,615	5.5%	451,904	5.2%	374,072	4.2%	78,298	0.8%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
American Airlines	860,889	11.5%	831,823	10.5%	879,144	10.4%	968,832	11.1%	873,624	9.8%	808,790	8.6%	735,067	8.6%	704,909	8.3%	658,752	7.8%	664,466	7.7%
British Airways	59,937	0.8%	16,756	0.2%	-	-	-	-	-	-	-	-	-	0.0%	-	0.0%	6,912	0.1%	81,437	0.9%
Continental Airlines *	319,737	4.3%	354,114	4.5%	401,803	4.8%	454,699	5.2%	503,189	5.7%	520,856	5.5%	503,242	5.9%	507,443	6.0%	496,100	5.9%	-	0.0%
Delta Airlines	711,123	9.5%	674,570	8.5%	713,872	8.4%	666,101	7.6%	633,772	7.1%	687,104	7.3%	618,127	7.2%	900,510	10.7%	919,323	10.9%	935,777	10.9%
Frontier Airlines	99,325	1.3%	140,846	1.8%	152,917	1.8%	171,544	2.0%	196,598	2.2%	231,926	2.5%	203,689	2.4%	196,628	2.3%	219,008	2.6%	198,708	2.3%
Hawaiian Airlines	81,393	1.1%	101,847	1.3%	108,798	1.3%	112,410	1.3%	154,932	1.7%	160,939	1.7%	100,626	1.2%	90,874	1.1%	98,887	1.2%	86,211	1.0%
JetBlue Airlines	706	0.0%	119,517	1.5%	118,762	1.4%	161,594	1.8%	151,984	1.7%	224,205	2.4%	235,199	2.8%	167,031	2.0%	141,684	1.7%	147,051	1.7%
Midwest Airlines	-	-	-	-	-	-	18,688	0.2%	34,551	0.4%	42,763	0.5%	8,380	0.1%	-	0.0%	-	0.0%	-	0.0%
Northwest Airlines	303,878	4.0%	310,795	3.9%	319,790	3.8%	292,393	3.3%	286,952	3.2%	295,724	3.1%	272,684	3.2%	-	0.0%	-	0.0%	-	0.0%
Southwest Airlines	2,613,353	34.8%	2,741,470	34.5%	2,866,405	33.9%	2,979,763	34.1%	3,106,431	34.9%	3,306,386	35.2%	3,122,090	36.6%	3,183,084	37.7%	3,277,931	38.8%	3,252,290	37.9%
Spirit	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	77,873	0.9%
Sun Country Airlines	12,864	0.2%	21,515	0.3%	27,339	0.3%	41,091	0.5%	45,931	0.5%	44,454	0.5%	35,885	0.4%	24,984	0.3%	24,175	0.3%	15,889	0.2%
United Airlines *	890,984	11.9%	939,722	11.8%	982,535	11.6%	989,744	11.3%	990,725	11.1%	978,816	10.4%	927,023	10.9%	920,960	10.9%	878,307	10.4%	1,266,007	14.8%
US Airways	237,094	3.2%	241,167	3.0%	251,629	3.0%	212,622	2.4%	300,568	3.4%	552,751	5.9%	563,392	6.6%	512,558	6.1%	523,378	6.2%	535,906	6.2%
Virgin America	-	-	-	-	-	-	-	-	-	-	57,292	0.6%	155,649	1.8%	151,110	1.8%	133,377	1.6%	166,326	1.9%
Volaris	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	45,589	0.5%
Other	24,555	0.3%	-	-	8,439	0.1%	27,329	0.3%	8,128	0.1%	47,257	0.5%	25,457	0.3%	51,541	0.6%	37,776	0.4%	43,634	0.5%
<b>Total Air Carrier</b>	<b>7,047,915</b>	<b>93.9%</b>	<b>7,431,361</b>	<b>93.5%</b>	<b>7,852,982</b>	<b>92.9%</b>	<b>8,142,456</b>	<b>93.1%</b>	<b>8,339,558</b>	<b>93.8%</b>	<b>8,754,541</b>	<b>93.2%</b>	<b>8,056,527</b>	<b>94.4%</b>	<b>7,956,178</b>	<b>94.1%</b>	<b>8,006,625</b>	<b>94.9%</b>	<b>8,153,091</b>	<b>95.1%</b>
<b>Commuter</b>																				
American Eagle	216,014	2.9%	276,485	3.5%	288,843	3.4%	287,136	3.3%	275,087	3.1%	238,147	2.5%	232,289	2.7%	207,272	2.5%	155,421	1.8%	140,574	1.6%
Express Jet Airlines	-	-	-	-	-	-	-	-	17,603	0.2%	202,429	2.2%	36,034	7.5%	-	0.0%	-	0.0%	-	0.0%
Horizon	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	0.0%	-	0.0%	5,900	0.1%
Mesa Airlines	51,090	0.7%	42,235	0.5%	114,010	1.3%	117,330	1.3%	42,219	0.5%	17,098	0.2%	7,381	0.1%	18,670	0.2%	6,709	0.1%	12,766	0.1%
Skywest Airlines	182,545	2.4%	197,359	2.5%	193,272	2.3%	202,812	2.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Skywest- Delta Connection	-	-	-	-	-	-	-	-	55,646	0.6%	36,610	0.4%	66,783	0.8%	93,380	1.1%	92,818	1.1%	94,644	1.1%
Skywest- United Express	-	-	-	-	-	-	-	-	161,956	1.8%	140,502	1.5%	136,760	1.6%	178,386	2.1%	179,547	2.1%	162,620	1.9%
Skywest- US Airways	-	-	-	-	-	-	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	5,880	0.1%
<b>Total Commuter</b>	<b>457,790</b>	<b>6.1%</b>	<b>516,079</b>	<b>6.5%</b>	<b>596,125</b>	<b>7.1%</b>	<b>607,278</b>	<b>6.9%</b>	<b>552,511</b>	<b>6.2%</b>	<b>634,786</b>	<b>6.8%</b>	<b>479,247</b>	<b>5.6%</b>	<b>497,708</b>	<b>5.9%</b>	<b>434,495</b>	<b>5.1%</b>	<b>422,384</b>	<b>4.9%</b>
<b>Total Enplanements</b>	<b>7,505,705</b>	<b>100%</b>	<b>7,947,440</b>	<b>100%</b>	<b>8,449,107</b>	<b>100.0%</b>	<b>8,749,734</b>	<b>100%</b>	<b>8,892,069</b>	<b>100%</b>	<b>9,389,327</b>	<b>100%</b>	<b>8,535,774</b>	<b>100%</b>	<b>8,453,886</b>	<b>100%</b>	<b>8,441,120</b>	<b>100%</b>	<b>8,575,475</b>	<b>100%</b>

\* United and Continental completed their merger on October 1, 2010 and began operating as United on November 30, 2011. Data for United and Continental have been combined in this table starting FY 2012.

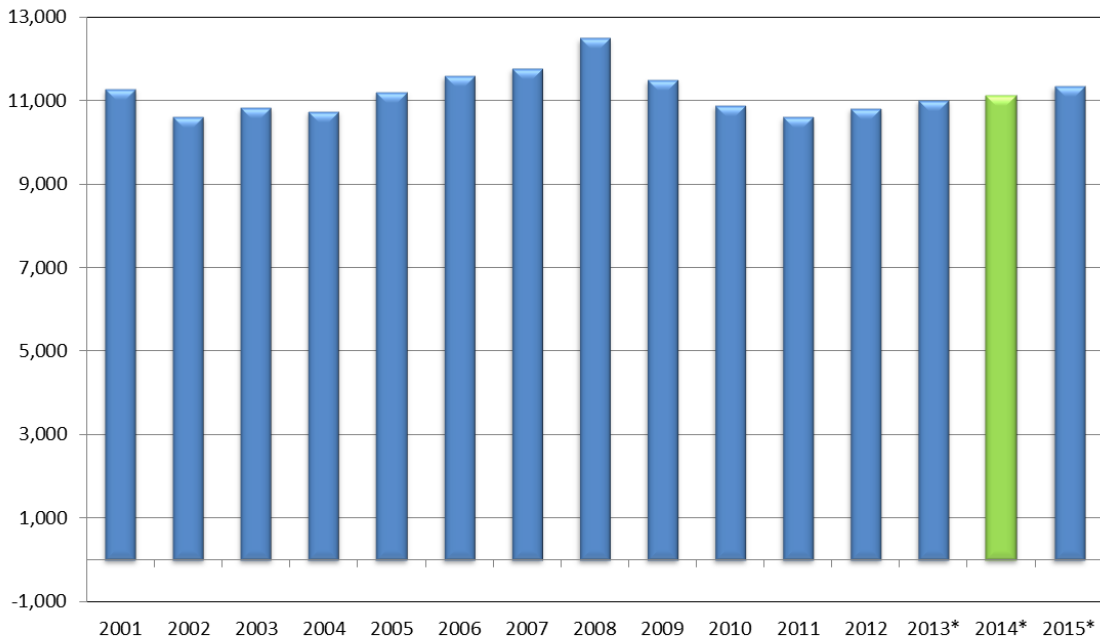
Figure 61 – Airline Market Share

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. Seven carriers accounted for approximately 87% of the enplaned passengers. Information presented reflects those years that the Authority was in operation.

## Aircraft Landed Weight

Fiscal Years ended June 30, 2000 to 2015

Aircraft Landed Weight		
Fiscal Year	(Million lbs)	% Change
2000	11,106	1.8%
2001	11,275	1.5%
2002	10,626	-5.8%
2003	10,841	2.0%
2004	10,749	-0.9%
2005	11,200	4.2%
2006	11,605	3.6%
2007	11,774	1.5%
2008	12,501	6.2%
2009	11,497	-8.0%
2010	10,893	-5.3%
2011	10,606	-2.6%
2012	10,820	2.0%
2013*	11,010	1.8%
2014*	11,126	1.1%
2015*	11,349	2.0%



\* Projected FY 2013 and Budgeted FY 2014 & 2015

**Figure 62 – Aircraft Landed Weight**

Source: San Diego Unified Port District (for Fiscal Years 2000-2002 and the first six months of Fiscal Year 2003) and SDCRAA.

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 2014, landed weight is estimated to increase by 1.1% over FY 2013 year end projections.

## Aircraft Landed Weight (cont.)

### Aircraft Landed Weight (thousand pounds) Top 15 Ranked on Fiscal Year 2012 Results

Airline	2003	% of Total	2004	% of Total	2005	% of Total	2006	% of Total	2007	% of Total	2008	% of Total	2009	% of Total	2010	% of Total	2011	% of Total	2012	% of Total
1 Southwest Airlines	3,286,030	30.3%	3,418,786	31.8%	3,570,052	31.9%	3,768,374	32.5%	3,956,170	33.6%	4,416,996	35.3%	4,415,780	38.4%	4,068,974	37.4%	4,001,530	37.7%	3,953,536	36.5%
2 United Airlines *	1,657,549	15.3%	1,634,600	15.2%	1,732,536	15.5%	1,767,394	15.2%	1,803,693	15.3%	1,761,692	14.1%	1,670,479	14.5%	1,662,541	15.3%	1,583,372	14.9%	1,502,203	13.9%
3 Delta Airlines	1,051,990	9.7%	963,140	9.0%	927,763	8.3%	850,348	7.3%	798,104	6.8%	839,172	6.7%	713,622	6.2%	893,467	8.2%	1,062,254	10.0%	1,047,068	9.7%
4 American Airlines	1,231,431	11.4%	1,045,382	9.7%	1,009,498	9.0%	1,089,872	9.4%	961,143	8.2%	890,796	7.1%	848,513	7.4%	766,151	7.0%	672,059	6.3%	701,126	6.5%
5 Alaska Airlines	568,499	5.2%	574,698	5.3%	605,435	5.4%	616,552	5.3%	668,390	5.7%	612,282	4.9%	536,281	4.7%	511,813	4.7%	595,238	5.6%	648,359	6.0%
6 US Airways	307,783	2.8%	307,919	2.9%	298,983	2.7%	250,303	2.2%	391,358	3.3%	713,030	5.7%	684,354	6.0%	626,510	5.8%	603,439	5.7%	643,014	5.9%
7 Federal Express	341,374	3.1%	343,931	3.2%	384,702	3.4%	445,744	3.8%	456,152	3.9%	447,636	3.6%	402,665	3.5%	400,303	3.7%	421,239	4.0%	452,453	4.2%
8 Skywest Airlines	233,991	2.2%	239,521	2.2%	247,215	2.2%	251,902	2.2%	246,559	2.1%	195,777	1.6%	219,416	1.9%	332,408	3.1%	338,812	3.2%	306,789	2.8%
9 Frontier Airlines	127,679	1.2%	176,080	1.6%	194,758	1.7%	246,749	2.1%	283,898	2.4%	287,387	2.3%	237,269	2.1%	227,847	2.1%	249,492	2.4%	208,936	1.9%
10 Virgin America	-	-	-	-	-	-	-	-	-	-	3,122	0.02%	221,333	1.9%	205,348	1.9%	173,686	1.6%	208,253	1.9%
11 British Airways	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,800	0.1%	167,440	1.5%
12 JetBlue Airlines	-	-	144,191	1.3%	123,145	1.1%	174,337	1.5%	175,333	1.5%	288,239	2.3%	297,340	2.6%	201,071	1.8%	167,369	1.6%	166,232	1.5%
13 American Eagle	271,184	2.5%	341,205	3.2%	335,439	3.0%	338,424	2.9%	321,712	2.7%	280,234	2.2%	280,413	2.4%	254,122	2.3%	174,888	1.6%	159,379	1.5%
14 United Parcel	-	-	-	-	-	-	-	-	-	-	-	-	127,900	1.1%	118,874	1.1%	120,158	1.1%	120,454	1.1%
15 Hawaiian Airlines	117,934	1.1%	135,040	1.3%	145,920	1.3%	145,920	1.3%	211,840	1.8%	235,200	1.9%	137,145	1.2%	121,600	1.1%	134,080	1.3%	118,088	1.1%
<b>Subtotal</b>	<b>9,195,444</b>	<b>84.8%</b>	<b>9,324,493</b>	<b>86.8%</b>	<b>9,575,446</b>	<b>85.5%</b>	<b>9,945,918</b>	<b>85.7%</b>	<b>10,274,352</b>	<b>87.3%</b>	<b>10,971,563</b>	<b>87.8%</b>	<b>10,792,509</b>	<b>93.9%</b>	<b>10,391,028</b>	<b>95.4%</b>	<b>10,311,415</b>	<b>97.2%</b>	<b>10,403,329</b>	<b>96.1%</b>
All Others	1,645,696	15.2%	1,424,155	13.2%	1,624,758	14.5%	1,658,955	14.3%	1,499,606	12.7%	1,529,928	12.2%	704,248	6.1%	501,839	4.6%	294,744	2.8%	416,573	3.9%
<b>TOTAL</b>	<b>10,841,140</b>	<b>100.0%</b>	<b>10,748,648</b>	<b>100.0%</b>	<b>11,200,204</b>	<b>100.0%</b>	<b>11,604,873</b>	<b>100.0%</b>	<b>11,773,957</b>	<b>100.0%</b>	<b>12,501,491</b>	<b>100.0%</b>	<b>11,496,758</b>	<b>100.0%</b>	<b>10,892,867</b>	<b>100.0%</b>	<b>10,606,160</b>	<b>100.0%</b>	<b>10,819,902</b>	<b>100.0%</b>
<b>Annual % Change</b>	2.0%		-0.9%		4.2%		3.6%		1.5%		6.2%		-8.0%		-5.3%		-2.6%		2.0%	

\* United and Continental completed their merger on October 1, 2010 and began operating as United on November 30, 2011. Data for United and Continental have been combined in this table.  
Source: San Diego Unified Port District (for Fiscal Year 2002 and the first six months of Fiscal Year 2003) and SDCRAA.

**Figure 63 – Top 15 Ranked by Aircraft Landed Weight**

Landed weight is the maximum gross certificated landed weight in one thousand pound units as stated in the airlines' flight operational manual.

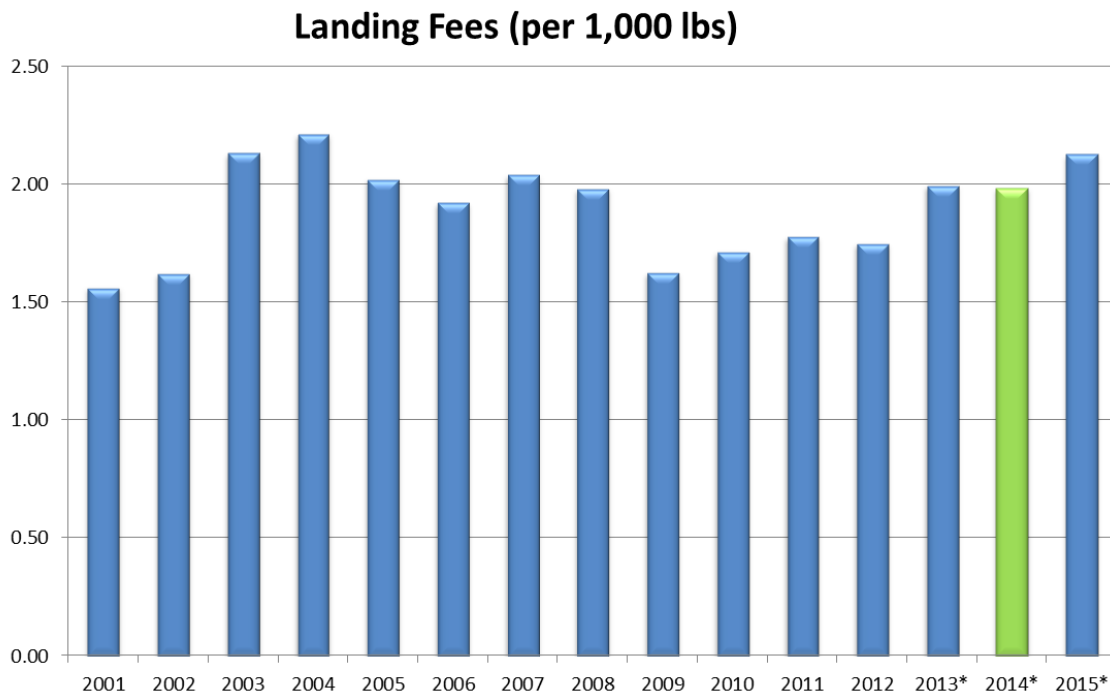
Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at SDIA.

Information presented reflects those years that the Authority was in operation.

## Landing Fees

Fiscal Years Ended June 30, 2000 to 2015

Fiscal Year	Landing Fees	
	Per 1,000 lbs.	% Change
2000	\$1.50	18.1%
2001	1.56	4.0%
2002	1.62	3.8%
2003	2.13	31.5%
2004	2.21	3.8%
2005	2.02	-8.6%
2006	1.92	-5.0%
2007	2.04	6.2%
2008	1.98	-2.9%
2009	1.62	-18.0%
2010	1.71	5.5%
2011	1.78	3.7%
2012	1.75	-1.6%
2013*	1.99	14.1%
2014*	1.98	-0.5%
2015*	2.13	7.2%



\* Projected FY 2013 and Budgeted FY 2014 & FY2015

**Figure 64 – Landing Fees**

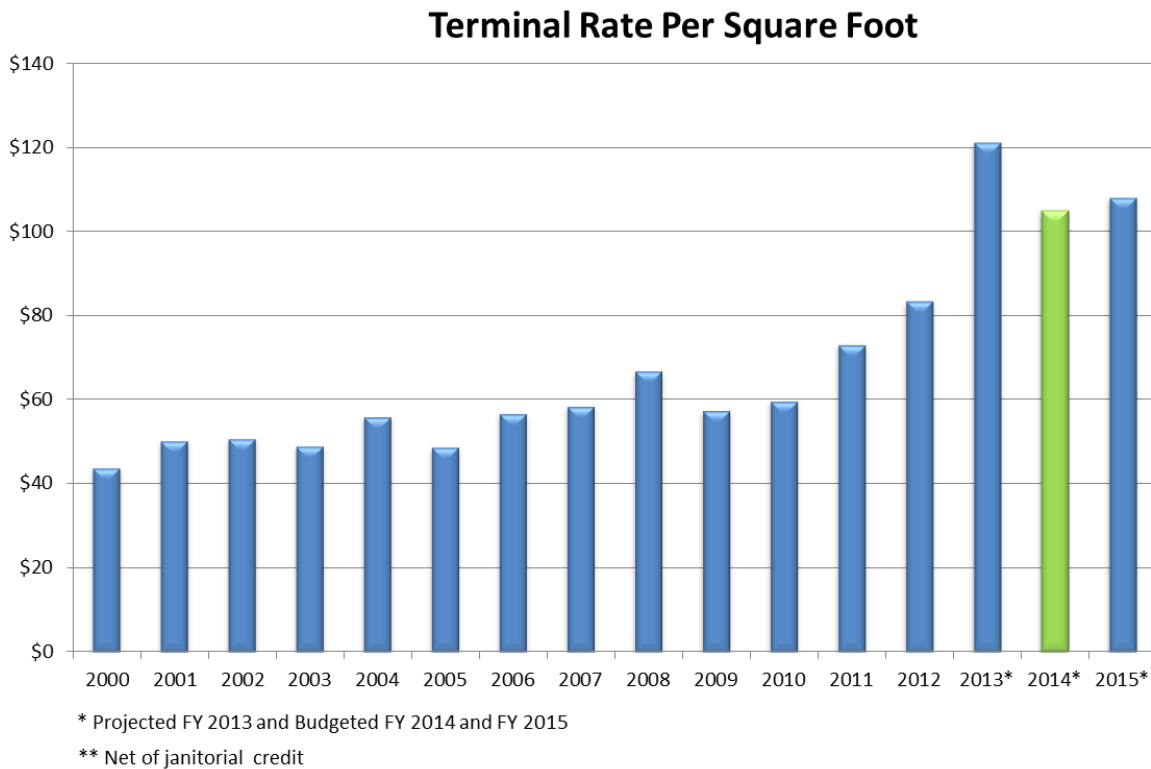
Source: San Diego Unified Port District (for Fiscal Years 2000-2002 and the first six months of Fiscal Year 2003) and SDCRAA.

Landing fees are revenues from passenger and cargo airlines for commercial landings at the airport. Beginning with FY 2005, the Security Surcharge was excluded from the Landing Fee and charged separately, and beginning with FY 2009, Aircraft parking was excluded from Landing Fees and charged separately.

# Terminal Rates Billed to Airlines

Fiscal Years Ended June 30, 2000 to 2015

Fiscal Year	Terminal Rates Per	
	Square Foot **	% Change
2000	\$43.74	-0.7%
2001	50.12	14.6%
2002	50.67	1.1%
2003	48.81	-3.7%
2004	55.75	14.2%
2005	48.62	-12.8%
2006	56.62	16.5%
2007	58.39	3.1%
2008	66.67	14.2%
2009	57.38	-13.9%
2010	59.53	3.7%
2011	73.09	22.8%
2012	83.31	14.0%
2013*	121.16	45.4%
2014*	105.04	-13.3%
2015*	108.07	2.9%



**Figure 65 – Terminal Rates**

Source: San Diego Unified Port District (for Fiscal Years 2000-2002 and the first six months of Fiscal Year 2003) and SDCRAA.

Terminal Rates are rates billed to airlines for the rent of terminal space per square foot. Beginning with FY 2005, the Security Surcharge was excluded from Terminal Rates and charged separately.

## Aircraft Operations (Takeoffs and Landings)

Fiscal Year	Air Carriers	Air Commuters	Total	Civil	Military	Total
2000	152,582	43,070	195,652	16,916	723	213,291
2001	152,180	44,850	197,030	14,694	968	212,692
2002	143,615	40,163	183,778	14,139	1,622	199,539
2003	143,283	47,802	191,085	14,415	1,229	206,729
2004	144,156	46,418	190,574	15,080	1,761	207,415
2005	148,975	51,377	200,352	17,069	1,094	218,515
2006	154,092	54,156	208,248	17,383	1,121	226,752
2007	157,198	50,068	207,266	17,195	983	225,444
2008	167,753	55,373	223,126	16,123	1,040	240,289
2009	155,766	39,122	194,888	12,721	1,174	208,783
2010	149,718	32,100	181,818	11,674	1,017	194,509
2011	146,215	28,273	174,488	10,938	755	186,181
2012	149,104	26,398	175,502	10,120	658	186,280

## Airfield Operations

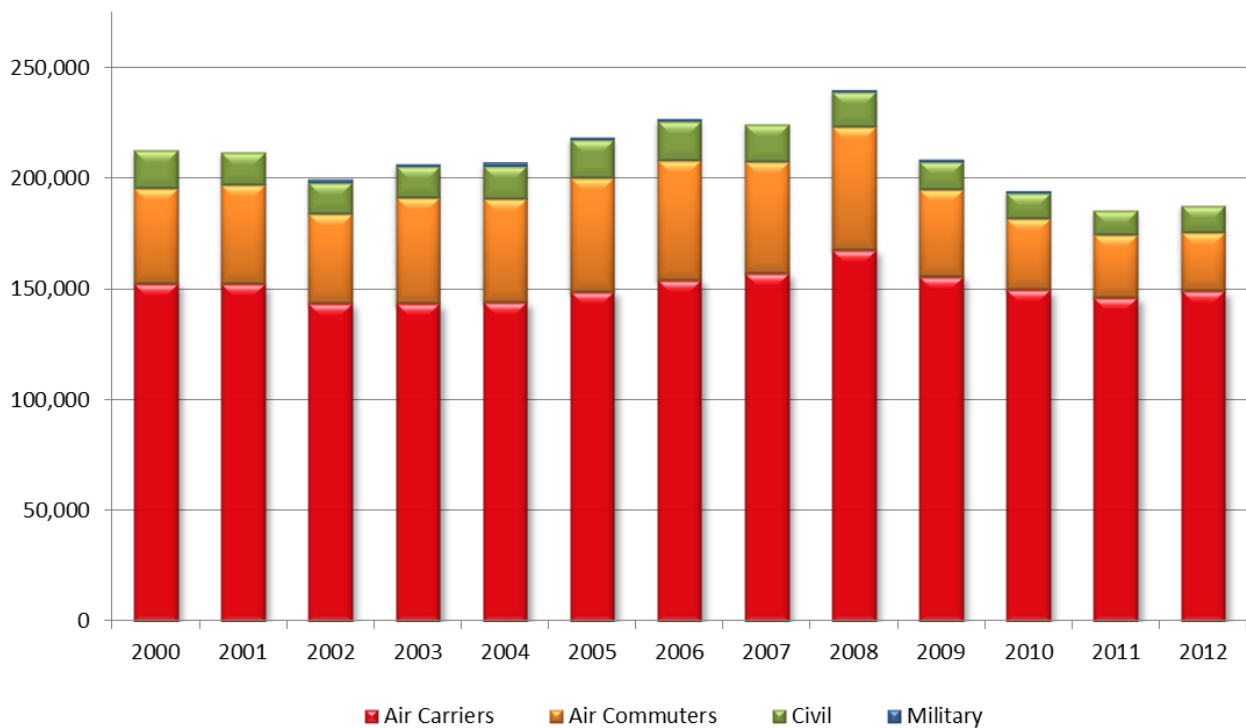


Figure 66 – Airfield Operations

Source: San Diego Unified Port District (for Fiscal Year 2002 and the first six months of Fiscal Year 2003) and SDCRAA.

Aircraft operations are the takeoffs and landings at SDIA, which represent the level of demand. They represent the level of demand for air service by the airlines operating at SDIA.

## Authority Largest Sources of Revenues

Tenant	2004	2005	2006	2007	2008	2009	2010	2011	2012	% of Total Operating Revenue
Southwest Airlines	\$ 10,692,447	\$ 12,767,378	\$ 13,464,404	\$ 15,624,767	\$ 16,920,722	\$ 17,658,629	\$ 19,428,103	\$ 21,306,108	\$ 23,357,007	15.2%
United Airlines	4,989,506	5,877,927	5,717,234	6,623,373	6,522,426	6,344,127	7,905,284	9,280,812	10,931,601	7.1%
Host International	7,106,523	8,038,435	9,147,356	9,808,385	10,875,857	9,883,713	9,907,860	10,360,436	10,793,503	7.0%
Delta Airlines	4,774,243	5,010,848	4,876,095	5,347,415	5,168,634	4,647,333	6,663,671	8,003,895	8,911,886	5.8%
American Airlines	7,772,143	8,472,274	10,191,557	8,303,616	7,750,147	5,543,732	7,693,564	7,611,443	8,197,015	5.3%
Enterprise Rent-A-Car	858,956	1,084,031	2,888,849	2,007,684	2,530,192	2,501,720	2,517,682	4,431,129	7,290,392	4.7%
Hertz Rent-A-Car	4,901,573	5,316,755	5,979,512	6,728,751	6,860,949	5,816,230	5,861,737	5,635,151	5,795,690	3.8%
Avis Budget Rent-A-Car Gr	3,103,562	4,966,532	6,002,357	4,465,182	6,193,565	5,505,770	3,378,607	3,842,594	4,507,266	2.9%
US Airways	699,542	672,643	571,874	1,714,362	4,048,246	3,478,789	3,756,383	3,899,253	4,388,522	2.9%
Alaska Airlines	2,027,193	2,400,679	2,464,162	2,843,993	2,800,385	2,754,173	2,951,554	3,482,098	4,265,739	2.8%

Figure 67 – Authority Largest Sources of Revenues

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Airport Authority was in operation.



## Population & Economic Metrics San Diego County (CY 2000-2013)

Calendar Year	Estimated Population <sup>(1)</sup>	% Change	Calendar Year	Per Capita Personal Income <sup>(2)</sup>	% Change	Labor Force <sup>(2)</sup>
2000	2,813,833	2.3%	2000	\$32,789	8.5%	1,376,008
2001	2,865,208	1.8%	2001	33,801	3.0%	1,409,726
2002	2,922,758	2.0%	2002	34,612	2.3%	1,450,497
2003	2,975,082	1.8%	2003	35,676	3.0%	1,468,198
2004	3,011,770	1.2%	2004	38,452	7.2%	1,490,781
2005	3,038,074	0.9%	2005	40,383	4.8%	1,505,892
2006	3,065,077	0.9%	2006	42,801	5.6%	1,520,474
2007	3,100,132	1.1%	2007	45,911	6.8%	1,542,445
2008	3,131,552	1.0%	2008	46,649	1.6%	1,548,700
2009	3,173,407	1.3%	2009	42,325	-10.2%	1,554,100
2010	3,091,579	-2.6%	2010	43,104	1.8%	1,558,200
2011	3,118,876	0.9%	2011	46,767	8.5%	1,574,000
2012	3,128,734	0.3%	2012	N/A	N/A	1,584,300
2013	3,150,178	0.7%	2013	N/A	N/A	1,602,500

**Figure 68 – Population Metrics**

Sources:

<sup>(1)</sup> California Department of Finance, E-1 Population Estimates for Cities, Counties and the State, January 1<sup>st</sup> of the calendar years shown

<sup>(2)</sup> U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, Local Area Personal Income

## Households & Income

<b>Households</b>	<b>2000</b>	<b>2010</b>	<b>2000-2010</b>
	<hr/>		<b>Change</b>
Number of Households	450,691	518,063	13.0%
Median Household Income	47,360	44,772	-5.8%

<b>Income Distribution</b>	<b>2000</b>	<b>2010</b>	<b>2000-2010</b>
	<hr/>		<b>Change</b>
Less than \$15,000	12.5%	14.0%	10.7%
\$15,000 - 29,999	18.0%	19.0%	5.3%
\$30,000 - 44,999	17.3%	18.0%	3.9%
\$45,000 - 59,999	13.9%	14.0%	0.7%
\$60,000 - 74,999	11.0%	11.0%	0.0%
\$75,000 - 99,999	11.5%	11.0%	-4.5%
\$100,000 - 124,000	6.6%	6.0%	-10.0%
\$125,000 - 149,999	3.3%	3.0%	-10.0%
\$150,000 - 199,999	2.9%	2.0%	-45.0%
\$200,000 or more	3.0%	3.0%	0.0%

**Figure 69 – Household and Incomes**

Source: San Diego Association of Governments, 2010 (Income in real 1999 dollars, adjusted for inflation).  
 Note: Percentages may not add to 100% due to rounding.

## Labor Force, Employment, Unemployment Rate

### San Diego County

<b>FY 2013</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate</b>
July	1,609,100	1,455,700	153,400	9.50%
August	1,603,600	1,456,400	147,200	9.20%
September	1,599,000	1,462,500	136,500	8.50%
October	1,607,700	1,469,200	138,400	8.60%
November	1,603,000	1,469,800	133,200	8.30%
December	1,603,600	1,472,600	131,000	8.20%
January	1,602,500	1,464,500	138,000	8.60%
February	1,614,800	1,485,400	129,400	8.00%
March	1,612,000	1,487,400	124,600	7.70%
April	1,608,100	1,495,700	112,400	7.00%
May	1,607,000	1,498,400	108,600	6.80%
June	1,612,800	1,494,400	118,400	7.30%

**Figure 70 – Labor Force, Employment, Unemployment Rate**

- Notes: 1) Data may not add due to rounding. The unemployment rate is calculated using unrounded data.  
 2) Labor force data for all geographic areas for 1990 to 2012 now reflect the March 2012 annual revision (or benchmark) and Census 2000 population controls at the state level.

Source: State of California Employment Development Department, Labor Market Information Division, June 2012 Benchmark (not seasonally adjusted)

## Principal Employers

Employer	Employees	Rank	Percentage		Employees	Rank	Percentage	
			Total of County	Employment			Total of County	Employment
U.S. Federal Government <sup>[1]</sup>	46,300	1	3.65%		40,600	1	2.80%	
State of California	45,500	2	3.58%		38,500	2	2.65%	
University of California, San Diego	27,393	3	2.16%		21,266	4	1.47%	
County of San Diego	15,109	4	1.19%		17,222	5	1.19%	
Sharp Health Care	14,969	5	1.18%		12,167	8	0.84%	
Scripps Health	13,830	6	1.09%		10,435	9	0.72%	
San Diego Unified School District	13,730	7	1.08%		24,240	3	1.67%	
Qualcomm Inc.	10,509	8	0.83%		-	-	-	
City of San Diego	10,211	9	0.80%		12,656	6	0.87%	
Kaiser Foundation	6,200	10	0.49%		-	-	-	
US Postal Service	-	-	-		12,656	7	0.85%	
SBC	-	-	-		6,988	10	0.47%	
	<b>203,751</b>		<b>16.05%</b>		<b>196,730</b>		<b>14.60%</b>	

**Total Industry Employment in San Diego County (June 2012) 1,269,300**

Source: Employers - San Diego Daily Transcript: 2002 & 2012 Book of Lists, 2003 information not available  
 Total Industry Employment - California Employment Development Dept.,  
 Labor Market Info June 2012-March 2011 Benchmark

<sup>[1]</sup> U.S. Federal Govt. employment does not include Dept. of Defense employees

**Figure 71 – Principal Employers**

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# TABLE OF FIGURES

## Table of Figures

Figure 1 – FY 2014-FY 2015 Authority Strategies & Sustainability Goals.....	ii
Figure 2 – GDP % Change .....	iv
Figure 3 – Dow Jones Industrial Average.....	iv
Figure 4 – Total Enplaned Passengers - SDIA vs. US Trend over Prior Year .....	v
Figure 5 – SDIA Enplaned Passengers by Carrier .....	vi
Figure 6 – Enplaned Passengers and Annual Growth.....	viii
Figure 7 – Airline Fees and Charges .....	xiii
Figure 8 – Debt Service Coverage.....	xiv
Figure 9 – SDCRAA Budget Calendar.....	xvi
Figure 10 – Authority Strategies & Sustainability Values.....	28
Figure 11 – FY 2007 to FY 2013 Projected Historical Liquidity .....	34
Figure 12 – FY 2014 vs. FY 2013 Budget Revenue Comparison .....	41
Figure 13 – FY 2015 vs. FY 2014 Budget Revenue Comparison .....	41
Figure 14 – FY 2014 Revenue Budget by Source.....	42
Figure 15 – FY 2015 Revenue Budget by Division .....	43
Figure 16 – FY 2014 vs FY 2013 Budget Expenses Comparison .....	51
Figure 17 – FY 2015 vs FY 2014 Budget Expense Comparison .....	51
Figure 18 – FY 2014 Expense Budget by Division .....	60
Figure 19 – FY 2015 Expense Budget by Division.....	61
Figure 20 –FY 2014 Expense Budget by Category .....	62
Figure 21 – FY 2015 Expense Budget by Category .....	63
Figure 22 – FY 2014 vs. FY 2013 Budget Revenue Comparison .....	65
Figure 23 – FY 2015 vs. FY 2014 Budget Revenue Comparison .....	65
Figure 24 – FY 2014 Revenue Budget by Source .....	66
Figure 25 – FY 2015 Revenue Budget by Source .....	66
Figure 26 – FY 2014 Expense Budget by Department.....	73
Figure 27 – FY 2015 Expense Budget by Department .....	74
Figure 28 – FY 2014 Expense Budget by Category .....	75
Figure 29 – FY 2015 Expense Budget by Category .....	76
Figure 30 – FY 2014 Expense Budget by Department.....	119
Figure 31 – FY 2015 Expense Budget by Department.....	120
Figure 32 – FY 2014 Expense Budget by Category .....	121
Figure 33 – FY 2015 Expense Budget by Category .....	122
Figure 34 – FY 2014 Expense Budget by Department.....	177
Figure 35 – FY 2015 Expense Budget by Department.....	178
Figure 36 – FY 2014 Expense Budget by Category .....	179
Figure 37 – FY 2015 Expense Budget by Category .....	180
Figure 38 – FY 2014 Expense Budget by Department.....	220
Figure 39 – FY 2015 Expense Budget by Department.....	221
Figure 40 – FY 2014 Expense Budget by Category.....	222
Figure 41 – FY 2015 Expense Budget by Category.....	223
Figure 42 – FY 2014 Expense Budget by Department.....	255
Figure 43 – FY 2015 Expense Budget by Department.....	256
Figure 44 – FY 2014 Expense Budget by Category .....	257
Figure 45 – FY 2015 Expense Budget by Category .....	258
Figure 46 – Operating Ratio.....	336
Figure 47 – Operating Revenue per Enplaned Passenger .....	337

Figure 48 – Non-Airline Revenue per Enplanement .....	338
Figure 49 – Enplaned Passengers per FTEs.....	339
Figure 50 – Operating Cost per Enplanement .....	340
Figure 51 – Days Cash on Hand.....	341
Figure 52 – Airline Cost per Enplaned Passenger.....	342
Figure 53 – Airline Cost per Enplaned Passenger by Airport.....	343
Figure 54 – Passenger Satisfaction Rating .....	344
Figure 55 – Food and Beverage Satisfaction Rating .....	344
Figure 56 – Baggage Delivery Satisfaction Rating.....	345
Figure 57 – Terminal Facilities Satisfaction Rating.....	345
Figure 58 – Security Checkpoint Satisfaction Rating.....	346
Figure 59 – Retail Satisfaction Rating.....	346
Figure 60 – Annual Enplaned Passengers .....	348
Figure 61 – Airline Market Share .....	349
Figure 62 – Aircraft Landed Weight.....	350
Figure 63 – Top 15 Ranked by Aircraft Landed Weight.....	351
Figure 64 – Landing Fees .....	352
Figure 65 – Terminal Rates.....	353
Figure 66 – Airfield Operations.....	354
Figure 67 – Authority Largest Sources of Revenues .....	355
Figure 68 – Population Metrics.....	356
Figure 69 – Household and Incomes .....	357
Figure 70 – Labor Force, Employment, Unemployment Rate .....	358
Figure 71 – Principal Employers.....	359



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# **GLOSSARY**

**AAAE** – American Association of Airport Executives.

**ACCRUAL BASIS OF ACCOUNTING** – Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred.

**ACI-NA** – The Airports Council International–North America represents local, regional and State governing bodies that own and operate commercial airports in the United States and Canada. It advocates policies and provides services that strengthen the ability of commercial airports to serve their passengers, customers and communities.

**AIRCRAFT OPERATION** – The landing or takeoff of an aircraft.

**AIRLINE COST PER ENPLANEMENT** – The total annual cost of fees and charges paid by the airlines divided by the total enplanements.

**AIRPORT** – Refers to the San Diego International Airport.

**AIRPORT IMPROVEMENT PROGRAM (AIP)** – A Federal Aviation Administration program periodically authorized by Congress which 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** – The Airport Land Use Commission (ALUC) is an agency required by State law to exist in counties served by a commercial and/or a 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 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 NOISE COMPATIBILITY PROGRAM** – The mission of the Airport Noise Compatibility Program is to reduce the aircraft noise impact on the community through mitigation programs while monitoring compliance with local, State and Federal regulations, thus maintaining an environmentally viable airport.

**AIRPORT RESOURCE PLANNING (ARP)** – A comprehensive information technology system with specific applications in the areas of human resources, accounting, procurement, real estate management and customer relationship management.

**ARFF** – Aircraft Rescue and Fire Fighting

**THE AUTHORITY** – Refers to the San Diego County Regional Airport Authority.

**AVIATION ACTIVITY FORECAST** – A forecast of aviation activities that is used in airport facilities planning and in evaluating environmental and fiscal impacts on the airport. These forecasts typically contain projections of passenger demand, airline flights, and other activity segments that are likely to grow in the future and seek to measure when an existing facility will not be able to accommodate the projected growth.

**BUDGET** – A financial plan for a specified period of time (fiscal year) that matches planned expenses and revenues with planned services.

**BUDGET CALENDAR** – The schedule of key dates or milestones that the Authority follows in the preparation, adoption and administration of the annual budget.

**BOND COVENANT** – An agreement with bond holders, which defines, among other things, the priority of payment of debt service in the use of revenues.

**CAPITAL IMPROVEMENT PROGRAM** – 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.

**COMMERCIAL PAPER** – Commercial Paper (CP) is a short-term promissory note issued for periods up to 270 days, with maturities commonly at 30, 60 and 90 days. The Authority currently has commercial paper programs with two series, one Alternative Minimum Tax (AMT) and one non-AMT.

**COMMUTER AIRLINE** – An airline that operates aircraft with a maximum of 60 seats and with an operating frequency of at least five scheduled round trips per week between two or more points. See also “Major Airline,” “National Airline,” and “Regional Airline.”

**CONCESSIONAIRE** – A person or company having a lease, contract, or operating permit arrangement with the Authority, entitling them to do business on the airport.

**CONNECTING PASSENGER** – A passenger who transfers from one flight to another en route to a final destination

**COST CENTER** – An area of the Airport to which a revenue or expense is attributed, e.g., airfield, terminal, etc.

**CUSTOMER FACILITY CHARGE (CFC)** – Airport-required fees collected by car rental agencies and used to fund new car rental facilities.

**CUPPS** – Common use passenger processing system. CUPPS is a common use terminal equipment system which allows airlines to operate from any ticket counter and gate if needed. It includes common use self service kiosk for passenger check in.

**CUSS** – Common use systems support. CUSS is a shared service kiosk system allowing for convenient passenger check-in that can be used by multiple airlines.

**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.

**DISCRETIONARY GRANTS** – See “Federal Grants.”

**DISTRICT** – The San Diego Unified Port District.

**E1** – See Airport Resource Planning.

**EMPLOYEE ANNUAL TUNE UP** – Annual training session for employees covering policies and procedures.

**ENPLANED PASSENGER** – Any revenue passenger boarding at the Airport, including any passenger that previously disembarked from another aircraft (i.e., connecting passenger).

**ENTERPRISE FUND** – In governmental accounting, a fund that provides goods and services to the public for a fee that makes the entity self-supporting.

**ENVIRONMENTAL IMPACT REVIEW (EIR)** – The review and analysis of the environmental impacts that might potentially arise from changes in facility design or use. Those issues typically addressed in an Environmental Impact Report, Negative Declaration, or similar document, are handled by the Airport Planning Department.

**ENVIRONMENTAL IMPACT STATEMENT (EIS)** – The EIS is an impact document prepared pursuant to the National Environmental Policy Act (NEPA) that documents the potential environmental impact of an airport infrastructure expansion or modification.

**FEDERAL AVIATION ADMINISTRATION (FAA)** – The FAA is part of the Department of Transportation 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 development of public-use airports.

**FEDERAL GRANTS** – The FAA's Airport Improvement Program provides both entitlement and discretionary grants for eligible airport projects. Entitlement funds are determined by a formula according to enplanements at individual airports. The Authority applies for discretionary grants 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 Letter of Intent 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 approved LOI from FAA are used by the Authority as the estimate of federal discretionary grants to be received.

**FISCAL YEAR** – The annual period beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>.

**FIXED BASE OPERATORS (FBOs)** – Those commercial businesses at the Airport authorized by the Authority to sell aviation fuels and provide other aviation-related services, primarily to General Aviation.

**FUND BALANCE** – The Authority's fund balance is generally defined as the difference between its assets and liabilities.

**GAAP** – General Accepted Accounting Principles are uniform minimum standards and guidelines for accounting and financial statement reporting.

**GASB** – Governmental Accounting Standards Board, the body responsible for establishing GAAP for governmental entities.

**GENERAL AVIATION (GA)** – The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.

**GSE** – Ground Service Equipment.

**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 the airport.

**LEGACY CARRIERS** – Refers to those airlines that flew interstate routes prior to the Airline Deregulation Act of 1978. US legacy carriers mainly include American, Continental, Delta, Northwest, United, US Airways, Alaska and Hawaiian airlines.

**MAJOR AIRLINE** – US designation for an air carrier with annual operating revenue of more than one billion dollars, such as American, Northwest and United Airlines. Also called “major carrier.”

**MAJOR MAINTENANCE PROGRAM** – Includes projects that are defined as major repairs to existing buildings or structures and do 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.

**NATIONAL AIRLINE** – US term for an air carrier with annual operating revenue between \$100 million and one billion. Also called “national carrier.”

**PASSENGERS DAILY EACH WAY (PDEW)** – A common measure of Origin–Destination market demand used in the airline industry. Also referred to as “*Passenger trips per day each way.*”

**PASSENGER FACILITY CHARGE (PFC)** – A \$4.50 charge (net \$4.39 to Airport) 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.

**RASP** – Regional Aviation Strategic Plan. Required by the San Diego Regional Airport Authority Reform Act (SB10). The RASP will guide the regions efforts to improve all transportation services for San Diego County by identifying ways to increase the system capacities of all twelve civil airports, Tijuana Rodriguez International Airport and selected bordering counties. The RASP will also consider air/rail alignments between facilities and other centers of population in the Southern California region.

**RDC** – Receiving and Distribution Center is a central warehouse for the delivery and distribution of goods at the airport. All supplies for the concessions within the airport as well as airport authority supplies will flow through this center.

**REGIONAL AIRLINE** – US term for an air carrier with annual operating revenue below \$100 million.

**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 dB Community Noise Equivalent Contour.

**SDCRAA** – San Diego County Regional Airport Authority

**SDIA** – San Diego International Airport

**SERVICE LEVEL AGREEMENT** – Agreement between the San Diego Port District and the Authority defining the services that the Authority obtains from the Port.

**TDP** – Terminal Development Program includes a variety of terminal and airfield improvements essential to accommodating the growing passengers’ demands at SDIA.

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