



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

FINANCE DIVISION ◦ *Financial Planning & Budget Department*
San Diego ◦ California



F i s c a l Y e a r 2 0 1 0
A D O P T E D B U D G E T

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

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June 4, 2009

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Dear Board Members:

Submitted herein is the San Diego County Regional Airport Authority's adopted operating and capital budget for FY 2010. The budget is the culmination of an extensive, collaborative effort, which included workshops with members of the Board of Directors (the Board) and staff that evaluated the operating and capital improvement needs and obligations of the Authority. The budget also takes into account the requirements of the Master Bond Indenture governing the Authority's outstanding indebtedness and its obligations under state and federal law.

Establishing the budget is a deliberative process reflecting the Board's continuous leadership and direction expressed through the Authority's strategic goals. A revised list of the FY 2010 Goals and Strategies is provided under the Airport Authority Overview section of this budget. Each department has identified specific and measurable objectives that are linked to the Board approved Strategic Goals, Key Strategies and recently adopted Sustainability Objectives.

Authority management crafted a Performance Plan to match strategic goals with specific objectives and measurement tools. This approach was designed to address safety and security requirements, community outreach programs, customer service and satisfaction, maintenance of aging facilities and overall financial performance. Integrated with these target areas is the overarching goal of empowering employees to adopt a creative approach to service delivery and to drive toward achieving positive results.

The FY 2010 budget supports operating San Diego International Airport (SDIA, or the Airport) as a world-class facility in a time of challenges for the aviation industry. In addition to supporting the Authority's financial and operational requirements, the FY 2010 budget also addresses the Authority's responsibilities related to meeting the long-term aviation needs of the region:

- ❖ Implementing the San Diego County Regional Airport Authority Reform Act (California Senate Bill 10), which was signed into law on October 5, 2007 by Governor Arnold Schwarzenegger. The new law took effect January 1, 2008, and called for:

1. Completion of a Regional Aviation Strategic Plan (RASP) by the Airport Authority by June 30, 2011. The goal of the RASP is to improve the performance of all airports within San Diego County. (See Budget Objectives.)
 2. Preparation and adoption by San Diego Association of Governments ("SANDAG") of an Airport Multimodal Accessibility Plan (AMAP) by December 31, 2013. The purpose of the AMAP is to improve surface transportation access to all airports in the county and adjacent counties.
- ❖ Studying, planning and implementing capital improvements to meet current and future facility requirements at SDIA including the proposed Terminal Development Program (TDP). (See Capital Improvement Program.)
 - ❖ Serving as the region's Airport Land Use Commission, a responsibility that includes developing comprehensive land use plans for the 16 public-use and military airports in San Diego County.
 - ❖ In collaboration with partner agencies, coordinating a plan to provide for the ultimate build-out of SDIA, including the integration of enhanced air service capabilities with multimodal ground access.

The budget strategically directs the allocation of resources to most effectively enable the Authority to operate SDIA in a manner that meets or exceeds customer expectations while simultaneously executing its legislative mandates. It funds, among other things, the activities, infrastructure, equipment and technology needed to fulfill the Authority's strategic goals in the coming fiscal year. Activities funded include the Authority Board and six divisions: Executive, Administration, Development, Finance, Marketing & Communications and Planning and Operations.

Budget Objectives

The Authority's financial goals for the 2010 budget are to allocate scarce and restricted resources to SDIA programs and services in a way that:

- ❖ Provides a safe and secure operating environment;
- ❖ Meets regulatory, legal and contractual requirements;
- ❖ Ensures that SDIA continues to serve the region with a high level of customer service;
- ❖ Enhances regional partnerships through collaboration and coordination in near and long-term planning efforts;
- ❖ Solicits and promotes new domestic and international air route service;
- ❖ Addresses maintenance needs of aging facilities;
- ❖ Expands the economic activity generated by SDIA in support of regional economic development;
- ❖ Reflects an efficient and economical operating organization;
- ❖ Encourages the use of best business practices;
- ❖ Effectively supports accomplishment of the Authority's strategic plan and key initiatives.

Strategies employed to attain these goals include cost reductions, personnel and service efficiencies and increased fees to match program expenses. The financial plan must also meet the Authority's financial policies and guidelines.

The 2010 budget reflects a number of near and mid-term priorities, including a number of ongoing studies and initiatives.

Cost Containment: In our ongoing efforts to remain competitive and recognize the financial pressures on our airline customers, we have undertaken cost containment measures that produce a modest 1.5% increase in operating expenses before depreciation. These measures included not funding 24 positions throughout the Authority, representing a 6.1% decrease in funded positions over FY 2009.

Sustainability: 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— guide the Authority's sustainable practices. These four elements have been adopted within the aviation industry as the core precepts for a holistic approach to airport sustainability.

Regional Aviation Strategic Plan: The RASP will guide the region's efforts to improve air transportation services for San Diego County by identifying ways to increase the system capabilities of all 12 civil airports, Tijuana International Airport and selected facilities in bordering counties. The RASP will also consider air/rail alignments between airport facilities and other centers of population in the Southern California region.

Destination Lindbergh – The Ultimate Build-out: As part of a comprehensive regional planning process called Destination Lindbergh, the area's leaders studied options and alternatives to: (1) optimize San Diego International Airport; (2) improve transit to the airport and region; and (3) reduce traffic congestion in the vicinity of the airport. The Ad Hoc Airport Regional Policy Committee, chaired by City of San Diego Mayor Jerry Sanders, also included representatives from the Airport Authority, the San Diego Association of Governments, Port of San Diego, County of San Diego, Metropolitan Transit System, North County Transit District and the United States Department of Defense.

This Destination Lindbergh planning effort culminated in the Airport Authority Board's acceptance of a draft concept for public distribution. The draft concept will serve as a framework for long-range planning at San Diego International Airport.

Economic and Operational Trends Affecting the Budget

The FY 2010 budget reflects, in part, the Authority's operating environment. Enplaned passenger traffic at SDIA is projected to decrease 11.9% in Fiscal Year (FY) 2009 to 8.3 million enplaned passengers. Passenger declines from the previous year reflected, in part, the withdrawal of air service in reaction to a decline in travel resulting from the economic crisis; as shown in Figure 1:

TOTAL EPAX - % CHANGE OVER PRIOR YEAR

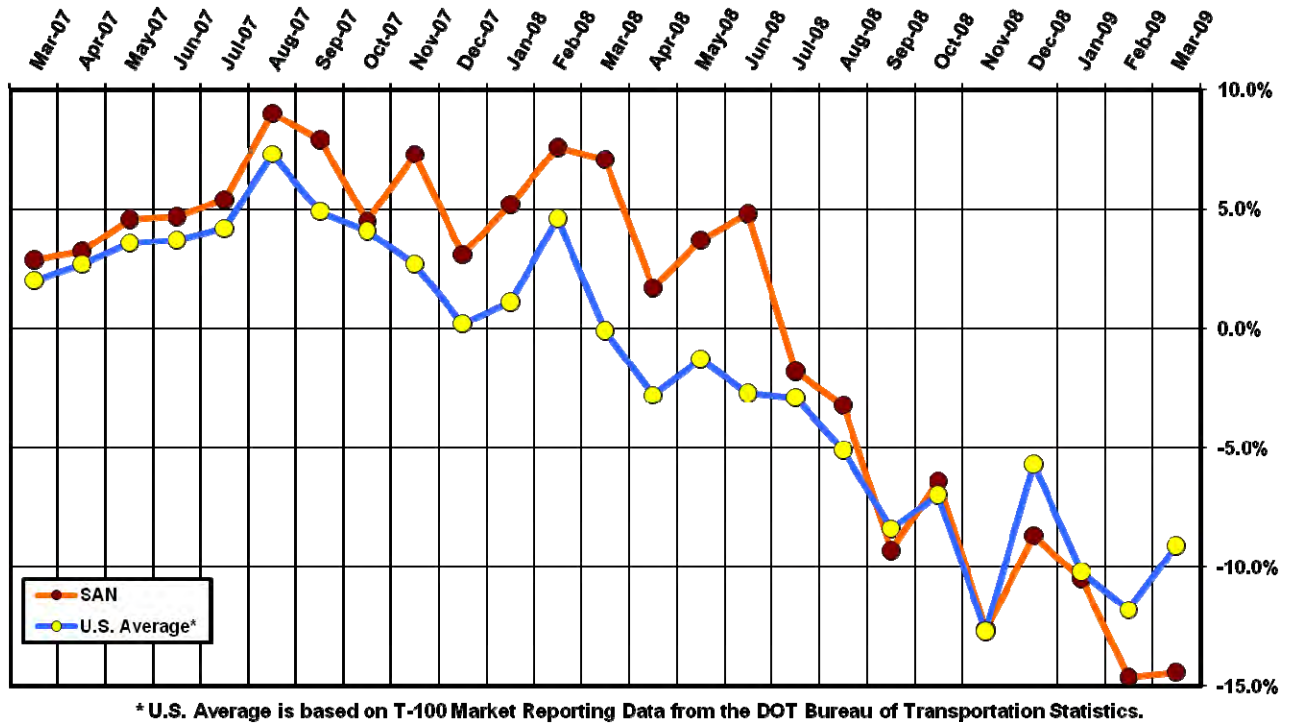
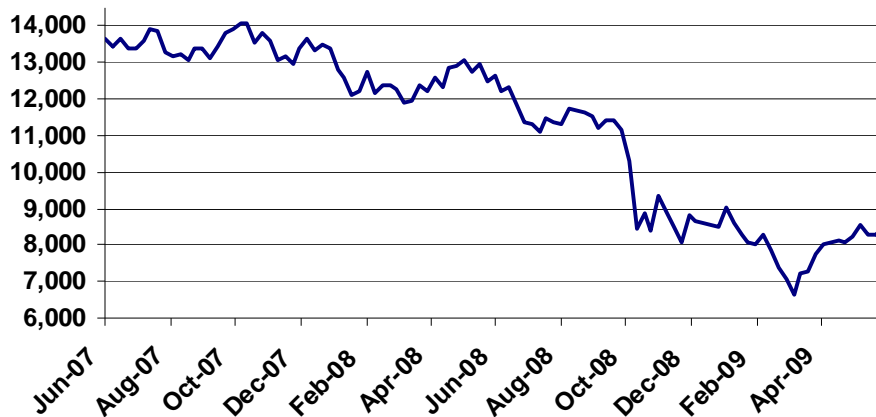


Figure 1 - Total Enplaned Passengers - SDIA vs. US Trend over Prior Year

The US economy is in severe recession. The gross domestic product decline in the fourth quarter 2008 (-6.3%) and first quarter 2009 (-5.5%) marked the most significant six month contraction since 1957–1958. As of April 2009 the California unemployment rate was 11.0% and the national unemployment rate reached a 25-year high of 8.9%. The economy has also lost over 4.3 million jobs since August 2008. Company payrolls had experienced 15 straight months of decline through March 31, 2009, and hourly wages have increased only 3.2% in the last 12 months. The Federal Funds Rate is at an all-time low; it has been fluctuating between 0.00% and 0.25% since December 2008. Home mortgage rates have been hovering near their all-time lows. National housing prices have dropped 32% since their peak in 2006, according to the S&P/Case-Schiller National Home Price Index.

Recent equity gains are encouraging, with major indices nearing positive territory year-to-date. From its low on March 11, 2009, to June 1, 2009, the Dow Jones increased 37%.

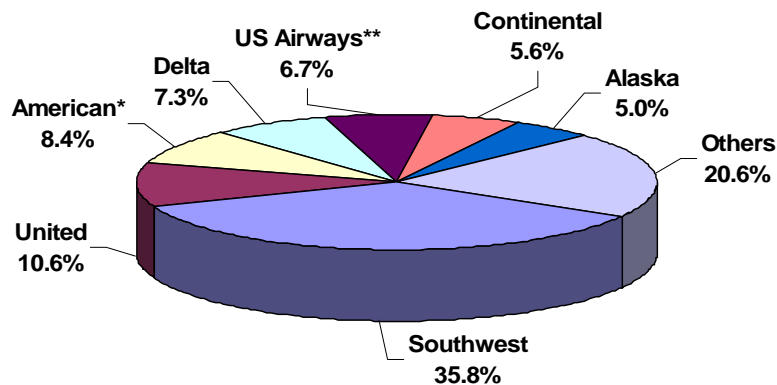
Dow Jones Industrial Average



The nation's airlines operate in an environment characterized by economic uncertainty, decreased passenger travel, fluctuating fuel prices, excess capacity and limited pricing power. While the airlines have taken steps to reduce capacity and passenger load factors have shown improvement, the airlines will continue to be impacted by these factors throughout the coming year. Most carriers have limited financial capability to absorb adverse business, economic or geopolitical shocks. Furthermore, legacy carriers continue to deal with pricing challenges posed by low-cost carriers.

Given these 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 (O & D) airport where no one carrier dominates and where a significant number of low-cost carriers serve the market. Service is provided by 20 scheduled passenger airlines. In CY 2008, Southwest Airlines served approximately 36% of all passengers who traveled through SDIA; their lead in market share is forecasted to continue. In CY 2008, low-cost carriers represented 42% of passenger enplanements at SDIA. Their presence in certain markets likely influenced pricing decisions by legacy carriers such as American, Delta and United in those markets, thereby further stimulating passenger demand.

SDIA Enplaned Passengers, CY 2008

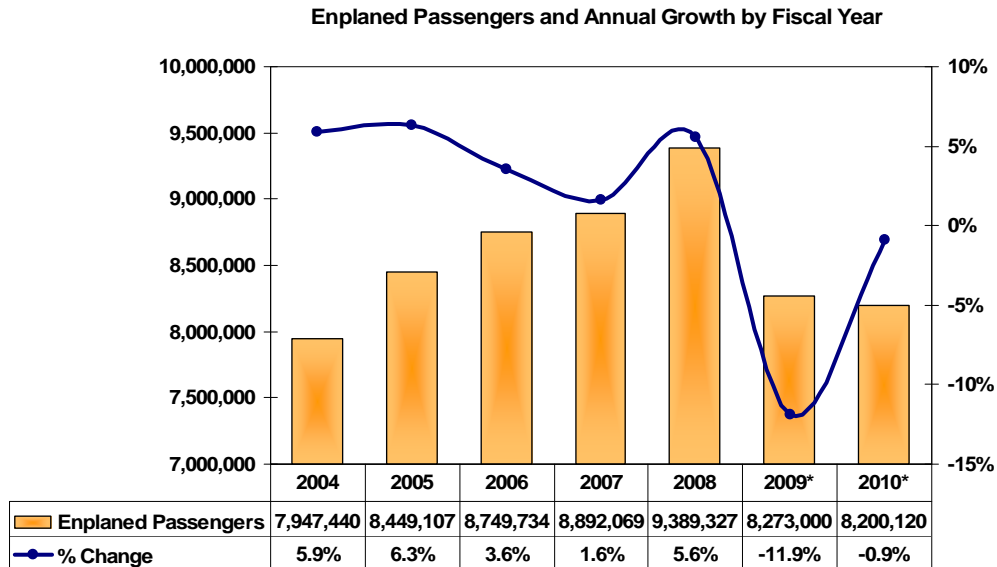


*Includes American Eagle

**Includes America West

Figure 2 - SDIA Enplaned Passengers by Carrier

Based on a slowing economy and the financial challenges currently faced by the airline industry, for the purpose of calculating projected FY 2010 revenues, enplaned passenger growth at SDIA has been projected to decline by -0.9%, reflecting the economy's projected impact on routes and travel habits.



*Projected FY 2009 and Budgeted FY 2010

Figure 3 - Enplaned Passengers and Annual Growth

Passengers departing from SDIA can fly directly to 55 cities and, with one-stop connections, to over 250 international cities around the world. This increased access now means that 77% of San Diego travelers can reach their destination on a nonstop flight. The Authority's Air Service Development Program will continue to pursue international and domestic opportunities.

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 3,173,407 as of January 1, 2009. The county is the second largest county 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 (43%), Chula Vista (7%), Oceanside (6%), 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 stable economic climate during the past five years, with lower unemployment rates than the State of California and the nation as a whole. The US Bureau of Labor Statistics notes that the county's average annual unemployment rate for 2008 was 6.0% compared to 7.2% 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.

Passenger Satisfaction

Measuring passenger satisfaction at SDIA is critical in order to keep up with passenger expectations and the ever-evolving airport experience. Since 2004, SDIA has been measuring passenger satisfaction on a quarterly basis, resulting in cumulative annual passenger satisfaction trends. In 2008, Phoenix Marketing International (PMI), a top marketing and research firm recognized by the American Marketing Association, reported an 87% satisfaction rating among passengers at SDIA, compared to 83% in 2006. This means that 87% of passengers 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"). Average airports are reported to score in the 60th percentile, several standard deviations lower than SDIA.

Financial Plan

The financial plan, as outlined in the FY 2010 Adopted Budget, is a result of several factors that control the Authority's planning and budgeting efforts. The San Diego County Regional Airport Authority Act, 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 airport needs. Costs associated with the near-term improvement of SDIA are also included in the budget. Other significant factors impacting the Authority's budget process include the airline operating agreement, Master Bond Indenture and certain provisions required in SB 10.

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. Debt management policies are directed under the Master Bond Indenture, which 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 FY 2010 rate-setting process. Detailed descriptions are provided in the section titled "Overview of Financial Policies and Guidelines."

Budget Summary

The FY 2010 budget assumes 8.2 million enplaning passengers, compared to the 9.3 million forecasted in the FY 2009 budget. The Authority currently expects to end FY 2009 with 8.3 million enplaned passengers. The enplaned passenger projection for FY 2010 was determined by evaluating consultant and FAA forecasts, recent trends and airline service announcements. Since the Authority's revenues and daily operations are significantly impacted by passenger traffic, these projections are used in part to develop the FY 2010 revenue and expense budget.

The following tables highlight the forecasted revenue statement impact of the FY 2010 Adopted Budget before depreciation, bond principal repayment and capital equipment outlays:

	FY08 Actuals	FY09 Amended Budget	FY09 Re-Forecast	FY10 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Revenue:						
Airline Revenue						
Landing Fees	\$ 24,763,236	\$ 21,492,200	\$ 19,437,000	\$ 20,146,400	\$ 709,400	3.6%
Aircraft Parking Fees	-	3,392,900	3,243,605	3,275,700	32,095	1.0%
Building Rentals	24,265,278	25,802,100	24,226,792	26,479,250	2,252,458	9.3%
Other Aviation Revenue	1,807,979	1,613,900	1,567,300	1,570,100	2,800	0.2%
Security Surcharge	8,618,411	10,808,300	10,467,300	12,057,700	1,590,400	15.2%
Total Airline Revenue	59,454,904	63,109,400	58,941,997	63,529,150	4,587,153	7.8%
Non-Airline Revenue						
Parking/Ground Transportation	31,037,940	38,975,300	34,222,980	28,678,610	(5,544,370)	-16.2%
Concessions	38,784,979	38,597,304	36,621,231	35,583,435	(1,037,796)	-2.8%
Ground Rentals	5,207,355	5,188,550	5,875,638	5,761,056	(114,582)	-2.0%
Grant Reimbursements	573,836	218,700	241,200	944,010	702,810	291.4%
Other Operating Revenue	623,366	409,000	409,000	412,100	3,100	0.8%
Total Nonairline Revenue	76,227,476	83,388,854	77,370,049	71,379,210	(5,990,839)	-7.7%
Total Operating Revenue	135,682,380	146,498,254	136,312,046	134,908,360	(1,403,686)	-1.0%
Operating Expenses:						
Salaries and Benefits	32,791,669	37,504,546	35,073,020	36,629,415	1,556,395	4.4%
Contractual Services	27,378,415	33,746,975	29,631,929	29,792,912	160,983	0.5%
Safety and Security	19,109,994	20,713,058	20,313,058	20,481,181	168,123	0.8%
Space Rental	10,900,869	10,906,947	10,906,947	10,909,779	2,832	0.0%
Maintenance	8,734,507	9,651,850	9,030,050	9,131,803	101,753	1.1%
Utilities	6,429,314	6,554,210	6,544,010	6,519,665	(24,345)	-0.4%
Operating Equipment & Systems	1,333,211	1,211,076	815,928	666,266	(149,662)	-18.3%
Operating Supplies	794,886	534,907	524,298	530,568	6,270	1.2%
Insurance	1,227,346	1,352,000	1,164,612	1,228,000	63,388	5.4%
Employee Programs	1,155,563	1,757,451	1,516,212	1,554,278	38,066	2.5%
Business Development	2,733,234	3,189,039	3,001,046	2,851,200	(149,846)	-5.0%
Equipment Rentals & Repairs	1,396,052	1,678,373	1,602,623	1,617,724	15,101	0.9%
Total Operating Expenses before Depreciation	113,985,059	128,800,433	120,123,733	121,912,791	1,789,057	1.5%
Income from Operations before Depreciation	21,697,321	17,697,822	16,188,313	12,995,569	(3,192,743)	-19.7%
Nonoperating Revenue/(Expense):						
Passenger Facility Charges	37,401,373	37,635,200	34,950,000	32,038,700	(2,911,300)	-8.3%
Customer Facility Charges	-	-	-	11,807,785	11,807,785	0.0%
Quieter Home Program (Net) and Joint Studies	(4,953,594)	(6,960,563)	(7,135,557)	(3,893,800)	3,241,757	-45.4%
Interest Income	13,431,602	10,713,300	6,058,613	5,397,500	(661,113)	-10.9%
Interest Expense	(4,085,819)	(4,419,794)	(4,419,794)	(3,685,372)	734,422	-16.6%
Bond Amortization Costs	(70,859)	(59,847)	(59,847)	(59,847)	-	0.0%
Other Nonoperating income/(expenses)	11,974	(50,000)	(38,679)	(50,000)	(11,321)	29.3%
Total Other Nonoperating Revenue, net	41,734,677	36,858,296	29,354,736	41,554,967	12,200,231	41.6%
Income before Depreciation and Capital Grant Contributions	63,431,998	54,556,118	45,543,049	54,550,536	9,007,487	19.8%
Capital Grant Contributions	2,849,918	1,745,945	5,740,301	23,353,455	17,613,154	306.8%
Net Income before Depreciation, Principal and Capital Outlay	\$ 66,281,916	\$ 56,302,063	\$ 51,283,350	\$ 77,903,991	\$ 26,620,641	51.9%

Total operating revenues for FY 2010 are budgeted at \$134,908,360, a decrease of \$1,403,686 (-1.0%) over the FY 2009 reforecasted budget. This revenue reflects two sources: (1) airline revenue of \$63,529,150 and (2) nonairline revenue of \$71,379,210. Airline revenue is derived primarily from landing fees, aircraft parking fees, terminal rents and security related fees. Non-airline revenue is comprised of public parking fees, terminal and other concessions, rental car fees and ground rents.

Total FY 2010 airline revenue reflects a modest increase of \$4,587,153 as compared to the FY 2009 reforecasted budget. This result is driven by higher building rentals of \$2,252,458, reflecting an increased allocation to the airlines per the proposed Airline Operating Agreement, and increased security costs of \$1,590,400, reflecting a reallocation of costs from airside to terminal, checkpoint costs and an increase in the percentage allocation to the airlines.

Total FY 2010 non-airline revenue is forecasted to decrease \$5,990,839 (-7.7%) from the FY 2009 reforecasted budget. This is primarily driven by a \$5,544,370 budgeted decrease in parking/ground transportation revenue due to lower projected passenger traffic, a decrease in the number of regular and overnight parking spaces and shorter duration time for long term parking transactions. Concession revenues are projected to decrease \$1,037,796 due to lower projected passenger traffic.

The divisional and departmental budgets of \$121,912,791, which address the Authority's overall goals, objectives and mandated obligations, contributed to a 1.5% increase in the Authority's FY 2010 operating expense budget over the FY 2009 reforecasted budget. Salaries and wages are projected to increase by \$2,102,638 (8.0%), which reflects wage increases required under union contract agreements and performance programs. Employee benefits expenses are projected to increase by \$721,760 (5.9%), reflecting increase costs associated with health and retirement benefits. These combined factors, together with capitalized labor expenses, resulted in a net increase of \$1,556,395 (4.4%) for FY 2010.

Safety and security costs are projected to increase by \$168,123 (0.8%), reflecting additional Aircraft Rescue and Fire Fighting costs. Contractual services are projected to increase by \$160,983 (0.5%), reflecting costs related to Facilities Development consultants, tenant improvements, janitorial costs and parking management contracts. These were partially offset by decreases in temporary employee costs, legal costs and disparity study. Maintenance costs are projected to increase by \$101,753 (1.1%), reflecting an increase in annual repair and service contract maintenance and security access control costs, which were partially offset by a decrease in major maintenance expenses. These increases were partially offset by a decrease in Business Development expenses of \$149,846 (-5.0%), reflecting decreases in advertising and promotional expenses for international air service development and the Quieter Home Program and Operating Equipment and Systems expenses of \$149,662 (-18.3%), reflecting IT costs and terminal and outdoor furnishings.

FY 2010 non-operating revenue/ (expense) is forecasted to generate \$12,200,231 of additional revenue and \$17,613,154 of additional capital grant contributions compared to the FY 2009 reforecast. The forecasted revenue increase is primarily driven by Customer Facility Charge (CFC) revenue of \$11,807,785 (100.0%) derived from a \$10 per transaction fee on car rentals imposed in 2010 that will fund the construction of a consolidated car rental facility.

Additional capital grant contributions of \$17,613,154 reflect Federal Aviation Administration (FAA) grants to fund primarily airfield capacity improvements. FAA grant awards result from a federal program that provides funding for approved capital improvement projects.

Projected Fund Balance

The Authority's fund balance statement projects that FY 2010 cash and investments will decrease by \$30,372,851 to \$214,642,203 versus the FY 2009 reforecast of \$245,015,054. This decrease of 12.4% mostly reflects reduced operating revenues, increased operating expenses and increased capital expenditures not funded by short term commercial paper. A detailed fund statement is provided in the section titled "Budget Overview: Projected Fund Balance."

Capital Improvement Program

The Capital Improvement Program (CIP) is a rolling five-year program that provides for critical improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades and development. Funding sources for the projects include Airport Improvement Program (AIP) grants, Passenger Facility Charges (PFCs), airport operating revenues, airport revenue bonds and short-term borrowing using commercial paper.

The submitted capital program also includes interim funding for executing preliminary design of the Terminal Development Program (TDP). The Terminal Development Program proposes improvements essential to accommodating the growing passenger demand at San Diego International Airport. They include:

- ❖ 10 new jet gates at Terminal 2 West
- ❖ 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 smart curb technology, which allows travelers to check in for their flight even before entering the terminal
- ❖ Additional parking for remain-over-night aircraft to eliminate the need for aircraft to taxi across the runway
- ❖ Taxiway improvements to enhance the flow of aircraft traffic
- ❖ New, expanded dining and shopping options
- ❖ More comfortable holding areas at the gates
- ❖ More and improved security checkpoints
- ❖ Public art integrated throughout the terminal expansion and outside areas

While the Environmental Impact Review (EIR) was certified by the Board on May 1, 2008, no construction will begin on any TDP improvement until staff receives formal Board approval. Staff is currently proceeding with preliminary design in order to finalize concepts and costs for the Terminal Development Program. It is anticipated that various options for the configuration of the terminal facility will be presented for consideration by the Board in July. If approved, it is not expected to have a significant impact on FY 2010 operating expenses.

Anticipated funding sources for the projects include AIP grants, PFCs, airport operating revenues, airport revenue bonds and short-term borrowing using commercial paper.

Source of Funds:

PFC Revenues	\$ 151,027,806
Commercial Paper	85,907,750
Revenue Bonds	36,900,820
Other Airport Funds	31,450,131
AIP Grants	28,519,452
Other (3 rd Party Financing)	<u>1,038,664</u>
Total Source of Funds	\$ 334,844,623

Use of Funds:

Airside Projects	\$ 111,993,878
Terminal Projects	100,495,051
Landside Projects	13,910,672
Administrative Projects	23,000,474
TDP – Enabling Projects	60,444,548
TDP	<u>25,000,000</u>
Total Use of Funds:	\$ 334,844,623

Capital expenditures include any expenditure over \$5,000 with a useful life of at least one year. Projected FY 2010 CIP and TDP capital expenditures total \$147,409,842. A detailed description of the CIP is provided in the section titled "Capital Improvement Program."

Airline Operating Agreement

The current airline operating agreement has expired. A new airline operating agreement has been agreed to in principle and is pending formal review and approval by all parties. In the interim, the Authority and the airlines have agreed to establish FY 2010 rates, fees and charges as set forth in the new proposed agreement and this is reflected in the budget for airline operating revenue.

The FY 2010 budget reflects the proposed changes in the Authority's airline cost recovery methodology. The Authority currently recovers almost 100% of its airfield costs through the landing fees and other aviation charges. Landing fees are charged to passenger and cargo carriers for each aircraft landing based on the aircraft's maximum gross landed weight. The Authority wants to encourage carriers to efficiently use existing aircraft parking positions, which are in short supply. Therefore, in FY 2009 a new charge, called the aircraft parking fee, was created and is projected to recover approximately 13.9% of airfield costs in FY 2010. This new charge will be assessed based on the number of aircraft parking positions assigned to each carrier at the terminal gates and in remote parking positions, rather than the number of aircraft landings. The goal of this change is to reward carriers who are efficient in the use of their gates and who schedule flights with departures outside the morning peak period. The reduction in the landing fee rate in FY 2009, as shown in Figure 4, reflects this new cost recovery charge offset.

Terminal rentals reflect a recovery of terminal building costs allocated to airline occupied facilities. In FY 2008 and prior, the allocation of the total facility costs was based upon the airlines' share of the usable terminal square footage. The Authority historically recovered approximately 40% of terminal building costs from the airlines through building rental revenues. The new agreement established in FY 2009 contains cost recovery at 45%, increasing to 50% in FY 2010, with a progressive increase in this percentage to approximately 65% by FY 2013, based upon airline occupied areas divided by rentable square footage. The Authority is at financial risk if vacant facilities exist.

The following table sets forth historical and projected landing fees, aircraft parking rate per position, terminal rental rates, costs per enplaned passenger and debt service coverage for FY 2008, 2009 and 2010:

	FY 2008 Actuals	FY 2009 Amended Budget	FY 2010 Adopted Budget
Landing Fee ¹	\$ 1.98	\$ 1.68	\$ 1.77
Aircraft Parking per Position ²	\$ -----	\$ 59,524	\$ 64,814
Terminal Rental Rate ³	\$ 66.67	\$ 66.21	\$ 68.81
Airline Cost per Enplaned Passenger	\$ 6.26	\$ 6.54	\$ 7.45
Debt Service Coverage	5.65x	4.02x	2.71x

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

Figure 4 - Airline Fees and Charges and Debt Service Coverage table

In both the existing and proposed new agreement, there are no provisions that grant the airlines direct approval rights over Capital Improvement Projects (Majority-in-Interest provision). The Authority's proposed Use and Lease Agreement allows for flexibility to meet the demands of changing airline activity and to accommodate new entrant carriers.

Outstanding Debt

The Authority's outstanding long-term debt consists of \$44,330,000 of Revenue Refunding Bonds, Series 2005 as of July 1, 2009. 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 1.25 times debt service. This is further discussed in the Debt Service section of this document. Debt service coverage (revenue less operating expenses divided by principal and interest requirements for the fiscal year) is displayed in the preceding table. For FY 2010, coverage is projected to be 2.71x.

The Authority's outstanding short-term debt consists of \$84,430,000 of Series A (non AMT), Series B (AMT) and Series C (taxable) commercial paper as of July 1, 2009. It is secured by a pledge of net airport revenues, subordinated to the payment of the Series 2005 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 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 1.10 times debt service on subordinate obligations, including the commercial paper notes, for that year. Each series of notes is additionally secured by an irrevocable letter of credit issued by Lloyds TSB Bank plc. The letter of credit expires on September 10, 2014.

Budget Process

The Authority operates on a July 1st through June 30th fiscal year. The budget process usually begins in November with senior management updating, reviewing and formulating the Authority's long-term goals and strategies. At the same time, division managers and staff develop programs, plans and objectives for the next fiscal year. From November–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 continually briefed to solicit input and direction throughout the process. If requested, strategic/ Planning workshops and detailed briefings on the proposed Capital Improvement Program are held with the Board.

In February, the Financial Planning and Budget staff reviews 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 goals and objectives. 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, Human Resources, Purchasing and Facility 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 adequately funded 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, pending Board approval, at any time during the year.

Calendar Period	Action
November – January	Review, update and formulate Authority strategic goals and objectives Strategic Budget Workshops held with the Board if requested Cross-functional meetings to balance divisional operating requirements with long-term goals and objectives
February – March	Divisions update capital budget plans and needs Finance Division prepares initial revenue budget Department development of budget submission Financial Planning and Budget staff consolidates results and evaluates major variances between the last adopted budget and the preliminary budget proposal Budget meetings with divisions and CFO to review and discuss staffing and expense requests Proposed staffing levels and proposed expenditures are reviewed and changes are made to requests in formulating the budget
March – April	Budget meetings with President/CEO to review and discuss staffing and expense requests Analysis prepared showing the major variance from the last adopted budget to the preliminary budget proposal Proposed staffing levels and proposed expenditures are reviewed and changes are made to requests in formulating the budget
April – May	Final tentative budget is reviewed with CEO. Meet with airlines to present operating and capital budgets and resulting airline rates and charges Proposed Operational and Capital Improvement Program budget is distributed to Authority Board for review and direction The Authority Board and Finance Committee review of proposed budget and input and guidance provided
June	Formal budget document is submitted to Authority Board for adoption Formal budget is adopted by the Authority Board

Figure 5 - SDCRAA Fiscal Year Calendar

Conclusion

Every effort has been made to ensure that the FY 2010 budget reflects the priorities of the Authority's Board, and meets all federal safety and security mandates and legislative requirements. This budget also allows the Authority to fulfill its strategic goals 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

Recent Award

GFOA Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Airport Authority for its annual budget for the fiscal year beginning July 1, 2008. 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.



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Airport Authority Overview

Board of Directors

Chairman (Vacant) *

Robert J. Watkins
(Acting Chairman and Vice Chair) *

Bruce R. Boland

Mayor Jim Desmond

Ramona Finnila*

Tom Smisek

Jim Panknin

Councilmember Anthony K. Young

Charlene Zettel

Ex-Officio Members

Pedro Orso-Delgado

Thomas L. Sheehy

Vacant

*Executive Committee

Executive Management Team

Thella F. Bowens

President / CEO

Brent Buma

Vice President

Marketing & Communications Division

Mark Burchyett

Chief Auditor

Bryan Enarson

Vice President

Development Division

Vernon D. Evans

Vice President

Finance Division

Breton K. Lobner

General Counsel

Angela Shafer-Payne

Vice President

Planning & Operations Division

Jeffrey Woodson

Vice President

Administration Division

Director Staff

Murray Bauer
Director
Landside Operations

David Boenitz
Director
Business Planning

Scott Brickner
Director
Financial Planning & Budget

George Condon
Director
Airside Operations

Steve Cornell
Director
Terminal Development Program (TDP)

George Condon (Acting)
Director
Aviation Security & Public Safety

Dan Frazee
Director
Airport Noise Mitigation

Iraj Ghaemi
Director
Facilities Development

Wayne Harvey
Director
Facilities Maintenance

Kathy Kiefer
Director
Accounting

Howard Kourik, Jr.
Director
Information Technology

Mike Kulis
Director
Inter-Governmental Relations

Richard Kwiatkowski
Director
Marketing and Route Services Development

Troy Ann Leech
Director
Real Estate Management

Jeffrey Lindeman
Director
Human Resources

Diana Lucero
Director
Public, Community & Customer Relations

Paul Manasjan
Director
Environmental Affairs

Tony Russell
Director / Authority Clerk
Corporate Services

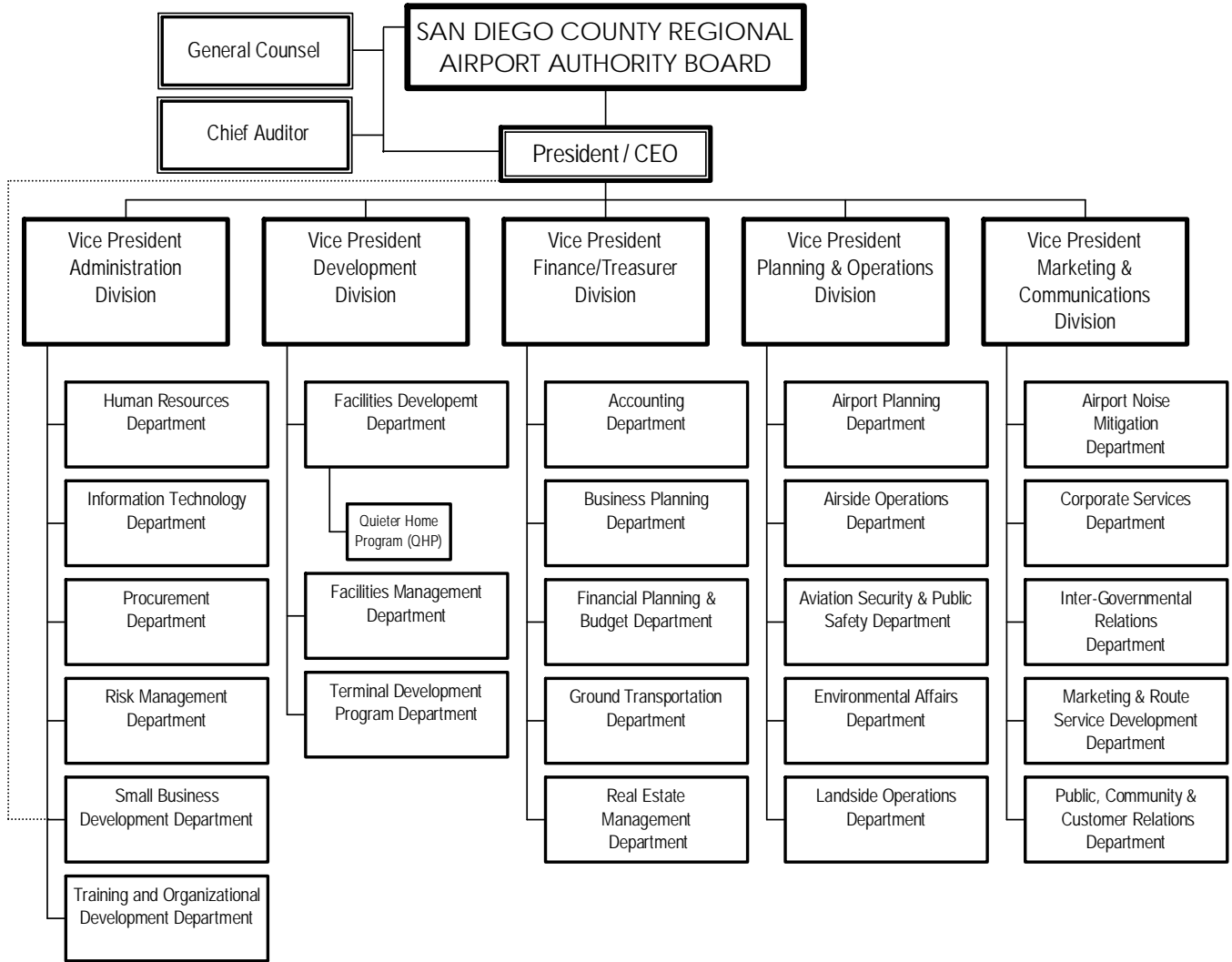
Bob Silvas
Director
Small Business Development

Jana Vargas
Director
Procurement

Keith Wilschetz
Director
Airport Planning

Diann Wilson
Director
Training and Organizational Development

SDCRAA Organizational Structure



Organizational Goals and Key Strategies

FY 2010 Authority Goals and Strategies

1. Improve operational efficiency, safety and security

- ❖ Maintain a safe, secure and aesthetically pleasing environment
- ❖ Enhance law enforcement and safety services
- ❖ Ensure workplace and employee safety
- ❖ Partner with local and federal law enforcement and security agencies

2. Anticipate and exceed both internal and external customer service expectations

- ❖ Understand and address customer service expectations and trends
- ❖ Develop domestic and international air service to meet the region's growing air transportation needs
- ❖ Develop a robust air cargo program
- ❖ Improve aviation-related services for the region without compromising quality or standard of excellence

3. Enhance regional partnerships

- ❖ Identify and pursue opportunities to collaborate with other regional agencies on projects, funding and policy initiatives
- ❖ Coordinate closely with partner agencies on a comprehensive Regional Aviation System Plan, including public transportation and roadway access
- ❖ Seek opportunities to formally link the Authority with other regional agencies (i.e., ex-officio memberships)
- ❖ Enhance communication between the Authority and Board Members with boards and staff of other regional agencies
- ❖ Support efforts of regional partners on their policy initiatives of mutual interest

4. Create and build a credible community image as a transparent, trusted and highly responsive agency

- ❖ Engage in meaningful and transparent public participation efforts regarding short- and long-term planning for San Diego International Airport
- ❖ Educate and develop two-way communication with regional partners, other stakeholders and the public
- ❖ Proactively distribute consistent, accurate information
- ❖ Enhance relationships with regional leadership

5. Enhance the financial position of the Authority

- ❖ Generate new business opportunities
- ❖ Diversify revenues
- ❖ Implement cost containment measures
- ❖ Optimize investment opportunities
- ❖ Maintain and enhance financial stakeholder confidence through prudent financial management

6. Provide optimal solutions for near- and long-term regional air transportation needs

- ❖ Garner support among key policy and decision makers for Authority programs and initiatives
- ❖ Enhance media relations and provide community outreach to educate a wide range of audiences regarding the region's long-term air transportation needs
- ❖ Provide public and stakeholder support for optimal regional air transportation solutions, now and in the future
- ❖ Provide air transportation infrastructure for the region
- ❖ Develop domestic and international air service to meet the region's growing air transportation needs

7. Be recognized as an aviation industry leader

- ❖ Establish and implement performance measures that define high levels of success and achievement
- ❖ Focus senior management on issues relating to long-term strategy and the future
- ❖ Find innovative ways to enhance the Authority's competitive position, both inside and outside the air transportation industry, by implementing and increasing business improvements

8. Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture)

- ❖ Nurture and embed accountability, ethics, honesty and integrity into the culture
- ❖ Create a diverse, high-performing and energetic team environment
- ❖ Stimulate a value-based organization promoting teamwork, respect for one another and open communication
- ❖ Foster an environment that focuses on the needs of customers
- ❖ Establish as norms the notions of innovation, creativity and the embracing of change and continuous improvement

Sustainable Objectives

FY 2010 Authority Sustainability Goals and Strategies

To formulate a formal policy statement of the Board of Directors (the “Board”) of the San Diego County Regional Airport Authority (the “Authority”) establishing 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 policy making. 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 would 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 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 statement is 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 management. The budget process and final outcome is performance-based and focused on goals, objectives and key operating and financial indicators.

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 resources equal or exceed expenditures and other uses. 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 (revenue less operations and maintenance expenses) equal at least 125% of aggregate annual debt service on outstanding bonds.

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

Debt Management – The Authority shall review 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, a present value savings of 3% over the life of the respective issue must be attainable. 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. It will strive to maintain a A+/A1/A+ public rating on its long-term debt from Standard & Poor's, Moody's Investors Service and Fitch Ratings, respectively.

On September 6, 2007, the Authority adopted a "Policy Regarding the Use and Management of Derivative Products." The use of derivative products is becoming more prevalent in state and local governments' debt and risk management programs. 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 – The Authority will strive to maintain a strong liquidity position as measured by unrestricted cash on hand equal to at least 270 days. While the stated policy is 270 days, the administration's goal is to have at least 365 days liquidity.

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 Improvement Program – The capital improvement program provides for the orderly development of the Authority. Each year the President/ Chief Executive Officer (CEO) shall submit to the Authority Board a development program of desirable capital improvement projects that are within the Authority's financial funding capability. The President/CEO shall identify 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.

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Budget Overview: Expenses

FY 2010 Budget Comparison

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 24,776,288	\$ 27,490,823	\$ 26,229,986	\$ 28,332,624	\$ 2,102,638	8.0%
Employee Benefits	11,167,227	14,639,174	12,319,912	13,041,671	721,760	5.9%
Subtotal	35,943,515	42,129,996	38,549,898	41,374,295	2,824,397	7.3%
Less: Capitalized Labor	(2,411,702)	(3,729,072)	(2,547,025)	(3,749,671)	(1,202,646)	47.2%
Less: QHP - Labor/Burden/Labor Overhead	(740,147)	(896,378)	(929,853)	(995,210)	(65,357)	7.0%
Total Personnel Expenses	32,791,666	37,504,546	35,073,020	36,629,415	1,556,395	4.4%
Non-Personnel Expenses						
Contractual Services	27,378,415	33,746,975	29,631,929	29,792,912	160,983	0.5%
Safety and Security	19,109,994	20,713,058	20,313,058	20,481,181	168,123	0.8%
Space Rental	10,900,869	10,906,947	10,906,947	10,909,779	2,832	0.0%
Utilities	6,429,313	6,554,210	6,544,010	6,519,665	(24,345)	-0.4%
Maintenance	8,734,506	9,651,850	9,030,050	9,131,803	101,753	1.1%
Operating Equipment & Systems	1,333,211	1,211,076	815,928	666,266	(149,662)	-18.3%
Operating Supplies	794,887	534,907	524,298	530,568	6,270	1.2%
Insurance	1,227,347	1,352,000	1,164,612	1,228,000	63,388	5.4%
Employee Programs	1,155,562	1,757,451	1,516,213	1,554,278	38,066	2.5%
Business Development	2,733,233	3,189,039	3,001,046	2,851,200	(149,846)	-5.0%
Equipment Rentals & Repairs	1,396,052	1,678,373	1,602,623	1,617,724	15,101	0.9%
Total Non-Personnel Expenses	81,193,389	91,295,886	85,050,713	85,283,376	232,662	0.3%
Total Operating Expenses	113,985,055	128,800,433	120,123,733	121,912,791	1,789,057	1.5%
Non-Operating Expenses:						
Joint Studies/Sound Attenuation	13,237,257	34,926,503	35,101,503	18,400,000	(16,701,503)	-47.6%
Debt Service	9,225,677	9,359,641	9,359,641	6,850,219	(2,509,422)	-26.8%
Legal Settlements	348,075	50,000	50,000	50,000	-	0.0%
Total Non-Operating Expenses	22,811,009	44,336,144	44,511,144	25,300,219	(19,210,925)	-43.2%
Total Expenses	136,796,064	173,136,577	164,634,877	147,213,009	(17,421,868)	-10.6%
Equipment Outlay (over \$5,000)	724,019	1,125,750	1,081,579	845,991	(235,588)	-21.8%
Total Authority Expenses incl Equip Outlay	\$ 137,520,083	\$ 174,262,327	\$ 165,716,456	\$ 148,059,000	\$ (17,657,456)	-10.7%

Major Drivers of FY 2010 Budget Increase

	FY2010 Budget Inc/(Dec)	FY2010 Budget
Total FY 2009 Re-Forecast	\$ 165,716,456	
Personnel:		
Merit increase and salary adjustments for current staff	2,102,638	28,332,624
Burden (benefits & employer taxes) increase for current staff	721,760	13,041,671
Capitalized labor / QHP - labor, burden, labor overhead decrease	(1,268,002)	(4,744,881)
Total increase in salaries and benefits, net	1,556,395	36,629,415
Safety and Security:		
Increase in Aircraft Rescue Fire Fight (ARFF) costs	159,103	3,820,000
Terminal and Landside (Operations & Maintenance):		
Increase in Facilities Development consultant costs	444,385	808,533
Increase in tenant improvement program costs	200,000	900,000
Increase in facilities maintenance annual contracts costs	200,081	4,657,081
Increase in custodial contract, waste removal and other janitorial supplies costs	155,591	4,356,000
Decrease in temporary personnel costs	(166,636)	649,723
Decrease in major maintenance repair project costs	(223,500)	2,415,000
Other Operating Expenses:		
Decrease in purchase of Authority-wide IT related and other misc capital equipment	(235,588)	845,991
Decrease in legal costs	(250,000)	1,390,000
Decrease in disparity study costs	(380,000)	70,000
Increase other (net)	93,639	66,217,039
Total Decrease in Non-Personnel Operating expenses, net	(2,925)	86,129,367
Total Increase in Operating expenses	1,553,470	122,758,782
Debt Service:		
Decrease in debt service costs	(2,509,422)	6,850,219
Other Non-Operating Expenses:		
Decrease in Quieter Home Program (QHP) costs	(16,701,503)	18,000,000
Other (net)	-	450,000
Total Decrease in Non-Operating expenses	(19,210,925)	25,300,219
Total Decrease	(17,657,456)	
FY 2010 Budget	\$ 148,059,000	\$ 148,059,000

Narrative Overview

SDCRAA Total Expenses, including debt service and equipment outlay, are projected to decrease from \$165,716,456 in FY 2009 Reforecast to \$148,059,000 in FY 2010. This represents a decrease of \$17,657,456 (-10.7%).

Personnel Expenses

Personnel Expenses include salary and wages, overtime and fringe 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.

Salaries & wages are projected to increase by \$2,102,638 which reflects wage increases required under union contract agreements and performance programs. This is net of a decrease of 24 authorized and funded positions. Employee benefits expenses are projected to increase by \$721,760 reflecting increased costs associated with health and retirement benefits. These combined factors, together with capitalized labor expenses, resulted in a net increase of \$1,556,395 (4.4%) in FY 2010.

Non-Personnel Expenses

Contractual Services

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

Contractual Services are projected to have a net increase by \$160,983 (0.5%). The largest components of this increase relate to Facilities Development consultants, tenant improvements, janitorial costs, and parking management contracts. These were partially offset by decreases in temporary employee costs, legal costs, and disparity study costs.

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 and the City of San Diego provides for fire, rescue and emergency response services.

Safety and Security costs are projected to increase by \$168,123 (0.8%). The majority of this increase reflects additional ARFF 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.

Space Rental costs are projected to remain flat.

Utilities

Utilities include gas, electric, water and telephone costs.

Utilities costs are projected to decrease by \$24,345 (-0.4%), reflecting an aggressive water conservation program.

Maintenance

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

Maintenance expenses are projected to increase by \$101,753 (1.1%). This reflects an increase in annual repair and service contract maintenance, and security access control costs, which was partially offset by a decrease in major maintenance expenses.

Operating Equipment and Systems

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

Operating Equipment and Systems are projected to decrease by \$149,662 (-18.3%). This decrease primarily reflects declines in IT related operation, equipment and system costs, and terminal furnishing costs.

Operating Supplies

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

Costs associated with Operating Supplies are projected to increase by \$6,270 (1.2%).

Insurance

Insurance expenses are expected to increase by \$63,388 (5.4%) due to an increase in the number of properties insured, increase in insurance premiums, and the valuation of properties insured.

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, such as service awards, fingerprinting and uniforms.

Employee Programs expenses are projected to increase by \$38,066 (2.5%). This increase reflects costs of seminars, training and environmental permits.

Business Development

Business Development includes advertising and promotional activities expenses related primarily to Authority marketing and domestic and international air service development.

Business Development expenses are projected to decrease by \$149,846 (-5.0%) reflecting a decrease in QHP, Real Estate Management (REM), Security, Human Resources and other departments' promotional activities and material costs.

Equipment Rentals and Repairs

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

Equipment Rental and Repairs are projected to increase by \$15,101 (0.9%).

Non-Operating Expenses

Debt Service

Debt Service includes interest, letter of credit and dealer fees on commercial paper notes, interest and principal on the Series 2005 Bonds, as well as trustee fees for both commercial paper and the Series 2005 Bonds.

Debt Service costs are projected to decrease by \$2,509,422 (-26.8%), mostly reflecting a decrease in commercial paper principal and interest payments.

Joint-Studies/Sound Attenuation

The associated cost of airport facilities studies and the Quieter Home Program is expected to decrease by \$16,701,503 (-47.6%) over FY 2009 reflecting the amount of approved grants available for funding.

Equipment Outlay

Equipment Outlay includes equipment requests costing \$5,000 or more with a useful life of at least one year. These requests decreased by \$235,588 (-21.8%) from FY 2009 primarily due to a decrease in purchases of IT and maintenance equipment.

FY 2010 Expense Budget by Division

Divisions	FY 2010
Development	\$ 42,709,489
Planning & Operations	39,841,679
Finance	37,565,118
Administration	13,728,389
Marketing & Communication	9,311,614
Executive	4,902,711
Total	\$ 148,059,000

*Divisional totals may differ due to rounding.

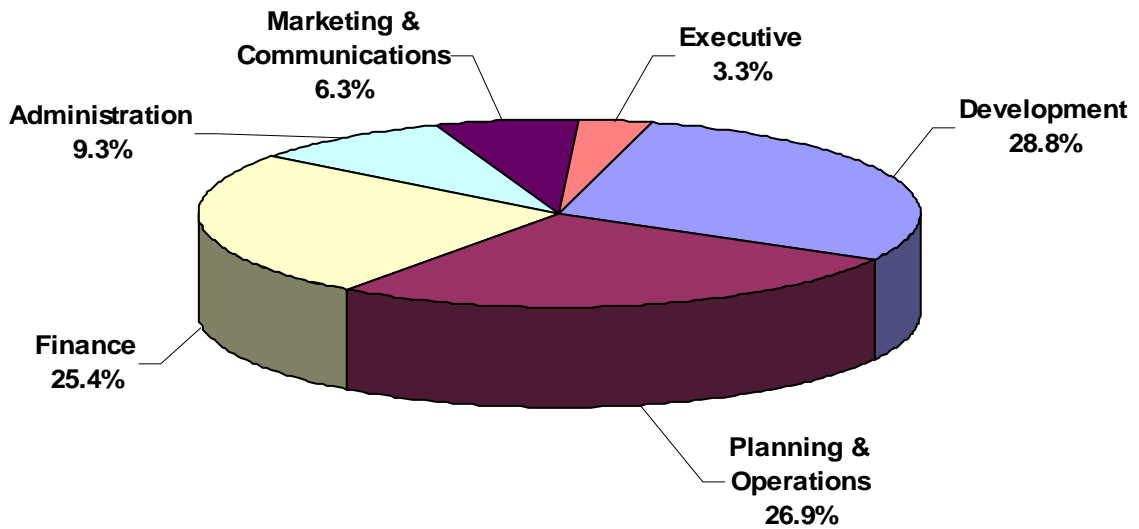


Figure 6 - Budget by Division

FY 2010 Expense Budget by Category

Category	FY 2010
Personnel Costs	\$ 36,629,415
Contractual Services	29,792,912
Safety & Security	20,481,181
Sound Attenuation Program/Legal/Misc	18,450,000
Space Rental	10,909,779
Maintenance	9,131,803
Debt Service	6,850,219
Utilities	6,519,665
Business Development	2,851,200
Equipment Rentals & Repairs	1,617,724
Employee Programs	1,554,278
Operating Equipment & Systems/Equipment Outlay	1,512,257
Insurance	1,228,000
Operating Supplies	530,568
Total	\$ 148,059,000

*Category total may differ due to rounding.

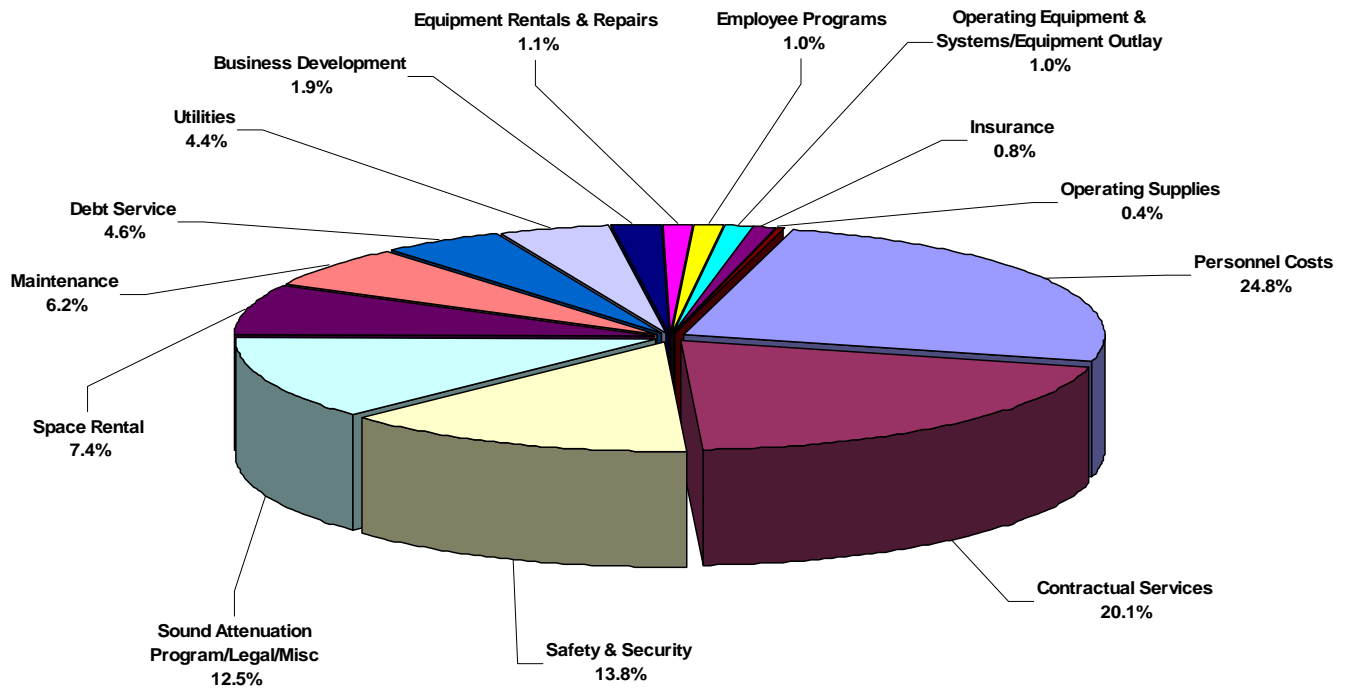


Figure 7 - Budget by Category

Division Personnel Summary

	FY 2007 Authorized & Funded Positions	FY 2008 Authorized & Funded Positions	FY 2009 Authorized & Funded Positions	FY 2010 Authorized & Funded Positions	FY 2010 ^(*) Authorized & Unfunded Positions
Executive Group					
Authority Board	4	4	1	1	-
Executive Office	2	2	4	4	-
General Counsel	6	6	6	6	-
Chief Auditor	6	6	7	7	-
Total	18	18	18	18	-
Planning & Operations					
Environmental Affairs	10	6	7	7	-
Airport Planning	5	13	13	11	2
Landside Operations	48	47	48	46	2
Aviation Security & Public Safety	9	10	12	12	-
Airside Operations	18	18	17	16	1
Total	90	94	97	92	5
Finance					
Financial Planning & Budget	11	13	13	12	1
Accounting	13	13	13	12	1
Business Planning	10	6	4	4	-
Real Estate Management	13	15	16	16	1
Ground Transportation	4	4	5	5	-
Total	51	51	51	49	3
Development					
Facilities Management	60	69	75	66	9
Terminal Development Program	10	10	13	12	-
Facilities Development	49	39	35	29	5
Quieter Home Program	-	9	10	10	-
Total	119	127	133	117	14
Administration					
Risk Management	4	4	6	6	-
Small Business Development	4	6	4	4	-
T&O Development	-	3	3	3	-
Information Technology	21	22	22	22	-
Human Resources	11	16	11	11	-
Procurement	9	10	13	12	1
Total	49	61	59	58	1
Marketing & Communications					
Corporate Services	9	9	7	7	-
Public, Community and Customer Relations	9	10	10	9	1
Marketing & Route Service Development	9	9	9	10	-
Inter-governmental Relations	3	3	3	3	-
Noise Mitigation	4	4	4	4	-
Total	34	35	33	33	1
TOTAL	361	386	391	367	24

* FY 2010 reflects personnel transfers.

FY 2010 Personnel Budget by Division

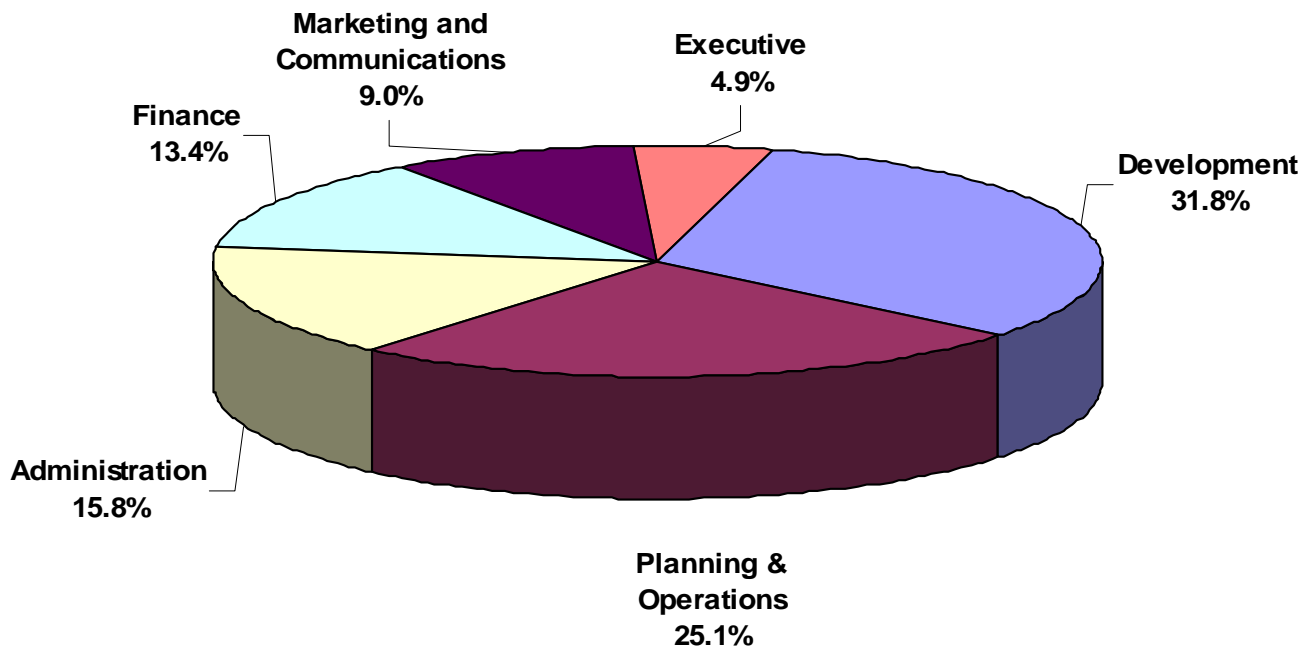


Figure 8 - Personnel by Division

Personnel Changes FY 2010 vs. FY 2009

Administration Division	
Procurement	One unfunded position: Purchasing Analyst
Development Division	
Facilities Development	One position removed: Administrative Assistant I Five unfunded positions: Capital Project Manager, Program Manager, Project Architect, Quality Control/Assurance Manager, Senior Program Manager
Terminal Development Program	One position removed: Project Engineer
Facilities Management	Nine unfunded positions: Administrative Assistant I, Administrative Assistant II, Carpenter, Fleet Manager, HVAC Technician, Maintenance Project Inspector, Maintenance Worker I, Painter, Senior Manager Facilities
Finance Division	
Financial Planning & Budget	One unfunded position: Administrative Assistant II
Accounting	One unfunded position: Accountant
Real Estate Management	One position added: Director Business Development One unfunded position: Administrative Assistant I
Planning & Operations Division	
Landside Operations	Two unfunded positions: Airport Traffic Officer and Senior Airport Traffic Officer
Airport Planning	Two unfunded positions: Airport Planner I and Manager, Airport Planning
Airside Operations	One unfunded positions: Manager Airport Operations
Marketing Division	
Public, Community & Customer Relations	One unfunded position: Manager, Customer Relations
Marketing & Route Service Development	One position added: Air Service Analyst

Figure 9 - Personnel Changes FY 2010 vs. FY 2009

Budget Overview: Revenues

FY 2010 Budget Comparison

	FY 2008 Actuals	FY 2009 Amended Budget	FY 2009 Re-Forecast	FY 2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Revenue:						
Airline Revenue						
Landing Fees	\$ 24,763,236	\$ 21,492,200	\$ 19,437,000	\$ 20,146,400	\$ 709,400	3.6%
Aircraft Parking Fees	-	3,392,900	3,243,605	3,275,700	32,095	1.0%
Building Rentals	24,265,278	25,802,100	24,226,792	26,479,250	2,252,458	9.3%
Other Aviation Revenue	1,807,979	1,613,900	1,567,300	1,570,100	2,800	0.2%
Security Surcharge	8,618,411	10,808,300	10,467,300	12,057,700	1,590,400	15.2%
Total Airline Revenue	59,454,904	63,109,400	58,941,997	63,529,150	4,587,153	7.8%
Nonairline Revenue						
Parking/Ground Transportation	31,037,940	38,975,300	34,222,980	28,678,610	(5,544,370)	-16.2%
Concessions	38,784,979	38,597,304	36,621,231	35,583,435	(1,037,796)	-2.8%
Ground Rentals	5,207,354	5,188,550	5,875,638	5,761,056	(114,582)	-2.0%
Grant Reimbursements	573,836	218,700	241,200	944,010	702,810	291.4%
Other Operating Revenue *	623,367	409,000	409,000	412,100	3,100	0.8%
Total Nonairline Revenue	76,227,476	83,388,854	77,370,049	71,379,210	(5,990,839)	-7.7%
Total Operating Revenue	135,682,380	146,498,254	136,312,046	134,908,360	(1,403,686)	-1.0%
Interest Income	13,431,601	10,713,300	6,058,613	5,397,500	(661,113)	-10.9%
Nonoperating Revenue						
Passenger Facility Charges	37,401,373	37,635,200	34,950,000	32,038,700	(2,911,300)	-8.3%
Customer Facility Charges	-	-	-	11,807,785	11,807,785	100.0%
Quieter Home Program	8,283,665	27,965,940	27,965,946	14,506,200	(13,459,746)	-48.1%
Capital Grant Contributions	2,849,918	1,745,945	5,740,301	23,353,455	17,613,154	306.8%
Other Nonoperating Revenue	360,049	-	11,321	-	(11,321)	-100.0%
Total Nonoperating Revenue	48,895,005	67,347,085	68,667,568	81,706,140	13,038,572	19.0%
Total Revenue	\$ 198,008,986	\$ 224,558,639	\$ 211,038,227	\$ 222,012,000	\$ 10,973,773	5.2%

* Other Operating Revenue includes fingerprinting fees, utilities reimbursements, service charges, equipment rental and miscellaneous revenues.

FY 2010 Revenue Budget by Major Sources

Sources	FY 2010
Airline Revenue	\$ 63,529,150
QHP & CIP Grants	37,859,655
Concessions	35,583,435
Passenger Facility Charges	32,038,700
Parking/Ground Transportation	28,678,610
Customer Facility Charges	11,807,785
Non-airline Revenue - Other	7,117,166
Interest Income	5,397,500
Total Revenue	\$ 222,012,000

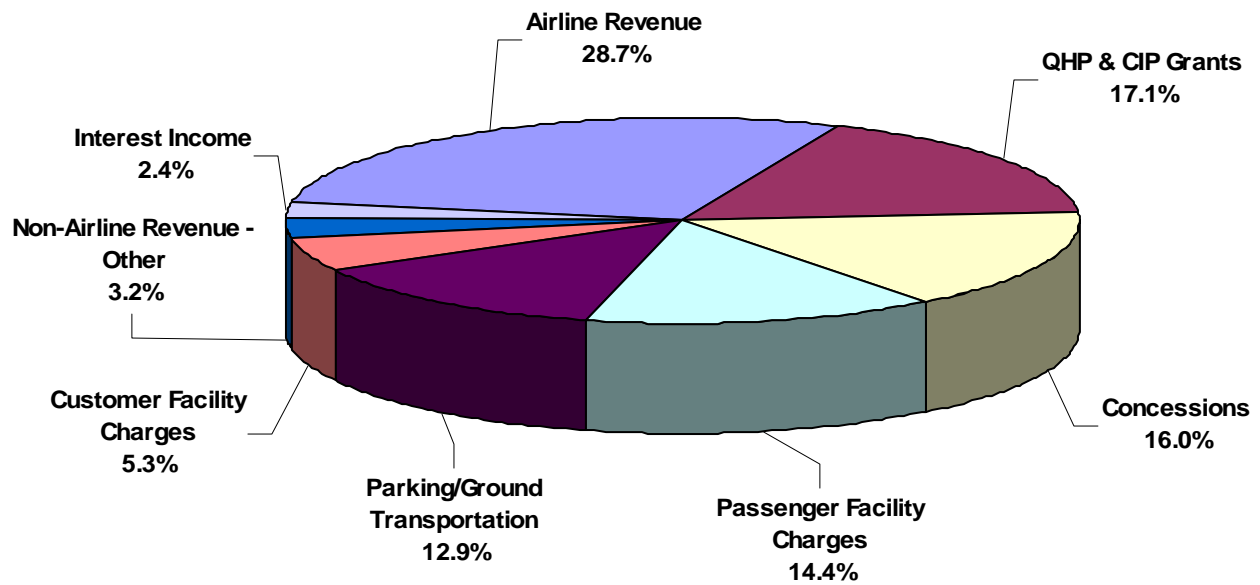


Figure 10 - Revenue by Source

Narrative Overview

Operating and Non-Operating Revenues for FY 2010 are projected to be \$222,012,000, an increase of \$10,973,773 (5.2%) above the FY 2009 reforecast.

Airline Operating Revenue

The current Airline Operating Agreement has expired. A new airline operating agreement has been negotiated and is pending formal review and approval by both parties. In the interim, the Authority and the airlines have agreed to establish FY 2010 rates, fees and charges as set forth in the new proposed agreement and this is reflected in the budget for 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 86.4% in FY 2009 and 86.1% in FY 2010 of the direct and allocated costs of the airfield, including maintenance and operation expenses, debt service, and amortization of capital investments. The decrease in FY 2009 of 13.6% and 13.9% in FY 2010 in airfield cost recovery is allocated to a new fee associated with aircraft parking. See aircraft parking fees.

Based on changes outlined in the proposed agreement, landing fee revenues are projected to increase from \$19,437,000 in the FY 2009 reforecast to \$20,146,400 in the FY 2010 budget. The 3.6% increase in landing fee revenues is primarily due to a projected decrease in landed weight. Estimated landed weight for FY 2010 is projected to decrease from 11,505,000 (1,000 pound units) to 11,382,000 (1,000 pound units), a decrease of 1.1%. The combination of lower landed weight and increased costs associated with RASP, airfield major maintenance, and ARFF results in a FY 2010 landing fee rate (per 1,000 pounds of maximum gross landed weight) of \$1.77, which represents a 5.4% increase from the FY 2009 budgeted rate of \$1.68.

Aircraft Parking Fees

Under the new proposed Airline Operating Agreement, a new cost recovery fee category was created in FY 2009. Aircraft Parking fees are projected to recover 13.9% of the direct and allocated costs of the airfield, including maintenance and operation expenses, debt service, and amortization of capital investments in FY 2010. 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 instead of landed weight as outlined under Landing Fees. With aircraft parking positions a scarce resource at SDIA, this cost recovery change will reward carriers who efficiently use of their gates and schedule flights with departures outside the morning peak period.

Aircraft parking fees are forecasted to generate revenues of \$3,275,700 in the FY 2010 Budget, a 1.0% increase over the FY 2009 reforecast amount of \$3,243,605.

Building and Other Rents

Building Rental Fixed revenue is comprised of revenues generated from rent paid by airlines for terminal space. Terminal rentals reflect a recovery of terminal building costs allocated to airline occupied facilities. In FY 2008 and prior, the allocation of the total facility costs was based upon the airlines' share of the usable terminal square footage. The Authority historically recovered approximately 40% of terminal building costs from the airlines through building rental revenues. The new agreement established in FY 2009 contains cost recovery at 45%, increasing to 50% in FY 2010, with a progressive increase in this percentage to approximately 65% by FY 2013 based upon airline occupied areas divided by rentable square footage. The Authority is at financial risk if vacant facilities exist.

The FY 2010 budget projection of \$26,479,250, an increase of 9.3% over FY 2009, is based on recovering of a larger pro rata portion of higher terminal direct and indirect costs. The terminal rental is budgeted at \$78.32 per square foot versus \$75.35 per square foot in FY 2009 budget. The terminal rental rate excludes the credit for janitorial services paid for by the airlines on behalf of the Authority.

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 88% of this revenue category. It is based on a straight-line amortization schedule that will not change in FY 2010. 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 since July 2005. This fee recovers 100% of airside security costs and approximately 55% of terminal security costs, up from 45% in FY 2009. The budget for FY 2010 is \$12,057,700, an increase of \$1,590,400 reflecting increased costs due to reallocation of costs from airside to terminal, check point costs, and an increase in percentage allocation to 55%.

Non-Airline Operating Revenue

Non-airline operating revenue was derived by analyzing current agreements and recent trends, projected future events, and historic revenue patterns as they may be impacted by an estimated FY 2010 enplaned passenger traffic decline of 0.9%.

Parking/Ground Transportation

Parking revenue is generated from 6,066 spaces located on airport parking lots, including lots in front of the terminals and remote, long-term parking operations located on Harbor Drive and Pacific Highway. The FY 2010 revenue is projected to decrease by \$5,544,370 over the FY 2009 budget, reflecting the lower projected passenger traffic, a decrease in the number of regular and overnight parking spaces, and a shorter duration time for long-term parking transactions.

Citations revenue is generated from parking citations issued by the Airport Traffic Officers on the airport terminal roadways. FY 2010 revenue is projected to remain flat from the FY 2009 budget.

Ground Transportation Permits include the taxi and hotel shuttle drive and vehicle permits issued to commercial drivers and their vehicles to allow them to conduct business at the airport. FY 2010 revenues are projected to increase by \$298,130 (154%) over FY 2009 reflecting, in part, the imposition of a new finger printing fee.

Concessions

Concessions are divided into three categories - concessions derived primarily from sales of food and merchandise in the Terminals, rental car company license fees, and other services/license fees as more fully described below:

Terminal Building Concession revenue is generated from food/beverage and gift/news concessions operated under an exclusive agreement with Host International, Inc. Rent is based on various percentages of food, beverage and merchandise sales. Other Concession Fees include advertising concession, money exchange services, baggage cart rentals, shoe shine stands, bank ATMs and telephone services. The FY 2010 budget is \$76,296 lower than the FY 2009 reforecast due to a projected decrease in passenger traffic.

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 2010, rental car license fees are projected to decrease by \$925,400 compared to the FY 2009 reforecast reflecting lower enplaned passenger levels.

License Fees - Other revenue is derived from Gate Gourmet and ground handling fees. Gate Gourmet is an off-site, in-flight food catering company that operates at the airport. Estimated revenue for FY 2010 is based on a percentage of Gate Gourmet's and the ground handling companies' gross revenues per their agreements with the Authority. Overall, revenue is anticipated to decrease slightly.

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 2010 revenue is projected to decrease \$20,000.

Ground Rental Percentage revenue includes percentage revenues received from vehicle storage and the fixed base operator (FBO). FY 2010 projected revenue is expected to be \$134,588 lower than the FY 2009 budget due to lower projected vehicle storage.

Grant Reimbursements (Operating)

The FY 2010 Budget is projected to increase by \$702,810 over the FY 2009 reforecast budget reflecting a grant from the FAA for RASP.

Other Operating Revenues

Other operating includes primarily revenues to process fingerprints for new tenants, their employees 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. Other operating revenues are budgeted to decrease slightly in FY 2010 compared to FY 2009.

Non-Operating Revenue

Passenger Facility Charges

Passenger Facility Charges (PFCs) are comprised of a \$4.50 charge (net \$4.39 to Airport) attached to each ticketed passenger that boards an airplane at the Airport. The FY 2010 budget is based on the projected number of enplaned passengers for FY 2010 and an estimated collection rate of 89%. Certain types of passengers, including military, are excluded from paying the PFC. The amount of PFC revenues is expected to decrease by \$2,911,300 (-8.3%) in FY 2010 as a result of decreased passenger traffic and a 3% decrease in the projected collection rate.

Grant Reimbursements (Sound Attenuation & Capital)

The Quieter Home Program (QHP) is a program of sound attenuation construction improvements at all eligible single-family and multi-family dwellings with six or fewer units located in the 70 dB Community Noise Equivalent Level contour. The project is eligible for a maximum Airport Improvement Program (AIP) funding of 80.59%. 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 QHP will receive federal grant funding of \$14,506,200 in FY 2010.

Capital Grants consist of grant funds, which the Authority expects to receive from the Federal Aviation Administration (FAA) for specified Airport Improvement Program (AIP) eligible capital projects. The grant amounts vary annually, based upon the number and cost of FAA-approved capital projects completed each fiscal year. The FY 2010 budget of \$23,353,455 includes \$21,400,000 for rehabilitation of Taxiway C, \$793,000 to replace ARFF Vehicles and \$248,000 to update the Part 150 Noise Compatibility study.

Interest Income

Interest 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. The estimated revenue for FY 2010 is projected to decline by \$661,113 reflecting declining investment earning rates available in the marketplace.

**Budget
Overview:
Projected Fund
Balance**

Narrative 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 2010 cash and investments will decrease by \$30,372,851 to \$214,642,203 from the FY 2009 reforecast of \$245,015,054. This decrease of 12.4% mostly reflects reduced operating revenues, increased operating expenses and increased capital expenditures not funded by short-term commercial paper. The projected increase of unrestricted cash and investments in 2010 reflects anticipated future reimbursements from restricted funds for prior PFC expenditures.

The following table highlights projected 2010 fund balance in the Authority's reserved and unrestricted funds table:

	FY 2008 Actuals	FY 2009 Re-forecast	FY 2010 Budget
Beginning Fund Balance:	\$ 188,701,357	\$ 221,373,305	\$ 245,015,054
Source of Funds			
Operating Revenue:			
Landing fees	24,763,236	19,437,000	20,146,400
Aircraft Parking Fees	-	3,243,605	3,275,700
Building Rentals	24,265,278	24,226,792	26,479,250
Other aviation Revenue	1,807,979	1,567,300	1,570,100
Security Surcharge	8,618,411	10,467,300	12,057,700
Parking/Ground Transportation	31,037,940	34,222,980	28,678,610
Concessions	38,784,979	36,621,231	35,583,435
Ground Rentals	5,207,355	5,875,638	5,761,056
Grant Reimbursements	573,836	241,200	944,010
Other Operating Revenue	623,366	409,000	412,100
Total Operating Revenue	135,682,380	136,312,046	134,908,360
Non-Operating Revenue & Other Financing:			
Federal grants received (not including Quieter Home Program)	4,583,823	5,740,301	23,353,455
Proceeds from Passenger Facility Charges	39,461,316	34,950,000	32,038,700
Airport Revenue Bonds	-	13,073,023	350,935
Commercial Paper	-	1,155,744	52,024,451
Principal payments received on notes receivable	1,327,758	1,298,411	1,527,582
Interest received from notes receivable, investment securities and Series 1995 Bonds	5,662,739	5,000,900	3,290,100
Settlement receipts	31,214	-	-
Interest earnings	6,884,081	1,057,713	2,107,400
Total Non-Operating Revenue	57,950,931	62,276,093	114,692,623
Total Revenues	193,633,311	198,588,139	249,600,983
Use of Funds			
Operating Expenses:			
Payments to suppliers & employees	(110,987,276)	(120,173,733)	(121,962,790)
Total Operating Expenses	(110,987,276)	(120,173,733)	(121,962,790)
Non-Operating Expenses:			
Capital expenditures (not including QHP) ⁽¹⁾	(35,882,043)	(38,413,622)	(147,409,842)
Quieter Home Program, net (not incl PFC funding) and Joint studies	(4,769,134)	(7,135,600)	(3,893,800)
Payment of Series 2005 Bond principal	(2,670,000)	(2,805,000)	(2,950,000)
Payment of Commercial Paper principal	(2,264,000)	(1,930,000)	-
Interest and debt fees paid	(4,388,911)	(4,488,434)	(3,757,401)
Total Non-Operating Expenses	(49,974,088)	(54,772,656)	(158,011,043)
Total Expenses	(160,961,364)	(174,946,389)	(279,973,834)
Excess (Deficit) of Source over Use of Funds	32,671,948	23,641,749	(30,372,851)
Ending Fund Balance	\$ 221,373,305	\$ 245,015,054	\$ 214,642,203
Unrestricted Cash and Investments			
Unrestricted Cash and Investments	\$ 88,511,814	\$ 84,013,689	\$ 153,034,721
Total Bonds Reserves	55,395,359	55,398,452	55,398,453
Total Other Restricted Funds	77,466,133	105,602,914	6,209,030
Ending Fund Balance	\$ 221,373,305	\$ 245,015,054	\$ 214,642,203

(1) Net of \$37 million of closed out capital expenditures in 2010

Executive Division

Executive Division Overview

The **Executive Division** provides leadership and direction to Authority staff in accomplishing the Authority Board's goals and objectives. It consists of the Authority Board, Executive Office, General Counsel, and the Chief Auditor.

A recently expanded twelve (12) 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.

On October 5, 2007, California Governor Arnold Schwarzenegger signed Senate Bill 10 into law. The new law, which took effect on January 1, 2008, mandated changes to the structure and compensation of the Airport Authority Board, including elimination of the salaries for the three-member Executive Committee of the Board.

Specifically Senate Bill 10 altered the structure and compensation of the Airport Authority Board as follows:

- ❖ Two ex-officio members will be added to the Board, representing Caltrans and the State Lands Commission. Other ex-officio members, such as members of the military, can be added, as determined by the Board. These will be non-voting, non-compensated members.
- ❖ The Board's Executive Committee will be required to be composed of Board Members representing the City of San Diego, the County of San Diego and one of the four sub-regions represented on the Airport Authority Board.
- ❖ Compensation for all nine voting Board members will be \$200 per day of service, with a maximum of eight days per month.
- ❖ Appointments by the Governor and County Sheriff will be transferred to the County Board of Supervisors.
- ❖ The Chair of the Airport Authority Board will be appointed by the Mayor of the City of San Diego.
- ❖ The Airport Authority Board's Audit Committee will be expanded with the addition of three members of the public.
- ❖ Beginning in January 2009, Board members will have staggered terms of three years. Board members may be either reappointed or replaced at the end of their three-year terms.

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 of San Diego International Airport and the development and implementation of the Aviation Strategic Plan. Other responsibilities include:

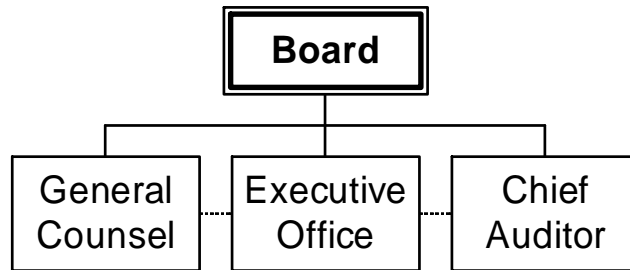
- ❖ Coordinating technical and staff support to the Authority Board and its various committees
- ❖ Promoting positive collaborative relationships with its business partners and the community
- ❖ Approving all contracts, deeds, leases and agreements that contractually bind the Authority and coordinates the identification and addressing of the region's long-term airport needs

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 to the Authority Board and to the various divisions and departments of the Authority in limiting liability and exposure to claims and lawsuits. The General Counsel also is responsible for the following:

- ❖ Represents the Authority in all legal matters
- ❖ Assists in the preparation and review of all ordinances and resolutions
- ❖ Selects and hires all outside legal counsel
- ❖ Assists in the preparation and review of Authority bonds, deeds, leases, contracts and other instruments or in which the Authority has an interest

Executive Division Organizational Structure



Division Personnel Summary

	FY 2007 Authorized & Funded Positions	FY 2008 Authorized & Funded Positions	FY 2009 Authorized & Funded Positions	FY 2010 Authorized & Funded Positions	FY 2010 ^(*) Authorized & Unfunded Positions
Executive Group					
Authority Board	4	4	1	1	-
Executive Office	2	2	4	4	-
General Counsel	6	6	6	6	-
Chief Auditor	6	6	7	7	-
Total	18	18	18	18	-

* FY 2010 reflects personnel transfers.

The deletion in FY 2009 of three (3) Board positions reflects the elimination of paid positions from the Authority's payroll per Senate Bill 10, not a reduction in the number of Board members.

Executive Division FY 2010 Expense Summary

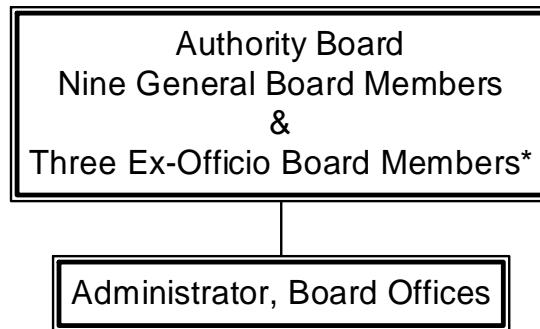
	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 1,929,099	\$ 1,950,986	\$ 1,888,074	\$ 1,959,365	\$ 71,291	3.8%
Employee Benefits	756,590	799,380	774,336	782,411	8,075	1.0%
Subtotal	2,685,690	2,750,366	2,662,410	2,741,776	79,366	3.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	2,685,690	2,750,366	2,662,410	2,741,776	79,366	3.0%
Non-Personnel Expenses						
Contractual Services	1,739,309	2,259,200	1,840,850	1,579,250	(261,600)	-14.2%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	623	2,500	2,250	1,250	(1,000)	-44.4%
Maintenance	-	3,500	3,200	3,500	300	9.4%
Operating Equipment & Systems	6,552	4,000	6,250	6,250	-	0.0%
Operating Supplies	12,498	15,800	15,050	15,050	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	70,876	144,870	131,440	152,840	21,400	16.3%
Business Development	278,289	314,085	317,585	349,295	31,710	10.0%
Equipment Rentals & Repairs	(966)	1,600	2,600	3,500	900	34.6%
Total Non-Personnel Expenses	2,107,180	2,745,555	2,319,225	2,110,935	(208,290)	-9.0%
Total Operating Expenses	4,792,870	5,495,921	4,981,635	4,852,711	(128,924)	-2.6%
Non-Operating Expenses:						
Legal Settlements	344,778	50,000	50,000	50,000	-	0.0%
Total Non-Operating Expenses	344,778	50,000	50,000	50,000	-	0.0%
Total Expenses	5,137,649	5,545,921	5,031,635	4,902,711	(128,924)	-2.6%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Division Expenses incl Equip Outlay	\$ 5,137,649	\$ 5,545,921	\$ 5,031,635	\$ 4,902,711	\$ (128,924)	-2.6%

Authority Board

Organizational Responsibilities

The Authority Board oversees the activities of the Authority. It consists of twelve members selected by diverse appointing authorities around the San Diego region. The Board is responsible for setting policies related to airport operations, airport land use planning and the future air transportation planning needs of the region.

Organizational Structure



*Unpaid positions per SB10

Authority Board FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 351,784	\$ 75,754	\$ 75,754	\$ 79,215	\$ 3,461	4.6%
Employee Benefits	147,762	41,379	41,379	42,055	676	1.6%
Subtotal	499,547	117,133	117,133	121,270	4,137	3.5%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	499,547	117,133	117,133	121,270	4,137	3.5%
Non-Personnel Expenses						
Contractual Services	72,533	212,200	122,100	122,500	400	0.3%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	-	2,000	2,000	1,000	(1,000)	-50.0%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	-	1,000	1,000	1,000	-	0.0%
Operating Supplies	4,891	5,000	5,000	5,000	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	2,900	45,000	30,000	48,500	18,500	61.7%
Business Development	102,518	50,600	66,100	101,500	35,400	53.6%
Equipment Rentals & Repairs	(1,375)	1,000	1,000	1,000	-	0.0%
Total Non-Personnel Expenses	181,468	316,800	227,200	280,500	53,300	23.5%
Total Operating Expenses	681,015	433,933	344,333	401,770	57,437	16.7%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	681,015	433,933	344,333	401,770	57,437	16.7%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 681,015	\$ 433,933	\$ 344,333	\$ 401,770	\$ 57,437	16.7%

Major Drivers of FY 2010 Budget Increase/Decrease

Authority Board FY 2009 Re-Forecast

\$ 344,333

Proposed personnel costs

Merit increase and salary adjustments

3,461

Burden (benefits & employer taxes) increase for current staff

676

Proposed increases in personnel costs

4,137

Increase in travel costs

35,400

Increase in seminars and training costs (Board Retreat)

15,000

Other, net

2,900

FY 2010 Budget

\$ 401,770

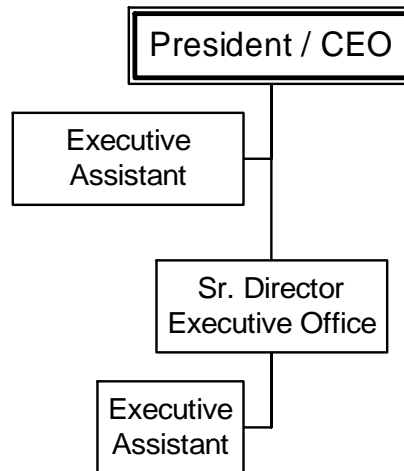
Executive Office

Organizational Responsibilities

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 of San Diego International Airport and the development and implementation of the Aviation Strategic Plan. Other responsibilities include:

- ❖ Monitoring the organization’s performance
- ❖ 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 and coordinates the identification and addressing of the region’s long-term airport needs

Organizational Structure



Executive Office FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 333,608	\$ 556,703	\$ 493,791	\$ 510,599	\$ 16,808	3.4%
Employee Benefits	114,993	221,614	196,570	216,612	20,042	10.2%
Subtotal	448,601	778,317	690,361	727,211	36,850	5.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	448,601	778,317	690,361	727,211	36,850	5.3%
Non-Personnel Expenses						
Contractual Services	8,950	42,500	15,000	15,000	-	0.0%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	164	500	250	250	-	0.0%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	711	1,000	3,500	3,500	-	0.0%
Operating Supplies	1,236	2,300	2,300	2,300	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	20,910	35,000	39,000	39,000	-	0.0%
Business Development	159,167	240,960	229,460	229,460	-	0.0%
Equipment Rentals & Repairs	143	-	1,000	1,000	-	0.0%
Total Non-Personnel Expenses	191,281	322,260	290,510	290,510	-	0.0%
Total Operating Expenses	639,882	1,100,577	980,871	1,017,721	36,850	3.8%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	639,882	1,100,577	980,871	1,017,721	36,850	3.8%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 639,882	\$ 1,100,577	\$ 980,871	\$ 1,017,721	\$ 36,850	3.8%

Major Drivers of FY 2010 Budget Increase/Decrease

Executive Office FY 2009 Re-Forecast

\$ 980,871

Proposed personnel costs

Burden (benefits & employer taxes) increase for current staff

20,042

Merit increase and salary adjustments

16,808

Proposed increases in personnel costs

36,850

Other, net

-

FY 2010 Budget

\$ 1,017,721

Executive Office
Goals & Objectives

FY 2010 Objectives

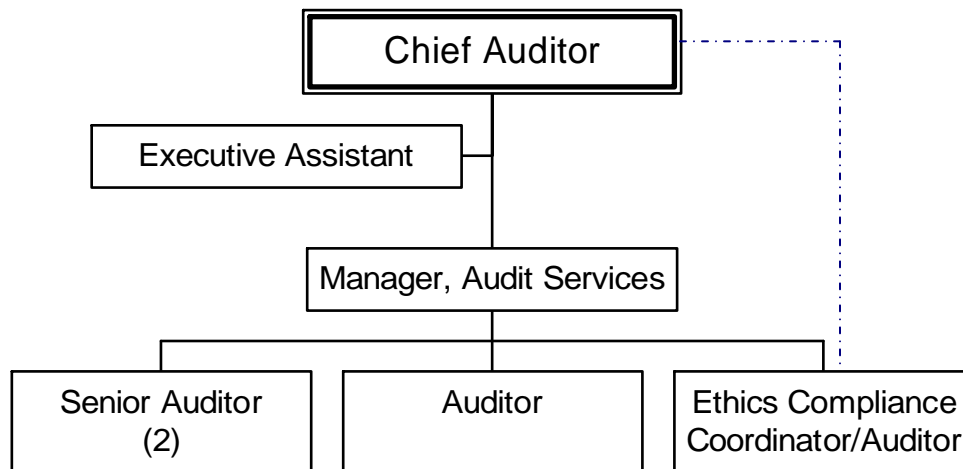
- Goal: #1 Improve operational efficiency, safety and security.
- Goal: #2 Anticipate and exceed both internal and external customer service expectations.
- Goal: #3 Enhance regional partnerships.
- Goal: #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.
- Goal: #5 Enhance the financial position of the Authority.
- Goal: #6 Provide optimal solutions for near and long-term regional air transportation needs.
- Goal: #7 Be recognized as an aviation industry leader.
- Goal: #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Chief Auditor

Organizational Responsibilities

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.

Organizational Structure



Chief Auditor FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 540,298	\$ 608,903	\$ 608,903	\$ 631,301	\$ 22,398	3.7%
Employee Benefits	220,994	263,371	263,371	252,498	(10,873)	-4.1%
Subtotal	761,292	872,275	872,275	883,799	11,525	1.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	761,292	872,275	872,275	883,799	11,525	1.3%
Non-Personnel Expenses						
Contractual Services	3,655	13,500	12,750	750	(12,000)	-94.1%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	158	-	-	-	-	-
Maintenance	-	3,500	3,200	3,500	300	9.4%
Operating Equipment & Systems	4,287	1,000	750	750	-	0.0%
Operating Supplies	2,118	3,500	2,750	2,750	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	25,571	20,470	18,040	20,940	2,900	16.1%
Business Development	3,945	8,825	8,325	4,635	(3,690)	-44.3%
Equipment Rentals & Repairs	50	-	-	900	900	0.0%
Total Non-Personnel Expenses	39,783	50,795	45,815	34,225	(11,590)	-25.3%
Total Operating Expenses	801,075	923,070	918,090	918,024	(65)	0.0%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	801,075	923,070	918,090	918,024	(65)	0.0%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 801,075	\$ 923,070	\$ 918,090	\$ 918,024	\$ (65)	0.0%

Major Drivers of FY 2010 Budget Increase/Decrease

Chief Auditor	
FY 2009 Re-Forecast	\$ 918,090
Proposed personnel costs	
Merit increase and salary adjustments	22,398
Burden (benefits & employer taxes) decrease for current staff	(10,873)
Proposed increases in personnel costs	11,525
Decrease in audit services for Audit Committee training	(12,000)
Other, net	410
FY 2010 Budget	\$ 918,024

Chief Auditor

Goals & Objectives

FY 2009 Progress Report

1. Effectively utilize Audit personnel's time performing audit work to achieve a 70% audit time utilization rate.

Progress: As of February 28, 2009, the staff utilization rate was 5% below the annual goal.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

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

Progress: As of February 28, 2009, additional revenue/cost savings identified totaled \$460,897, exceeding the annual goal of \$30,000.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

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

Progress: As of February 28, 2009, 79% of the audit recommendations that had been implemented, which provides opportunity to meet the 90% annual goal by the end of the Fiscal Year 2009.

Sustainability Goal: Operational Effectiveness and Efficiency.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

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

Progress: As of February 28, 2009, 85% of the audits had been completed within the budgeted time, exceeding the annual goal.

Sustainability Goal: Operational Effectiveness and Efficiency.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

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

Progress: The internal customer satisfaction average ratio as of March 31, 2009, for the current Fiscal Year is 4.17, exceeding the annual goal.

Sustainability Goal Operational Effectiveness and Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

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

Progress: Based on the annual risks assessment, and by conducting special audits requested by management and/or the Board, we believe we are meeting the goal of conducting audit that focus on key risk areas.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

Chief Auditor

Goals & Objectives

FY 2010 Objectives

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

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #5 Enhance the financial position of the Authority.
2. Ensure revenues obtained from business partners, and costs paid to contractors, comply with the terms of agreements.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal # 5 Enhance the financial position of the Authority.
3. Provide workable audit recommendations that help improve the Authority's operations with a 90% implementation rate.

Sustainability Goal: Operational Effectiveness and Efficiency.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.
4. Complete audit work in an efficient manner. Eighty percent (80%) of all audits completed within budget time as established within the annual audit plan approved by the Board.

Sustainability Goal: Operational Effectiveness and Efficiency.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.
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Sustainability Goal: Operational Effectiveness and Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.
6. Conduct audits that focus on the key risk areas of the Authority and its business partners.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

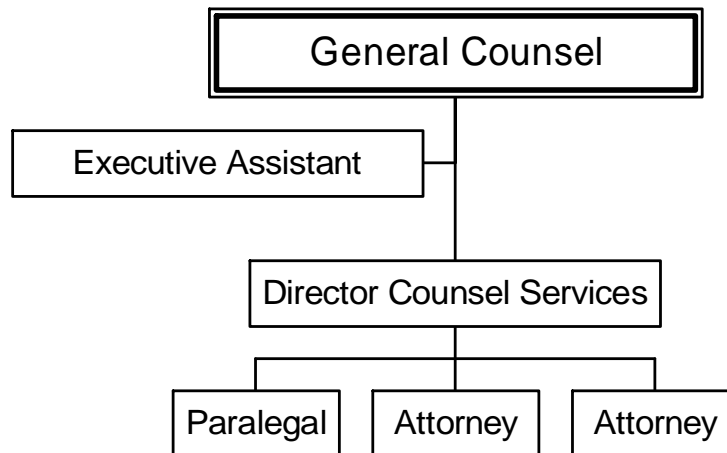
General Counsel

Organizational Responsibilities

The General Counsel provides professional legal advice to the Authority Board and to the various divisions and departments of the Authority in limiting liability and exposure to claims and lawsuits. The General Counsel also is responsible for the following:

- ❖ Represents the Authority in all legal matters
- ❖ Assists in the preparation and review of all ordinances and resolutions
- ❖ Selects and hires all outside legal counsel
- ❖ Assists in the preparation and review of Authority bonds, deeds, leases, contracts and other instruments or in which the Authority has an interest

Organizational Structure



General Counsel FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 703,409	\$ 709,625	\$ 709,625	\$ 738,250	\$ 28,624	4.0%
Employee Benefits	272,842	273,016	273,016	271,246	(1,769)	-0.6%
Subtotal	976,251	982,641	982,641	1,009,496	26,855	2.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	976,251	982,641	982,641	1,009,496	26,855	2.7%
Non-Personnel Expenses						
Contractual Services	1,654,170	1,991,000	1,691,000	1,441,000	(250,000)	-14.8%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	301	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	1,554	1,000	1,000	1,000	-	0.0%
Operating Supplies	4,254	5,000	5,000	5,000	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	21,495	44,400	44,400	44,400	-	0.0%
Business Development	12,659	13,700	13,700	13,700	-	0.0%
Equipment Rentals & Repairs	215	600	600	600	-	0.0%
Total Non-Personnel Expenses	1,694,648	2,055,700	1,755,700	1,505,700	(250,000)	-14.2%
Total Operating Expenses	2,670,899	3,038,341	2,738,341	2,515,196	(223,145)	-8.1%
Non-Operating Expenses:						
Legal Settlements	344,778	50,000	50,000	50,000	(50,000)	-100.0%
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Expenses	344,778	50,000	50,000	50,000	-	0.0%
Total Expenses	3,015,677	3,088,341	2,788,341	2,565,196	(223,145)	-8.0%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 3,015,677	\$ 3,088,341	\$ 2,788,341	\$ 2,565,196	\$ (223,145)	-8.0%

Major Drivers of FY 2010 Budget Increase/Decrease

General Counsel

FY 2009 Re-Forecast

\$ 2,788,341

Proposed personnel costs

Merit increase and salary adjustments

28,624

Burden (benefits & employer taxes) decrease for current staff

(1,769)

Proposed increases in personnel costs

26,855

Decrease in outside legal services costs

(250,000)

Other, net

-

FY 2010 Budget

\$ 2,565,196

General Counsel Goals & Objectives

FY 2009 Progress Report

1. Update and clarify the Authority's policies, codes and state-enabling legislation.

Progress: Progress is ongoing. Office reviewed and/or aided in the drafting of state legislation on SB 1510 and with a number of revisions of Authority codes and policies. Policies were reviewed for HR, Noise, Operations and Small Business.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Streamline the Authority's bid and proposal processes with completion of agreement standardization by June 30, 2009.

Progress: Completed. A bid checklist was drafted and submitted to Procurement for use in bid and proposal processes. This is a continuing process which responds to new problems experienced.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Standardize contracts and leases (where feasible).

Progress: Accomplished. We have drafted and updated our standard forms for most contracts, leases, and licenses.

Sustainability Goal: Operational Efficiency, although this may be indirectly affected and achieved because of the content of enabling clauses written into contracts and leases.

Authority Goal: Goal #1 Improve operational efficiency. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. Participate in ongoing legal education activities.

Progress: Accomplished. Each attorney attended a number of Continuing Education of the Bar (CEB), Continuing Education programs, including courses on employment law, discrimination, ethics and airport law.

Sustainability Goal: Applicable only to the extent continuing education relates to sustainability. A portion of the ongoing legal education has related to sustainability issues at airports.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

5. Settle the major pending litigation involving the Authority.

Progress: Major pending litigation is at an historic low.

Sustainability Goal: Not applicable.

Authority Goal: Goal #7 Enhance the financial position of the Authority. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

6. Establish continuing education programs for Authority staff to ensure existing and new employees are familiar with the laws, regulations, codes and case law applicable to their assignments.

Progress: On going effort.

Sustainability Goal: Not applicable.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

7. Meet with Division Managers and Directors on regular basis.

Progress: On going effort. Meetings with Procurement Division Manager and Chief Auditor are regularly scheduled. Meetings with Real Estate, Risk Management, and Small Business are as necessary. Additional weekly meetings are regularly scheduled via the Sr. Staff meetings.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **Yes.**

General Counsel Goals & Objectives

FY 2010 Objectives

1. Regularly confer with the division heads of the Authority's Departments to provide for early identification of legal issues and problems and to advise on successful alternatives and solutions.

Sustainability Goal: Operational excellence.

Authority Goal: (#1) Improve operational efficiency, safety and security; (#8) Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

2. Contain outside counsel costs by handling litigation and other legal matters in-house and carefully reviewing outside counsel bills.

Sustainability Goal: Economic viability.

Authority Goal: (#2) Anticipate and exceed both internal and external customer service expectations; (#5) Enhance the financial position of the Authority.

3. Educate other departments and divisions regarding the role of the General Counsel and the legal principles applicable to their respective offices.

Sustainability Goal: Operational excellence.

Authority Goal: (#8) Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

4. Promote the "open-door" policy of the General Counsel's office.

Sustainability Goal: Operational excellence.

Authority Goal: (#1) Improve operational efficiency, safety and security; (#2) Anticipate and exceed both internal and external customer service expectations.

5. Establish new and strengthen existing relationships with the region's attorneys from the San Diego Unified Port District, the City of San Diego, the County of San Diego, SANDAG and other relevant municipal and governmental entities.

Sustainability Goal: Social responsibility.

Authority Goal: (#1) Improve operational efficiency, safety and security; (#3) Enhance regional partnerships; (#4) Create and build a credible community image as a transparent, trusted and highly responsible agency.

6. Continue the law clerk program to allow law students exposure to aviation-related law.

Sustainability Goal: Social responsibility.

Authority Goal: (#4) Create and build a credible community image as a transparent, trusted and highly responsible agency.

7. Continue to provide timely and professional services in the preparation and review of Authority contracts, leases, licenses and other documents.

Sustainability Goal: Operational excellence.

Authority Goal: (#1) Improve operational efficiency, safety and security; (#5) Enhance the financial position of the Authority.

8. Participate in and increase continuing legal educational activities to maintain and improve legal expertise.

Sustainability Goal: Operational excellence.

Authority Goal: (#1) Improve operational efficiency, safety and security; (#4) Create and build a credible community image as a transparent, trusted and highly responsible agency.

9. Support the operational activities of the Authority, particularly the Terminal Development Program, Destination Lindbergh, TDY demolition project, and the environmental initiatives supporting such activities.

Sustainability Goal: Operational excellence and Social responsibility.

Authority Goal: (#1) Improve operational efficiency, safety and security; (#6) Provide optimal solutions for near and long-term regional air transportation needs.

10. Continue to review, analyze and provide advice concerning past, current and future Authority policies, codes and practices to minimize the risk of future litigation.

Sustainability Goal: Economic viability.

Authority Goal: (#1) Improve operational efficiency, safety and security; (#2) Anticipate and exceed both internal and external customer service expectations; (#5) Enhance the financial position of the Authority.

11. Provide proactive legal advice to streamline and improve the Authority's practices regarding draws on letters of credit, actions to collect accounts receivables, and efforts to recover funds owed the Authority by organizations in bankruptcy proceedings.

Sustainability Goal: Economic viability.

Authority Goal: (#1) Improve operational efficiency, safety and security; (#5) Enhance the financial position of the Authority.

12. Promote recycling in the department and continued use of electronic documents rather than paper documents when possible.

Sustainability Goal: Natural Resource Conservation.

Authority Goal: (#1) Improve operational efficiency, safety and security.

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Administration Division

Administration Division

Overview

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

The **Human Resources** Department is responsible for employee recruitment, 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 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.

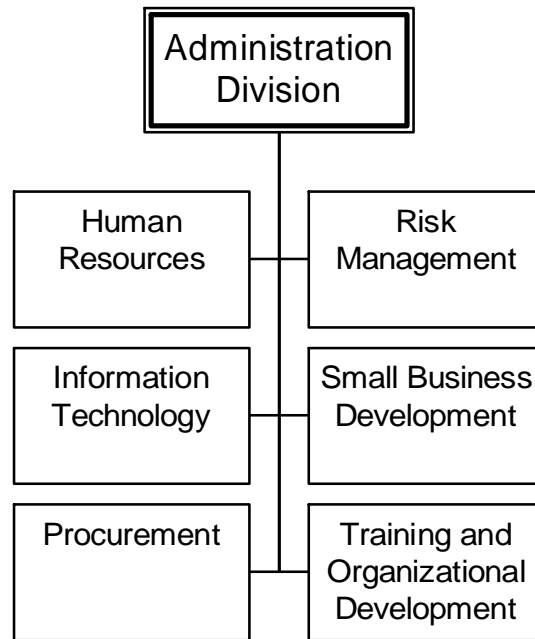
The **Risk Management** Department is responsible for coordinating with insurance brokers and carriers to identify risk exposures and securing and maintaining insurance coverage to protect the Authority's property and people assets at reasonable costs.

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.

The **Training and 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.

Administration Division

Organizational Structure



Division Personnel Summary

	FY 2007 Authorized & Funded Positions	FY 2008 Authorized & Funded Positions	FY 2009 Authorized & Funded Positions	FY 2010 Authorized & Funded Positions	FY 2010 ^(*) Authorized & Unfunded Positions
Administration					
Risk Management	4	4	6	6	-
Small Business Development	4	6	4	4	-
T&O Development	-	3	3	3	-
Information Technology	21	22	22	22	-
Human Resources	11	16	11	11	-
Procurement	9	10	13	12	1
Total	49	61	59	58	1

* FY 2010 reflects personnel transfers.

Administration Division FY 2010 Expense Summary

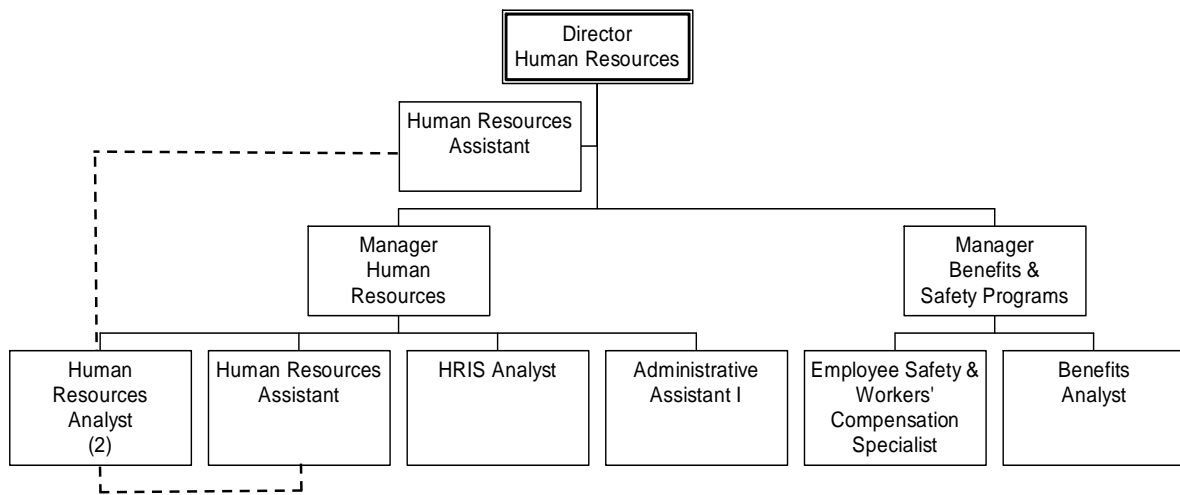
	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 4,184,012	\$ 4,676,666	\$ 4,647,364	\$ 4,807,982	\$ 160,618	3.5%
Employee Benefits	1,661,529	1,893,381	1,880,671	1,918,176	37,505	2.0%
Subtotal	5,845,540	6,570,047	6,528,035	6,726,158	198,123	3.0%
<i>Less: Capitalized Labor</i>	<i>(13,751)</i>	-	-	-	-	-
Total Personnel Expenses	5,831,789	6,570,047	6,528,035	6,726,158	198,123	3.0%
Non-Personnel Expenses						
Contractual Services	1,933,951	2,619,727	2,539,710	2,212,029	(327,681)	-12.9%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	433,418	456,160	446,210	501,865	55,655	12.5%
Maintenance	167	250	250	250	-	0.0%
Operating Equipment & Systems	614,962	679,593	556,095	455,359	(100,736)	-18.1%
Operating Supplies	54,970	101,550	100,260	95,184	(5,076)	-5.1%
Insurance	1,227,347	1,352,000	1,164,612	1,228,000	63,388	5.4%
Employee Programs	519,116	736,370	622,686	641,595	18,909	3.0%
Business Development	236,267	327,286	273,811	269,235	(4,576)	-1.7%
Equipment Rentals & Repairs	745,516	961,883	961,883	1,019,723	57,840	6.0%
Total Non-Personnel Expenses	5,765,713	7,234,819	6,665,517	6,423,240	(242,277)	-3.6%
Total Operating Expenses	11,597,502	13,804,866	13,193,552	13,149,398	(44,154)	-0.3%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	11,597,502	13,804,866	13,193,552	13,149,398	(44,154)	-0.3%
Equipment Outlay (over \$5,000)	245,107	707,750	637,750	578,991	(58,759)	-9.2%
Total Division Expenses incl Equip Outlay	\$ 11,842,609	\$ 14,512,616	\$ 13,831,302	\$ 13,728,389	\$ (102,913)	-0.7%

Human Resources

Organizational Responsibilities

The Human Resources Department is responsible for employee recruitment, 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.

Organizational Structure



Human Resources FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 871,474	\$ 947,971	\$ 947,971	\$ 1,003,999	\$ 56,028	5.9%
Employee Benefits	351,947	348,402	348,402	398,364	49,962	14.3%
Subtotal	1,223,421	1,296,373	1,296,373	1,402,363	105,990	8.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	1,223,421	1,296,373	1,296,373	1,402,363	105,990	8.2%
Non-Personnel Expenses						
Contractual Services	360,768	463,902	388,007	480,450	92,443	23.8%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	14,038	1,000	1,000	4,000	3,000	300.0%
Operating Supplies	15,093	18,900	17,610	14,500	(3,110)	-17.7%
Insurance	-	-	-	-	-	-
Employee Programs	292,236	399,517	377,179	391,839	14,660	3.9%
Business Development	114,159	184,200	143,375	121,978	(21,397)	-14.9%
Equipment Rentals & Repairs	350	1,060	1,060	1,060	-	0.0%
Total Non-Personnel Expenses	796,644	1,068,579	928,231	1,013,827	85,596	9.2%
Total Operating Expenses	2,020,065	2,364,952	2,224,604	2,416,190	191,586	8.6%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	2,020,065	2,364,952	2,224,604	2,416,190	191,586	8.6%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 2,020,065	\$ 2,364,952	\$ 2,224,604	\$ 2,416,190	\$ 191,586	8.6%

Major Drivers of FY 2010 Budget Increase/Decrease

Human Resources FY 2009 Re-Forecast

\$ 2,224,604

Proposed personnel costs

Merit increase and salary adjustments	56,028
Burden (benefits & employer taxes) increase for current staff	49,962
Proposed increases in personnel costs	105,990

Increase in salary survey continuation costs	107,000
Increase in tuition costs	13,500
Decrease in promotional activities costs	(11,100)
Decrease in advertising costs	(21,100)
Other, net	(2,704)

FY 2010 Budget

\$ 2,416,190

Human Resources

Goals & Objectives

FY 2009 Progress Report

1. Improve execution of performance reviews.

Progress: Exceeding standard – on time reporting up by 21%. Higher percentage of employees are receiving timely performance feedback which facilitates timely (on budget/on-time) goals attainment.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Enhance recruitment (sourcing and selection) process. Success equals 45 - 60 days average from advertising to offer acceptance.

Progress: On Track – average offer made within 57 days.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **Yes.**

3. Increase the Authority's Workforce Sustainability Program to achieve the following:

- ❖ Achieve at 10 percent increase above FY2008 in Fitness Focus and Healthy Roads participation levels;

Exceeding Standard – participation up 17%.

- ❖ per-capita incurred loss reduction within 2% - 5% FY2010 (Workers' Comensation); CY2010 benefits cost containment not to exceed the market average.

Workers' Compensation per-capita incurred calculated FY08-FY09: Total Losses Paid / Budgeted positions = per-capita

Progress: Exceeding Standard – Loss reduction 08YR: 65% 09YR: 43%. Reduced by 22%.

Accomplishments of the three airport Employee Safety Committees:

- Airport Employee Safety Committee (AESC)
- Facilities Management Department (FMD)
- Airport Traffic Officer (ATO)

Performance Review Incentive.

Fitness Focus, SANformation Challenges.

State Workers' Compensation Insurance Regulatory Board (WCIRB) Experience Rating: 64.

Well-represented within all divisions.

Implemented safety suggestion and incentive program Authority-wide.

Conducts monthly first aid kit inspections & departmental safety inspections.

Established Emergency Information intranet site.

Pushed for upgrade to E-911 location information update.

Monitors semi-annual evacuation drills.

Participated in inaugural Great California Shake-Out.

Aggressive Claims Management.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **No, modified and split between FY2010 goals 1 and 2.**

Human Resources Goals & Objectives

FY 2010 Objectives

1. **Maintain fiscal responsibility by implementing safe work practices to achieve workers' compensation cost containment measures. Success equals maintaining the loss rate per \$100 payroll at, or better than, the FY2009 rate.**

Sustainability Goal: Economic Viability.

Authority Goal: Goal # 4 Enhance the financial position of the Authority.

2. **Workforce sustainability - increase participation in the health risk assessment. Success equals 85% employee participation in Calendar Year 2009 health risk assessments.**

Sustainability Goal: Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

3. **Enhance recruitment (sourcing and selection) process. Success equals 45 - 60 days average from advertising to offer acceptance.**

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

4. **Improve execution of performance reviews. Success equals 3 percentage point increase above FY 2009 on-time performance review execution in all applicable work groups.**

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

5. **Improve HR department customer satisfaction in the area of responsiveness. Success equals a minimum 2 percentage point increase in customer satisfaction in the area of responsiveness on the next Division Customer Satisfaction Survey.**

Sustainability Goal: Social Responsibility.

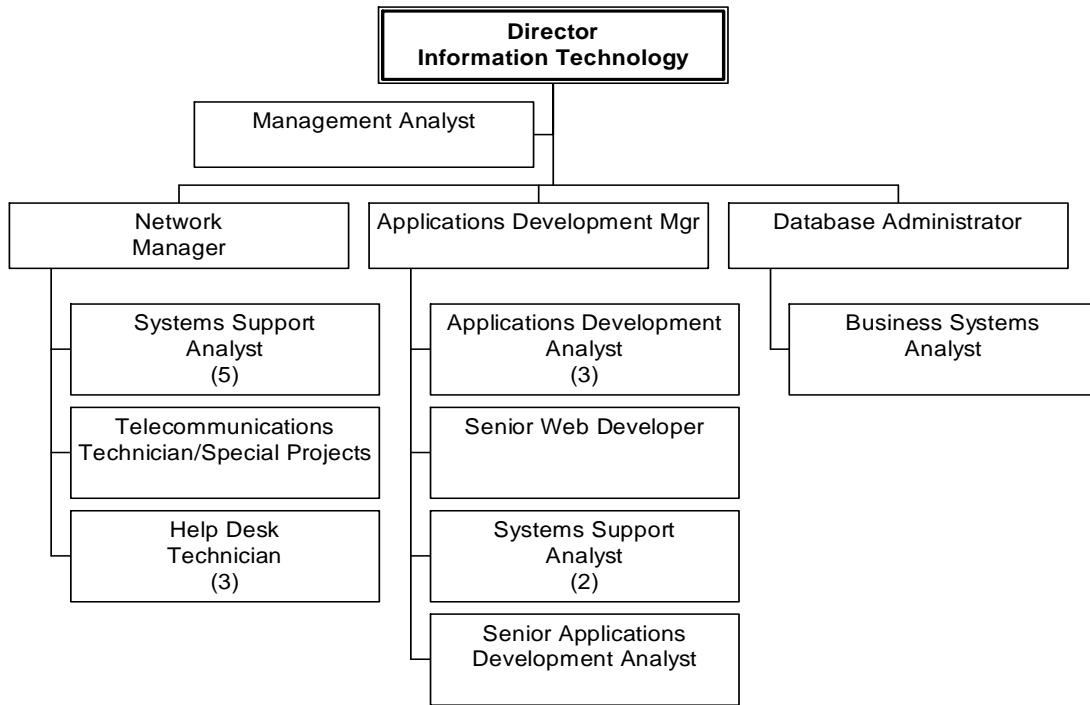
Authority Goal: Goal # Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Information Technology

Organizational Responsibilities

The Information Technology Department establishes and manages the Authority's information technology infrastructure, including hardware, software and communications technology. The department is also responsible for developing and implementing the Authority's long-range automation plan.

Organizational Structure



Information Technology FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 1,747,205	\$ 1,827,530	\$ 1,827,530	\$ 1,886,453	\$ 58,923	3.2%
Employee Benefits	671,914	753,951	753,951	741,618	(12,332)	-1.6%
Subtotal	2,419,119	2,581,481	2,581,481	2,628,071	46,590	1.8%
<i>Less: Capitalized Labor</i>	<i>(13,751)</i>	-	-	-	-	-
Total Personnel Expenses	2,405,368	2,581,481	2,581,481	2,628,071	46,590	1.8%
Non-Personnel Expenses						
Contractual Services	965,482	911,525	804,525	796,525	(8,000)	-1.0%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	433,028	455,660	445,660	501,315	55,655	12.5%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	536,512	653,693	530,195	426,182	(104,013)	-19.6%
Operating Supplies	11,340	31,100	31,100	31,100	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	144,413	173,126	100,807	102,355	1,548	1.5%
Business Development	19,612	16,500	12,600	14,070	1,470	11.7%
Equipment Rentals & Repairs	702,661	920,923	920,923	974,263	53,340	5.8%
Total Non-Personnel Expenses	2,813,049	3,162,527	2,845,810	2,845,810	0	0.0%
Total Operating Expenses	5,218,416	5,744,008	5,427,290	5,473,881	46,590	0.9%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	5,218,416	5,744,008	5,427,290	5,473,881	46,590	0.9%
Equipment Outlay (over \$5,000)	230,207	700,250	630,250	571,491	(58,759)	-9.3%
Total Dept Expenses incl Equip Outlay	\$ 5,448,623	\$ 6,444,258	\$ 6,057,540	\$ 6,045,372	\$ (12,169)	-0.2%

Major Drivers of FY 2010 Budget Increase/Decrease

Information Technology

FY 2009 Re-Forecast

\$ 6,057,540

Proposed personnel costs

Merit increase and salary adjustments

58,923

Burden (benefits & employer taxes) decrease for current staff

(12,333)

Proposed increases in personnel costs

46,590

Increase in telephone and other communication services and equipment

55,655

Decrease in costs of office equipment and systems

(50,673)

Decrease in purchase of Authority-wide IT related capital equipment

(58,759)

Other, net

(4,982)

FY 2010 Budget

\$ 6,045,372

Information Technology

Goals & Objectives

FY 2009 Progress Report

1. Assure availability of Authority computer systems by providing 99.5% up-time for all critical computing resources (network, servers).

Progress: IT has maintained a 99.5% plus availability of Authority computing resources.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Support business process improvement throughout the Authority.

Progress: IT works with the Business Planning department to aid in the assessment and process reorganization on an as needed basis. IT is currently working with Oracle personnel to have Oracle perform a no cost business process assessment for SDCRAA, on how to better use the E1 system.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Ensure inclusion of appropriate technology in the Terminal Development Program (TDP) project.

Progress: As the TDP process progresses, IT continues to be actively engaged, and heavily involved in providing design input and support. IT attends TDP meetings as IT systems touch nearly every aspect of the project.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. Maintain satisfactory Help Desk support response metrics. Continue to survey personnel with completed help desk trouble calls, and complete a minimum of two Authority-wide surveys. Achieve 90% customer satisfaction with services on all surveys.

Progress: IT recently received a 96% average satisfaction rating as part of the Administration Division Authority-wide customer satisfaction survey.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

5. Assist in implementing common use gates.

Progress: The project was implemented June 2008. In 2009, 8 additional ticket counter positions are being added; the core CUTE room A/C system is being upgraded; and a contractor upgrade for FIDS is planned, which will enable installation of the Gate Management system, in support of common use operations.

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

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

6. Continuous improvement of the Authority network and computing infrastructure, to ensure the uninterrupted delivery of telecommunications and computing services. Continue to replace, and/or maintain the following systems:

- a. Maintain Authority phone switch with 99.5% up time.
- b. Replace core switches that are five years or older by April 2009.
- c. Replace key file server systems that become or exceed five years of age by June 2009.

Progress:

- a. 99.5% goal met for phone switch.
- b. Switches have been ordered and received. In process of preparing for replacement.
- c. Servers have been ordered and received. In process of preparing for replacement.

Sustainability Goal: Operational Excellence and Natural Resource Conservation.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

7. Provide training for IT personnel to enhance skill sets, and ensure critical Authority IT systems are properly maintained.

- a. Provide training on Airport Resource Program (ARP) skill sets that require contractor support, to become more self-sufficient. Concentrate on network configuration training and improvement of core ARP module skills for IT personnel. Have four key IT personnel attend April 2009 training at Oracle Quest conference.
- b. Provide training for core IT systems (operating systems, desktop applications, network systems) to ensure that IT personnel have the necessary training to keep these systems properly operating.
 - i. Have 3 key server personnel attend Windows OS 2007 training by January 2009.
 - ii. Have two Help Desk personnel attend Windows 2007 application training by January 2009.
 - iii. Work with Authority training personnel to provide Windows 2007 application training to 30% of Authority personnel by May 2009.

Progress:

- a. ARP personnel have been working on upgrading their skills to be able to perform more of the tasks currently performed by a contractor. This has been successful, with a significant amount of the tasks now being performed by Authority personnel enabling us to reduce the workload from 1.5 contractor personnel to approximately .75 FTE contractor personnel. The anticipated training and information to be gained at the April Quest conference was canceled due to travel / budget restrictions.
- b. Training on servers OS and desktop 2007 applications.
 - i. Server training for 3 personnel completed in Feb. '09.
 - ii. All Help Desk personnel received 2007 App Update training.
 - iii. On track. IT has been working with T&OD to provide Office 2007 training – two departments have been trained.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

8. Ensure inclusion of appropriate and timely technology in all major Authority projects that could benefit or derive improvement from inclusion of technology. Actively participate in planning sessions for construction projects and assist with implementation of a gate management system by March 2009.

Progress:

- a. IT actively participates in all major projects that have the possibility of using technology, or actually employ technology.
- b. The Gate Management system is still awaiting a corporate sponsor that wants to proceed with implementation. However, IT has ensured that the latest upgrade of the FIDS has provided an upgrade of the AODB, which is critical to being able to implement the Gate Management system.

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

Authority Goal: Goal #7 Be recognized as an aviation industry leader. Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **Yes.**

Information Technology

Goals & Objectives

FY 2010 Objectives

1. Assure availability of Authority computer systems by providing 99.5% up-time for all critical computing resources (network, servers).

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

2. Support business process improvement throughout the Authority.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

3. Ensure inclusion of appropriate technology in the Terminal Development Program (TDP) project, and proper integration and/or extension of existing IT systems with the TDP provided technology systems.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal # 2 Anticipate and exceed both internal and external customer service. Goal #7 Be recognized as an aviation industry leader.

4. Maintain excellent Help Desk support response metrics. Continue to survey personnel with completed help desk trouble calls, and complete a minimum of two Authority-wide surveys. Achieve 90% customer satisfaction with services on all surveys.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

5. Continue to assist in implementing common use gates.

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

Authority Goal: Goal # 2 Anticipate and exceed both internal and external customer service expectations.

6. Continuous improvement of the Authority network and computing infrastructure, to ensure the uninterrupted delivery of telecommunications and computing services. Continue to replace, and/or maintain the following systems:

- a. Maintain Authority phone switch with 99.5% up time.
- b. Replace network switches that will be five years or older by May 2010.
- c. Replace key file server systems that become or exceed five years of age by June 2010.

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

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

7. Provide training for IT personnel to enhance skill sets, and ensure critical Authority IT systems are properly maintained.
 - a. Provide training on Airport Resource Program (ARP) skill sets that require contractor support, to become more self-sufficient. Concentrate on network configuration training and improvement of core ARP module skills for IT personnel. Have four key IT personnel attend April 2010 training at Oracle Quest conference.
 - b. Provide training for core IT systems (operating systems, desktop applications, network systems) to ensure that IT personnel have the necessary training to keep these systems properly operating.
 - iv. Have 2 key server personnel attend Windows OS 2008 training by January 2010.
 - v. Have two Help Desk personnel attend Windows OS 2008 server training by March 2010.
 - vi. Work with Authority training personnel to provide Windows 2007 application training to 100% of impacted Authority personnel by December 2009.
 - vii. Have one server person attend CISCO training classes by March 2010.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

8. Ensure inclusion of appropriate and timely technology in all major Authority projects that could benefit or derive improvement from inclusion of technology. Actively participate in planning sessions for construction projects and assist with implementation of a gate management system.

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

Authority Goal: Goal # 7 Be recognized as an aviation industry leader. Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

9. Begin implementation of virtual servers.

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

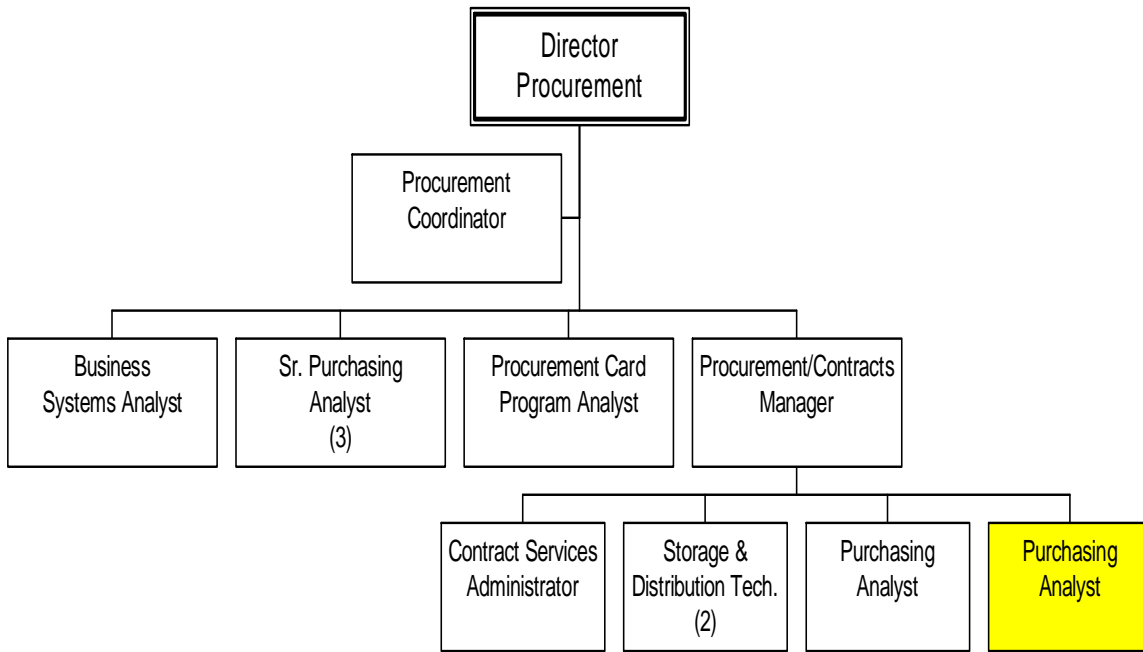
Authority Goal: Goal # 7 Be recognized as an aviation industry leader. Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Procurement

Organizational Responsibilities

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.

Organizational Structure



*Unfunded position shown in yellow

Procurement FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 605,618	\$ 817,499	\$ 788,197	\$ 799,405	\$ 11,208	1.4%
Employee Benefits	275,302	354,608	341,899	343,853	1,954	0.6%
Subtotal	880,920	1,172,107	1,130,096	1,143,258	13,162	1.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	880,920	1,172,107	1,130,096	1,143,258	13,162	1.2%
Non-Personnel Expenses						
Contractual Services	207,379	98,000	98,000	70,000	(28,000)	-28.6%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Maintenance	167	250	250	250	-	0.0%
Operating Equipment & Systems	39,084	10,000	10,000	10,000	-	0.0%
Operating Supplies	10,438	16,400	16,400	16,400	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	7,972	22,460	22,460	23,448	988	4.4%
Business Development	10,789	11,000	11,000	14,352	3,352	30.5%
Equipment Rentals & Repairs	40,893	37,400	37,400	41,400	4,000	10.7%
Total Non-Personnel Expenses	316,721	195,510	195,510	175,850	(19,660)	-10.1%
Total Operating Expenses	1,197,641	1,367,617	1,325,605	1,319,108	(6,497)	-0.5%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	1,197,641	1,367,617	1,325,605	1,319,108	(6,497)	-0.5%
Equipment Outlay (over \$5,000)	-	7,500	7,500	7,500	-	0.0%
Total Dept Expenses incl Equip Outlay	\$ 1,197,641	\$ 1,375,117	\$ 1,333,105	\$ 1,326,608	\$ (6,497)	-0.5%

Major Drivers of FY 2010 Budget Increase/Decrease

Procurement FY 2009 Re-Forecast

\$ 1,333,105

Proposed personnel costs

Merit increase and salary adjustments

11,208

Burden (benefits & employer taxes) increase for current staff

1,954

Proposed increases in personnel costs

13,162

Decrease in use of outside professional consultants

(20,000)

Other, net

340

FY 2010 Budget

\$ 1,326,608

Procurement Goals & Objectives

FY 2009 Progress Report

1. Reduce processing time for finalizing service agreements exceeding \$100,000.

Progress: Procurement tracks the processing time for finalizing service agreements after negotiations are completed. The average Authority processing time is 23 days. This does not include the number of days that the agreement resides with the outside contractor.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal & external customer service expectations.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

2. Maximize returns on surplus property by exploring various surplus methods including e-auctions, consortium agreements and independent contract options.

Progress: A thorough evaluation was completed and prior to the close of FY2009 multi-year contracts will be established for auction services, e-auction services and recycling services to maximize returns on surplus property.

Sustainability Goal: Operational Efficiency, Social Responsibility and Natural Resource Conservation.

Authority Goal: Goal #1 Improve operational efficiency, safety, and security. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

3. Maintain an inventory accuracy rate of 98% for timely delivery of stocked items as needed and increase the use of environment friendly products.

Progress: A major effort was made to reduce the number of readily available products stocked by the warehouse for Authority-wide use and to maintain inventory turns of three for non-mandated FAA inventory or safety items. 50 percent of the inventoried items for Authority-wide use were evaluated and replaced with environment friendly alternatives. Deliveries are made within 24 hours, 99% of the time.

Sustainability Goal: Operational Efficiency, Social Responsibility and Natural Resource Conservation.

Authority Goal: Goal #1 Improve operational efficiency, safety and security. Goal #5 Enhance financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **No – This goal has been merged into 2010 Goal #1.**

4. Achieve a 6% cost savings on Procurement's material and equipment total spending.

Progress: Procurement has achieved a 6% cost savings on the Authority's total material and equipment spend through competition. Additional savings have been realized through the negotiation of contract fees on service agreements. Procurement is currently benchmarking the negotiated savings.

Sustainability Goal: Economic Vitality and Operational Efficiency.

Authority Goal: Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2009. Continue to 2010? **Yes – This goal has been merged into 2010 Goal #3.**

5. Increase business outreach, solicitation responses and improve transparency on Authority Bids, Request for Proposals/Qualifications.

Progress: By utilizing a web-enabled bid management system the Procurement Department has increased solicitation responses and reduced paper waste, postage and our carbon footprint. Of the 96 solicitations advertised during three quarters of FY09, 2927 contractors have participated by downloading a solicitation, of which 37% represent local businesses in the City of San Diego and 22% represent certified small business enterprises. The Procurement Department also participates in outreach programs, training classes, community events and vendor shows to engage the business community and encourage participation in contract opportunities at the Authority.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

Procurement Goals & Objectives

FY 2010 Objectives

1. Adopt a sustainable procurement process and incorporate sustainable requirements into Authority contracts.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #1 - Improve operational efficiency & Goal #3 – Create and build a credible community image.

2. Improve customer service to the business community through transparency, increased contracting opportunities and outreach.

Sustainability Goal: Economic Vitality and Operational Excellence.

Authority Goal: Goal # 3 – Create and build a credible community image.

3. Achieve a 6% overall cost savings through increased competition and negotiations.

Sustainability Goal: Economic Vitality.

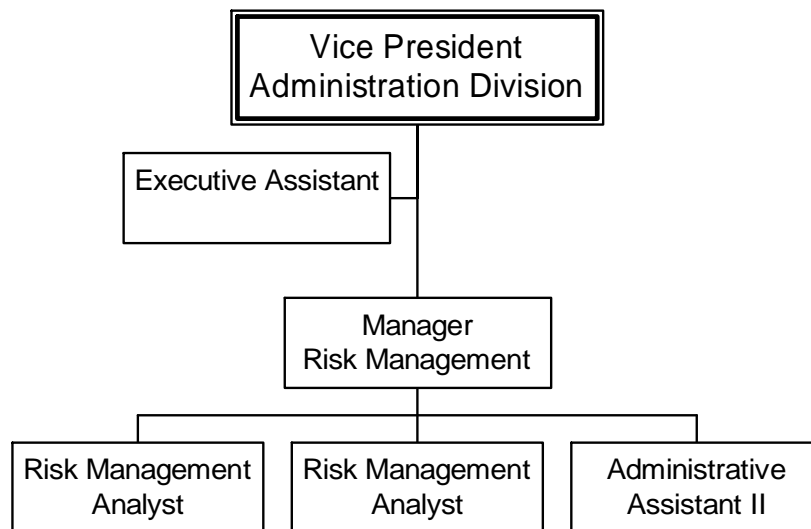
Authority Goal: Goal # 4 – Enhance the financial position of the Authority.

Risk Management

Organizational Responsibilities

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

Organizational Structure



Risk Management FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 252,415	\$ 554,501	\$ 554,501	\$ 572,906	\$ 18,405	3.3%
Employee Benefits	86,593	218,956	218,956	222,330	3,374	1.5%
Subtotal	339,008	773,457	773,457	795,236	21,779	2.8%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	339,008	773,457	773,457	795,236	21,779	2.8%
Non-Personnel Expenses						
Contractual Services	230,170	541,950	539,105	547,181	8,076	1.5%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	179	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	903	-	-	-	-	-
Operating Supplies	4,304	26,000	26,000	24,000	(2,000)	-7.7%
Insurance	1,227,347	1,352,000	1,164,612	1,228,000	63,388	5.4%
Employee Programs	13,445	37,631	30,766	31,759	993	3.2%
Business Development	11,381	13,400	13,400	19,396	5,996	44.7%
Equipment Rentals & Repairs	14	-	-	-	-	-
Total Non-Personnel Expenses	1,487,742	1,970,981	1,773,883	1,850,336	76,453	4.3%
Total Operating Expenses	1,826,750	2,744,438	2,547,340	2,645,572	98,232	3.9%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	1,826,750	2,744,438	2,547,340	2,645,572	98,232	3.9%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 1,826,750	\$ 2,744,438	\$ 2,547,340	\$ 2,645,572	\$ 98,232	3.9%

Major Drivers of FY 2010 Budget Increase/Decrease

Risk Management FY 2009 Re-Forecast

\$ 2,547,340

Proposed personnel costs

Merit increase and salary adjustments

18,405

Burden (benefits & employer taxes) increase for current staff

3,374

Proposed increases in personnel costs

21,779

Increase in insurance premium costs

67,388

Other, net

9,065

FY 2010 Budget

\$ 2,645,572

Risk Management Goals & Objectives

FY 2009 Progress Report

1. Protect Airport assets from exposures using insured and self-insured techniques for 100% of the probable maximum loss.

Progress: On Target.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Perform timely contract risk analysis and establish insurance requirements on Requests for Proposals/Qualifications (RFP/RFQs) or other Airport agreements within 5 working days of receipt of complete submissions.

Progress: On Target.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

Risk Management
Goals & Objectives

FY 2010 Objectives

1. Protect the assets of the organization using insured and self-insured techniques for 100 % of the probable maximum loss.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

2. Perform timely contract risk analysis and establish insurance requirements on Requests for Proposals/Qualifications (RFP/RFQs) or other Airport agreements within 5 working days of receipt of complete submissions.

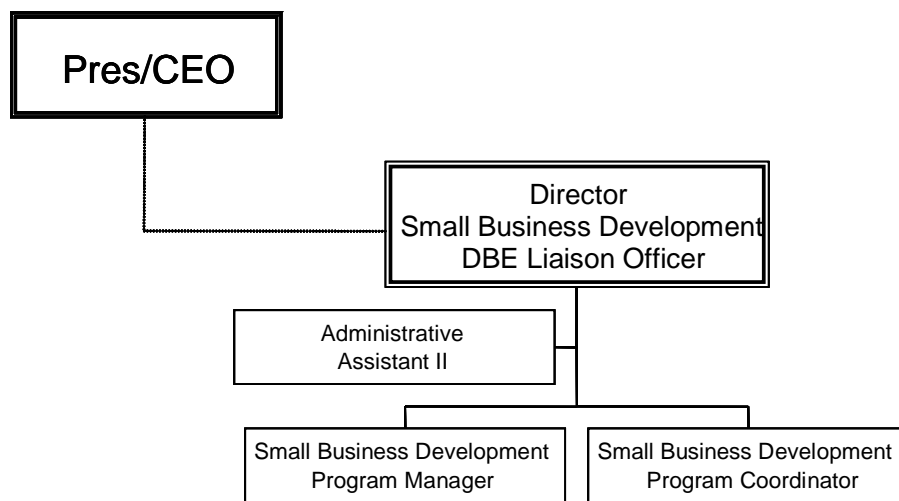
Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

Small Business Development Organizational Responsibilities

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.

Organizational Structure



Small Business Development FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 485,836	\$ 294,411	\$ 294,411	\$ 302,075	\$ 7,663	2.6%
Employee Benefits	182,921	125,355	125,355	123,849	(1,506)	-1.2%
Subtotal	668,757	419,766	419,766	425,924	6,158	1.5%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	668,757	419,766	419,766	425,924	6,158	1.5%
Non-Personnel Expenses						
Contractual Services	49,935	390,150	520,150	140,150	(380,000)	-73.1%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	210	500	550	550	-	0.0%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	15,145	14,900	14,900	15,000	100	0.7%
Operating Supplies	6,630	5,150	5,150	5,150	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	14,520	22,825	10,663	12,163	1,500	14.1%
Business Development	74,560	96,786	88,036	81,743	(6,293)	-7.1%
Equipment Rentals & Repairs	1,598	-	-	-	-	-
Total Non-Personnel Expenses	162,599	530,311	639,449	254,756	(384,693)	-60.2%
Total Operating Expenses	831,356	950,077	1,059,215	680,680	(378,535)	-35.7%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	831,356	950,077	1,059,215	680,680	(378,535)	-35.7%
Equipment Outlay (over \$5,000)	14,900	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 846,256	\$ 950,077	\$ 1,059,215	\$ 680,680	\$ (378,535)	-35.7%

Major Drivers of FY 2010 Budget Increase/Decrease

Small Business Development FY 2009 Re-Forecast

\$ 1,059,215

Proposed personnel costs

Merit increase and salary adjustments

7,663

Burden (benefits & employer taxes) decrease for current staff

(1,505)

Proposed increases in personnel costs

6,158

Decrease in disparity study costs

(380,000)

Other, net

(4,693)

FY 2010 Budget

\$ 680,680



Small Business Development Goals & Objectives

FY 2009 Progress Report

1. Establish baseline measures for Small Business Development (SBD) participation in internal contracting activities by June 30, 2009. Develop and implement software programs. Increase participation on an annual basis from baseline measurement.

Progress: Software program to work in concert with vendor management system installed by June 30, 2009 and will provide ongoing data and reporting.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #3 Enhance the financial position of the Authority. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

2. Maintain 100% compliance with all federal and state regulations as they relate to SBD.

Progress: FAA, ACDBE and DBE programs review confirmed compliance with federal regulations. Best practice recommendations have been implemented to improve monitoring.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Enhance education program that will expand accessibility to valuable information regarding Authority contracting practices on a 24 hour basis by December 2008.

Progress: Three contract modules have been established and should be accessible on the internet by June 30, 2009.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal # 2 Anticipate and exceed both internal and external customer service expectations. Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2009. Continue to 2010? **No.**

4. **Develop a strategic plan, in conjunction with Real Estate Management, to assist long-term participation in concession activities by small business operators by June 2009.**

Progress: An outreach and education plan has been developed and will go into implementation beginning July 1, 2009.

Sustainability Goal: Social Responsibility and Economic Viability.

Authority Goal: Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal # 5 Enhance the financial position of the Authority.

Fiscal Year: 2009. Continue to 2010? **No.**

5. **Implement appropriate measures in response to disparity study findings, if needed, by June 2009.**

Progress: The draft study results are due by June 2009. Final results should be completed by late 2009. Implementation of appropriate measures should commence by December 2009.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Small Business Development Goals & Objectives

FY 2010 Objectives

1. Maintain 100% compliance with all federal and state regulations as they relate to Small Business Development.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

2. Enhance education program that will expand accessibility to valuable information regarding Authority concession opportunity by January 31, 2010.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal # 2 Anticipate and exceed both internal and external customer service expectation; and Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

3. Implement a strategic plan, in conjunction with Real Estate Management, to assist long-term participation in concession activities by small business operators by June 2010.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal # 2 Anticipate and exceed both internal and external customer service expectation; and Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

4. Conduct and make available a series of education workshops designed to enhance performance by small businesses that will accommodate no less than 500 participants.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal # 2 Anticipate and exceed both internal and external customer service expectation; and Goal # Enhance regional partnerships; and Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

5. Implement appropriate measures in response to disparity study findings, if needed, and should commence by December 2009.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

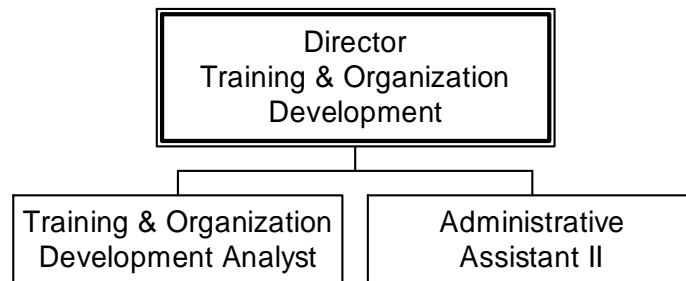
Training and Organization Development

Organizational Responsibilities

The Training and 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.

This new department was previously incorporated into Business Planning. Therefore, the FY 2007 Progress Report is provided within the Business Planning section.

Organizational Structure



Training and Organization Development FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 221,464	\$ 234,754	\$ 234,754	\$ 243,145	\$ 8,391	3.6%
Employee Benefits	92,852	92,109	92,109	88,162	(3,947)	-4.3%
Subtotal	314,315	326,863	326,863	331,307	4,444	1.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	314,315	326,863	326,863	331,307	4,444	1.4%
Non-Personnel Expenses						
Contractual Services	120,216	214,200	189,923	177,723	(12,200)	-6.4%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	9,281	-	-	177	177	0.0%
Operating Supplies	7,166	4,000	4,000	4,034	34	0.9%
Insurance	-	-	-	-	-	-
Employee Programs	48,752	79,111	79,111	80,531	1,420	1.8%
Business Development	2,117	4,500	4,500	14,396	9,896	219.9%
Equipment Rentals & Repairs	1,428	5,100	5,100	5,800	700	13.7%
Total Non-Personnel Expenses	188,958	306,911	282,634	282,661	27	0.0%
Total Operating Expenses	503,273	633,774	609,497	613,968	4,471	0.7%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	503,273	633,774	609,497	613,968	4,471	0.7%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 503,273	\$ 633,774	\$ 609,497	\$ 613,968	\$ 4,471	0.7%

Major Drivers of FY 2010 Budget Increase/Decrease

Training and Organization Development FY 2009 Re-Forecast

\$ 609,497

Proposed personnel costs

Merit increase and salary adjustments

8,391

Burden (benefits & employer taxes) decrease for current staff

(3,947)

Proposed increases in personnel costs

4,444

Increase in travel business and employee costs

8,896

Decrease in services other professional (employee opinion survey)

(12,200)

Other, net

3,331

FY 2010 Budget

\$ 613,968

Training and Organization Development Goals & Objectives

FY 2009 Progress Report

1. Implement a SDCRAA career development program (continuation of the implementation of a training strategic plan from FY 2008).

Progress: Program implemented to include career advisors, career shadowing program, interviewing skills class, resume writing class, and library resources. Program will be ongoing as needed.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

2. Increase the variety of types of training activities beyond instructor-led classroom training in order to meet the needs of a diverse workforce with varied work schedules.

Progress: Obtained software that will allow us to transition classes from instructor-led to computer based. Hiring summer intern to convert classes.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal # #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **Yes.**

3. Improve the efficiency of the training registration process and increase the accuracy and efficiency of the tracking of all SDCRAA training through the use of the new Learning Management System (LMS).

Progress: LMS is fully operational. We continue to make enhancements to the system, and to work with departments to use the system to register students for all classes

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **No.**

Training and Organization Development

Goals & Objectives

FY 2010 Objectives

1. Strategically enhance employees' skills through conducting an organization-wide training needs assessment and develop a training and a strategic plan.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

2. Increase the efficiency and efficacy of Authority-wide training through the management with 90% of all training activities tracked through the Management Training System in 2010.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

3. Reduce administrative costs and increase availability of training for all employees through the use of computer-based training and other independent learning opportunities which allows employees to take classes at times that are most convenient for them.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

4. Increase the variety of types of training activities beyond instructor-led classroom training in order to meet the needs of a diverse workforce with varied work schedules.

Sustainability Goal Operational Efficiency.

Authority Goal: Goal # #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Development Division

Development Division Overview

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

The **Facilities Development** Department executes the Airport's Capital Improvement Program (CIP) and major maintenance projects. It is also responsible for implementing noise attenuation improvements to qualified residential homes adjacent to the Airport under the Authority's **Quieter Home Program (QHP)**, a unit within the Facilities Development 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 homes. The Federal Aviation Administration has set a goal of reducing interior noise levels for San Diego residents by at least 5 decibels inside the home, providing a noticeable reduction in noise level.

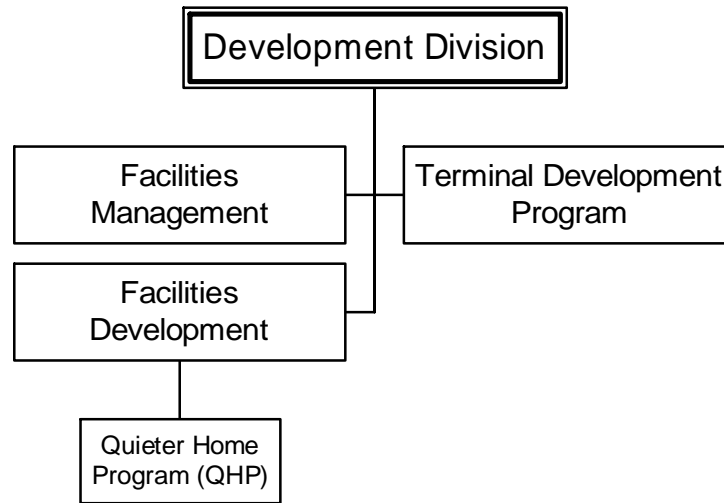
The **Facilities Management** Department maintains Airport infrastructure and responds to all Airport and tenant service requests. The department also plans and executes the Major Maintenance Program and assists Facilities Development in the execution of the CIP. It oversees numerous service contracts,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

The **Terminal Development Program** Department is responsible for implementing the Authority's Airport Master Plan, including the design and construction of terminal, airside and landside improvements. Specifically, these improvements include:

- ❖ 10 new jet gates at Terminal 2 West
- ❖ 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 smart curb technology, which allows travelers to check in for their flight even before entering the terminal
- ❖ Additional parking for remain-over-night aircraft to eliminate the need for aircraft to taxi across the runway
- ❖ Taxiway improvements to enhance the flow of aircraft traffic
- ❖ New, expanded dining and shopping options
- ❖ More comfortable holding areas at the gates
- ❖ More and improved security checkpoints
- ❖ Public art integrated throughout the terminal expansion and outside areas

While the Environmental Impact Review (EIR) was certified by the Board on May 1, 2008, no construction will begin on any TDP improvement until staff receives formal Board approval. Staff is currently proceeding with preliminary design in order to finalize concepts and costs for the Terminal Development Program. It is anticipated that various options for the configuration of the terminal facility will be presented for consideration by the Board in July. If approved, it is not expected to have a significant impact on FY 2010 operating expenses.

Development Division Organizational Structure



Division Personnel Summary

	FY 2007 Authorized & Funded Positions	FY 2008 Authorized & Funded Positions	FY 2009 Authorized & Funded Positions	FY 2010 Authorized & Funded Positions	FY 2010 ^(*) Authorized & Unfunded Positions
Development					
Facilities Management	60	69	75	66	9
Terminal Development Program	10	10	13	12	-
Facilities Development	49	39	35	29	5
Quieter Home Program	-	9	10	10	-
Total	119	127	133	117	14

* FY 2010 reflects personnel transfers.

Development Division FY 2010 Expense Summary

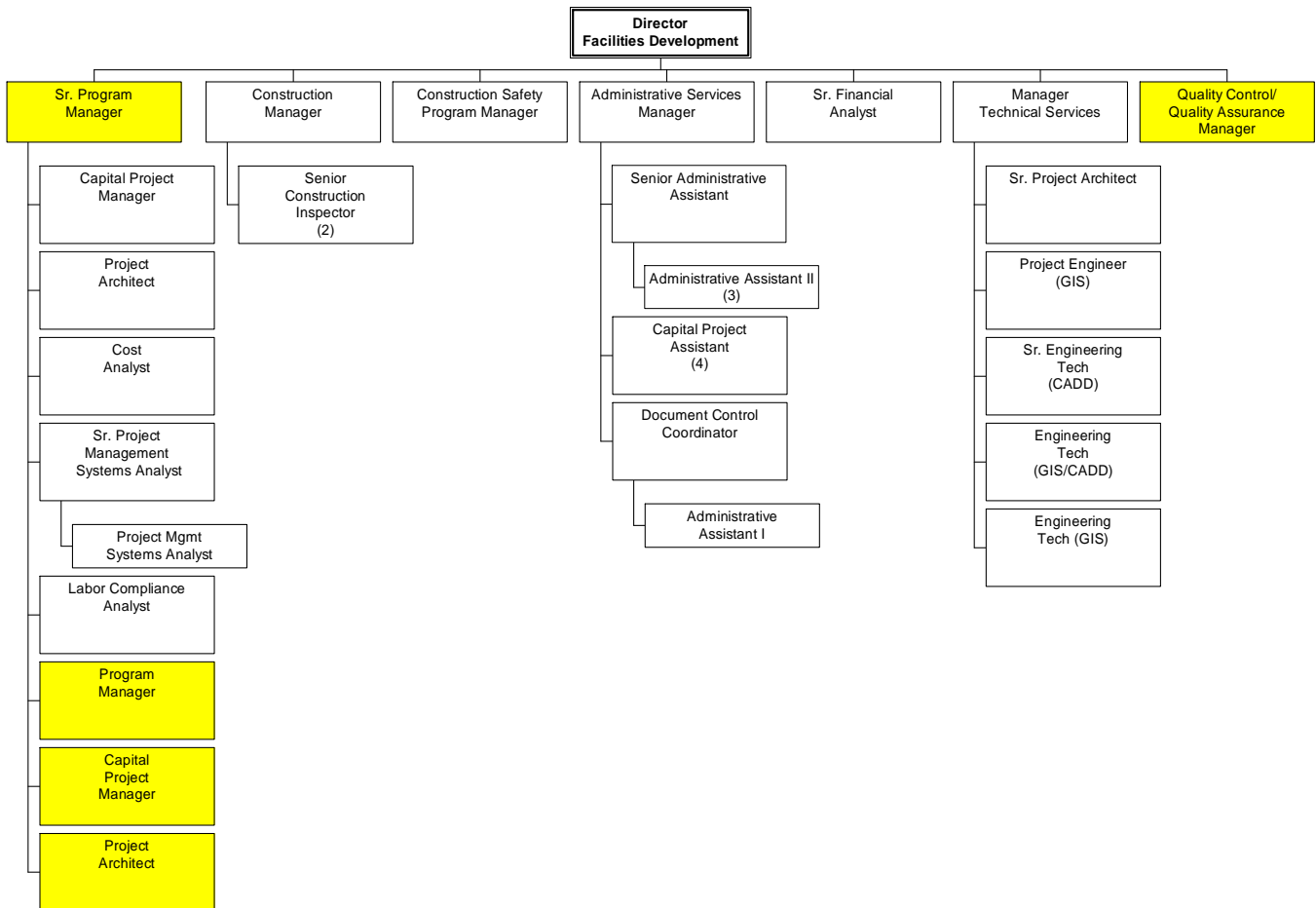
	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 7,014,122	\$ 9,252,413	\$ 7,708,486	\$ 8,796,914	\$ 1,088,428	14.1%
Employee Benefits	2,766,117	3,926,732	3,323,019	3,608,683	285,664	8.6%
Subtotal	9,780,238	13,179,145	11,031,505	12,405,597	1,374,092	12.5%
Less: Capitalized Labor	(2,397,950)	(3,864,677)	(2,547,025)	(3,749,671)	(1,202,646)	47.2%
Less: QHP - Labor/Burden/Labor Overhead	(740,147)	(929,853)	(929,853)	(995,210)	(65,357)	7.0%
Total Personnel Expenses	6,642,141	8,384,615	7,554,627	7,660,717	106,089	1.4%
Non-Personnel Expenses						
Contractual Services	1,968,130	1,772,148	1,462,149	2,143,033	680,884	46.6%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	5,991,687	6,080,050	6,080,050	6,000,050	(80,000)	-1.3%
Maintenance	7,625,359	8,288,100	7,826,600	7,787,181	(39,419)	-0.5%
Operating Equipment & Systems	100,228	44,883	32,983	38,057	5,074	15.4%
Operating Supplies	179,896	99,757	99,188	87,634	(11,554)	-11.6%
Insurance	-	-	-	-	-	-
Employee Programs	115,717	289,337	254,971	228,993	(25,978)	-10.2%
Business Development	145,123	162,269	154,719	132,851	(21,868)	-14.1%
Equipment Rentals & Repairs	41,940	82,013	80,263	83,974	3,711	4.6%
Total Non-Personnel Expenses	16,168,081	16,818,557	15,990,923	16,501,772	510,849	3.2%
Total Operating Expenses	22,810,222	25,203,172	23,545,550	24,162,489	616,939	2.6%
Non-Operating Expenses:						
Joint Studies/Sound Attenuation	13,237,258	34,926,503	35,101,503	18,400,000	(16,701,503)	-47.6%
Legal Settlements	3,297	-	-	-	-	-
Total Non-Operating Expenses	13,240,555	34,926,503	35,101,503	18,400,000	(16,701,503)	-47.6%
Total Expenses	36,050,777	60,129,675	58,647,053	42,562,489	(16,084,564)	-27.4%
Equipment Outlay (over \$5,000)	231,377	258,000	328,829	147,000	(181,829)	-55.3%
Total Division Expenses incl Equip Outlay	\$ 36,282,154	\$ 60,387,675	\$ 58,975,882	\$ 42,709,489	\$ (16,266,393)	-27.6%

Facilities Development

Organizational Responsibilities

The Facilities Development Department executes the Airport's Capital Improvement Program (CIP) and major maintenance projects. It is also responsible for implementing noise attenuation improvements to qualified residential homes adjacent to the Airport under the Authority's Quieter Home Program.

Organizational Structure



*Unfunded positions shown in yellow

Facilities Development FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 2,001,268	\$ 2,539,828	\$ 1,998,498	\$ 2,162,729	\$ 164,231	8.2%
Employee Benefits	737,424	1,067,549	840,016	883,535	43,519	5.2%
Subtotal	2,738,693	3,607,377	2,838,514	3,046,264	207,750	7.3%
Less: Capitalized Labor	(1,752,113)	(2,323,039)	(1,827,915)	(2,068,003)	(240,088)	13.1%
Less: QHP - Labor/Burden/Labor Overhead	(22,600)	-	-	-	-	-
Total Personnel Expenses	963,980	1,284,337	1,010,599	978,261	(32,338)	-3.2%
Non-Personnel Expenses						
Contractual Services	1,544,383	1,409,148	1,164,148	1,808,533	644,385	55.4%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	478	-	-	-	-	-
Maintenance	884,278	750,000	750,000	665,000	(85,000)	-11.3%
Operating Equipment & Systems	28,392	25,883	15,883	18,057	2,174	13.7%
Operating Supplies	16,115	33,657	33,657	26,534	(7,123)	-21.2%
Insurance	-	-	-	-	-	-
Employee Programs	15,655	25,002	13,902	37,835	23,933	172.2%
Business Development	43,925	45,620	45,620	45,620	-	0.0%
Equipment Rentals & Repairs	4,450	36,513	36,513	48,724	12,211	33.4%
Total Non-Personnel Expenses	2,537,676	2,325,823	2,059,723	2,650,302	590,579	28.7%
Total Operating Expenses	3,501,656	3,610,160	3,070,322	3,628,564	558,242	18.2%
Non-Operating Expenses:						
Joint Studies/Sound Attenuation	790,106	225,000	400,000	400,000	-	0.0%
Legal Settlements	2,189	-	-	-	-	-
Total Non-Operating Expenses	792,295	225,000	400,000	400,000	-	0.0%
Total Expenses	4,293,951	3,835,160	3,470,322	4,028,564	558,242	16.1%
Equipment Outlay (over \$5,000)	8,889	25,000	25,000	25,000	-	0.0%
Total Dept Expenses incl Equip Outlay	\$ 4,302,840	\$ 3,860,160	\$ 3,495,322	\$ 4,053,564	\$ 558,242	16.0%

Major Drivers of FY 2010 Budget Increase/Decrease

Facilities Development

FY 2009 Re-Forecast

\$ 3,495,322

Proposed personnel costs

Merit increase and salary adjustments	205,760
Burden (benefits & employer taxes) increase for current staff	58,409
Elimination of 1 position of Administrative Assistant I	(56,419)
Increase in capitalized labor costs	(240,088)

Proposed decreases in personnel costs

(32,338)

Increase in Facilities Development consultant costs	444,385
Increase in tenant improvement program costs	200,000
Other, net	(53,805)

FY 2010 Budget

\$ 4,053,564

Facilities Development Goals & Objectives

FY 2009 Progress Report

1. Manage the Development Division programs to achieve its performance goals.

Progress: Increased the department productivity by 200%; with 85% of projects on schedule and on budget. Contributed to sustainability by reducing hard copies by 50% by implementing electronic documentation; implemented a comprehensive program controls that are effectively used by project team members.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Comply with all federal, state, and local regulatory requirements as they pertain to the Facilities Development Department.

Progress: Work with Aviation Security & Public Safety, Environmental, Small Business Development and Labor Compliance Department to ensure FDD projects are in full compliance with all federal, state, and local regulatory requirements. To date, we are 100% in compliance.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Establish the baseline measurement for Internal Customer Satisfaction with the service provided.

Progress: On-going. Continue to have Lessons Learned workshops at the beginning of a project close-out. Create a Customer Satisfaction Survey for all stakeholders to fill out at the end of a project.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. Dedicate 40 hours per employee to staff development.

Progress: Staff continues to seek self-development through locally sponsored training and the Authority's Learn Soft Management tool coordinated by Training & Organization Development.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

5. Provide more tenant improvement support to the Real Estate Department including additional review of Tenant Projects by project architects and preparation of lease plat maps by engineering technicians.

Progress: During the last year, significant progress was achieved. FDD restructured the Tenant Improvement staff that created a more efficient and effective review process. As a result, the satisfaction level of the Real Estate Department, and its tenants improved significantly.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #3 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Facilities Development

Goals & Objectives

FY 2010 Objectives

1. **Manage the Development Division programs to achieve its performance goals.**
 - Sustainability Goal:** Operational Efficiency and Social Responsibility.
 - Authority Goal:** Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

2. **Comply with all federal, state, and local regulatory requirements as they pertain to the Facilities Development Department.**
 - Sustainability Goal:** Operational Efficiency and Social Responsibility.
 - Authority Goal:** Goal #1 Improve operational efficiency, safety and security.

3. **Establish the baseline measurement for Internal Customer Satisfaction with the service provided.**
 - Sustainability Goal:** Operational Efficiency and Social Responsibility.
 - Authority Goal:** Goal #2 Anticipate and exceed both internal and external customer service expectations.

4. **Improve the Authority's GIS website by providing a faster, more dynamic and attractive interface through transparent panels and collapsible menus, contributing to the overall operational efficiency of the Authority.**
 - Sustainability Goal:** Operational Efficiency and Social Responsibility.
 - Authority Goal:** Goal #3 Improve operational efficiency, safety and security.

5. **Dedicate 40 hours per employee to staff development.**
 - Sustainability Goal:** Operational Efficiency and Social Responsibility.
 - Authority Goal:** Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

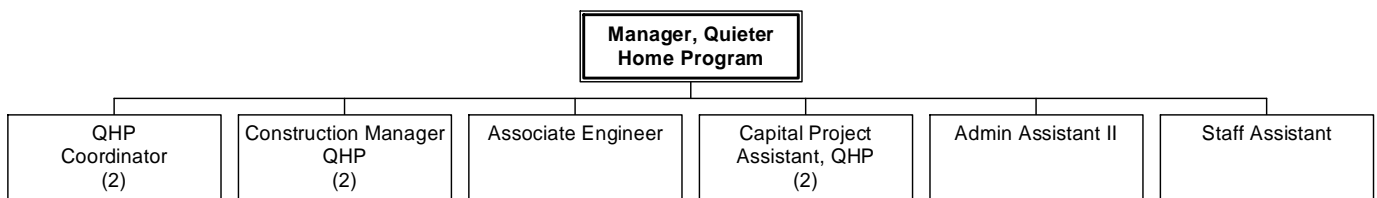
6. **Provide more tenant improvement support to the Real Estate Department including additional review of Tenant Projects by project architects and preparation of lease plat maps by engineering technicians.**
 - Sustainability Goal:** Operational Efficiency and Social Responsibility.
 - Authority Goal:** Goal #3 Improve operational efficiency, safety and security.

Quieter Home Program

Organizational Responsibilities

The Quieter Home Program (QHP), a unit within the Facilities Development Department, 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 homes. The Federal Aviation Administration has set a goal of reducing interior noise levels for San Diego residents by at least 5 decibels inside the home, providing a noticeable reduction in noise level. The Airport Authority’s Quieter Home Program is the means to obtain that goal.

Organizational Structure



Quieter Home Program FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 500,343	\$ 646,458	\$ 646,458	\$ 705,648	\$ 59,191	9.2%
Employee Benefits	219,918	283,395	283,395	289,561	6,166	2.2%
Subtotal	720,261	929,853	929,853	995,210	65,357	7.0%
Less: Capitalized Labor	(1,360)	-	-	-	-	-
Less: QHP - Labor/Burden/Labor Overhead	(717,547)	(929,853)	(929,853)	(995,210)	(65,357)	7.0%
Total Personnel Expenses	1,354	-	-	-	-	-
Non-Personnel Expenses						
Contractual Services	26,097	-	-	-	-	-
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	22,784	-	-	-	-	-
Operating Supplies	16,334	-	-	-	-	-
Insurance	-	-	-	-	-	-
Employee Programs	16,690	18,535	48,535	9,335	(39,200)	-80.8%
Business Development	32,767	75,470	75,470	34,967	(40,503)	-53.7%
Equipment Rentals & Repairs	2,857	-	-	-	-	-
Total Non-Personnel Expenses	117,529	94,005	124,005	44,302	(79,703)	-64.3%
Total Operating Expenses	118,883	94,005	124,005	44,302	(79,703)	-64.3%
Non-Operating Expenses:						
Joint Studies/Sound Attenuation	12,273,381	34,701,503	34,701,503	18,000,000	(16,701,503)	-48.1%
Legal Settlements	1,108	-	-	-	-	-
Total Non-Operating Expenses	12,274,489	34,701,503	34,701,503	18,000,000	(16,701,503)	-48.1%
Total Expenses	12,393,372	34,795,508	34,825,508	18,044,302	(16,781,206)	-48.2%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 12,393,372	\$ 34,795,508	\$ 34,825,508	\$ 18,044,302	\$ (16,781,206)	-48.2%

Major Drivers of FY 2010 Budget Increase/Decrease

Quieter Home Program
FY 2009 Re-Forecast

\$ 34,825,508

Proposed personnel costs

Merit increase and salary adjustments
Burden (benefits & employer taxes) increase for current staff
Capitalized labor / QHP - labor, burden, labor overhead increase
Proposed change in personnel costs

59,191
6,166
(65,357)

-

Quieter Home Program project costs
Other, net

(16,701,503)
(79,703)

FY 2010 Budget

\$ 18,044,302

Quieter Home Program

Goals & Objectives

FY 2009 Progress Report

1. Develop a plan that creates a residential sound insulation program that other U.S. airports will view as benchmark.

Progress: Over 11 construction contracts were bid to date in FY2009, more than any other Sound Insulation Program in the nation.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2009. Continue to 2010? **Yes.**

2. Develop partnering relationships with the key stakeholders involved with the QHP.

Progress: Conducted partnership workshop and "Contractor Job Lunches." Worked closely with City of San Diego (Historic Resources Board, Development Services, Plan Check) to establish positive working relationship. Attended multiple outreach sessions with other local agencies. Also created and implemented new and more efficient processes with the homeowners in the QHP to ensure their expectations of the program match what the Airport offers.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

3. Develop a clear Program Guideline for the Quieter Home Program.

Progress: Re-drafting Program Guidelines and intend to provide to consultants for review by Q3 2010.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

4. Increase the size and scope of the QHP program to sound insulate homes at an accelerated pace.

Progress: Increased pace has allowed for well over 1,000 homes in the design process. During FY 2009, 250 homes were completed, with the majority of those homes being historic.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Quieter Home Program

Goals & Objectives

FY 2010 Objectives

1. **Develop a plan that creates a residential sound insulation program that other U.S. airports view as benchmark.**

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

2. **Develop and maintain partnering relationships through meetings and customer service programs with the key stakeholders involved with the QHP.**

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

3. **Develop a clear Program Guideline for the Quieter Home Program.**

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

4. **Increase the number of homes participating from the sound insulation program to over 300 per year in FY 2010.**

Sustainability Goal: Customer Service Expectations.

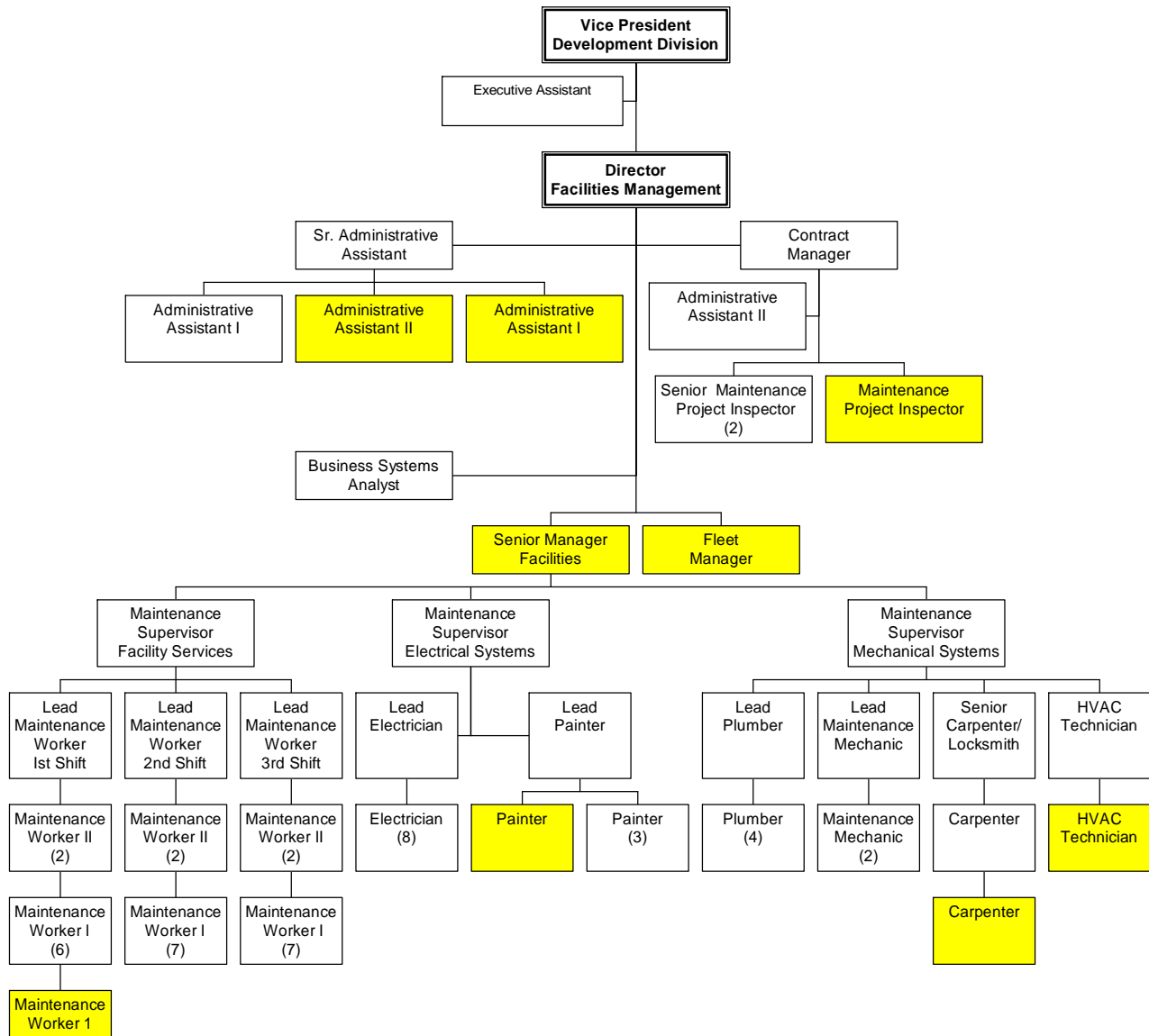
Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Facilities Management

Organizational Responsibilities

The Facilities Management Department maintains Airport infrastructure and responds to all Airport and tenant service requests. The department also plans and executes the Major Maintenance Program 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.

Organizational Structure



*Unfunded positions shown in yellow

Facilities Management FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 4,070,144	\$ 4,946,173	\$ 4,541,118	\$ 4,699,829	\$ 158,711	3.5%
Employee Benefits	1,619,741	2,154,105	2,002,910	1,982,626	(20,284)	-1.0%
Subtotal	5,689,885	7,100,278	6,544,028	6,682,455	138,427	2.1%
Less: Capitalized Labor	(171,439)	-	-	-	-	-
Total Personnel Expenses	5,518,446	7,100,278	6,544,028	6,682,455	138,427	2.1%
Non-Personnel Expenses						
Contractual Services	434,497	363,000	298,000	334,500	36,500	12.2%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	5,991,146	6,080,050	6,080,050	6,000,050	(80,000)	-1.3%
Maintenance	6,741,081	7,538,100	7,076,600	7,122,181	45,581	0.6%
Operating Equipment & Systems	35,044	19,000	17,100	20,000	2,900	17.0%
Operating Supplies	124,556	66,100	65,531	61,100	(4,431)	-6.8%
Insurance	-	-	-	-	-	-
Employee Programs	69,649	129,300	102,900	89,950	(12,950)	-12.6%
Business Development	48,164	23,910	16,360	35,760	19,400	118.6%
Equipment Rentals & Repairs	34,633	44,000	42,250	35,250	(7,000)	-16.6%
Total Non-Personnel Expenses	13,478,771	14,263,460	13,698,791	13,698,791	(0)	0.0%
Total Operating Expenses	18,997,216	21,363,738	20,242,820	20,381,246	138,427	0.7%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	18,997,216	21,363,738	20,242,820	20,381,246	138,427	0.7%
Equipment Outlay (over \$5,000)	164,710	233,000	213,000	122,000	(91,000)	-42.7%
Total Dept Expenses incl Equip Outlay	\$ 19,161,926	\$ 21,596,738	\$ 20,455,820	\$ 20,503,246	\$ 47,427	0.2%

Major Drivers of FY 2010 Budget Increase/Decrease

Facilities Management

FY 2009 Re-Forecast

\$ 20,455,820

Proposed personnel costs

Merit increase and salary adjustments	158,711
Burden (benefits & employer taxes) decrease for current staff	(20,284)
Proposed increases in personnel costs	138,427

Increase in annual repair and service contract maintenance costs	200,081
Increase in Service - Other costs	36,500
Decrease in costs of water usage (water conservation program)	(80,000)
Decrease in purchase of capital equipment	(91,000)
Decrease in major maintenance costs	(138,500)
Other, net	(18,081)

FY 2010 Budget

\$ 20,503,246

Facilities Management

Goals & Objectives

FY 2009 Progress Report

1. Reduce overall energy consumption.

Progress: A reduction of existing power consumption of approximately 9% was achieved through operational and physical plant changes.

Sustainability Goal: Economic Viability, Operational Efficiency, Natural Resource Conservation.

Authority Goal: Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes. To be combined with other energy reduction and conservation goals.**

2. Reduce overall energy and natural resource use through technology improvements. Reduction of water usage through installation of low-flow and no-flow equipment, alteration of landscape to a xeriscape concept and installation of electrical savings devices such as automatic controls and energy efficient lighting systems.

Progress: Water usage has been reduced in excess of 50 million gallons annually as a result of equipment additions and alterations.

Sustainability Goal: Operational Efficiency, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **Yes.**

3. Complete terminal enhancement projects.

Progress: Pre-security restrooms in Terminal One have been remodeled and enhanced.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes. Program will continue as a routine portion of the FMD services.**

4. A minimum of two completed landscape and hardscape projects per fiscal year.

Progress: The installation of xeriscape at the new World Trade Center and other upgrades to landscaping have fulfilled this goal.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes. Program will continue as a routine portion of the FMD services.**

5. Reduce elevator and escalator equipment failure rate.

Progress: Equipment failure rates have dropped dramatically. New equipment installations in T-1 have virtually eliminated equipment shutdowns.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes. Program will continue as part of CIP if funded.**

6. Reduce stopped escalator response time.

Progress: Progress has been made however monitoring and notification systems are still being installed. System should be operational by end of fiscal year.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **No. Performance monitoring will be put in place to measure effectiveness.**

7. All Electricians attend high voltage and airfield lighting classes and achieve ACE certification before June 2008.

Progress: Training on high voltage completed.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

8. Continue with terminal curbside improvements through pavement and sidewalk resurfacing and artistic design.

Progress: Program has been put on hold due to funding constraints. Projects will go forward as finances allow.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **Yes.**

9. Implement an ongoing major maintenance program focused on facility improvement through rapid response and reduced scale projects. Projects of this nature will reduce the current levels of deferred maintenance and contribute to the overall longevity and sustainability of the facilities.

Progress: Program is active with great success.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **No. Program will continue as a regular part of FMD services.**

10. Develop technical specification guidelines for all trades to be used in the construction and design of future facilities. These guidelines will significantly reduce project punch lists and end user dissatisfaction.

Progress: This is a multi-year effort. Phase 1 is complete and a material specification has been developed. Phase 2 will encompass performance specifications and operational needs.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Facilities Management

Goals & Objectives

FY 2010 Objectives

1. Continue with terminal curbside improvements through pavement and sidewalk resurfacing and artistic design. Improve surface and reduce liability exposure.

Sustainability Goal: Yes, contributes to Operational Efficiency and Social Responsibility, Enhances the overall image of the airport.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

2. Reduce overall energy and natural resource use through technology improvements. Alteration of landscape to a xeriscape concept and installation of electrical savings devices such as automatic controls, energy efficient lighting systems and modified operational procedures. Verification of progress and establishment of baseline data through a series of energy audits.

Sustainability Goal: Yes, contributes to Operational Efficiency and Social Responsibility, Enhances the overall image of the airport. Significantly contributes to the conservation of Natural Resources.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

3. Continue an on-going major maintenance program focused on facility improvement through rapid response and reduced scale projects. Projects of this nature will reduce the current levels of deferred maintenance and contribute to the overall longevity and sustainability of the facilities.

Sustainability Goal: Yes, contributes to Economic Viability, Operational Efficiency and Social Responsibility, Enhances the overall image of the airport.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

4. Develop technical specification guidelines for all trades to be used in the construction and design of future facilities. These guidelines will significantly reduce project punch lists and end user dissatisfaction.

Sustainability Goal: Yes, contributes to Economic Viability, Operational Efficiency and Social Responsibility, Enhances the overall image of the airport.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

5. Implement a program of comprehensive commissioning and facility activation which reduces implementation and operational costs for the facility life cycle.

Sustainability Goal: Yes, contributes to Economic Viability, Operational Efficiency and Social Responsibility, Enhances the overall image of the airport. Significant contribution to the Economic Viability and conservation of resources.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

6. Reduce elevator and escalator equipment failure rate.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Terminal Development Program

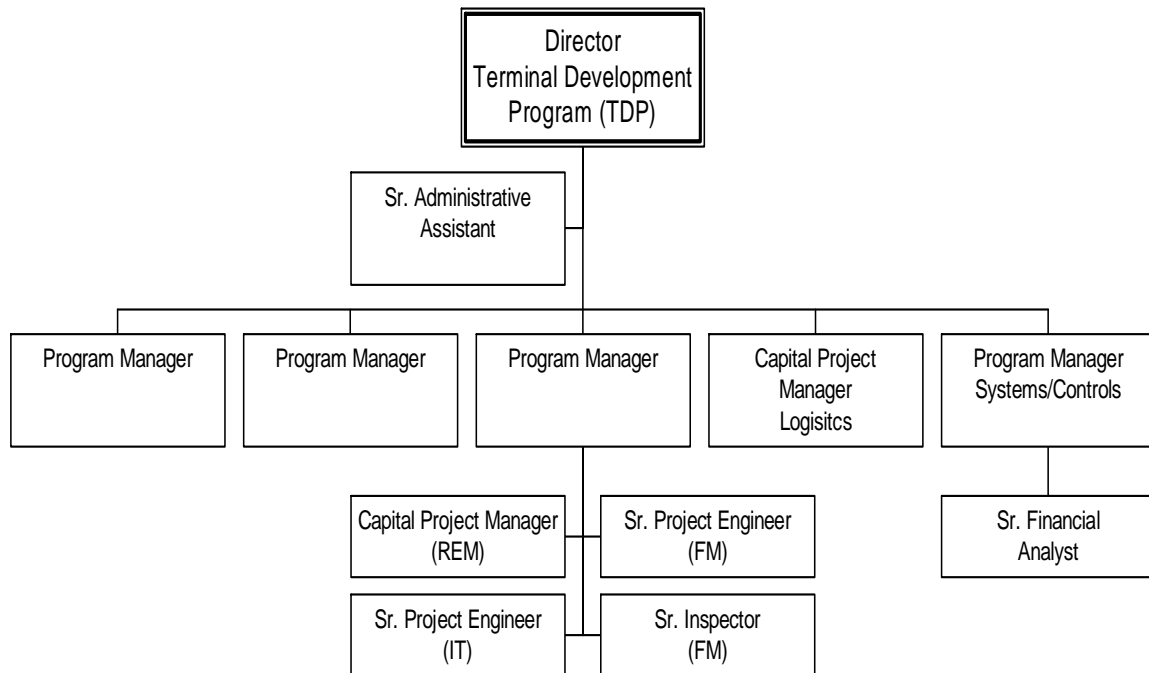
Organizational Responsibilities

The Terminal Development Program Department is responsible for implementing the Authority's Airport Master Plan, including the design and construction of terminal, airside and landside improvements. Specifically, these improvements include:

- ❖ 10 new jet gates at Terminal 2 West
- ❖ 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 smart curb technology, which allows travelers to check in for their flight even before entering the terminal
- ❖ Additional parking for remain-over-night aircraft to eliminate the need for aircraft to taxi across the runway
- ❖ Taxiway improvements to enhance the flow of aircraft traffic
- ❖ New, expanded dining and shopping options
- ❖ More comfortable holding areas at the gates
- ❖ More and improved security checkpoints
- ❖ Public art integrated throughout the terminal expansion and outside areas

While the Environmental Impact Review (EIR) was certified by the Board on May 1, 2008, no construction will begin on any TDP improvement until staff receives formal Board approval. Staff is currently proceeding with preliminary design in order to finalize concepts and costs for the Terminal Development Program. It is anticipated that various options for the configuration of the terminal facility will be presented for consideration by the Board in July. If approved, it is not expected to have a significant impact on FY 2010 operating expenses.

Organizational Structure



Terminal Development Program FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 442,367	\$ 1,119,955	\$ 522,413	\$ 1,228,708	\$ 706,295	135%
Employee Benefits	189,033	421,683	196,697	452,960	256,263	130%
Subtotal	631,400	1,541,638	719,110	1,681,668	962,558	134%
<i>Less: Capitalized Labor</i>	<i>(473,038)</i>	<i>(1,541,638)</i>	<i>(719,110)</i>	<i>(1,681,668)</i>	<i>(962,558)</i>	<i>134%</i>
Total Personnel Expenses	158,361	-	-	-	-	-
Non-Personnel Expenses						
Contractual Services	(36,847)	-	-	-	-	-
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	63	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	14,007	-	-	-	-	-
Operating Supplies	22,890	-	-	-	-	-
Insurance	-	-	-	-	-	-
Employee Programs	13,724	116,500	89,635	91,873	2,238	2%
Business Development	20,267	17,269	17,269	16,504	(765)	-4%
Equipment Rentals & Repairs	-	1,500	1,500	-	(1,500)	-100%
Total Non-Personnel Expenses	34,105	135,269	108,404	108,377	(27)	0%
Total Operating Expenses	192,466	135,269	108,404	108,377	(27)	0%
Total Non-Operating Expenses	173,771	-	-	-	-	-
Total Expenses	366,237	135,269	108,404	108,377	(27)	0.0%
Equipment Outlay (over \$5,000)	57,778	-	90,829	-	(90,829)	-100%
Total Dept Expenses incl Equip Outlay	\$ 424,015	\$ 135,269	\$ 199,233	\$ 108,377	\$ (90,856)	-46%

Major Drivers of FY 2010 Budget Increase/Decrease

Terminal Development Program

FY 2009 Re-Forecast **\$ 199,233**

Proposed personnel costs

Merit increase and salary adjustments (7 vacant funded positions)	786,524
Burden (benefits & employer taxes) increase for current staff	289,943
Elimination of 1 Position (Project Engineer)	(113,909)
Increase in capitalized labor costs	(962,558)

Proposed change in personnel costs

Decrease in purchase of capital equipment	(90,829)
Other, net	(27)

FY 2010 Budget **\$ 108,377**

Terminal Development Program Goals & Objectives

FY 2009 Progress Report

1. Manage Terminal Development Program (TDP) to meet critical/key milestones.

Progress: The approval of the Terminal Development Program (TDP) was delayed until FY2010. These actions will be taken during Fiscal Year 2010.

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

Authority Goal: Goal # 4 Enhance the financial position of the Authority. Goal # 6 Be recognized as an aviation industry leader.

Fiscal Year: 2009. Continue to 2010? **Yes.**

2. Survey stakeholder satisfaction with TDP.

Progress: The approval of the Terminal Development Program (TDP) was delayed until FY2010. These actions will be taken during Fiscal Year 2010.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2007, 2008, 2009. Continue to 2010? **Yes.**

3. Obtain 90% TDP staff satisfaction rating on annual basis.

Progress: The approval of the Terminal Development Program (TDP) was delayed until FY2010. These actions will be taken during Fiscal Year 2010.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2007, 2008, 2009. Continue to 2010? **Yes.**

4. Provide training and professional development.

Progress: The approval of the Terminal Development Program (TDP) was delayed until FY2010. These actions will be taken during Fiscal Year 2010.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2007, 2008, 2009. Continue to 2010? **Yes.**

5. Begin Design and Construction of the TDP (includes FY08 Objective 5 & 6).

Progress: The approval of the Terminal Development Program (TDP) was delayed until April 2, 2009. These actions will be taken during Fiscal Year 2010.

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

Authority Goal: Goal # 5 Provide optimal solutions for near and long-term regional air transportation needs.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Terminal Development Program Goals & Objectives

FY 2010 Objectives

1. Manage Terminal Development Program (TDP) to meet critical/key milestones.

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

Authority Goal: Goal # 4 Enhance the financial position of the Authority; Goal # 6 Be recognized as an aviation industry leader.

2. Survey stakeholder satisfaction with TDP.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

3. Obtain 90% TDP staff satisfaction rating on annual basis.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

4. Provide training and professional development.

Sustainability Goal: Operational Excellence, Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

5. Begin design and construction of the TDP (includes FY08 Objective 5 & 6).

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

Authority Goal: Goal # 5 Provide optimal solutions for near and long-term regional air transportation needs.

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Finance Division

Finance Division

Overview

The Finance Division's five departments are responsible for providing the accounting, strategic business planning, financial planning, treasury, real estate and property management, terminal concession development, public parking and ground transportation services.

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 **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 **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 and Passenger Facility Charge (PFC) administration
- ❖ Treasury and investment management
- ❖ Long-term and short-term debt issuance and oversight

The **Ground Transportation** Department is responsible for all parking revenue and operations at Authority-owned parking lots, including those near the terminal buildings and remote lots requiring shuttle bus services. The department is also responsible for the following:

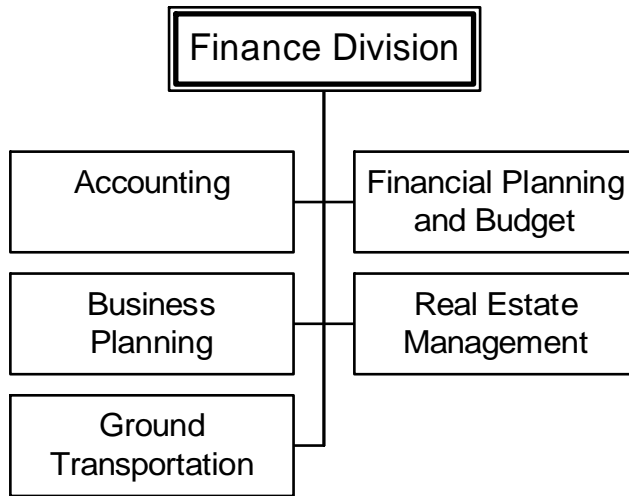
- ❖ The airport roadways, including the inter-terminal and employee bus program
- ❖ The regulation of ground transportation service providers

The **Real Estate Management** Department functions as the landlord for the Airport and other Authority-owned and operated facilities and leaseholds. It also serves as the Authority's representative in the following:

- ❖ Acquiring off-airport property rights from other parties
- ❖ Negotiating real estate related and Authority business agreements, including new Airline Operating Agreements with all carriers
- ❖ Conducting appraisal of airfield tenant leaseholds for rent adjustments
- ❖ Developing new concession opportunities, negotiating leases with the FAA, providing utility easements, and more

Finance Division

Organizational Structure



Division Personnel Summary

	FY 2007 Authorized & Funded Positions	FY 2008 Authorized & Funded Positions	FY 2009 Authorized & Funded Positions	FY 2010 Authorized & Funded Positions	FY 2010 ^(*) Authorized & Unfunded Positions
Finance					
Financial Planning & Budget	11	13	13	12	1
Accounting	13	13	13	12	1
Business Planning	10	6	4	4	-
Real Estate Management	13	15	16	16	1
Ground Transportation	4	4	5	5	-
Total	51	51	51	49	3

* FY 2010 reflects personnel transfers.

Finance Division FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 3,442,270	\$ 2,679,336	\$ 3,392,694	\$ 3,742,497	\$ 349,803	10.3%
Employee Benefits	2,581,730	4,160,215	2,625,084	2,964,840	339,755	12.9%
Subtotal	6,024,000	6,839,551	6,017,778	6,707,336	689,558	11.5%
<i>Less: Capitalized Labor</i>	-	135,605	-	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	33,475	-	-	-	0.0%
Total Personnel Expenses	6,024,000	7,008,631	6,017,778	6,707,336	689,558	11.5%
Non-Personnel Expenses						
Contractual Services	11,678,254	13,758,350	12,649,406	12,563,700	(85,706)	-0.7%
Safety and Security	-	-	-	-	-	-
Space Rental	10,900,869	10,905,747	10,905,747	10,908,579	2,832	0.0%
Utilities	1,503	3,350	3,350	4,350	1,000	29.9%
Maintenance	(16,799)	160,000	-	15,872	15,872	0.0%
Operating Equipment & Systems	83,963	29,000	8,000	14,000	6,000	75.0%
Operating Supplies	81,106	57,800	57,800	59,800	2,000	3.5%
Insurance	-	-	-	-	-	-
Employee Programs	84,678	142,536	101,056	94,656	(6,400)	-6.3%
Business Development	105,495	204,750	203,569	146,659	(56,910)	-28.0%
Equipment Rentals & Repairs	371,703	324,297	249,297	199,947	(49,350)	-19.8%
Total Non-Personnel Expenses	23,290,773	25,585,830	24,178,225	24,007,563	(170,662)	-0.7%
					-	0.0%
Total Operating Expenses	29,314,773	32,594,461	30,196,003	30,714,900	518,896	1.7%
Non-Operating Expenses:						
Debt Service	9,225,677	9,359,641	9,359,641	6,850,219	(2,509,422)	-26.8%
Total Non-Operating Expenses	9,225,676	9,359,641	9,359,641	6,850,219	(2,509,422)	-26.8%
Total Expenses	38,540,449	41,954,102	39,555,644	37,565,118	(1,990,526)	-5.0%
Equipment Outlay (over \$5,000)	65,578	15,000	15,000	-	(15,000)	-100.0%
Total Division Expenses incl Equip Outlay	\$ 38,606,027	\$ 41,969,102	\$ 39,570,644	\$ 37,565,118	\$ (2,005,526)	-5.1%

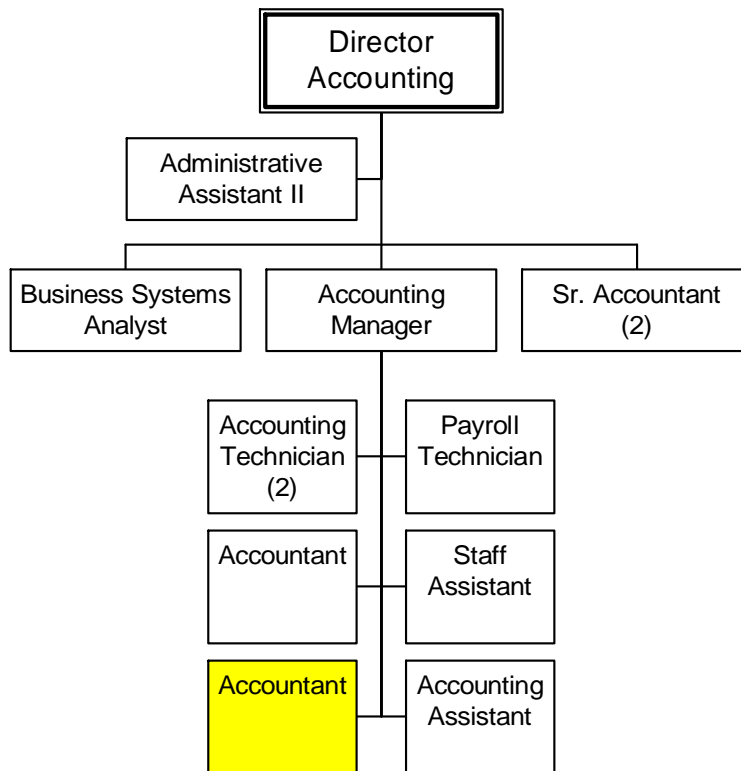
Accounting

Organizational Responsibilities

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

Organizational Structure



*Unfunded position shown in yellow

Accounting FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 745,854	\$ 790,356	\$ 722,788	\$ 785,929	\$ 63,141	8.7%
Employee Benefits	303,533	371,637	339,865	340,921	1,056	0.3%
Subtotal	1,049,388	1,161,992	1,062,653	1,126,850	64,197	6.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	1,049,388	1,161,992	1,062,653	1,126,850	64,197	6.0%
Non-Personnel Expenses						
Contractual Services	438,717	473,550	433,750	386,000	(47,750)	-11.0%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	136	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	8,137	1,000	1,000	1,000	-	0.0%
Operating Supplies	13,457	11,000	11,000	11,000	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	10,759	19,600	9,200	8,000	(1,200)	-13.0%
Business Development	(22,999)	80,350	80,350	58,350	(22,000)	-27.4%
Equipment Rentals & Repairs	7,638	15,000	-	-	-	0.0%
Total Non-Personnel Expenses	455,844	600,500	535,300	464,350	(70,950)	-13.3%
Total Operating Expenses	1,505,232	1,762,492	1,597,953	1,591,200	(6,753)	-0.4%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	1,505,232	1,762,492	1,597,953	1,591,200	(6,753)	-0.4%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 1,505,232	\$ 1,762,492	\$ 1,597,953	\$ 1,591,200	\$ (6,753)	-0.4%

Major Drivers of FY 2010 Budget Increase/Decrease

Accounting	
FY 2009 Re-Forecast	\$ 1,597,953
Proposed personnel costs	
Merit increase and salary adjustments	63,141
Burden (benefits & employer taxes) increase for current staff	1,056
Proposed increases in personnel costs	64,197
Decrease in use of outside professional consultants	(13,000)
Decrease in bad debt allowances	(25,000)
Decrease in use of temporary personnel	(35,200)
Other, net	2,250
FY 2010 Budget	\$ 1,591,200

Accounting Goals & Objectives

FY 2009 Progress Report

1. **Implementation of Post Employment Benefit Accounting (GASB 43 and 45) for FY 2006.**

Progress: GASB 43 and 45 was implemented for fiscal year 2008.

Sustainability Goal: Economic Viability.

Authority Goal: Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**
2. **Complete E-1 Implementation Program to include reporting and update procedure by 6/30/07.**

Progress: The updates are annually and have been successfully implemented and tested.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**
3. **Improve overall staff knowledge of the E-1 system through ongoing individual and group training sessions.**

Progress: Continual training both internally in accounting and externally with other departments are in process. New projects or additional utilization of the system with the Terminal Development Program will be addressed both currently and ongoing.

Sustainability Goal: Operational Efficiency and Economic Viability.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**
4. **Maintain a stable staff with good knowledge of history of the organization.**

Progress: Accounting received high results in the employee opinion survey. We have maintained low turn over and a highly seasoned and skilled staff.

Sustainability Goal: Operational efficiency and Social Responsibility.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**
5. **Develop and implement improved reports for internal accounting and other Authority departments.**

Progress: Reports for Facilities Development Department to provide detailed information on the overhead allocation was developed. Reports for payroll, vacation usage, accruals were also developed.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #6 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

6. Review and revise internal processes and practices for payroll, accounts payable and accounts receivable.

Progress: Automation has occurred in accounts payable reconciliation and some accounts receivable reporting.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #6 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

7. Improve overall staff knowledge of the Preferred Strategies through ongoing individual and group training sessions.

Progress: A series of training was held and staff created reports to meet their needs.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

8. Implement Voluntary Employees Beneficiary Association trust and secure trustee. The creation of this trust will allow the Authority to pre-fund the Annual Required Contribution post-retirement benefits.

Progress: A decision was made not to implement a VEBA but instead a 115 trust with California Employee Retirement Benefit Trust was approved as a funding vehicle.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2009. Continue to 2010? **Yes to manage the process.**

9. Refine business practices and procedures within payroll, accounts payable and accounts receivable through E-1 system. This includes reviewing current processes, improving and reducing some of the inefficiencies and reducing duplicate work done by other departments.

Progress: Automation in reconciliation with accounts payable and some payroll checking functions were accomplished.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **Yes.**

10. Implement E-1 Tools upgrade and Customer Relationship Management (CRM) system. The upgrade is required to keep system current and to receive Oracle support. CRM time management module and billing module that will increase maintenance efficiency and accuracy in recording their time. Train 100% of appropriate staff.

Progress: Tools upgrade was postponed until 2010. The CRM was also placed on hold.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **Yes due to postponement.**

11. Update the format of the financial statements on the website with newer interactive technology. This to provide a more interesting look and experience in reviewing financial statements on the website.

Progress: This will be moved to 2010. We automated the process of issuing financial statements with the same format.

Sustainability Goal: Economic Viability.

Authority Goal: Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Accounting Goals & Objectives

FY 2010 Objectives

- 1. Complete E-1 Implementation Program to include reporting and update procedure by June 30, 2010.**
Sustainability Goal: Operational Efficiency.
Authority Goal: Goal #7 Be recognized as an aviation industry leader.
- 2. Improve overall staff knowledge of the E-1 system through ongoing individual and group training sessions.**
Sustainability Goal: Operational Efficiency and Economic Viability.
Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).
- 3. Maintain a stable staff with good knowledge of history of the organization.**
Sustainability Goal: Operational efficiency and Social Responsibility.
Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).
- 4. Develop and implement improved reports for internal accounting and other Authority departments.**
Sustainability Goal: Operational Efficiency.
Authority Goal: Goal #6 Be recognized as an aviation industry leader.
- 5. Review and revise internal processes and practices for payroll, accounts payable and accounts receivable.**
Sustainability Goal: Operational Efficiency.
Authority Goal: Goal #6 Be recognized as an aviation industry leader.
- 6. Improve overall staff knowledge of the Preferred Strategies through ongoing individual and group training sessions.**
Sustainability Goal: Operational Efficiency.
Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).
- 7. Refine business practices and procedures within payroll, accounts payable and accounts receivable through E-1 system. This includes reviewing current processes, improving and reducing some of the inefficiencies and reducing duplicate work done by other departments.**
Sustainability Goal: Operational Excellence.
Authority Goal: Goal #1 Improve operational efficiency, safety and security.

8. Implement E-1 Tools upgrade. The upgrade is required to keep system current and to receive Oracle support.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

9. Update the format of the financial statements on the website with newer interactive technology. This to provide a more interesting look and experience in reviewing financial statements on the website.

Sustainability Goal: Economic Viability.

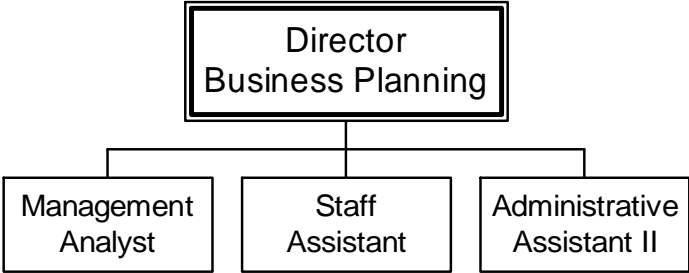
Authority Goal: Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Business Planning

Organizational Responsibilities

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

Organizational Structure



Business Planning

FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 509,961	\$ 271,121	\$ 271,121	\$ 284,607	\$ 13,486	5.0%
Employee Benefits	188,990	125,255	125,255	125,336	81	0.1%
Subtotal	698,951	396,376	396,376	409,943	13,567	3.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	698,951	396,376	396,376	409,943	13,567	3.4%
Non-Personnel Expenses						
Contractual Services	30,196	36,000	26,000	28,000	2,000	7.7%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	14	-	-	1,000	1,000	0.0%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	18,579	-	-	-	-	-
Operating Supplies	15,079	4,000	4,000	4,000	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	17,174	12,911	12,911	13,211	300	2.3%
Business Development	35,791	31,300	30,619	20,039	(10,580)	-34.6%
Equipment Rentals & Repairs	11,878	19,000	19,000	23,000	4,000	21.1%
Total Non-Personnel Expenses	128,711	103,211	92,530	89,250	(3,280)	-3.5%
Total Operating Expenses	827,662	499,587	488,906	499,193	10,287	2.1%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	827,662	499,587	488,906	499,193	10,287	2.1%
Equipment Outlay (over \$5,000)	36,010	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 863,671	\$ 499,587	\$ 488,906	\$ 499,193	\$ 10,287	2.1%

Major Drivers of FY 2010 Budget Increase/Decrease

Business Planning	
FY 2009 Re-Forecast	\$ 488,906
Proposed personnel costs	
Merit increase and salary adjustments	13,486
Burden (benefits & employer taxes) increase for current staff	81
Proposed decreases in personnel costs	13,567
Increase in computer licenses & agreements costs	4,000
Decrease in promotional material costs	(5,000)
Other, net	(2,280)
FY 2010 Budget	\$ 499,193

Business Planning Goals & Objectives

FY 2009 Progress Report

1. Gather and summarize key SDIA business performance metrics for ACI-NA Annual Airport Benchmarking study.

Progress: Complete; ACI-NA survey is done annually in conjunction with Accounting.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal: #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

2. Document Authority's core/ critical business processes defining appropriate effectiveness and efficiency measures.

Progress: Ongoing- Tenant Improvement, Terminal Development, Capital Project Business Case, FDD Budget and Schedule and Business Continuity Plan documentation.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal: #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

3. Obtain approval from Executive Team regarding the evolution of the strategic business planning process and document and key planning criteria.

Progress: Ongoing- Three year objectives created by Executive Team and disseminated within the Authority; metrics and action plans need further delineation.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal: #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

4. Continue to enhance/ upgrade the Authority's Management System based on internal and external feedback to identify strengths and opportunities for improvement.

Progress: Ongoing- the CAPE assessment process was suspended for FY09 to incorporate the findings from previous assessments. Performance Excellence has been included in the three year objectives and will have a specific set of outcomes.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal: #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

5. Throughout FY 2009, document, communicate and implement the Authority's major sustainability initiatives: 1) consult with executive management to define key goals, strategies and success factors; 2) develop sustainable Business Plan(s) working with accountable divisional management; 3) conduct management forums and employee educational events; 4) disseminate informational and collateral materials; 5) develop appropriate performance measures, progress updates and management reviews; and 6) coordinate and implement sustainability initiatives with external agency representatives.

Progress: Ongoing- Sustainability is one of the three year objectives that will require further work to define the key initiatives, objectives, measures and reporting methods.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 7 Be recognized as an aviation industry leader.

Fiscal Year: 2009. Continue to 2010? **Yes.**

6. Throughout FY 2009, work with and support the designated Authority Divisions/Departments to identify and correct business process issues: 1) identify and document core/critical business processes; 2) assess the process for deficiencies and/or gaps; 3) create requisite procedures, work instruction and/or forms; 4) define appropriate effectiveness and efficiency measures; and 5) develop the necessary improvement plans.

Progress: Ongoing- Work is underway now on the documentation for the Airside Operations' Rules and Regulations manual, the TDP financial and project control processes and continued updates to the Administrative Reference Guide (ARG).

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 7 Be recognized as an aviation industry leader.

Fiscal Year: 2009. Continue to 2010? **Yes.**

7. Throughout FY 2009, expand the development and implementation of the Authority's performance management systems and the Quality Performance Reporting (QPR) measurement dashboard.

Progress: Complete; updates modifications and revisions to the dashboard are underway.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 7 Be recognized as an aviation industry leader.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Business Planning Goals & Objectives

FY 2010 Objectives

1. Implement, manage and report on the objectives found in the Authority's three year plan to continually build a culture of performance excellence.
Sustainability Goal: Operational Excellence.
Authority Goal: Goal # 7 Be recognized as an aviation industry leader.
2. Gather and summarize key SDIA business performance metrics for ACI-NA Annual Airport Benchmarking study.
Sustainability Goal: Operational Excellence.
Authority Goal: Goal: #7 Be recognized as an aviation industry leader.
3. Document Authority's core/ critical business processes defining appropriate effectiveness and efficiency measures.
Sustainability Goal: Operational Excellence.
Authority Goal: Goal: #7 Be recognized as an aviation industry leader.
4. Obtain approval from Executive Team regarding the evolution of the strategic business planning process and document and key planning criteria.
Sustainability Goal: Operational Excellence.
Authority Goal: Goal: #7 Be recognized as an aviation industry leader.
5. Continue to enhance/ upgrade the Authority's Management System based on internal and external feedback to identify strengths and opportunities for improvement.
Sustainability Goal: Operational Excellence.
Authority Goal: Goal: #7 Be recognized as an aviation industry leader.
6. Throughout FY 2010, document, communicate and implement the Authority's major sustainability initiatives: 1) consult with executive management to define key goals, strategies and success factors; 2) develop sustainable Business Plan(s) working with accountable divisional management; 3) conduct management forums and employee educational events; 4) disseminate informational and collateral materials; 5) develop appropriate performance measures, progress updates and management reviews; and 6) coordinate and implement sustainability initiatives with external agency representatives.
Sustainability Goal: Operational Excellence.
Authority Goal: Goal # 7 Be recognized as an aviation industry leader.

7. Throughout FY 2010, work with and support the designated Authority Divisions/Departments to identify and correct business process, other operational and implementation issues: 1) identify and document core/critical business processes; 2) assess the process for deficiencies and/or gaps; 3) create requisite procedures, work instruction and/or forms; 4) define appropriate effectiveness and efficiency measures; and 5) develop the necessary improvement plans.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 7 Be recognized as an aviation industry leader.

8. Throughout FY 2010, expand the development and implementation of the Authority's performance management systems and the Quality Performance Reporting (QPR) measurement dashboard.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 7 Be recognized as an aviation industry leader.

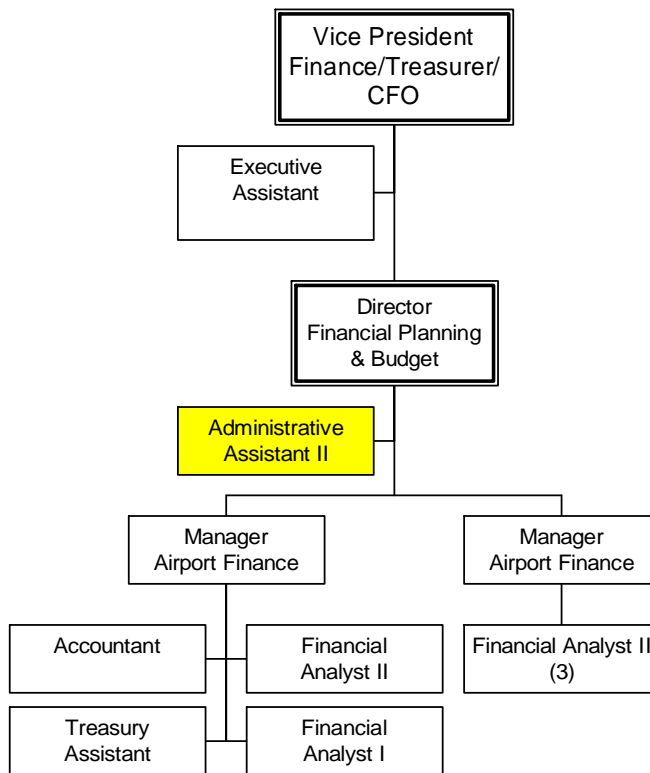
Financial Planning & Budget

Organizational Responsibilities

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 and Passenger Facility Charge (PFC) administration
- ❖ Treasury and investment management
- ❖ Long-term and short-term debt issuance and oversight

Organizational Structure



*Unfunded position shown in yellow

Financial Planning & Budget FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 918,428	\$ 1,108,482	\$ 996,832	\$ 1,095,071	\$ 98,239	9.9%
Employee Benefits	319,236	438,781	394,586	423,397	28,812	7.3%
Subtotal	1,237,664	1,547,263	1,391,418	1,518,469	127,051	9.1%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	1,237,664	1,547,263	1,391,418	1,518,469	127,051	9.1%
Non-Personnel Expenses						
Contractual Services	525,023	469,800	440,000	464,700	24,700	5.6%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	639	1,350	1,350	1,350	-	0.0%
Maintenance	-	-	-	-	-	0.0%
Operating Equipment & Systems	8,288	2,000	2,000	2,000	-	0.0%
Operating Supplies	20,441	21,800	21,800	21,800	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	26,458	31,575	27,995	27,995	-	0.0%
Business Development	19,551	18,100	18,100	18,100	-	0.0%
Equipment Rentals & Repairs	-	500	500	500	-	0.0%
Total Non-Personnel Expenses	600,401	545,125	511,745	536,445	24,700	4.8%
Total Operating Expenses	1,838,066	2,092,388	1,903,163	2,054,914	151,751	8.0%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	1,838,066	2,092,388	1,903,163	2,054,914	151,751	8.0%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 1,838,066	\$ 2,092,388	\$ 1,903,163	\$ 2,054,914	\$ 151,751	8.0%

Major Drivers of FY 2010 Budget Increase/Decrease

Financial Planning & Budget

FY 2009 Re-Forecast \$ 1,903,163

Proposed personnel costs

Merit increase and salary adjustments	98,239
Burden (benefits & employer taxes) increase for current staff	28,812
Proposed increases in personnel costs	127,051

Increase in use of outside professional consultants and other services	65,500
Decrease in use of temporary personnel	(40,800)
Other, net	-

FY 2010 Budget

\$ 2,054,914

Financial Planning & Budget Goals & Objectives

FY 2009 Progress Report

1. Improve information and refine reporting to key stakeholders regarding Capital Improvement Projects.

Progress: A solution using the Authority's ARP system (E1) has been identified to provide CIP funding control and reporting. The first of three modules is currently being programmed on a development platform. Full implementation of this new system is anticipated in FY 2010.

Sustainability Goal: Economic Viability, Social Responsibility.

Authority Goal: Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Maintenance and enhancement of Financial Feasibility Reporting to enable issuance of Airport System debt associated with the Capital Improvement Program and other capital improvements.

Progress: With the delay in implementation of the Terminal Development Program, a complete financial feasibility analysis is still pending.

Sustainability Goal: Economic Viability.

Authority Goal: Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Research alternatives and complete database design for a new Budget Preparation Model by June 30, 2009.

The Authority currently uses linked spreadsheets which have limited flexibility to easily reflect organization and accounting changes. This requires a significant staff effort to set up the budget each year and a new model should improve ease of use by operating departments.

Progress: Phase one, the research of alternatives, was completed. There was a conclusion that in order to accommodate the Authority's special requirements with the most success, a development of in-house software based on the Authority's ARP system (E1) capabilities is needed. Full design is currently pending due to the Authority's implementation of costs containment measures under worsened economic conditions. In the meantime, stand-alone reports which later could become part of a new system, are under development.

Sustainability Goal: Economic Viability.

Authority Goal: Goal # 5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. Complete refunding of current \$49 million of existing commercial paper and provide funding for the proposed Terminal Development Program by issuing new fixed rate Airport System Revenue Bonds by June 30, 2009.

Progress: With the delay in implementation of the Terminal Development Program, there was not a need to issue new fixed rate Airport System Revenue Bonds by June 30, 2009. The Authority is monitoring the financial markets and preparing for debt issuance in FY 2010, if appropriate and necessary.

Sustainability Goal: Economic Viability.

Authority Goal: Goal # 5 Enhance the financial position of the Authority.

Fiscal Year: 2009. Continue to 2010? **Yes**

Financial Planning & Budget

Goals & Objectives

FY 2010 Objectives

1. **Improve information and refine reporting to key stakeholders regarding Capital Improvement Projects.**
Sustainability Goal: Economic Viability, Social Responsibility.
Authority Goal: Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency.
2. **Maintenance and enhancement of Financial Feasibility Reporting to enable issuance of Airport System debt associated with the Capital Improvement Program and other capital improvements.**
Sustainability Goal: Economic Viability.
Authority Goal: Goal #5 Enhance the financial position of the Authority.
3. **Research alternatives and complete database design for a new Budget Preparation Model by June 30, 2010.**
Sustainability Goal: Economic Viability.
Authority Goal: Goal # 5 Enhance the financial position of the Authority.
4. **Complete refunding of existing commercial paper and provide funding for the proposed Terminal Development Program by issuing new fixed rate Airport System Revenue Bonds by June 30, 2010.**
Sustainability Goal: Economic Viability.
Authority Goal: Goal # 5 Enhance the financial position of the Authority.
5. **Improve cash flow forecasting to incorporate operating and capital plans into a fully-integrated comprehensive forecast by December 31, 2009.**
Sustainability Goal: Economic Viability.
Authority Goal: Goal # 5 Enhance the financial position of the Authority.
6. **Select new cash management banking relationship and successfully implement new banking platform by June 30, 2010.**
Sustainability Goal: Economic Viability.
Authority Goal: Goal #5 Enhance the financial position of the Authority.

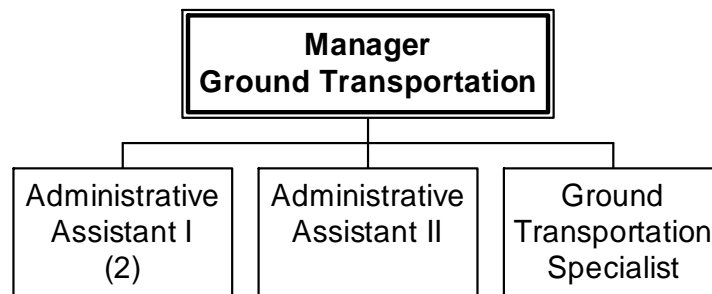
Ground Transportation

Organizational Responsibilities

The Ground Transportation Department is responsible for all parking revenue and operations at Authority-owned parking lots, including those near the terminal buildings and remote lots requiring shuttle bus services. The department is also responsible for the following:

- ❖ The airport roadways, including the inter-terminal and employee bus program
- ❖ The regulation of ground transportation service providers

Organizational Structure



Ground Transportation FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 205,543	\$ 250,935	\$ 215,848	\$ 268,623	\$ 52,774	24.4%
Employee Benefits	90,671	114,705	98,667	118,805	20,139	20.4%
Subtotal	296,214	365,641	314,515	387,428	72,913	23.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	296,214	365,641	314,515	387,428	72,913	23.2%
Non-Personnel Expenses						
Contractual Services	10,444,498	12,116,000	11,325,800	11,278,000	(47,800)	-0.4%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Maintenance	(16,799)	-	-	-	-	-
Operating Equipment & Systems	1,277	1,000	1,000	1,000	-	0.0%
Operating Supplies	26,046	15,000	15,000	15,000	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	6,128	52,750	27,750	17,250	(10,500)	-37.8%
Business Development	9,727	18,500	18,500	14,670	(3,830)	-20.7%
Equipment Rentals & Repairs	875	-	-	-	-	0.0%
Total Non-Personnel Expenses	10,471,753	12,203,250	11,388,050	11,325,920	(62,130)	-0.5%
Total Operating Expenses	10,767,966	12,568,891	11,702,565	11,713,348	10,783	0.1%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	10,767,966	12,568,891	11,702,565	11,713,348	10,783	0.1%
Equipment Outlay (over \$5,000)	29,568	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 10,797,534	\$ 12,568,891	\$ 11,702,565	\$ 11,713,348	\$ 10,783	0.1%

Major Drivers of FY 2010 Budget Increase/Decrease

Ground Transportation FY 2009 Re-Forecast

\$ 11,702,565

Proposed personnel costs

Merit increase and salary adjustments	52,774
Burden (benefits & employer taxes) increase for current staff	20,139
Proposed increases in personnel costs	72,913
Increase in services facilities (parking lots) costs	98,000
Increase in services-other (OTTC employee bus service) costs	77,000
Decrease in use of temporary personnel	(47,800)
Decrease in use of outside professional consultants	(175,000)
Other, net	(14,330)

FY 2010 Budget

\$ 11,713,348

Ground Transportation

Goals & Objectives

FY 2009 Progress Report

1. Centralize background/fingerprint checks into Ground Transportation.

Progress: Fingerprint checks now done in-house by Authority personnel as part of the permitting process.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

2. Implement Automatic Vehicle Identification (AVI) trip fees for all commercial vehicles utilizing airport roadways pending Board approval.

Progress: Implementation pending approval of recommendations from Ground Transportation Management Plan.

Sustainability Goal: Economic Viability.

Authority Goal: Goal # 5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

3. Increase vehicle compliance inspections to five per year.

Progress: Ongoing scheduled/unscheduled inspections done in conjunction with other regulatory agencies (Metropolitan Transit System, Public Utilities Commission, California Highway Patrol).

Sustainability Goal: Operational excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. Implement background checks for 100% of commercial drivers (limousine & courtesy per existing airport code) calendar year end 2009.

Progress: Program to commence during FY 2010.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security. Goal # 5 Enhance the financial position of the Authority. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Ground Transportation

Goals & Objectives

FY 2010 Objectives

1. Increase vehicle compliance inspections to five per year.

Sustainability Goal: Operational excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

2. Implement background checks for 100% of commercial drivers (limousine & courtesy per existing airport code) fiscal year end 2010.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security. Goal # 5 Enhance the financial position of the Authority. Goal #7 Be recognized as an aviation industry leader.

3. Implement findings of Ground Transportation Management Plan.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #2 – Anticipate and exceed both internal and external customer service expectations, Goal #5 – Enhance the financial position of the Authority.

4. Increase customer service enhancements for valet operation (car wash, detailing, oil changes, etc).

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 2 –Anticipate and exceed both internal and external customer service expectations, Goal #5 – Enhance the financial position of the Authority.

5. Increase alternative fuel capabilities of SAN Park fleet.

Sustainability Goal: Natural resource conservation.

Authority Goal: Goal #5 – Enhance the financial position of the Authority.

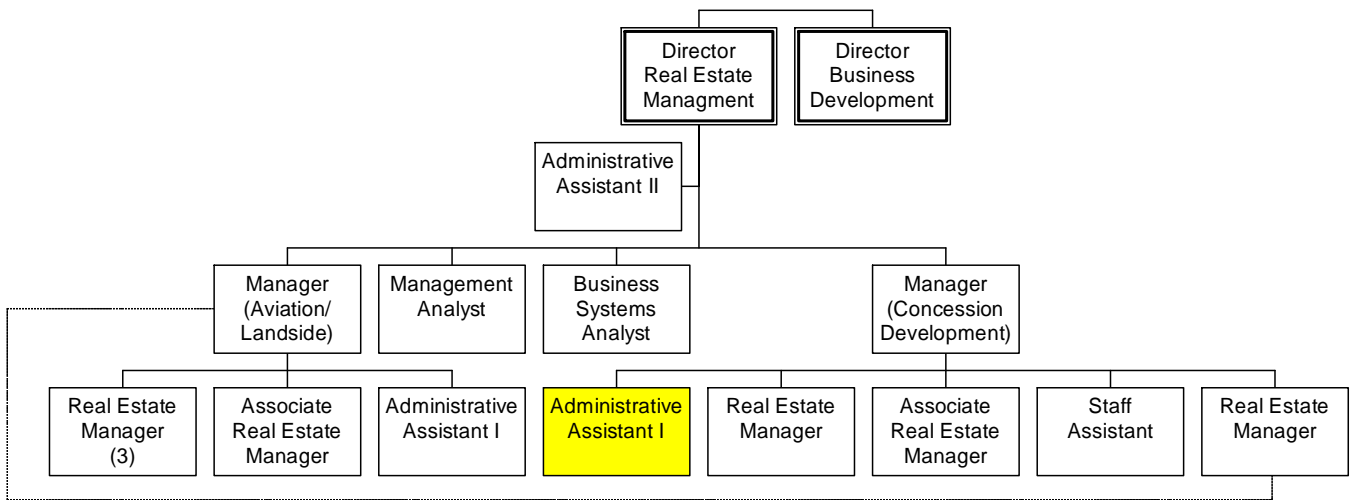
Real Estate Management

Organizational Responsibilities

The Real Estate Management Department functions as the landlord for the Airport and other Authority-owned and operated facilities and leaseholds. It also serves as the Authority's representative in the following:

- ❖ Acquiring off-airport property rights from other parties
- ❖ Negotiating real estate-related and Authority business agreements, including new Airline Operating Agreements with all carriers
- ❖ Conducting appraisal of airfield tenant leaseholds for rent adjustments
- ❖ Developing new concession opportunities and negotiating leases with the FAA, utility easements, and more.

Organizational Structure



*Unfunded position shown in yellow

Real Estate Management FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 1,062,484	\$ 1,285,070	\$ 1,186,105	\$ 1,445,558	\$ 259,454	21.9%
Employee Benefits	417,547	516,487	476,711	545,534	68,823	14.4%
Subtotal	1,480,032	1,801,557	1,662,816	1,991,092	328,276	19.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	1,480,032	1,801,557	1,662,816	1,991,092	328,276	19.7%
Non-Personnel Expenses						
Contractual Services	239,821	663,000	423,856	407,000	(16,856)	-4.0%
Safety and Security	-	-	-	-	-	-
Space Rental	10,900,869	10,905,747	10,905,747	10,908,579	2,832	0.0%
Utilities	714	2,000	2,000	2,000	-	0.0%
Maintenance	-	-	-	15,872	15,872	0.0%
Operating Equipment & Systems	47,683	25,000	4,000	10,000	6,000	150.0%
Operating Supplies	6,083	6,000	6,000	8,000	2,000	33.3%
Insurance	-	-	-	-	-	-
Employee Programs	24,159	25,700	23,200	28,200	5,000	21.6%
Business Development	63,424	56,500	56,000	35,500	(20,500)	-36.6%
Equipment Rentals & Repairs	351,311	289,797	229,797	176,447	(53,350)	-23.2%
Total Non-Personnel Expenses	11,634,064	11,973,744	11,650,600	11,591,598	(59,002)	-0.5%
Total Operating Expenses	13,114,095	13,775,301	13,313,416	13,582,691	269,274	2.0%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	13,114,095	13,775,301	13,313,416	13,582,691	269,274	2.0%
Equipment Outlay (over \$5,000)	-	15,000	15,000	-	(15,000)	-100.0%
Total Dept Expenses incl Equip Outlay	\$ 13,114,095	\$ 13,790,301	\$ 13,328,416	\$ 13,582,691	\$ 254,274	1.9%

Major Drivers of FY 2010 Budget Increase/Decrease

Real Estate Management FY 2009 Re-Forecast

\$ 13,328,416

Proposed personnel costs

Merit increase and salary adjustments	129,679
Addition of 1 Position of Director, Business Development	177,425
Burden (benefits & employer taxes) increase for current staff	21,172
Proposed increases in personnel costs	328,276
Decrease in promotional activities costs	(23,000)
Decrease in equipment rental / leasing costs	(53,350)
Other, net	2,348

FY 2010 Budget

\$ 13,582,691

Real Estate Management

Goals & Objectives

FY 2009 Progress Report

1. **Develop and initiate Strategic Concession plan to optimize revenue opportunities and enhance customer service with existing and future concession space.**

Progress: Strategic Concession Plan has been completed. Initial activities have commenced and will continue through 2013 under the Concession Development Program.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 2 Anticipate and Exceed both Internal and External Customer Service Expectations. Goal # 5 Enhance the Financial Position of the Authority.

Fiscal Year: 2009. Continue to 2010? **Yes** As Concession Development Program.

2. **Continue to develop, review, and evaluate results of feasibility study in support of the Consolidated Rental Car Facility (CONRAC) project by year end FY 2009.**

Progress: State Legislation was passed allowing Authority to design, finance, and potentially construct a CONRAC and common use transportation system at San Diego International Airport. Collection of the CFCs was implemented effective May 1, 2009 and the feasibility study and programmatic planning have been initiated.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 2 Anticipate and Exceed both Internal and External Customer Service Expectations. Goal # 5 Enhance the Financial Position of the Authority.

Fiscal Year: 2009. Continue to 2010? **Yes**.

3. **Develop, review, and evaluate a Strategic Air Cargo plan to determine feasibility and optimize revenue opportunities by year end FY 2009.**

Progress: Still pending.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 5 Enhance the Financial Position of the Authority.

Fiscal Year: 2009. Continue to 2010? **Yes**.

Real Estate Management Goals & Objectives

FY 2010 Objectives

- 1. Implement first year activities of Concession Development Program to optimize non-airline revenue opportunities and enhance customer service with existing and future concession space.**
Sustainability Goal: Operational Excellence.
Authority Goal: Goal # 2 Anticipate and Exceed both Internal and External Customer Service Expectations. Goal #5 Enhance the Financial Position of the Authority.
- 2. Implement first year activities of Terminal 2 East expansion project to optimize non-airline revenue opportunities and enhance customer service.**
Sustainability Goal: Operational Excellence.
Authority Goal: Goal # 2 Anticipate and Exceed both Internal and External Customer Service Expectations. Goal #5 Enhance the Financial Position of the Authority.
- 3. Continue to develop, review, and evaluate results of feasibility study and programmatic planning data in support of the Consolidated Rental Car Facility (CONRAC).**
Sustainability Goal: Operational Excellence.
Authority Goal: Goal # 2 Anticipate and Exceed both Internal and External Customer Service Expectations. Goal #5 Enhance the Financial Position of the Authority.
- 4. Develop, review, and evaluate a Strategic Air Cargo plan to determine feasibility and optimize revenue opportunities by year end FY10.**
Sustainability Goal: Operational Excellence.
Authority Goal: Goal # 5 Enhance the Financial Position of the Authority.

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Planning & Operations Division

Planning & Operations Division

Overview

The Planning & Operations Division is responsible for complying with several legislative mandates for San Diego International Airport and the Airport Authority, including compliance with state and federal environmental laws, development of the strategic plan for meeting the air transportation needs of the San Diego region, 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 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
- ❖ Updates the Airport Master Plan, including Master 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
- ❖ Coordinate the development of the Regional Aviation Strategic Plan (RASP) to be adopted by the Authority by June 2011 as required under Senate Bill 10

The RASP will achieve the goals by:

- Defining the region's long range air transportation needs
- Developing strategies on how to maximize the efficiency and effectiveness of existing and planned facilities
- Exploring mechanisms for regional cooperation

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 **Aviation Security and Public Safety** Department implements all required FAA and TSA security programs and security equipment improvements. The Department also:

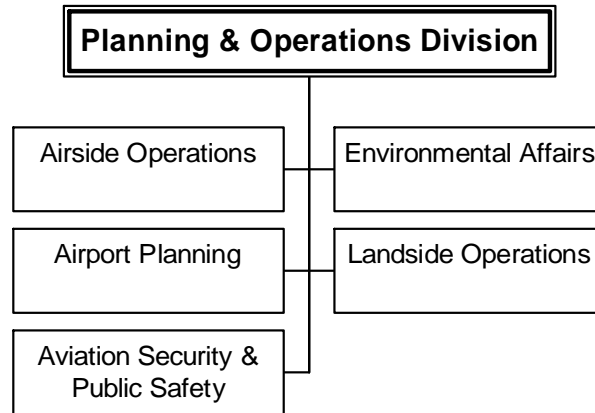
- ❖ Manages the Service Level Agreement with Harbor Police
- ❖ Coordinates with all Homeland Security and state agencies for passenger inspection services
- ❖ Develops, administers, and implements the Airport Security Program (ASP), Airport Emergency Plan (AEP), and Airport Certification Manual (ACM)
- ❖ Ensures high level of emergency / crisis preparedness through coordination with local, State, and Federal agencies

The **Environmental Affairs** Department manages all environmental-related programs, including environmental review, water and air quality, site remediation, hazardous material handling, natural resources protection, and regulatory compliance. The department interfaces with other Authority departments in project assessment and environmental considerations in long-range planning programs and ensures timely compliance with these and other regulatory programs.

The **Landside Operations** Department oversees the terminal operations, including facility conditions and tenant activities (airline, federal inspection service, concessionaires, etc.). The department coordinates facility improvements, maintenance, and repair activities within the terminal and landside areas. Additionally, the department manages and enforces ground transportation movement at the terminal complex and parking lots.

Planning & Operations Division

Organizational Structure



Division Personnel Summary

	FY 2007 Authorized & Funded Positions	FY 2008 Authorized & Funded Positions	FY 2009 Authorized & Funded Positions	FY 2010 Authorized & Funded Positions	FY 2010 ^(*) Authorized & Unfunded Positions
Planning & Operations					
Environmental Affairs	10	6	7	7	-
Airport Planning	5	13	13	11	2
Landside Operations	48	47	48	46	2
Aviation Security & Public Safety	9	10	12	12	-
Airside Operations	18	18	17	16	1
Total	90	94	97	92	5

* FY 2010 reflects personnel transfers.

Planning & Operations Division FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 5,572,441	\$ 6,375,487	\$ 6,048,051	\$ 6,380,155	\$ 332,104	5.5%
Employee Benefits	2,356,852	2,787,990	2,650,520	2,703,851	53,331	2.0%
Subtotal	7,929,293	9,163,477	8,698,571	9,084,006	385,435	4.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	7,929,293	9,163,477	8,698,571	9,084,006	385,435	4.4%
Non-Personnel Expenses						
Contractual Services	7,237,888	8,180,680	7,744,089	7,991,170	247,081	3.2%
Safety and Security	19,109,994	20,713,058	20,313,058	20,481,181	168,123	0.8%
Space Rental	-	-	-	-	-	-
Utilities	1,647	11,400	11,400	11,400	-	0.0%
Maintenance	1,125,779	1,200,000	1,200,000	1,325,000	125,000	10.4%
Operating Equipment & Systems	485,642	404,400	188,400	135,100	(53,300)	-28.3%
Operating Supplies	408,780	209,900	201,900	221,300	19,400	9.6%
Insurance	-	-	-	-	-	-
Employee Programs	251,484	223,478	200,399	212,917	12,518	6.2%
Business Development	308,228	357,449	328,162	200,155	(128,007)	-39.0%
Equipment Rentals & Repairs	54,138	59,450	59,450	59,450	-	0.0%
Total Non-Personnel Expenses	28,983,580	31,359,815	30,246,858	30,637,673	390,815	1.3%
Total Operating Expenses	36,912,873	40,523,292	38,945,429	39,721,679	776,250	2.0%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	36,912,873	40,523,292	38,945,429	39,721,679	776,250	2.0%
Equipment Outlay (over \$5,000)	153,525	145,000	100,000	120,000	20,000	20.0%
Total Division Expenses incl Equip Outlay	\$ 37,066,398	\$ 40,668,292	\$ 39,045,429	\$ 39,841,679	\$ 796,250	2.0%

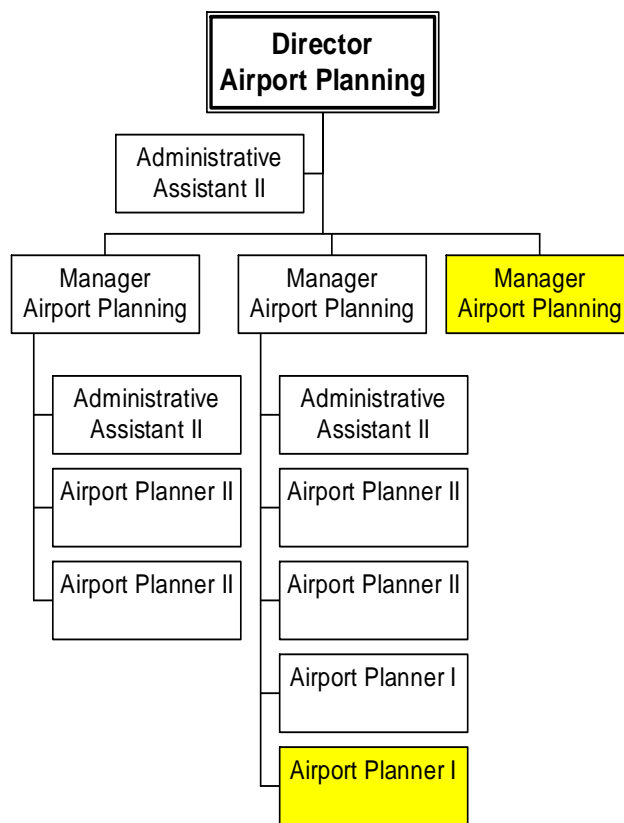
Airport Planning

Organizational Responsibilities

The Airport Planning Department is 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.
- ❖ Coordinate the development of RASP as required under Senate Bill 10.
- ❖ Updates the Airport Master Plan, including Master 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.

Organizational Structure



*Unfunded positions shown in yellow

Airport Planning FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 888,210	\$ 1,016,303	\$ 821,794	\$ 916,806	\$ 95,012	11.6%
Employee Benefits	329,956	390,543	315,797	354,296	38,499	12.2%
Subtotal	1,218,166	1,406,846	1,137,592	1,271,102	133,511	11.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	1,218,166	1,406,846	1,137,592	1,271,102	133,511	11.7%
Non-Personnel Expenses						
Contractual Services	1,753,057	3,070,000	2,620,000	2,550,000	(70,000)	-2.7%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	1,171	2,000	2,000	2,000	-	0.0%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	36,924	20,000	20,000	20,000	-	0.0%
Operating Supplies	35,474	18,000	18,000	18,000	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	27,119	23,857	23,857	20,857	(3,000)	-12.6%
Business Development	82,446	53,000	53,000	46,893	(6,107)	-11.5%
Equipment Rentals & Repairs	8,532	-	-	-	-	-
Total Non-Personnel Expenses	1,944,723	3,186,857	2,736,857	2,657,750	(79,107)	-2.9%
Total Operating Expenses	3,162,889	4,593,703	3,874,449	3,928,852	54,404	1.4%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	3,162,889	4,593,703	3,874,449	3,928,852	54,404	1.4%
Equipment Outlay (over \$5,000)	10,726	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 3,173,615	\$ 4,593,703	\$ 3,874,449	\$ 3,928,852	\$ 54,404	1.4%

Major Drivers of FY 2010 Budget Increase/Decrease

Airport Planning	
FY 2009 Re-Forecast	\$ 3,874,449
Proposed personnel costs	
Merit increase and salary adjustments	95,012
Burden (benefits & employer taxes) increase for current staff	38,499
Proposed increases in personnel costs	133,511
Increase in Regional Aviation Strategic Plan (RASP)	600,000
Increase in consultant and environmental analysis costs for Airport Land Use Compatibility Plans (ALUCPs)	175,000
Decrease in air quality management plan costs	(20,000)
On-call California Environmental Quality Act (CEQA)	(50,000)
Transfer of OTTC employee bus service	(70,000)
Airport Technical Advisory Group (ATAG) facilitation	(80,000)
Decrease in Transit Plan feasibility study costs	(150,000)
Geographic Information Systems (GIS) Tool	(175,000)
Decrease in Master plan update and other outside professional services	(300,000)
Other, net	(9,107)
FY 2010 Budget	\$ 3,928,852

Airport Planning Goals & Objectives

FY 2009 Progress Report

- 1. Present the ALUC with the five urban airport ALUCPs by summer of 2009. Also begin work on the San Diego International Airport ALUCP and prepare for the release of the North Island and Imperial Beach Air Installation Compatible Use Zones (AICUZ) with a goal of completing the ALUCP for SDIA in spring 2010 and the military bases within 9 months of receiving the AICUZ.**

Progress: On Track to achieve goal, however, budget constraints may cause future delay.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #6 Provide optimal solutions for near and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**
- 2. By February 28, 2009, successfully complete Destination Lindbergh, achieving consensus between the Ad Hoc Airport Regional Policy Committee members on an ultimate build-out concept for Lindbergh Field.**

Progress: Successfully achieved on time and under budget.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 6 Provide optimal solutions for near and long-term regional air transportation needs.

Fiscal Year: 2009. Continue to 2010? **No.**
- 3. By February 28, 2009, complete Tasks 1 and 2 of the RASP and continue with remaining phases toward a June 2011 completion.**

Progress: Successfully achieved February 28th goal. Also on track for June 2011 completion.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 6 Provide optimal solutions for near and long-term regional air transportation needs.

Fiscal Year: 2009. Continue to 2010? **Yes.**
- 4. Working as a highly efficient team, anticipate and respond to the needs of the Authority and the community by making measurable progress on the wide variety of projects that Airport Planning undertakes, including the Admin Space Plan, Transit Plan, Air Quality Management Plan and those activities that support the goals of the Authority.**

Progress: Successfully achieved goal.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 6 Provide optimal solutions for near and long-term regional air transportation needs.

Fiscal Year: 2009. Continue to 2010? **No.**

5. By December 1, 2008, prepare customer satisfaction survey for distribution to other Authority departments, and team satisfaction survey for distribution among Planning team members. Surveys will rate the effectiveness of the Planning team. By June 30, 2009, improve the effectiveness of the Airport Planning Department internally and to other Authority departments by 5 percent compared to January 1, 2009 baseline. Improvement methods will include holding 2 team building sessions per year.

Progress: Customer satisfaction survey created and distributed. Must obtain and analyze results. Will create plan for improvement by 5/1/09. Also, held 1 team building session, second scheduled for June 2009.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **Yes.**

6. Successfully complete CEQA/NEPA/coastal permitting for airport improvement and CIP projects in accordance with state and federal law.

Progress: Achieved goal (e.g. RON Apron, Taxiway C Environmental Assessment, Teledyne-Ryan Environmental Impact Report).

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 6 Provide optimal solutions for near and long-term regional air transportation needs.

Fiscal Year: 2009. Continue to 2010? **No.**

Airport Planning

Goals & Objectives

FY 2010 Objectives

1. Present the ALUC with the five urban airport ALUCPs by summer of 2009. Also begin work on the San Diego International Airport ALUCP and prepare for the release of the North Island and Imperial Beach Air Installation Compatible Use Zones (AICUZ) document with a goal of completing the ALUCP for SDIA in spring 2010 and the military bases within 9 months of receiving the AICUZ.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #6 Provide optimal solutions for near and long-term regional air transportation needs.
2. By September 2009, complete aviation demand allocation for RASP; by January 2010, complete airport system baseline; and continue with remaining phases toward a June 2011 completion.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 6 Provide optimal solutions for near and long-term regional air transportation needs.
3. Provided that funding is made available, complete the Master Plan Update by June 2010.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 6 Provide optimal solutions for near and long-term regional air transportation needs.
4. Successfully complete CEQA/NEPA/coastal permitting for airport improvement and CIP projects in accordance with state and federal law.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 6 Provide optimal solutions for near and long-term regional air transportation needs.
5. By June 30, 2010, improve the effectiveness of the Airport Planning Department internally and to other Authority departments by 10 percent compared to June 30, 2009 baseline. Improvement methods will include holding 2 team building sessions per year.

Sustainability Goal: Operational Efficiency and Social Responsibility.

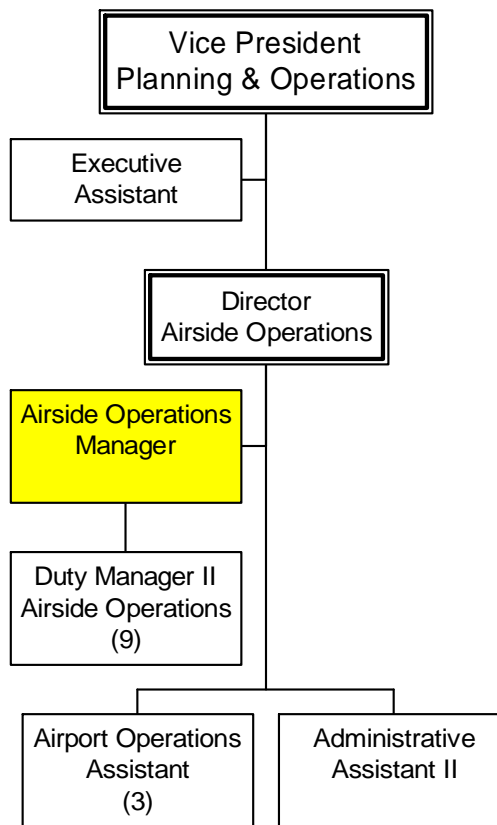
Authority Goal: Goal # 8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Airside Operations

Organizational Responsibilities

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.

Organizational Structure



*Unfunded position shown in yellow

Airside Operations

FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 1,063,818	\$ 1,310,441	\$ 1,310,441	\$ 1,289,441	\$ (21,001)	-1.6%
Employee Benefits	458,252	550,284	550,284	565,905	15,621	2.8%
Subtotal	1,522,070	1,860,725	1,860,725	1,855,346	(5,379)	-0.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	1,522,070	1,860,725	1,860,725	1,855,346	(5,379)	-0.3%
Non-Personnel Expenses						
Contractual Services	64,544	35,180	3,180	780	(2,400)	-75.5%
Safety and Security	6,343	3,660,897	3,660,897	3,901,600	240,703	6.6%
Space Rental	-	-	-	-	-	-
Utilities	76	-	-	-	-	-
Maintenance	916	-	-	-	-	-
Operating Equipment & Systems	7,220	1,200	1,200	21,200	20,000	1666.7%
Operating Supplies	24,422	59,500	54,500	71,400	16,900	31.0%
Insurance	-	-	-	-	-	-
Employee Programs	26,279	142,316	136,816	21,616	(115,200)	-84.2%
Business Development	74,736	16,022	15,022	14,022	(1,000)	-6.7%
Equipment Rentals & Repairs	13,812	17,800	17,800	17,800	-	0.0%
Total Non-Personnel Expenses	218,347	3,932,915	3,889,415	4,048,418	159,003	4.1%
Total Operating Expenses	1,740,417	5,793,640	5,750,140	5,903,764	153,624	2.7%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	1,740,417	5,793,640	5,750,140	5,903,764	153,624	2.7%
Equipment Outlay (over \$5,000)	9,166	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 1,749,583	\$ 5,793,640	\$ 5,750,140	\$ 5,903,764	\$ 153,624	2.7%

Major Drivers of FY 2010 Budget Increase/Decrease

Airside Operations FY 2009 Re-Forecast

\$ 5,750,140

Proposed personnel costs

Burden (benefits & employer taxes) increase for current staff
Salary adjustments

15,621
(21,000)

Proposed decreases in personnel costs

(5,379)

Increase in Aircraft Rescue Fire Fight (ARFF)
Other, net

159,103
(100)

FY 2010 Budget

\$ 5,903,764

Airside Operations Goals & Objectives

FY 2009 Progress Report

- 1. Ensure that SDIA is continuously operated in compliance with FAR Part 139.**

Progress: The FY 2009 FAA Certification Inspection determined that SDIA is in compliance with Part 139 requirements.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal: #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**
- 2. Ensure all FAA and CalTrans mandated programs; activities and procedures are in place and effective.**

Progress: As of April 2009, all FAA and CalTrans mandated programs, activities and procedures are in place and are being adhered to.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal: #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**
- 3. Provide opportunities for professional development and personal growth for all departmental staff to improve and enhance programs, plans, training, and operations.**

Progress: As of April 2009, Airside Operations has three staff members in the college reimbursement program. All staff members participated in training and professional development during FY2009.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal: #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **No.**
- 4. Sponsor SDIA airfield projects to enhance safety and efficiency. The Airfield projects identified include the Taxiway C Rehabilitation Project to start March 2009 and projected to be completed by March 2010; and Instrument Approach Capabilities Improvement Project to begin April 2008 and slated for completion by April 2010.**

Progress: Airside Operations is sponsoring four airfield projects. Projects are scheduled to begin in June 2009 and continue through 2010.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **Yes.**

5. **Implement and manage a new Aircraft Rescue and Fire Fighting (ARFF) contract currently under negotiations with the City of San Diego.**

Progress: Contract discussions began in April 2008 and they are still in progress. The original draft was revised and submitted to the City of San Diego in February 2009. The City Attorney is currently reviewing the contract.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

Fiscal Year: 2009. Continue to 2010? **Yes.**

6. **Enhance working relationship with regulators, partners, and stakeholders by meeting three times annually with FAA Airports, Runway Safety, Airport District Office and Airport Traffic Control Tower personnel and monthly with airport tenants and stakeholders (airlines, TSA), Harbor Police, Aircraft Rescue and Firefighting (ARFF).**

Progress: Regular Meetings have been taking place on a monthly or quarterly basis.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security. Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #3 Enhance regional partnerships.

Fiscal Year: 2009. Continue to 2010? **Yes.**

7. **Continue the development of the Airside Operations staff as key safety and operations authorities and decision makers by having all staff airport management and safety training. Staff will also be more involved in projects, programs and meetings with tenants and regulatory agencies.**

Progress: Airside staff has been participating in a variety of tenant and stakeholder projects, meetings and programs.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security. Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #8 Create, nurture, and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **Yes.**

Airside Operations Goals & Objectives

FY 2010 Objectives

- 1. Ensure that SDIA is continuously operated in compliance with FAR Part 139.**
Sustainability Goal: Operational Excellence and Social Responsibility.
Authority Goal: Goal # 1 Improve Operational efficiency, safety and security.
- 2. Sponsor SDIA airfield projects to enhance safety and efficiency. Airfield projects include the Taxiway C reconstruction, Airfield Signs and Lights replacement and the Runway 9 ILS approach project. These projects will begin in June 2009 and continue through 2011.**
Sustainability Goal: Operational Excellence and Social Responsibility.
Authority Goal: Goal # 1 Improve operational efficiency, safety and security.
- 3. Implement and Manage a new Aircraft Rescue and Firefighting (ARFF) contract that is currently being negotiated with the City of San Diego Fire Fighters.**
Sustainability Goal: Operational Excellence.
Authority Goal: Goal # 1 Improve operational efficiency, safety and security.
- 4. Provide opportunities for professional development and personal growth for all departmental staff to improve and enhance programs, plans, training, and operations.**
Sustainability Goal: Operational Excellence.
Authority Goal: Goal: #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).
- 5. Enhance working relationship with regulators, partners, and stakeholders by meeting three times annually with FAA Airports, Runway Safety, Airport District Office and Airport Traffic Control Tower personnel and monthly with airport tenants and stakeholders (airlines, TSA), Harbor Police, Aircraft Rescue and Firefighting (ARFF).**
Sustainability Goal: Operational Excellence and Social Responsibility.
Authority Goal: Goal # 1 Improve operational efficiency, safety and security. Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #3 Enhance regional partnerships.
- 6. Continue the development of the Airside Operations staff as key safety and operations authorities and decision makers by having all staff airport management and safety training. Staff will also be more involved in projects, programs and meetings with tenants and regulatory agencies.**
Sustainability Goal: Operational Excellence and Social Responsibility.
Authority Goal: Operational Excellence and Social Responsibility.

7. Sponsor SDIA airfield projects to enhance safety and efficiency. The Airfield projects identified include the Taxiway C Rehabilitation Project to start March 2009 and projected to be completed by March 2010; and Instrument Approach Capabilities Improvement Project to begin April 2008 and slated for completion by April 2010.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

8. Participate as a key stakeholder in the TDP by providing input into both the Terminal and Airfield design and then working with contractors to ensure that construction safety plans are implemented properly.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security.

Aviation Security & Public Safety

Organizational Responsibilities

The Aviation Security and 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), and Airport Certification Manual (ACM)
- ❖ Ensures high level of emergency crisis preparedness through coordination with local, State, and Federal agencies

Organizational Structure



Aviation Security & Public Safety FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 609,066	\$ 833,884	\$ 833,884	\$ 910,905	\$ 77,021	9.2%
Employee Benefits	263,724	361,766	361,766	354,180	(7,586)	-2.1%
Subtotal	872,790	1,195,650	1,195,650	1,265,085	69,435	5.8%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	872,790	1,195,650	1,195,650	1,265,085	69,435	5.8%
Non-Personnel Expenses						
Contractual Services	387,846	135,000	135,000	298,890	163,890	121.4%
Safety and Security	19,103,651	17,052,161	16,652,161	16,579,581	(72,580)	-0.4%
Space Rental	-	-	-	-	-	-
Utilities	45	8,000	8,000	8,000	-	0.0%
Maintenance	612,353	700,000	700,000	825,000	125,000	17.9%
Operating Equipment & Systems	336,372	88,200	32,200	32,200	-	0.0%
Operating Supplies	112,745	93,000	90,000	93,000	3,000	3.3%
Insurance	-	-	-	-	-	-
Employee Programs	25,035	28,233	14,733	14,733	-	0.0%
Business Development	65,445	102,977	54,977	34,977	(20,000)	-36.4%
Equipment Rentals & Repairs	24,266	32,450	32,450	32,450	-	0.0%
Total Non-Personnel Expenses	20,667,757	18,240,021	17,719,521	17,918,831	199,310	1.1%
Total Operating Expenses	21,540,547	19,435,671	18,915,171	19,183,916	268,745	1.4%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	21,540,547	19,435,671	18,915,171	19,183,916	268,745	1.4%
Equipment Outlay (over \$5,000)	54,604	65,000	20,000	40,000	20,000	100.0%
Total Dept Expenses incl Equip Outlay	\$ 21,595,151	\$ 19,500,671	\$ 18,935,171	\$ 19,223,916	\$ 288,745	1.5%

Major Drivers of FY 2010 Budget Increase/Decrease

Aviation Security and Public Safety

FY 2009 Re-Forecast	\$ 18,935,171
Proposed personnel costs	
Merit increase and salary adjustments	77,021
Burden (benefits & employer taxes) decrease for current staff	(7,586)
Proposed increases in personnel costs	69,435
TSA Digital Video management system maintenance	125,000
Increase in security guard services	60,000
Increase in fingerprinting costs	45,890
Decrease in costs of security exercises and events	(20,000)
Decrease in law enforcement costs - Harbor Police Department	(22,580)
Other, net	31,000
FY 2010 Budget	\$ 19,223,916

Aviation Security & Public Safety

Goals & Objectives

FY 2009 Progress Report

1. Ensure that SDIA complies with all applicable federal regulations/ requirements and achieves excellence in the areas of Aviation Security, Public Safety, Emergency Preparedness, and Airport Certification.

Progress: We are in the process of finalizing a major amendment to the Airport Security Program (ASP) to comply with a recent TSA-issued Security Directive.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety, and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Continue to develop, strengthen and implement highly effective Emergency/Disaster Preparedness and Aviation Security Programs. In FY 08/09, the department intends to completely re-write the Airport Emergency Plan (AEP) and the Airport Certification Manual (ACM).

Progress: We initiated National Incident Management System (NIMS) training to selected staff and senior and executive management in FY 2009. Once NIMS training is completed, we will initiate Emergency Operations Center (EOC) training in mid-year and follow that with an EOC exercise in FY2010. Regarding the AEP and ACM, our CY 2009 plan reflects re-writing Sections 100 and 400 of the AEP, and the development and documentation of an Earthquake Plan. We plan to re-write the ACM in CY 2011.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety, and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Execute Phase II of the Aviation Security Technology Enhancement Program (project)--design, development, and implementation (construction) of campus-wide advanced technologies security system to establish "Airport Domain Awareness." Anticipate project completion date of year end FY 2009 dependent on funding levels.

Progress: We are in the final design of STEP Project No.1—transformation of the current CCTV system to an IP, Digital Video Management System (DVMS). This project is due to complete in November 2009.

Sustainability Goal: Enhance operational excellence and social responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety, and security.

Fiscal Year: 2009. Continue to 2010? **Yes.**

4. Provide high quality, airport specific security training to Harbor Police Department (HPD) personnel to ensure force is capable, knowledgeable, and competent in all matters related to aviation security.

Progress: Course II, Aviation Security for Law Enforcement Personnel, is currently underway and is expected to be completed by June, 2009. This instruction completes an initiative to train over 145 sworn peace officers and to comply with federal aviation security regulations.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

5. Design, develop, and implement the Airport's comprehensive Security Technology Enhancement Program, leveraging advanced technologies and engineering to improve and enhance security and safety.

Progress: Currently, STEP Projects No.2, 3, and 4 are being programmed and specified under the TDP.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

6. Create and maintain a high performing and energetic team environment.

Progress: Hold weekly department and dedicated one-on-one meetings with staff.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

7. Provide opportunities for professional development and personal growth for all department staff. Have each staff person attend one professional training program course per year.

Progress: Although our department budget has effectively eliminated all travel and training, we continue to explore training, professional development and personal growth within the department through targeted opportunities, tasks and assignments.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #7 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

Aviation Security & Public Safety

Goals & Objectives

FY 2010 Objectives

- 1. Ensure that SDIA continues to comply with all applicable federal, state and local regulations and achieves excellence in the areas of Aviation Security, Public Safety, Emergency/Disaster Preparedness and Airport Certification.**
Sustainability Goal: Enhance operational excellence and social responsibility.
Authority Goal: Goal # 1: Improve operational efficiency, safety and security.
- 2. Continue to develop, enhance and implement a highly effective Emergency/Disaster Preparedness Program—completing all CY 2010 program objectives.**
Sustainability Goal: Enhance operational excellence and social responsibility.
Authority Goal: Goal # 1: Improve operational efficiency, safety and security.
- 3. Complete Project No.1 (Digital Video Management System) of the Security Technology Enhancement Program (STEP).**
Sustainability Goal: Enhance operational excellence and social responsibility.
Authority Goal: Goal # 1: Improve operational efficiency, safety and security.
- 4. Design, develop, and implement the Airport's comprehensive Security Technology Enhancement Program, leveraging advanced technologies and engineering to improve and enhance security and safety.**
Sustainability Goal: Operational Excellence and Social Responsibility.
Authority Goal: Goal #1 Improve operational efficiency, safety and security.
- 5. Create and maintain a high performing and energetic team environment.**
Sustainability Goal: Operational Excellence.
Authority Goal: Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).
- 6. Provide opportunities for professional development and personal growth for all department staff.**
Sustainability Goal: Enhance operational excellence and social responsibility.
Authority Goal: Goal # 6: Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

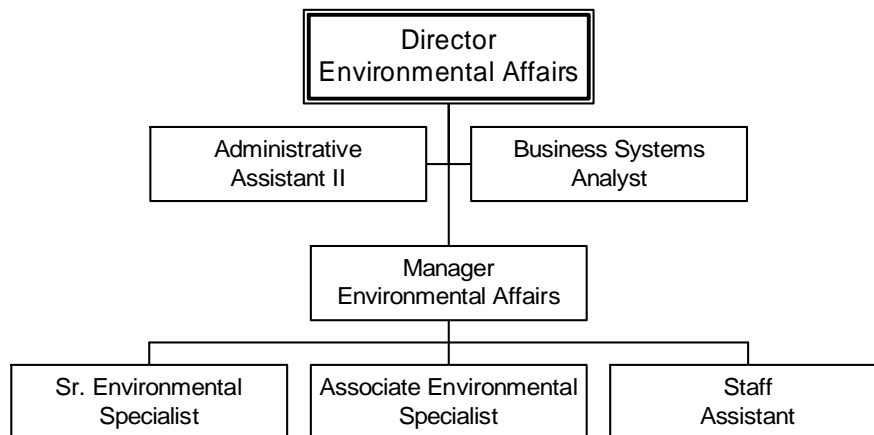
Environmental Affairs Organizational Responsibilities

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

Organizational Structure



Environmental Affairs

FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 493,642	\$ 553,517	\$ 553,517	\$ 582,776	\$ 29,259	5.3%
Employee Benefits	180,599	229,588	229,588	234,729	5,141	2.2%
Subtotal	674,242	783,106	783,106	817,505	34,399	4.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	674,242	783,106	783,106	817,505	34,399	4.4%
Non-Personnel Expenses						
Contractual Services	813,302	723,000	585,000	585,000	-	0.0%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	267	1,400	1,400	1,400	-	0.0%
Maintenance	512,261	500,000	500,000	500,000	-	0.0%
Operating Equipment & Systems	59,390	3,000	3,000	3,000	-	0.0%
Operating Supplies	12,871	6,200	6,200	6,200	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	85,724	86,461	86,000	97,700	11,700	13.6%
Business Development	71,807	55,961	69,474	69,474	-	0.0%
Equipment Rentals & Repairs	2,957	4,000	4,000	4,000	-	0.0%
Total Non-Personnel Expenses	1,558,580	1,380,022	1,255,074	1,266,774	11,700	0.9%
Total Operating Expenses	2,232,821	2,163,128	2,038,180	2,084,279	46,099	2.3%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	2,232,821	2,163,128	2,038,180	2,084,279	46,099	2.3%
Equipment Outlay (over \$5,000)	30,535	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 2,263,357	\$ 2,163,128	\$ 2,038,180	\$ 2,084,279	\$ 46,099	2.3%

Major Drivers of FY 2010 Budget Increase/Decrease

Environmental Affairs

FY 2009 Re-Forecast	\$ 2,038,180
Proposed personnel costs	
Merit increase and salary adjustments	29,259
Burden (benefits & employer taxes) increase for current staff	5,140
Proposed increases in personnel costs	34,399
Other, net	11,700
FY 2010 Budget	\$ 2,084,279

Environmental Affairs

Goals & Objectives

FY 2009 Progress Report

1. Conduct ground service equipment (GSE) and vehicle survey, prepare baseline air emissions inventory, and publish on website.

Progress: GSE inventory and vehicle survey have been completed. The baseline air emissions inventory, including Greenhouse Gas (GHG) emissions, is scheduled for completion by end of FY 2009. The baseline GHG emissions inventory will serve to define San Diego International Airport's carbon footprint, which in turn will be managed through the implementation of a GHG Reduction Plan scheduled for completion in FY2010.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Complete Authority-wide waste reduction and recycling (WR&R) survey and prepare report, develop a WR&R plan and reporting system, and publish on website.

Progress: WR&R survey completed and report was submitted to and approved by local jurisdiction (City of San Diego) as compliant with State requirements; the WR&R plan and development of waste diversion metrics are scheduled for completion by end of FY2009.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Assess potential for alternative fuel vehicle (AFV) conversions and apply for available grants.

Progress: An AFV strategic plan is being developed as part of a comprehensive Air Quality Management Plan, which includes measures to secure grant funds and is scheduled for completion early in FY2010.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

4. Create interdepartmental work group charged with identifying, assessing and promoting potential sustainability initiatives for new and existing airport facilities.

Progress: A Core Sustainability Implementation Team has been formed along with the following eight focus groups: Green Building, Energy and Water Conservation, Green Transportation, Waste Reduction, Green Procurement, Pollution Prevention, Outreach and Education, and Biodiversity. The activities of these sustainability focus groups, which include establishment of performance indicators and action plans, will continue into FY2010.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #7 - Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

5. Implement stormwater and best management practices (BMP) training for Airport Authority staff and tenants.

Progress: Stormwater training for Airport Authority was initiated in FY2009 through mandatory employee annual "tune-up" program. Stormwater BMP training for Airport Authority operational staff and tenants will commence in later part of FY2009 and continue into FY2010 and beyond.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

6. Develop AFV strategic plan to be completed by calendar year end 2008.

Progress: An AFV strategic plan is being developed as part of a comprehensive Air Quality Management Plan, which includes measures to secure grant funds and is scheduled for completion early in FY2010.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

7. **Establish waste reduction and recycling policy & procedures for Airport Authority to be completed by calendar year end 2008.**

Progress: Waste Reduction Team was formed in FY2009 consisting of representatives from several Airport Authority departments, tenant stakeholder groups (airlines and concessions), and service contractors (waste hauler and janitorial services); this group will be charged with establishing a recycling policy and procedures for San Diego International Airport by early FY2010.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

8. **Link Airport Authority's natural resource conservation initiatives to key sustainability indicators (KSIs).**

Progress: The establishment of key sustainability indicators has been extend to early FY2010 as specific metrics are developed by each of the sustainability focus groups; the QPR "dashboard" will be utilized to track various performance indicators, including waste reduction, recycling, energy usage, water conservation, and GHG reduction measures.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #4 - Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Environmental Affairs

Goals & Objectives

FY 2010 Objectives

1. Conduct ground service equipment (GSE) and vehicle survey, prepare baseline air emissions inventory, and publish on website.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

2. Complete Authority-wide waste reduction and recycling (WR&R) survey and prepare report, develop a WR&R plan and reporting system, and publish on website.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

3. Assess potential for alternative fuel vehicle (AFV) conversions and apply for available grants.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

4. Create interdepartmental work group charged with identifying, assessing and promoting potential sustainability initiatives for new and existing airport facilities.

Sustainability Goal: Operational Excellence and Social Responsibility.

Authority Goal: Goal #7 - Be recognized as an aviation industry leader.

5. Implement stormwater and best management practices (BMP) training for Airport Authority staff and tenants.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

6. Develop AFV strategic plan to be completed by early FY 2010.

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

7. Link Airport Authority's natural resource conservation initiatives to key sustainability indicators (KSIs).

Sustainability Goal: Operational Excellence, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #4 - Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

8. Prepare Greenhouse Gas Emissions Reduction Plan.

Sustainability Goal: (N) Natural Resource Conservation (Air Quality), (O) Operational Excellence.

Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

9. Achieve minimum best management practices Implementation rate of 85% for all audited operations.

Sustainability Goal: (N) Natural Resource Conservation (Water Quality), (O) Operational Excellence.

Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

10. Increase recycling rate by 5% for Airport Authority generated waste over 2009 levels.

Sustainability Goal: (N) Natural Resource Conservation (Waste Reduction), (O) Operational Excellence.

Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

11. Develop and implement employee environmental stewardship and sustainability training.

Sustainability Goal: (S) Social Responsibility, (O) Operational Excellence.

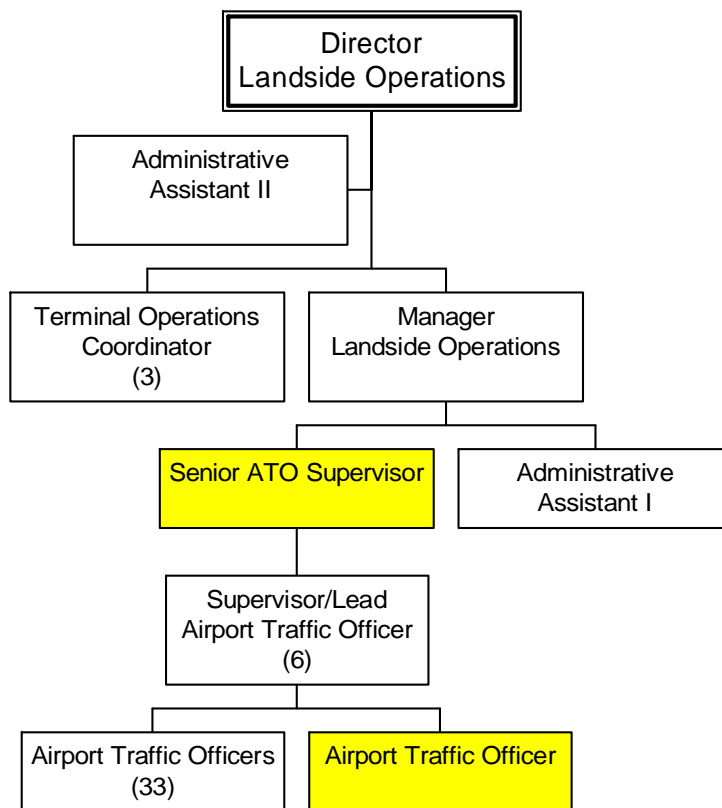
Authority Goal: Goal # 1 - Improve operational efficiency, safety and security. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Landside Operations

Organizational Responsibilities

The Landside Operations Department oversees the terminal operations, including facility conditions and tenant activities (airline, federal inspection service, concessionaires, etc.). The department coordinates facility improvements, maintenance, and repair activities within the terminal and landside areas. Additionally, the department manages and enforces ground transportation movement at the terminal complex and parking lots.

Organizational Structure



*Unfunded positions shown in yellow

Landside Operations

FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 2,364,070	\$ 2,661,341	\$ 2,528,414	\$ 2,680,227	\$ 151,813	6.0%
Employee Benefits	1,070,821	1,255,809	1,193,085	1,194,741	1,656	0.1%
Subtotal	3,434,891	3,917,150	3,721,498	3,874,968	153,469	4.1%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	3,434,891	3,917,150	3,721,498	3,874,968	153,469	4.1%
Non-Personnel Expenses						
Contractual Services	4,215,140	4,217,500	4,400,909	4,556,500	155,591	3.5%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	87	-	-	-	-	-
Maintenance	249	-	-	-	-	-
Operating Equipment & Systems	45,736	292,000	132,000	58,700	(73,300)	-55.5%
Operating Supplies	220,130	33,200	33,200	32,700	(500)	-1.5%
Insurance	-	-	-	-	-	-
Employee Programs	44,392	57,100	53,482	57,300	3,818	7.1%
Business Development	44,374	15,000	21,200	35,500	14,300	67.5%
Equipment Rentals & Repairs	4,570	5,200	5,200	5,200	-	0.0%
Total Non-Personnel Expenses	4,574,679	4,620,000	4,645,991	4,745,900	99,909	2.2%
Total Operating Expenses	8,009,570	8,537,150	8,367,489	8,620,868	253,379	3.0%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	8,009,570	8,537,150	8,367,489	8,620,868	253,379	3.0%
Equipment Outlay (over \$5,000)	48,495	80,000	80,000	80,000	-	-
Total Dept Expenses incl Equip Outlay	\$ 8,058,065	\$ 8,617,150	\$ 8,447,489	\$ 8,700,868	\$ 253,379	3.0%

Major Drivers of FY 2010 Budget Increase/Decrease

Landside Operations FY 2009 Re-Forecast

\$ 8,447,489

Proposed personnel costs

Merit increase and salary adjustments 151,813
Burden (benefits & employer taxes) increase for current staff 1,656

Proposed increases in personnel costs 153,469

Increase in airport custodial contract 100,000
Increase additional janitorial services and supplies costs 39,000
Decrease in equipment and systems costs (73,300)
Other, net 34,209

FY 2010 Budget

\$ 8,700,868

Landside Operations

Goals & Objectives

FY 2009 Progress Report

1. Increase training for Airport Traffic Officers (ATO).

Progress: ATO's met with internal and external customers to expose them to many different aspects of the airport environment i.e. airline skycaps, Airport Ambassadors, TSA, HPD, airline customers and marketing. Additionally, the ATO Supervisors took part in customer service and employee involvement exercises that were facilitated by an outside consultant.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed internal and external customer service expectations. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Minimize dismissed traffic tickets.

Progress: This is an ongoing customer service exercise. The goal is to maintain a secure and efficient curbside environment and at the same time give the customer a positive first impression. The officers exercise best judgment practices and when applied consistently does reduce the need to second guess the officers ticket issuance.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Increase operational efficiency of remote baggage system.

Progress: This goal was geared around the cruise ship activity and the potential onsite baggage/cargo screening facility. With the implementation of outside vendors transporting baggage directly to the air carrier/TSA screening areas, the operational efficiency has not been an issue.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

4. Augment Recycling Program.

Progress: A new contract was awarded to Waste Management Systems this past year. As part of the new agreement it was agreed upon to increase recycling by 20%. Additional recycling containers and trash/recycling separation efforts have and will continue to be added. The Authority's recycling efforts were again recognized by the City of San Diego as one of the recyclers of the year for 2008.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

5. Establish a baseline ATO satisfaction with facilities and equipment survey.

Progress: The AUTOCITE machines were obsolete and inefficient. AN RFP was developed around the baseline needs of the ATO's. AUTOCITE machines were replaced with Ticketman machines effective March 2009. The first month of operation has proved successful, ATO's are very pleased with the ease of operation and ergonomically friendly. We continue to research options for relocating ATO break rooms in Terminals 1 & 2. I believe we should have a plan in place by year's end.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

6. Maximize Operational Efficiency by decreasing passenger time in security checkpoints.

Progress: Produced a new security video at each of our checkpoints. Enhanced security static signage pre-security has been incorporated into the redesigned stanchion set-up. Our plan is to utilize our summer/holiday checkpoint assistant personnel in a more proactive manner by mingling with passengers in the lobbies before passenger reaches the checkpoint. The emphasis will be better educating the passengers on divesting early and not waiting until they enter the secured area. Testing of this late last year produced positive results.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

7. Expand Green Leaf Program usage.

Progress: Replaced many of the smaller plants with fewer larger plants to fit the terminals high ceilings.

Sustainability Goal: Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

8. Create a more user friendly passenger information displays in Terminal & Checkpoints.

Progress: Produced new security video for use at each checkpoint. New FIDS capital program in final stages of 100% design completion. Project should be in construction phase by April 2010.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

9. Upgrade the current seating/tables in the Terminal 2 West (T2W) bag claim to maintain an aesthetically pleasing and comfortable environment.

Progress: Due to budget constraints this project was put on hold. We will continue to evaluate this as we move through this next budget year.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **Yes.**

10. Replace and test new seating design in the commuter terminal gate complex. Current seating is outdated, worn, cumbersome and expensive to repair.

Progress: Due to budget constraints this project was put on hold. There are no plans to proceed with this in 2010.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **No.**

11. Provide outdoor recycle containers and new combo units for inside terminals to maintain consistency throughout the airport community as we support our sustainability goal.

Progress: Due to budget constraints this program was scaled back. There will be limited funds to proceed further depending on the coming years financial results.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed internal and external customer service expectations. Goal #5 Enhance the financial position of the Authority. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **Yes.**

12. Replace old and disintegrating curbside seating with T2W wing design benches, bringing continuity throughout the terminal sidewalks.

Progress: This program is complete except for selected areas designated for art works assigned to our art program Manager.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

Fiscal Year: 2009. Continue to 2010? **No.**

Landside Operations

Goals & Objectives

FY 2010 Objectives

1. Increase training for Airport Traffic Officers (ATO).

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed internal and external customer service expectations. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

2. Minimize dismissed traffic tickets.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

3. Augment Recycling Program.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

4. Establish a baseline ATO satisfaction with facilities and equipment survey.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

5. Maximize Operational Efficiency by decreasing passenger time in security checkpoints.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

6. Expand Green Leaf Program usage.

Sustainability Goal: Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

7. Create a more user friendly passenger information displays in Terminal & Checkpoints.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

8. Upgrade the current seating/tables in the Terminal 2 West (T2W) bag claim to maintain an aesthetically pleasing and comfortable environment.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #1 Improve operational efficiency, safety and security. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

9. Provide outdoor recycle containers and new combo units for inside terminals to maintain consistency throughout the airport community as we support our sustainability goal.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed internal and external customer service expectations. Goal #5 Enhance the financial position of the Authority. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment (positive work culture).

10. The existing Herman Miller seating throughout the terminals will be modified to include electric plug-ins at each of the seats.

Sustainability Goal: Operational efficiency and social responsibility.

Authority Goal: Goal # 2 – Understand and address customer service expectations and trends Goal #8 – Foster an environment that focuses on the needs of customers. Establish as norms the notions, creativity and the embracing of change and continuous improvement.

11. Install East Harbor Drive electronic roadway signage.

Sustainability Goal: Operational efficiency and social responsibility.

Authority Goal: Goal #2 – Understand and address customer service expectations and trends Goal #8 – Foster an environment that focuses on the needs of customers. Establish as norms the notions, creativity and the embracing of change and continuous improvement.

12. Design and install inbound baggage belt interlock system.

Sustainability Goal: Operational efficiency and social responsibility.

Authority Goal: Goal # 2 – Understand and address customer service expectations and trends Goal #8 – Foster an environment that focuses on the needs of customers. Establish as norms the notions, creativity and the embracing of change and continuous improvement.

13. Install liquid collection station at security checkpoints.

Sustainability Goal: Operational efficiency and social responsibility.

Authority Goal: Goal # 1 – Partner with local and federal law enforcement and security agencies Goal # 2 – Understand and address customer service expectations and trends.

Goal #8 – Foster an environment that focuses on the needs of customers. Establish as norms the notions, creativity and the embracing of change and continuous improvement.

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Marketing & Communications Division

Marketing & Communications Division

Overview

The Marketing & Communications Division is responsible for the marketing, route service development, customer service, inter-governmental relations, corporate and public notification services, and noise mitigation activities of the Airport and the Airport Authority. Its work is carried out through five departments.

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
- ❖ Participation in 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

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 and 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 **Inter-Governmental 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.

The **Marketing and Route Service Development** Departments develop, implement and manage marketing initiatives that result in increased air service and revenues. Its major responsibilities include:

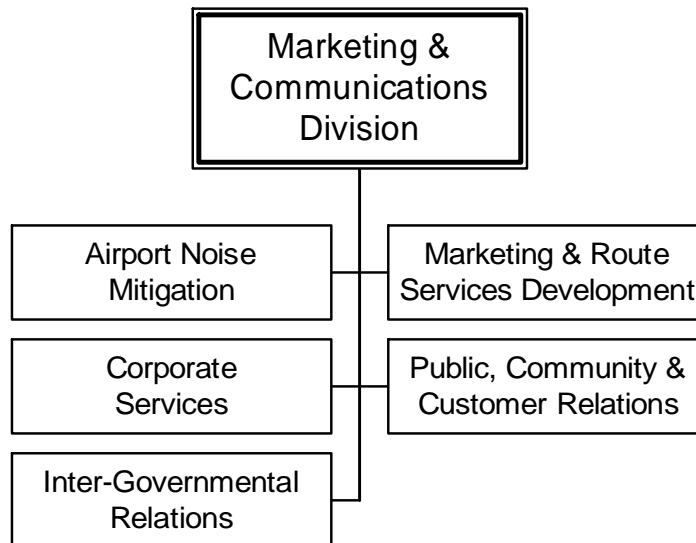
- ❖ Umbrella Marketing Plans for Authority initiatives (e.g. Quieter Home Program, SAN Park, Small Business Development)
- ❖ Air service development, marketing and promotion
- ❖ Advertising, creative design and development, identity and brand development
- ❖ Collateral materials and publications
- ❖ Special events (i.e. new air service inaugurations, grand openings, conferences)
- ❖ Web site 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))

The **Public, Community & Customer Relations** The Department provides media and public relations, strategic counsel, community outreach, corporate and internal communications, crisis communications, social media and customer-related services for the Authority. Specific activities include:

- ❖ Crisis communications plan
- ❖ Press 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, Facebook, Twitter, e-Newsroom)
- ❖ Speaker's Bureau & speechwriting
- ❖ Airport public tours
- ❖ Volunteer Airport Ambassador Program
- ❖ Customer satisfaction surveys
- ❖ Special services for the disabled
- ❖ Airport Art Program, including Visual and Performing Art
- ❖ Airport Advisory Committee coordination
- ❖ Employee Goodwill Ambassador Program

Marketing & Communications Division

Organizational Structure



Division Personnel Summary

	FY 2007 Authorized & Funded Positions	FY 2008 Authorized & Funded Positions	FY 2009 Authorized & Funded Positions	FY 2010 Authorized & Funded Positions	FY 2010 ^(*) Authorized & Unfunded Positions
Marketing & Communications					
Corporate Services	9	9	7	7	-
Public, Community and Customer Relations	9	10	10	9	1
Marketing & Route Service Development	9	9	9	10	-
Inter-governmental Relations	3	3	3	3	-
Noise Mitigation	4	4	4	4	-
Total	34	35	33	33	1

* FY 2010 reflects personnel transfers.

Marketing & Communications Division

FY 2010 Expense Summary

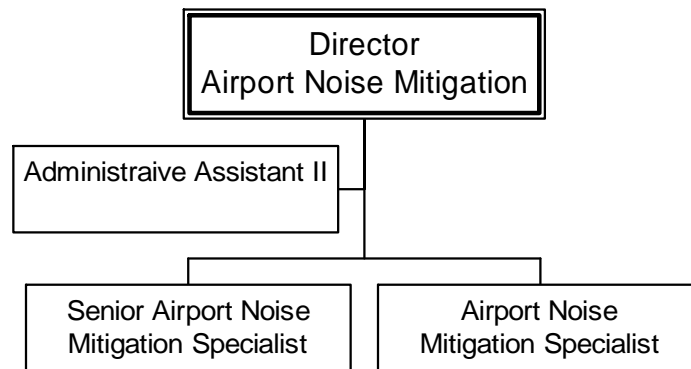
	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 2,634,344	\$ 2,555,934	\$ 2,545,317	\$ 2,645,711	\$ 100,394	3.9%
Employee Benefits	1,044,409	1,071,475	1,066,282	1,063,711	(2,571)	-0.2%
Subtotal	3,678,753	3,627,409	3,611,598	3,709,422	97,823	2.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	3,678,753	3,627,409	3,611,598	3,709,422	97,823	2.7%
Non-Personnel Expenses						
Contractual Services	2,820,884	5,156,870	3,395,725	3,303,730	(91,995)	-2.7%
Safety and Security	-	-	-	-	-	-
Space Rental	-	1,200	1,200	1,200	-	-
Utilities	436	750	750	750	-	0.0%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	41,864	49,200	24,200	17,500	(6,700)	-27.7%
Operating Supplies	57,636	50,100	50,100	51,600	1,500	3.0%
Insurance	-	-	-	-	-	-
Employee Programs	113,692	220,861	205,661	223,277	17,616	8.6%
Business Development	1,659,830	1,823,200	1,723,200	1,753,005	29,805	1.7%
Equipment Rentals & Repairs	183,720	249,130	249,130	251,130	2,000	0.8%
Total Non-Personnel Expenses	4,878,062	7,551,311	5,649,966	5,602,192	(47,774)	-0.8%
Total Operating Expenses	8,556,815	11,178,720	9,261,564	9,311,614	50,050	0.5%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	8,556,815	11,178,720	9,261,564	9,311,614	50,050	0.5%
Equipment Outlay (over \$5,000)	28,431	-	-	-	-	-
Total Division Expenses incl Equip Outlay	\$ 8,585,246	\$ 11,178,720	\$ 9,261,564	\$ 9,311,614	\$ 50,050	0.5%

Airport Noise Mitigation Organizational Responsibilities

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
- ❖ Participation in 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

Organizational Structure



Airport Noise Mitigation FY 2010 Expense Summary

	FY2008 Actuals	FY2009 Amended Budget	FY2009 Re-Forecast	FY2010 Budget	Inc/(Dec) FY10 vs FY09 Refcst	% Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 251,546	\$ 259,123	\$ 277,254	\$ 276,252	\$ (1,003)	-0.4%
Employee Benefits	111,720	118,681	126,986	118,674	(8,312)	-6.5%
Subtotal	363,267	377,804	404,240	394,925	(9,315)	-2.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	363,267	377,804	404,240	394,925	(9,315)	-2.3%
Non-Personnel Expenses						
Contractual Services	76,900	45,000	45,000	45,000	-	0.0%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	1,941	25,000	-	-	-	0.0%
Operating Supplies	8,860	3,300	3,300	3,300	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	12,886	27,450	25,250	25,250	-	0.0%
Business Development	38,988	95,100	95,100	95,200	100	0.1%
Equipment Rentals & Repairs	158,922	196,205	196,205	196,205	-	0.0%
Total Non-Personnel Expenses	298,497	392,055	364,855	364,955	100	0.0%
Total Operating Expenses	661,764	769,859	769,095	759,880	(9,215)	-1.2%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	661,764	769,859	769,095	759,880	(9,215)	-1.2%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 661,764	\$ 769,859	\$ 769,095	\$ 759,880	\$ (9,215)	-1.2%

Major Drivers of FY 2010 Budget Increase/Decrease

Airport Noise Mitigation

FY 2009 Re-Forecast \$ 769,095

Proposed personnel costs

Salary adjustments (1,003)

Burden (benefits & employer taxes) decrease for current staff (8,312)

Proposed decreases in personnel costs **(9,315)**

Other, net 100

FY 2010 Budget **\$ 759,880**

Airport Noise Mitigation

Goals & Objectives

FY 2009 Progress Report

1. Provide the community the ability to view aircraft identification data, arrival and departure flight tracks and noise information on a web-based product in near-real time.

Progress: This web-based product was upgraded in 2008 to include more aircraft identification and to add a communications banner to inform the community of weather phenomena that could affect arrival and departure flow patterns.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Enhanced Air Carrier Recognition Program - to publicly evaluate and rate tenant air carrier operations at SDIA against a standardized scale.

Progress: Ongoing. This project is an element of the 14CFR Part 150 update study currently underway. If approved by the Authority Board and approved for implementation by FAA, AIP grant funds may be available in 2010 for implementation.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Refine SDIA noise mitigation measures and Quieter Home Program eligibility criteria.

Progress: Ongoing project as proposed new and continuing elements of the "Part 150" update study mentioned in #2. above.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. Provide insightful, customer friendly communication of useful public information.

Progress: Ongoing.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

5. Update Federal Noise Compatibility Study (Part 150).

Progress: Ongoing. Noise Exposure Maps forwarded for FAA acceptance in March 2009. Noise Compatibility Program continues with estimated Sep 2009 submission date for FAA evaluation and approval.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Airport Noise Mitigation

Goals & Objectives

FY 2010 Objectives

1. **Enhanced Air Carrier Recognition Program - to publicly evaluate and rate tenant air carrier operations at SDIA and benchmark against a standardized scale.**

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

2. **Refine SDIA noise mitigation measures and Quieter Home Program eligibility criteria.**

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

3. **Provide insightful, customer friendly communication of useful public information.**

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

4. **Provide the community the ability to view aircraft identification data, arrival and departure flight tracks and noise information on a web-based product in near-real time.**

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

5. **Complete Federal Noise Compatibility Study (Part 150) Update.**

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

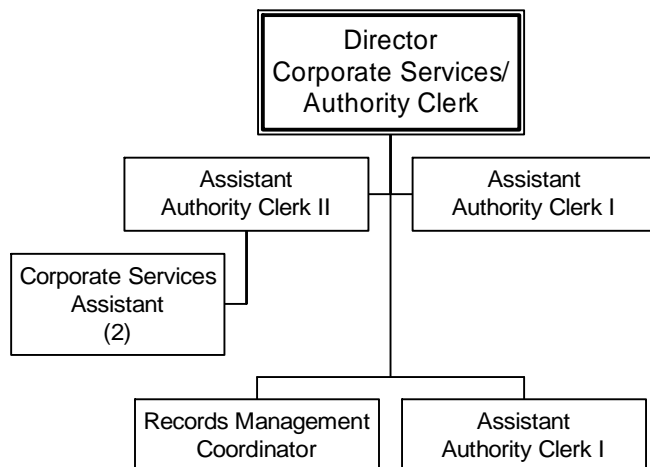
Corporate Services

Organizational Responsibilities

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 and 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

Organizational Structure



Corporate Services

FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 619,376	\$ 434,828	\$ 434,828	\$ 460,733	\$ 25,905	6.0%
Employee Benefits	251,352	191,962	191,962	190,568	(1,394)	-0.7%
Subtotal	870,728	626,790	626,790	651,301	24,511	3.9%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	870,728	626,790	626,790	651,301	24,511	3.9%
Non-Personnel Expenses						
Contractual Services	(16,125)	49,950	35,950	35,950	-	0.0%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	7,125	-	-	-	-	-
Operating Supplies	7,968	8,000	8,000	8,000	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	23,792	16,636	16,636	16,636	-	0.0%
Business Development	55,279	34,750	34,750	34,750	-	0.0%
Equipment Rentals & Repairs	15,411	31,425	31,425	31,425	-	0.0%
Total Non-Personnel Expenses	93,450	140,761	126,761	126,761	-	0.0%
Total Operating Expenses	964,178	767,551	753,551	778,062	24,512	3.3%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	964,178	767,551	753,551	778,062	24,512	3.3%
Equipment Outlay (over \$5,000)	28,431	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 992,609	\$ 767,551	\$ 753,551	\$ 778,062	\$ 24,512	3.3%

Major Drivers of FY 2010 Budget Increase/Decrease

Corporate Services FY 2009 Re-Forecast

\$ 753,551

Proposed personnel costs

Merit increase and salary adjustments

25,905

Burden (benefits & employer taxes) decrease for current staff

(1,394)

Proposed increases in personnel costs

24,511

No change in non-personnel costs

-

FY 2010 Budget

\$ 778,062

Corporate Services Goals & Objectives

FY 2009 Progress Report

- 1. Conduct semi annual training sessions (2 sessions) during this fiscal year, or as needed, on staff report preparation so that materials are properly completed and submitted on time.**

Progress: Completed

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #1 Improve operational efficiency, safety and security.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**
- 2. Promote employee development to increase job knowledge, improve decision making skills and improve the employees ability to participate in the implementation of best practices for Corporate Services by supporting employee attendance at least one (1) of any of the following: conferences, college courses, seminars, internal and external training sessions and workshops.**

Progress: Completed

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**
- 3. Ensure that official records are accurately and efficiently prepared by posting and distributing regular and special Board and Committee meeting notices and information 100% of the time in accordance with Authority policies and the Brown Act.**

Progress: Attained Goal. Meeting notices posted and distributed 100% of the time.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**
- 4. Improve organizational efficiency by responding to requests from Authority staff for active and inactive records and information within 72 hours.**

Progress: Attained Goal. 100% of requests responded to within 72 hours.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

Corporate Services Goals & Objectives

FY 2010 Objectives

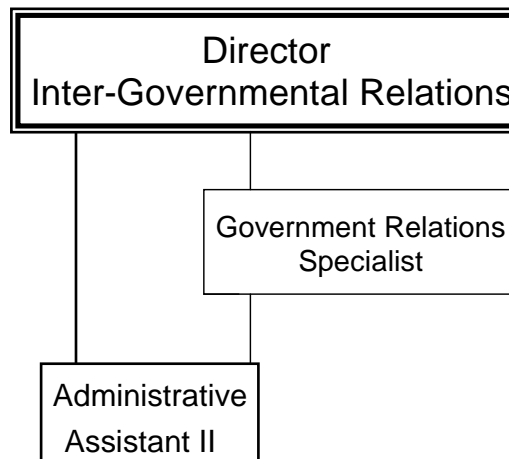
1. Conduct semi annual training sessions (2 sessions) during this fiscal year, or as needed, on staff report preparation so that materials are properly completed and submitted on time.
Sustainability Goal: Operational Efficiency.
Authority Goal: Goal #1 Improve operational efficiency, safety and security.
2. Promote employee development to increase job knowledge, improve decision making skills and improve the employees ability to participate in the implementation of best practices for Corporate Services by supporting employee attendance at least one (1) of any of the following: conferences, college courses, seminars, internal and external training sessions and workshops.
Sustainability Goal: Operational Efficiency.
Authority Goal: Goal #7 Be recognized as an aviation industry leader.
3. Ensure that official records are accurately and efficiently prepared by posting and distributing regular and special Board and Committee meeting notices and information 100% of the time in accordance with Authority policies and the Brown Act.
Sustainability Goal: Operational Efficiency.
Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency.
4. Improve organizational efficiency by responding to requests from Authority staff for active and inactive records and information within 72 hours.
Sustainability Goal: Operational Efficiency.
Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

Inter-Governmental Relations

Organizational Responsibilities

The Inter-Governmental 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.

Organizational Structure



Inter-Governmental Relations FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 266,497	\$ 269,277	\$ 176,288	\$ 261,730	\$ 85,442	48.5%
Employee Benefits	109,077	112,311	73,527	102,923	29,396	40.0%
Subtotal	375,574	381,589	249,815	364,653	114,838	46.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	375,574	381,589	249,815	364,653	114,838	46.0%
Non-Personnel Expenses						
Contractual Services	295,660	327,750	301,250	327,250	26,000	8.6%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	94	250	250	250	-	0.0%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	718	1,000	1,000	1,000	-	0.0%
Operating Supplies	4,437	3,800	3,800	3,300	(500)	-13.2%
Insurance	-	-	-	-	-	-
Employee Programs	15,040	13,200	13,200	13,200	-	0.0%
Business Development	67,587	47,850	47,850	47,850	-	0.0%
Equipment Rentals & Repairs	-	1,000	1,000	1,000	-	0.0%
Total Non-Personnel Expenses	383,537	394,850	368,350	393,850	25,500	6.9%
Total Operating Expenses	759,112	776,439	618,165	758,503	140,338	22.7%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	759,112	776,439	618,165	758,503	140,338	22.7%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 759,112	\$ 776,439	\$ 618,165	\$ 758,503	\$ 140,338	22.7%

Major Drivers of FY 2010 Budget Increase/Decrease

Inter-Governmental Relations

FY 2009 Re-Forecast \$ 618,165

Proposed personnel costs

Merit increase and salary adjustments 85,442

Burden (benefits & employer taxes) increase for current staff 29,396

Proposed increases in personnel costs **114,838**

Increase in use of outside professional consultants 26,000

Other, net (500)

FY 2010 Budget **\$ 758,503**

Inter-Governmental Relations

Goals & Objectives

FY 2009 Progress Report

1. Continue to strengthen relationships with elected officials/ staff and community leaders in order to garner support for Authority programs and initiatives.

Progress: Assisted in the Destination Lindbergh collaborative process and in obtaining support to allowing the Authority to move forward on the Terminal Development Program.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes**

2. Identify and include language in the FAA Reauthorization Act that will strategically position the Authority to maximize federal funding awards for SDIA projects.

Progress: Worked with legislative consultants, airport associations, and helped create the California Airports Council to advocate for provisions in the FAA Reauthorization Act that are beneficial to the Authority.

Sustainability Goal: Economic Viability.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Obtain authority from Department of Homeland Security allowing Authority to participate in alternate funding options for in-line Explosive Detection System (EDS) installation.

Progress: We continue to pursue this option and to position the Authority to obtain EDS funds through the normal funding process as well as thorough economic stimulus legislation and appropriations earmarks.

Sustainability Goal: Economic Viability.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. To obtain state legislation in 2008 making technical corrections to the Airport Authority Act and Airport Authority Reform Act of 2007 (SB 10).

Progress: The Authority succeeded in its efforts to obtain the legislative changes needed to the Airport Authority Act.

Sustainability Goal: Economic Viability and Operational Excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety and security. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2009. Continue to 2010? **No.**

5. **To enter into an agreement with the Transportation Security Administration providing the financing necessary to complete the in-line installation of EDS equipment at SDIA.**

Progress: As the original Letter of Intent(LOI) airports complete the in-line EDS systems, we should continue to meet with the new Administration to advocate for the possibility that SDIA may enter into an LOI agreement for in-line EDS funding.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety, and security. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2009. Continue to 2010? **Yes.**

6. **Maintain historic levels of Airport Improvement Program funding, Quieter Home Program funding, and increase the allowable Passenger Facility Charge fee level.**

Progress: The Authority continues to receive historically high levels for the Quieter Home Program funds. Staff continues to advocate for the highest possible levels for the Airport Improvement Program funding and Passenger Facility Charge fee level in a multi-year FAA Reauthorization bill.

Sustainability Goal: Economic Viability.

Authority Goal: Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

Inter-Governmental Relations

Goals & Objectives

FY 2010 Objectives

1. Continue to strengthen relationships with elected officials/ staff and community leaders in order to garner support for Authority programs and initiatives.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

2. Identify and include language in the FAA Reauthorization Act that will strategically position the Authority to maximize federal funding awards for SDIA projects.

Sustainability Goal: Economic Viability.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #5 Enhance the financial position of the Authority.

3. Obtain authority from Department of Homeland Security allowing Authority to participate in alternate funding options for in-line Explosive Detection System (EDS) installation.

Sustainability Goal: Economic Viability.

Authority Goal: Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #5 Enhance the financial position of the Authority.

4. To enter into an agreement with the Transportation Security Administration providing the financing necessary to complete the in-line installation of EDS equipment at SDIA.

Sustainability Goal: Operational Excellence.

Authority Goal: Goal #1 Improve operational efficiency, safety, and security. Goal #5 Enhance the financial position of the Authority.

5. Maintain historic levels of Airport Improvement Program funding, Quieter Home Program funding, and increase the allowable Passenger Facility Charge fee level.

Sustainability Goal: Economic Viability.

Authority Goal: Goal #5 Enhance the financial position of the Authority.

6. Prevent the passage/enactment of State and Federal legislation and regulations that would negatively impact the Airport Authority and/or San Diego International Airport.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Goal: Goal # 3 Enhance regional partnerships. Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency.

7. Work with federal legislative consultants, airport associations, federal delegation members, and others to pass a multi-year FAA Reauthorization bill that includes an increased PFC limit.

Sustainability Goal: Economic Viability, Operational Excellence.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security. Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal # 5 Enhance the financial position of the Authority. Goal # 7 Be recognized as an aviation industry leader.

8. Continue to strengthen relationships with local, state, and federal legislators and appointed officials by keeping them apprised of major Airport Authority programs and projects.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal # 2 Anticipate and exceed both internal and external customer service expectations. Goal # 3 Enhance regional partnerships. Goal # 4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal # 6 Provide optimal solutions for near- and long-term regional air transportation needs.

9. Proactively support the efforts of other Airport Authority departments in obtaining political/public support for key SDIA initiatives and funding requests.

Sustainability Goal: Economic Viability.

Authority Goal: Goal # 1 Improve operational efficiency, safety and security. Goal # 2 Anticipate and exceed both internal and external customer service expectations. Goal # 5 Enhance the financial position of the Authority. Goal # 6 Provide optimal solutions for near- and long-term regional air transportation needs.

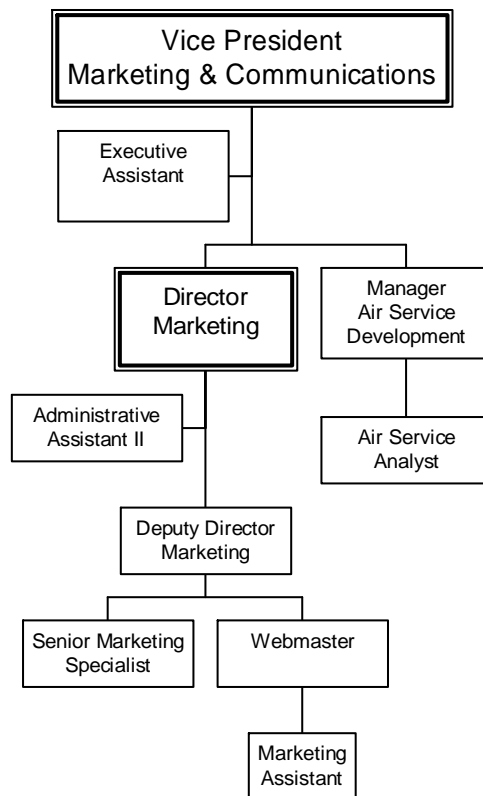
Marketing & Route Service Development

Organizational Responsibilities

The Marketing and Route Service Development Departments develop, implement and manage marketing initiatives that result in increased air service and revenues. Its major responsibilities include:

- ❖ Umbrella Marketing Plans for Authority initiatives (e.g. Quieter Home Program, SAN Park, Small Business Development)
- ❖ Air service development, marketing and promotion
- ❖ Advertising, creative design and development, identity and brand development
- ❖ Collateral materials and publications
- ❖ Special events (i.e. new air service inaugurations, grand openings, conferences)
- ❖ Web site 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)

Organizational Structure



Marketing & Route Service Development FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 804,896	\$ 829,199	\$ 924,731	\$ 932,820	\$ 8,089	0.9%
Employee Benefits	289,075	332,052	370,308	368,424	(1,884)	-0.5%
Subtotal	1,093,971	1,161,252	1,295,039	1,301,244	6,205	0.5%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	1,093,971	1,161,252	1,295,039	1,301,244	6,205	0.5%
Non-Personnel Expenses						
Contractual Services	1,044,477	1,217,500	892,500	880,000	(12,500)	-1.4%
Safety and Security	-	-	-	-	-	-
Space Rental	-	1,200	1,200	1,200	-	0.0%
Utilities	219	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	17,704	7,500	7,500	8,500	1,000	13.3%
Operating Supplies	8,337	15,000	15,000	15,000	-	0.0%
Insurance	-	-	-	-	-	-
Employee Programs	29,563	48,150	48,150	48,050	(100)	-0.2%
Business Development	1,283,579	1,365,850	1,265,850	1,267,430	1,580	0.1%
Equipment Rentals & Repairs	2,514	12,000	12,000	12,000	-	0.0%
Total Non-Personnel Expenses	2,386,393	2,667,200	2,242,200	2,232,180	(10,020)	-0.4%
Total Operating Expenses	3,480,364	3,828,452	3,537,239	3,533,424	(3,815)	-0.1%
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	3,480,364	3,828,452	3,537,239	3,533,424	(3,815)	-0.1%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 3,480,364	\$ 3,828,452	\$ 3,537,239	\$ 3,533,424	\$ (3,815)	-0.1%

Major Drivers of FY 2010 Budget Increase/Decrease

Marketing and Route Service Development FY 2009 Re-Forecast

\$ 3,537,239

Proposed personnel costs

Burden (benefits & employer taxes) increase for current staff
Salary adjustments

8,089
(1,884)

Proposed increases in personnel costs

6,205

Decrease in Marketing communications services and other consultant costs
Other, net

(10,000)
(20)

FY 2010 Budget

\$ 3,533,424

Marketing & Route Service Development

Goals & Objectives

FY 2009 Progress Report

1. Provide strategic marketing and communications leadership and services to other Authority Divisions and Departments. Compare internal design costs against external design costs on projects appropriate for the use of internal design capabilities. Ensure on time production both internally and externally to minimize costs.

Progress: For fiscal year 2009, the Marketing Department has completed more than 200 jobs for other Authority departments. This does not include the development of web pages and changes to the web site(s) including san.org and sanplan.com. Those occur on a daily basis. This is a fixed cost (employee and materials/equipment).

Sustainability Goal: Economic Viability and Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. Increase the number of Aviation Education Forums and similar outreach events to diverse audiences and expand reach into all areas of the County. These forums should educate the community about both the short term and long term vision of the airport.

Progress: Due to budget constraints, no education forums were held in FY2009.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. Educate the public on the role of the Airport Authority and the vital role the Airport plays in the San Diego region. The Marketing Director and team will reach out to the business leaders to ensure that the airport messages are communicated.

Progress: On Target, Marketing Director did over 30 presentations in FY2009.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. Increase the number of attendees at the Airports of the 21st Century Aviation Education Forums.

Progress: Due to budget constraints, the Airports of the 21st Century Aviation Education Forums program was discontinued.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **No.**

5. Increase the number of unique visitors to the Authority/Airport website. We will continue to test and change the web site to improve our communication with the community.

Progress: In calendar year 2008, the san.org web site reached 2.2 million unique visitors. This is an increase of 12.4% over 2007 (237,000 unique visitors). The Marketing Department was also instrumental in the design, development and on-going content updates for the Airport Master Plan and Destination Lindbergh outreach program sanplan.com web site. In addition, a new design is in the final stages of development for san.org.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

6. Advance the knowledge of the San Diego region's youth on airports, aviation and aviation related careers by increasing the number of outreach events/programs each year. Also, initiate outreach to local schools using the Bessie Coleman book as a driving force to communicate the message.

Progress: The Authority partnered with San Diego Junior Achievement to develop an airport at Junior Achievement BizTown. More than 12,000 San Diego 5th graders go through the program after 6 weeks of in-class curriculum. San Diego International Airport is the first airport business in any JA BizTowns nationwide. The Airport Authority also partnered with Kimbrough Elementary School for the first Aviation Education after-school club. The YMCA Camp and Miramar Air Show Aviation Education Day were both held in FY2009.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

7. Overhaul and maintain the master Airport Authority database.

Progress: Steps were taken to acquire and learn ACT, a database management software system. Time and resources precluded completion of this task.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #5 Enhance the financial position of the Authority.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

8. Expand aviation education outreach events to diverse audiences and expand reach into all areas of the County.

Progress: Achieved aviation education efforts reached into East, North and South Counties.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? Yes.

9. **Implement advanced technologies to enhance customer experience and access to vital information (e.g. flights, site selection, Airport Master Plan, ALUC, ATAG, parking services, concessions).**

Progress: Web site continues to evolve. Introduced new destinations page with easy links to airlines.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

10. **Educate and engage the business community in support of the air service initiatives.**

Progress: Marketing Director met with hundreds of stakeholders. On target.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

Air Service Development

1. **Secure air service to international destinations.**

Progress: Service was briefly secured to London in 2008 and service to Calgary was secured in 2009.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Enhance the financial position of the Authority, Goal #5 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2009. Continue to 2010? **Yes.**

2. **Secure air service to European air charter markets as demand dictates.**

Progress: In negotiations with major charter carrier for service to San Diego.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. **Secure additional new air service to domestic markets underserved (load factors in excess of 90%) or un-served (markets greater than 70 passengers per day each way).**

Progress: Service will be added to Monterey, California in summer 2009.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2009. Continue to 2010? **No.**

4. **Educate and engage the business community in support of the air service initiatives. A total of 30 presentations are planned for FY 2009 and the project is on schedule.**

Progress: Air Service Development presented to numerous business and community organizations as well as local conferences.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2009. Continue to 2010? **Yes.**

5. **Secure air service to London and/or primary European hub (Amsterdam, Paris, Frankfurt or Munich).**

Progress: London service was achieved in FY 2009 (albeit temporarily). Initiatives aimed at restoring service continue and are ongoing.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal#5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

6. **Secure air service to Tokyo, Seoul or Asian hub and link key San Diego communities to Manila.**

Progress: Air Service Development has secured key stakeholder involvement including Japan Society, Kyocera and Qualcomm. Preliminary discussions have been held with several airlines.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal: #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

7. **Secure air service to Toronto, Calgary and other markets as demand dictates.**

Progress: Air Service secured 11 weekly frequencies to Calgary, Alberta to start in Spring 2009.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

8. **Secure additional air service to Mexico and Central America.**

Progress: Substantive talks have been held in FY 2009 and negotiations with carriers continue.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

9. **Meet with potential airlines for service to San Diego.**

Progress: Air Service has met with over 20 airlines for service to San Diego in FY 2009.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

10. **Participate in a San Diego region trade mission.**

Progress: Air Service participated in Canada and UK regional trade missions.

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Depending on budget and air service priorities.**

Marketing & Route Service Development

Goals & Objectives

FY 2010 Objectives

1. Provide strategic marketing and communications leadership and services to other Authority Divisions and Departments. Ensure on time production both internally and externally to minimize costs.

Sustainability Goal: Economic Viability and Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #5 Enhance the financial position of the Authority.

2. Increase the number of Aviation Education Forums and similar outreach events to diverse audiences and expand reach into all areas of the County. These forums should educate the community about both the short term and long term vision of the airport.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

3. Educate the public on the role of the Airport Authority and the vital role the Airport plays in the San Diego region. The Marketing Director and team will reach out to the business leaders to ensure that the airport messages are communicated.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

4. Increase the number of unique visitors to the Authority/Airport website. We will continue to test and change the web site to improve our communication with the community.

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

5. Advance the knowledge of the San Diego region's youth on airports, aviation and aviation related careers by increasing the number of outreach events/programs each year. Also, initiate outreach to local schools using the Bessie Coleman book as a driving force to communicate the message.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

6. Re-design and maintain the master Airport Authority database.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #5 Enhance the financial position of the Authority.

7. **Expand aviation education outreach events to diverse audiences and expand reach into all areas of the County.**

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

8. **Implement advanced technologies to enhance customer experience and access to vital information (e.g. flights, site selection, Airport Master Plan, ALUC, ATAG, parking services, concessions).**

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Air Service Development

1. **Secure air service to international destinations.**

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #4 Enhance the financial position of the Authority, Goal #5 Provide optimal solutions for near- and long-term regional air transportation needs.

2. **Secure additional new air service to domestic markets underserved (load factors in excess of 90%) or un-served (markets greater than 70 passengers per day each way).**

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

3. **Educate and engage the business community in support of the air service initiatives.**

Sustainability Goal: Economic Viability and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

4. **Secure air service to London and/or primary European hub (Amsterdam, Paris, Frankfurt or Munich).**

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal#5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

5. **Secure air service to Tokyo, Seoul or Asian hub and link key San Diego communities to Manila.**

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal: #6 Provide optimal solutions for near- and long-term regional air transportation needs.

6. **Secure new and additional air service to Vancouver, Toronto, Winnipeg and other markets as demand dictates.**

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

7. **Secure additional air service to Mexico and Central America.**

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

8. **Meet with potential airlines for service to San Diego.**

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

9. **Participate in a San Diego region trade mission.**

Sustainability Goal: Economic Viability, Operational Efficiency and Social Responsibility.

Authority Goal: Goal #5 Enhance the financial position of the Authority. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

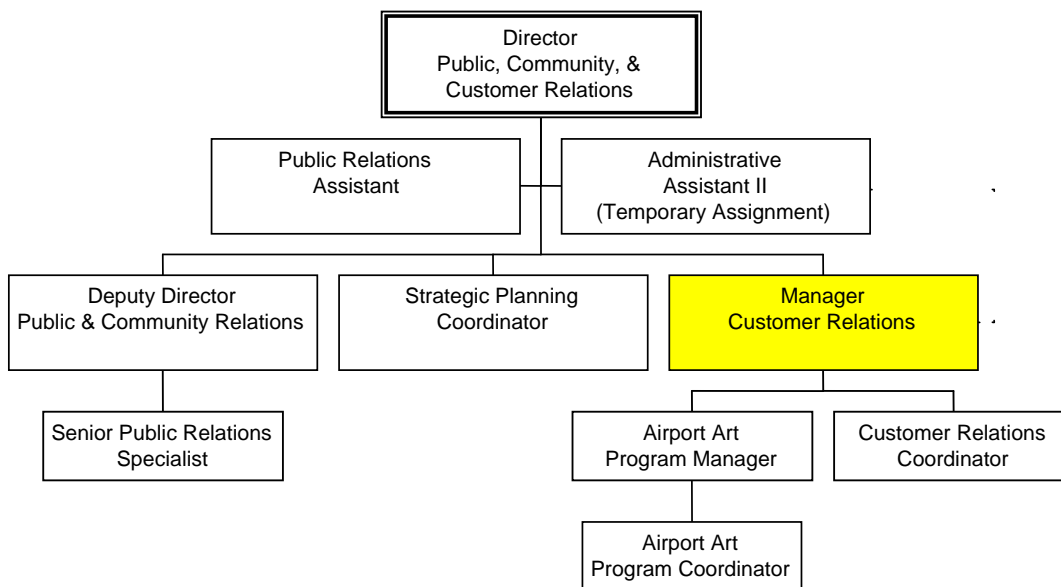
Public, Community & Customer Relations

Organizational Responsibilities

The Public, Community & Customer Relations Department provides media and public relations, strategic counsel, community outreach, corporate and internal communications, crisis communications, social media and customer-related services for the Authority. Specific activities include:

- ❖ Crisis communications plan
- ❖ Press 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, Facebook, Twitter, e-Newsroom)
- ❖ Speaker's Bureau & speechwriting
- ❖ Airport public tours
- ❖ Volunteer Airport Ambassador Program
- ❖ Customer satisfaction surveys
- ❖ Special services for the disabled
- ❖ Airport Art Program, including Visual and Performing Art
- ❖ Airport Advisory Committee coordination
- ❖ Employee Goodwill Ambassador Program

Organizational Structure



*Unfunded position shown in yellow

Public, Community & Customer Relations FY 2010 Expense Summary

	FY2008	FY2009	FY2009	FY2010	Inc/(Dec)	%
	Actuals	Amended Budget	Re-Forecast	Budget	FY10 vs FY09 Refcst	Change
Operating Expenses:						
Personnel Expenses						
Salaries and Wages incl OT	\$ 692,029	\$ 763,506	\$ 732,216	\$ 714,177	\$ (18,039)	-2.5%
Employee Benefits	283,185	316,468	303,499	283,122	(20,377)	-6.7%
Subtotal	975,213	1,079,974	1,035,715	997,299	(38,416)	-3.7%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	-
Total Personnel Expenses	975,213	1,079,974	1,035,715	997,299	(38,416)	-3.7%
Non-Personnel Expenses						
Contractual Services	1,419,972	3,516,670	2,121,025	2,015,530	(105,495)	-5.0%
Safety and Security	-	-	-	-	-	-
Space Rental	-	-	-	-	-	-
Utilities	122	500	500	500	-	0.0%
Maintenance	-	-	-	-	-	-
Operating Equipment & Systems	14,376	15,700	15,700	8,000	(7,700)	-49.0%
Operating Supplies	28,033	20,000	20,000	22,000	2,000	10.0%
Insurance	-	-	-	-	-	-
Employee Programs	32,410	115,425	102,425	120,141	17,716	17.3%
Business Development	214,398	279,650	279,650	307,775	28,125	10.1%
Equipment Rentals & Repairs	6,874	8,500	8,500	10,500	2,000	23.5%
Total Non-Personnel Expenses	1,716,184	3,956,445	2,547,800	2,484,446	(63,354)	-2.5%
Total Operating Expenses	2,691,397	5,036,419	3,583,515	3,481,745	(101,770)	-2.8%
Non-Operating Expenses:						
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Expenses	-	-	-	-	-	-
Total Expenses	2,691,397	5,036,419	3,583,515	3,481,745	(101,770)	-2.8%
Equipment Outlay (over \$5,000)	-	-	-	-	-	-
Total Dept Expenses incl Equip Outlay	\$ 2,691,397	\$ 5,036,419	\$ 3,583,515	\$ 3,481,745	\$ (101,770)	-2.8%

Major Drivers of FY 2010 Budget Increase/Decrease

Public, Community & Customer Relations FY 2009 Re-Forecast

\$ 3,583,515

Proposed personnel costs

Salary adjustments	(18,039)
Burden (benefits & employer taxes) decrease for current staff	(20,377)
Proposed decreases in personnel costs	(38,416)

Increase in services - other costs	26,800
Increase in promotional activities & materials costs	20,500
Decrease in Regional Aviation Strategic Plan (RASP) public outreach and other public relations community outreach costs	(123,925)
Other, net	13,271

FY 2010 Budget

\$ 3,481,745

Public, Community & Customer Relations

Goals & Objectives

FY 2009 Progress Report

1. **Goodwill Ambassadors Program: Create Airport Authority 'Goodwill Ambassadors' by training/informing an additional 40% of all employees on the Airport Authority's major strategic initiatives by June 30, 2009.**

Progress: Goodwill Ambassador Program sessions were held on October 7 and 8, 2008. The sessions, titled "SAN TV," provided education to employees regarding the Terminal Development Program. (This program is on hold due to the budget reforecast and cost containment efforts.) It is expected that the program will resume when economic conditions improve.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #3 Enhance regional partnerships. Goal #7 Be recognized as an aviation industry leader. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment and a positive work culture.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

2. **'New Media' Communications Initiatives: Explore and develop series of 'New Media' communications initiatives to engage the public and other stakeholders in new and innovative ways.**

Progress: This is an ongoing effort. The Ambassablog offers podcasts and blogs, and has had more than 11,000 visitors since its inception in 2008. Other efforts are under consideration. This objective will continue into 2010.

Sustainability Goal: Economic Viability, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

3. **Public Outreach Program: Elicit meaningful participation and input from the public and other stakeholders on the Terminal 2 improvements, SDIA long-range vision plan and Regional Air Strategic Plan (RASP).**

Progress: Outreach on the Terminal Development Program (TDP) was suspended due to the initiation of Destination Lindbergh. Now that Destination Lindbergh has been completed, public outreach efforts on the TDP will be ramped up. A presentation on the public outreach plan was provided to the Board at its April 2, 2009, meeting. The Board recently named a RASP Ad Hoc Committee. The public outreach plan for RASP was shared with members of the RASP committee on April 1, 2009.

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #3 Enhance regional partnership. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

Fiscal Year: 2008, 2009. Continue to 2010? **Yes.**

4. **Develop an international student-segment to the Volunteer Airport Ambassador program by June 30, 2009.**

Progress: Airport Authority staff has reached out to San Diego State University School of Hospitality and Tourism Management (HTM). Staff is focused on creating a partnership with HTM to allow volunteer opportunities for students. This objective will continue in 2010.

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

Fiscal Year: 2009. Continue to 2010? **Yes.**

5. **Initiate a new branding campaign to establish a unique and distinct identification for San Diego International Airport's airport art program by June 30, 2009.**

Progress: A new branding and program has been completed for the Performing Art Series. Logo development for the entire Art Program is ongoing.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

Fiscal Year: 2009. Continue to 2010? **Yes.**

Public, Community & Customer Relations

Goals & Objectives

FY 2010 Objectives

1. **Goodwill Ambassadors Program: Create Airport Authority 'Goodwill Ambassadors' by training/informing an additional 40% of all employees on the Airport Authority's major strategic initiatives by June 30, 2010.**

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #3 Enhance regional partnerships. Goal #7 Be recognized as an aviation industry leader. Goal #8 Create, nurture and maintain a diverse, high performing and energetic team environment and a positive work culture.

2. **'New Media' Communications Initiatives: Explore and develop series of 'New Media' communications initiatives to engage the public and other stakeholders in new and innovative ways.**

Sustainability Goal: Economic Viability, Natural Resource Conservation and Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #7 Be recognized as an aviation industry leader.

3. **Public Outreach Program: Elicit meaningful participation and input from the public and other stakeholders on the Terminal 2 improvements, SDIA long-range vision plan and Regional Air Strategic Plan (RASP).**

Sustainability Goal: Operational Efficiency and Social Responsibility.

Authority Goal: Goal #3 Enhance regional partnership. Goal #4 Create and build a credible community image as a transparent, trusted and highly responsive agency. Goal #6 Provide optimal solutions for near- and long-term regional air transportation needs.

4. **Develop an international student-segment to the Volunteer Airport Ambassador program by June 30, 2010.**

Sustainability Goal: Operational Efficiency.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

5. **Initiate a new branding campaign to establish a unique and distinct identification for San Diego International Airport's airport art program by June 30, 2010.**

Progress: A new branding and program has been completed for the Performing Art Series. Logo development for the entire Art Program is ongoing.

Sustainability Goal: Social Responsibility.

Authority Goal: Goal #2 Anticipate and exceed both internal and external customer service expectations.

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Debt Service

Debt Service

Overview

Capital improvement projects are funded by a combination of sources that include short-term and long-term debt instruments. Debt service amounts appearing in the budget are based on the revenue bond interest and principal payments and the expenses associated with the commercial paper program. Debt service expenses are projected at \$6,850,219 for the FY 2010 operating budget.

Allowed Purposes and Types of Debt

The Authority does not have taxing power and 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.

Debt Limit Policy

The Authority's policy is to manage its current and future debt service requirements to be in compliance with all bond covenants, while prudently meeting the Authority's capital needs. The Authority's debt is limited by the outstanding bond indenture requirement that net revenues (operating revenues less operating expenses) pledged to pay debt service exceed 125% of annual debt service. This debt service coverage test is shown on page 236. 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.

Outstanding Debt

Series 2005 Bonds

In fiscal year 1996, the California Maritime Infrastructure Authority issued Airport Revenue Bonds (the Series 1995 Bonds) for the Port District, pursuant to a trust agreement dated December 1, 1995. The proceeds of the Series 1995 Bonds, together with investment income thereon, were used solely to pay a portion of the construction and installation of the West Terminal Expansion at SDIA, to fund a Reserve Account, and to pay certain expenses in connection with the issuance of the Series 1995 Bonds. In conjunction with the transfer of airport operations to the Authority on January 1, 2003, the Authority assumed these bond obligations. The Series 1995 Bonds were refunded with Airport Revenue Refunding Bonds Series 2005 in October 2005 (the Series 2005 Bonds).

The Series 2005 Bonds were issued in the aggregate principal amount of \$56,270,000 and were structured as serial bonds that bear interest at rates ranging from 4.5% to 5.25% maturing in fiscal years 2007 to 2021. Interest on the bonds is payable semiannually on January 1 and July 1 of each year.

The Series 2005 Bonds are payable solely from and secured by "Pledged Revenues." Pledged Revenues are defined as all revenues and other cash receipts of the Authority's airport operations, reduced by operation and maintenance expenses. Pledged Revenues do not include cash received from Passenger Facility Charges or federal grants.

The Series 2005 Bonds require that charges for services be set each fiscal year at rates sufficient to produce Pledged Revenues of at least 125% of debt service for that year. This test of net pledged revenues is shown in this section.

The following table outlines the credit ratings for both the insured bond issue and the underlying credit of the Authority.

Series 2005 Revenue Bonds – Credit Ratings (as of May 1, 2009)

Rating Agency	S&P	Moody's	Fitch
Rating	A+	A1	A+

The Series 2005 bonds are insured by the American Municipal Bond Assurance Corporation (AMBAC) and were initially rated AAA/Aaa/AAA by Standard & Poor's, Moody's Investors Service and Fitch

Ratings, respectively. AMBAC's financial strength ratings have been subsequently downgraded by Moody's and Standard and Poor's and are rated Ba3 and A respectively (as of June 1, 2009). On June 26, 2008 Fitch withdrew their ratings on AMBAC at the insurer's request.

The Authority is not directly impacted by AMBAC's downgrades. The insurance policy on the bonds remains in effect. Additionally, the Authority holds a fully funded debt service reserve equal to one year's annual debt service. In the unlikely event that the Authority was not able to make a debt service payment, AMBAC is contractually required to make the payment and seek reimbursement from the Authority.

Series 2005 Airport Revenue Bonds

Year Ended July 1	Principal	Interest	Total
2010	3,105,000	2,244,475	5,349,475
2011	3,265,000	2,089,225	5,354,225
2012	3,430,000	1,925,975	5,355,975
2013	3,610,000	1,754,475	5,364,475
2014	3,790,000	1,573,975	5,363,975
2015	3,985,000	1,384,475	5,369,475
2016	4,160,000	1,215,113	5,375,113
2017	4,380,000	996,713	5,376,713
2018	4,615,000	766,763	5,381,763
2019	4,865,000	524,475	5,389,475
2020	5,125,000	269,063	5,394,063
Total	\$44,330,000	\$14,744,727	\$59,074,727

Commercial Paper Series A, B and C

The Authority's outstanding commercial paper, Series A (non AMT) and Series B (AMT) and Series C (taxable) is secured by a pledge of airport revenues, subordinated to the pledge of net airport revenues securing the payment of the Series 2005 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

S&P Moody's
A-1+ **P-1**

The principal amount of Series A, B and C Commercial Paper Notes outstanding as of June 1, 2009 were \$27,176,000, \$57,254,000 and \$0 respectively.

Debt Service Coverage – Series 2005 Bonds

	FY 2008 Actuals	FY 2009 Amended Budget	FY 2010 Budget
Airport Revenues¹	\$ 148,540,145	\$156,992,854	\$ 139,361,850
Operations & Maintenance Expenses¹	\$ (118,364,813)	\$135,542,296	\$ (124,862,580)
Net Airport Revenues¹	\$ 30,175,331	\$ 21,450,558	\$ 14,499,270
Debt Service	\$ 5,337,225	\$ 5,341,975	\$ 5,349,475
Debt Service Coverage (x)	5.65x	4.02x	2.71x

¹ FY 2008 calculated in accordance with the Trust Agreement. FY 2009 and FY 2010 calculated on a budget basis, with adjustments made in accordance with the trust Agreement; the difference in net revenues between the two methods of calculation is not significant.

FY 2010 Debt Service by Source

	<u>FY2009 Amended Budget</u>	<u>FY2009 Re-Forecast</u>	<u>FY2010 Budget</u>	<u>Inc/(Dec) FY10 vs FY09 Refcst</u>	<u>% Change</u>
Debt Service					
Principal on Commercial Paper	\$ 1,930,000	\$ 1,930,000	\$ -	\$ (1,930,000)	-100.0%
Interest on Commercial Paper	1,600,585	1,600,585	1,047,893	(552,692)	-34.5%
Principal on Revenue Bonds	2,950,000	2,950,000	3,105,000	155,000	5.3%
Interest on Revenue Bonds	2,391,975	2,391,975	2,244,475	(147,500)	-6.2%
Fees	427,234	427,234	393,004	(34,230)	-8.0%
Amortization of Bond Discount and Cost of Issuance	59,847	59,847	59,847	-	0.0%
Total Debt Service	\$ 9,359,641	\$ 9,359,641	\$ 6,850,219	\$ (2,509,422)	-26.8%

Capital Improvement Program

Capital Improvement Program

Overview

The Capital Improvement Program (CIP) is a rolling five year program that provides for critical improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades and development. Funding sources for the projects include Airport Improvement Program (AIP) grants, PFCs, airport operating revenues, airport revenue bonds, and short-term borrowing using commercial paper. Funding for the initial pre-design phase of the Terminal Development Program (TDP) is included in the CIP. It is anticipated that an additional capital budget for full implementation of the TDP will be presented in early FY 2010. The TDP provides for 10 additional passenger gates, a new dual-level roadway at Terminal 2, and additional aircraft Remain Overnight parking areas. The TDP program is scheduled to be presented to the Board for approval in early FY 2010 and estimated to cost approximately \$ 865 million.

Program Summary

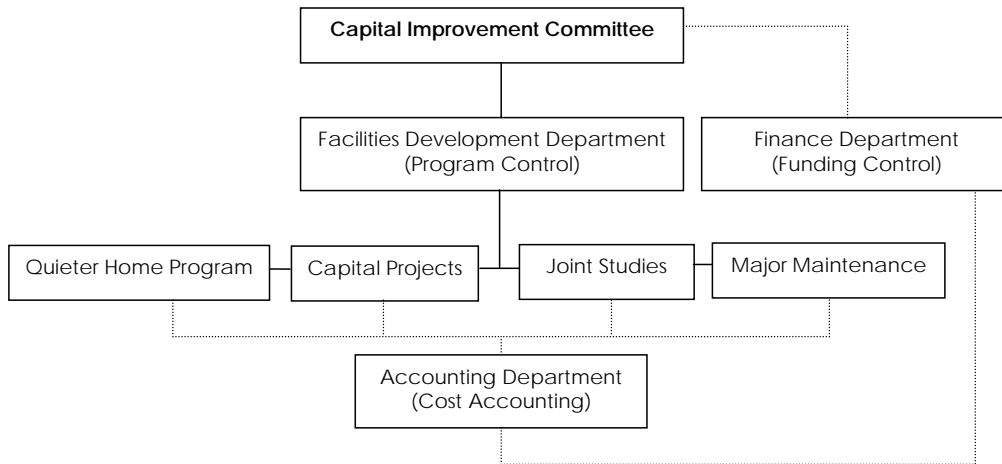
FY 2009 Capital Improvement Program	\$ 277,646,876
FY 2009 – TDP Enabling Projects	60,444,548
FY 2009 – Terminal Development Program	25,000,000
FY 2009 Project Closeouts / Cancellations	(39,746,801)
FY 2009 Capital Improvement Program Balance	323,344,623
Capital Projects Allowance	4,000,000
Proposed New Projects	7,500,000
Proposed FY 2010 Capital Improvement Program	\$ 334,844,623

Sources & Uses of Funds by Fiscal Year

	Pre 2010	FY2010	FY2011	FY2012	FY2013	Total
USE OF FUNDS						
Capital Improvement Program:						
Airside	\$ 41,110,133	\$ 70,712,822	\$ 170,923	\$ -	\$ -	\$ 111,993,878
Landside	2,494,139	8,405,830	3,010,703	-	-	13,910,672
Terminal	20,042,723	30,998,485	19,314,273	16,288,086	13,851,484	100,495,051
Administrative/Other	9,887,502	9,109,676	3,652,289	351,007	-	23,000,474
TDP - Enabling Projects	36,488,169	23,956,379	-	-	-	60,444,548
Terminal Development Program	20,773,350	4,226,650	-	-	-	25,000,000
	\$ 130,796,016	\$ 147,409,842	\$ 26,148,188	\$ 16,639,093	\$ 13,851,484	\$ 334,844,623
SOURCE OF FUNDS						
Capital Requirements						
Federal Grants	\$ 6,082,536	\$ 22,416,584	\$ 20,331	\$ -	\$ -	\$ 28,519,452
Passenger Facility Charges	71,831,854	64,167,872	12,125,235	2,902,846	-	151,027,806
Commercial Paper	40,783,393	42,113,654	3,010,703	-	-	85,907,750
Airport Revenue Bonds	-	-	9,313,089	13,736,247	13,851,484	36,900,820
Airport Cash	11,059,569	18,711,732	1,678,830	-	-	31,450,131
Other (3rd Party Financing)	1,038,664	-	-	-	-	1,038,664
	\$ 130,796,016	\$ 147,409,842	\$ 26,148,188	\$ 16,639,093	\$ 13,851,484	\$ 334,844,623

Capital Improvement Committee

The Capital Improvement Committee (CIC), composed of the Airport Authority's five (5) Vice Presidents, is the oversight team for 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 (CIP) is designed to be a dynamic process. The CIC may review new project requests throughout the year to accommodate the ever changing airport environment and evolving regulatory requirements.

The Capital Program process begins by each department 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 the CIC.

After the request is submitted to the CIC, interviews are conducted between Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Starting with the adoption of the Authority Sustainability Policy, a holistic review is completed with a focus on Total Costs of Ownership to determine project feasibility and economic viability. In addition, the operational benefit and the Authority's ability to provide natural resource conservation and be socially responsible is evaluated.

If the results of the interview support further scope definition and budget development, the CIC directs Facilities Development Department (FDD), in coordination with project sponsors, to define the project deliverable and report on estimated costs through 30% schematic design and/or finished construction. Project budgets, schedules, issues and proposed funding sources are then presented to the CIC. The CIC can then recommend the projects be included in the CIP. The CIC, in their oversight role, 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 will commence with project execution as planned and approved.

Funding

Airport Improvement Program

AIP grants are offered to the Authority to provide funding assistance to those 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 that generates the revenues 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.

During Fiscal Year 2009, the Authority received \$11 million in AIP grants for the Quieter Home Program, \$24 million for rehabilitation of Taxiway C, \$2.1 million for regional aviation system planning, and \$4.8 million under the American Recovery and Reinvestment Act for installation of airfield signage and runway guard lights. The AIP program typically provides funding up to 80.59% of eligible project costs.

Passenger Facility Charge

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies, which 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, and 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 Federal Aviation Administration approved the third passenger facility application on May 20, 2003 with authority to collect \$4.50 per eligible enplaned passenger effective August 1, 2003. Subsequent applications have maintained collections at the \$4.50 level. A seventh application was submitted to the FAA in June 2009 for a total collection authority of \$89 million. Approval of this application is expected in October 2009.

Project Descriptions & Funding Sources

Airside Projects

103044 - NTC Landfill Remediation

Description: The 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 2010	FY 2011	FY 2012	FY2013	Total
34,544,122	10,468,578				\$ 45,012,700
Funding Source					
AIP	PFC	Commercial Paper	Revenue Bonds	Airport Funds	Total
		44,687,533		325,167	\$ 45,012,700

104026 - Rehabilitate Taxiway C (C1-C4)

Description: Reconstruct and relocate Taxiway C to replace deteriorated pavement and meet minimum standards for taxiway-to-runway separation distance.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
3,867,637	41,087,363	145,000			\$ 45,100,000
Funding Source					
AIP	PFC	Commercial Paper	Revenue Bonds	Airport Funds	Total
24,492,420	20,607,580				\$ 45,100,000

104046 - FAR Part 150 Update

Description: Updates the 1989 Noise Exposure Map and redefines SDIA's noise mitigation measures and Quieter Home Program (Residential Sound Insulation) eligibility criteria.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
1,049,193	307,584	25,923			\$ 1,382,700
Funding Source					
AIP	PFC	Commercial Paper	Revenue Bonds	Airport Funds	Total
1,113,758	268,942				\$ 1,382,700

104047 – Rehabilitate & Upgrade Remote Noise Monitor Poles

Description: Begin replacement of 14 wooden poles used to house remote noise monitors since 1976. Replacement would include purchase of new metal poles and solar panels to affect changeover from conventional solar power to make units self-contained.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
	476,800				\$ 476,800

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	476,800				\$ 476,800

104057 – Stormwater Management Program

Description: This project is to develop pilot program within Lindbergh Field Oval #8 using open-graded asphalt to effectively capture and filter contaminated materials generated from aircraft runway operations and develop pilot program to capture and evaluate runoff from roof of East Terminal Building using filter canisters or other commercially available best management product. Both pilot programs will be evaluated for effectiveness over a two year storm season. Both projects will embrace Best Available Technology economically achievable (BAT) and Best Conventional Pollutant Control Technology (BCT) for stormwater conveyance in conformance with local regulatory requirements for stormwater runoff.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
313,363	872,945				\$ 1,186,308

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		1,186,308			\$ 1,186,308

104059 – Runway Guard Light System & Airfield Informational Signs Upgrade

Description: This project is to replace approximately 97 airfield informational signs, including directional guidance, mandatory stop and runway distance remaining signs. Existing sign panels have faded. Signs will be brought into conformance with AC 150-5345-44G Specification for Taxiway and Runway Signs and will use less energy. Also, this project is to install Runway Guard Light System (RGL). Specifically, install elevated RGLs at all runway hold lines and in-pavement RGLs at runway hold lines on B1, C1 and B8.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY 2013	Total
664,513	4,211,024				\$ 4,875,537

Funding Source

		Commercial	Revenue	Airport	Total
AIP	PFC	Paper	Bonds	Funds	Total
	4,875,537				\$ 4,875,537

104061 – Replace/Upgrade Taxiway Lights

Description: This project is to replace 410 elevated taxiway edge lights with lower energy usage LED (Light Emitting Diode) edge lights. Also, replace existing isolation transformers with lower energy usage isolation transformers. Less than a 7-year payback is estimated for this project based on utility and maintenance cost savings.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
277,470	971,167				\$ 1,248,637
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	1,248,637				\$ 1,248,637

104084 – ARFF Vehicle

Description: Provide ARFF vehicle with a snuzzle option for airside fire fighting.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
153,943	992,650				\$ 1,146,593
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
917,274	229,319				\$ 1,146,593

104087 – Runway 9 Displaced Threshold Relocation

Description: This project includes relocation of runway 09 displaced threshold lights, runway touchdown lights, and MALSR lights. The colors of the runway edge lights and centerline lights will be changed. Runway markings will be removed and repainted. This work is required due to Runway 09 displaced threshold moving 300' to the east.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
179,892	3,284,711				\$ 3,464,603
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	3,464,603				\$ 3,464,603

104107 – Northside Utilities

Description: This project funds several enabling North-side utilities projects to include: 30% schematic design; an environmental study; a geotechnical study; coastal permits; and CEQA/NEPA processes.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
60,000	540,000				\$ 600,000

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
				600,000	\$ 600,000

New – Rehabilitate Stormwater/Airfield Drainage

Description: This project will improve and strengthen drainage pipes located on the airfield beneath the runway and taxiways.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
	7,500,000				\$ 7,500,000

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		7,500,000			\$ 7,500,000

Landside Projects

103066 – NTC Access Improvements

Description: This project is required by the Memorandum of Understanding with the City of San Diego. It consists of participating in the construction of roadway improvements at the former NTC site.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
645,116	2,331,884				\$ 2,977,000

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		2,977,000			\$ 2,977,000

104075 – Upgrade Coast Guard Signage

Description: The work includes transfer (by fee title or other means) three existing message board signs and supports currently located on N. Harbor Drive from the City of San Diego; disconnecting power serving signs and signal from U.S. Coast Guard and establish new feed from Authority power supply; replacing existing message boards with updated signs to display airport traffic information as well as message for intended Coast Guard aircraft crossing; obtain permits and utility easement from City and Port District for signage; coordinate signalized crossing with City Traffic Engineering and other related items of work.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
154,095	505,555				\$ 659,650

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		659,650			\$ 659,650

104081 – Demo Airmail Freight Building

Description: This project will demolish the old; outmoded and vacant airmail facility to allow the area to be converted into an employee parking lot.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
1,550,928	849,072				\$ 2,400,000

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		2,400,000			\$ 2,400,000

104095 – SAN Park – Pacific Highway Pavement

Description: Place 2-inches of asphalt pavement over scarified & re-compacted existing material. Scope includes re-striping, relocation of fences, installation of permanent lighting, storm drain tie-ins, electrical distribution for the primary and secondary overflow SAN PARK lots.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
100,000	2,002,481				\$ 2,102,481

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		2,102,481			\$ 2,102,481

104099 – Exterior Campus Communication Infrastructure

Description: Design and construct exterior backbone cable routes, duct bank adjustments, cabling and associated infrastructure around airport campus.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
44,000	2,716,838	3,010,703			\$ 5,771,541

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		5,771,541			\$ 5,771,541

Terminal Projects

103096O – Improve Baggage Screening Capacity T1W & T2W

Description: Reconfigure Baggage Handling System and modify terminal facilities to allow for installation of additional Explosive Detection System machines to increase baggage screening capacity and protect airline operations from the elements.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
987,661	3,144,939				\$ 4,132,600
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	4,132,600				\$ 4,132,600

103097 – T1 Electrical Upgrades

Description: This project is the implementation of the recommendations from the Terminal 1 electrical study. The overall project will upgrade the electrical system and install new equipment where necessary. Design is based on the dual feed option with provision for standby generators. Design and coordination with San Diego Gas & Electric is underway to install replacement transformers on each terminal roof.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
3,610,895	4,389,105				\$ 8,000,000
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	8,000,000				\$ 8,000,000

104015 – Implement Airport-Wide Security Enhancements

Description: Develop and implement a security master plan incorporating physical security, existing systems, advanced technologies and security operations

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
1,607,953	2,902,860	2,902,860	2,902,860		\$ 10,316,519
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	10,316,519				\$ 10,316,519

104019 – Common Use Terminal Equipment (CUTE Phase I)

Description: Begin Implementation of CUTE Systems in Terminal 2 East to operate 39 ticketing positions and 13 gates in conjunction with the implementation of the in-line baggage handling/sorting system (BHSS).

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
3,338,889	261,111				\$ 3,600,000
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	3,600,000				\$ 3,600,000

104021 – Wireless Network System – Phase I

Description: Provide a wireless networking system to serve passengers, Authority personnel, and other Airport stakeholders.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
381,712	3,568,288				\$ 3,950,000
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		3,950,000			\$ 3,950,000

104043 – Remodel Terminal 1 Volunteer Airport Ambassador Information Desk

Description: Replace existing Terminal 1 Volunteer Airport Ambassador Information Booth in order to provide enhanced customer service and a more suitable working environment for Airport Volunteers.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
211,124	153,876				\$ 365,000
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
				365,000	\$ 365,000

104054 – Replace/Protect T1 Escalators

Description: Replacement of the two escalators at Terminal 1 East Rotunda and three escalators at Terminal 1 Parking Lot; construction of a canopy over the escalators and stairway at Terminal 1 Parking Lot; addition of CCTV cameras and event recording devices for all escalators; and provision of monitoring and automatic fault notification for all elevator and escalator equipment.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
5,780,971	1,006,821				\$ 6,787,792

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	6,787,792				\$ 6,787,792

104056 – Expand T2E Facilities

Description: This project will expand the Terminal 2 East building area between Gates 24/26 and 26/28 to increase holdroom and concession area by approximately 6,300 ft², relocate American Airlines Admiral's Club and build out the second story above American Airlines' Bag Makeup area, approximately 7,360 ft², to allow concession core to be moved from Pre-Security to Post-Security. This project increases seating capacity, increases concession space Post-Security, enhances customer service expenditure, increases revenue and provides ability to expand ticket lobby and relieve passenger congestion.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
1,591,653	1,978,564	12,364,007	13,385,240	13,851,484	\$ 43,170,948

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	12,642,000		30,528,948		\$ 43,170,949

104056-1 – Replace T2E Waterline – Fire Suppression

Description: Relocate an old underground 12" waterline serving the terminal and fire hydrants as part of a loop feed around the Terminal

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
116,123	1,625,633	237,296			\$ 1,979,052

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		1,741,756		237,296	\$ 1,979,052

104058 – Gate 19 Reconfiguration

Description: This project will convert Gate 19 to an International Arrival Gate by extending the sterile corridor for Gate 20 and installing a new passenger boarding bridge to serve Gate 19. The existing Gate 19 terminal building area will be converted to Airline Ramp Operations offices. This project will increase capacity of FIS gates for greater flexibility of aircraft accommodation, increase revenue by allowing gate access through Terminal 2 – East with concessions beyond security checkpoint, increase customer service with access to full range of facility, enable closing Security Checkpoint #4 and provide much needed ramp operations office space for future or current airline.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
295	893,681	3,450,024			\$ 4,344,000

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		893,976			\$ 4,344,000

104060 – EVIDS Upgrade

Description: This project will replace the existing bulky Electronic Visual Information Display System (EVIDS) cabinets with new technology streamlined profile of flat screen monitors. This project improves aesthetic appearance, replaces outmoded monitors with new technology and improves passenger circulation at certain locations.

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
410,193	2,334,807				\$ 2,745,000

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	2,745,000				\$ 2,745,000

104063 – Energy Reduction Initiative

Description: Modification of the Commuter Terminal roof top HVAC equipment and retrofitting and/or replacement of existing light fixtures with energy efficient lighting fixtures, including reconfiguration of lighting control system. An estimated total of 8,343 lighting fixtures will be modified/replaced through out Terminal 1, Terminal 2 East, Terminal 2 West, and the Commuter Terminal (CT).

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
109,084	2,032,916				\$ 2,142,000

Funding Source

Commercial					Total
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		2,142,000			\$ 2,142,000

104067 – ADA Self Evaluation

Description: The project includes review and survey of the San Diego International Airport terminal buildings and parking facilities to improve compliance with the current ADA requirements, including the Americans with Disabilities Act Accessibility Guidelines (ADAAG), Part B (Transit) recently adopted by the U.S. Department of Transportation. This project is to ensure compliance with Americans with Disabilities Act Accessibility Guidelines (ADAAG), Part B (Transit) by the U.S. Department of Transportation.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
3,953	228,547				\$ 232,500
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		232,500			\$ 232,500

104073 – TSA-OTA Check PT./B. Screening CCTV

Description: Initiated under a Transportation Security Administration (TSA) Other Transaction Agreement (OTA), this project will expand the Airport Authority's closed-circuit television (CCTV) system to upgrade coverage at seven (7) Passenger Screening Checkpoints and establish new coverage in the TSA's checked baggage inspection areas. In addition, this project will provide system access and immediate digital video replay capability for the TSA related to screening checkpoints and checked baggage inspection areas. To ensure operational continuity, the Airport Authority shall have full system monitoring, access, and replay capability with respect to the project.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
1,278,467	3,405,014				\$ 4,683,481
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	3,969,984			713,497	\$ 4,683,481

104079 – Bag Belt Start Switch/FIDS Interlock

Description: This project is to provide an interlock between the incoming bag belt and Flight Information Display S system, to ensure that the incoming bag belt cannot be started to feed bags to the bag claim carousels until the bag handlers have entered a flight number to be displayed on the carousel. The project has three objectives: 1) ensure that passengers in all bag claim areas will see information for their flights on the carousel displays; 2) improve customer service to passengers; and 3) provide "First Bag" information to the Authority, to be used to measure airline bag delivery performance.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
75,000	615,330				\$ 690,330
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		690,330			\$ 690,330

104080 – Airport Visual Paging System

Description: This project will provide visual paging in all terminals of San Diego International Airport in compliance with 28 CFR Part 35 Subpart B General Prohibitions. The project has two objectives: 1) add approximately 24 LCD monitors in all three terminals to provide visual paging in compliance with the Americans with Disabilities Act; and 2) provide voice to text capability to ensure all audible pages of the existing PA system are automatically transcribed on to dedicated visual paging monitors.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
474,012	1,351,123				\$ 1,825,135
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
		1,825,135			\$ 1,825,135

104088 - IT Power Implementation

Description: Design and install upgraded power and backup power provided for IT systems in terminals to support the service quality levels required for IT equipment and applications.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
64,738	1,005,870	110,086			\$ 1,180,694
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
				1,180,694	\$ 1,180,694

104101 – T1 Baggage Claim – Public Art

Description: Interactive artwork in baggage claim area of Terminal 1 to include lighting, audio-visual, digital, etc.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
	50,000	120,000			\$ 170,000

Funding Source					
AIP	PFC	Commercial Paper	Revenue Bonds	Airport Funds	Total
				170,000	\$ 170,000

104102 – T1 Elevated Wall – Public Art

Description: Artwork for face of soffit wall of Terminal 1 above baggage claim.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
	50,000	130,000			\$ 180,000

Funding Source					
AIP	PFC	Commercial Paper	Revenue Bonds	Airport Funds	Total
				180,000	\$ 180,000

Administrative/Other Projects

103078A– T1 Pedestrian Bridge – Public Art

Description: Create a signature artwork that initiates combined experiences with existing (and possibly new) pedestrian bridges.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
5,911	50,000	124,089			\$ 180,000
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
				180,000	\$ 180,000

104004 – Master Plan Update and EIR/EIS

Description: Master Plan will describe potential development scenarios to meet the year 2030 aviation activity forecast including preparation of a development/construction phasing plan and cost estimates for long-term improvements including airfield, terminal, roadway/parking, and ancillary airport facilities and preparation of environmental review studies in compliance with state and federal regulations.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
5,800,000					\$ 5,800,000
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
900,000	2,873,253	2,026,747			\$ 5,800,000

104041 – Public Art Allowance

Description: The Public Art Allowance is to provide a source of funds for inclusion of public art in conjunction with appropriate CIP Project.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
	1,753,274				\$ 1,753,274
Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
				1,753,274	\$ 1,753,274

104041A – Curbside Seating – Public Art

Description: This is an opportunity for an artist to design seating environments for the Commuter Terminal and Terminal 1 arrivals/departures curb.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
17,512	157,488				\$ 175,000

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
				175,000	\$ 175,000

104041B – T2E Ticketing – Public Art

Description: This is an opportunity for an artist or artist team to affect the walls, columns, and other areas throughout the Terminal 2 East concourse, ticketing areas, and North Gates.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
39,246	160,754				\$ 200,000

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
				200,000	\$ 200,000

104042 – Implement Program Management Software

Description: This project is to implement an electronic Program Management (ePM) solution. It will provide executives and managers easy access to roll-up reports, allow for stakeholder and consultant collaboration both inside and outside the Authority, and will effectively manage budget and schedule data.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
3,424,823	167,377				\$ 3,592,200

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
				3,592,200	\$ 3,592,200

104066 – TDY 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 the SDCRAA, Port District and Allegheny Technologies, Inc. The Port District is the lead agency for California Environmental Quality Act and site demolition with Allegheny having the lead for environmental remediation. SDCRAA’s role includes oversight and coordination with the other two parties to ensure visibility of the expenditure of the settlement funds and additional funds forecasted to ready the site for follow-on reuse at the Settlement Agreement’s clean-up standard to commercial/light industrial. 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 2010	FY 2011	FY 2012	FY2013	Total
570,010	4,550,783	1,528,200	351,007		\$ 7,000,000

Funding Source

AIP	PFC	Commercial		Airport Funds	Total
		Paper	Revenue Bonds		
		5,120,793	1,879,207		\$ 7,000,000

104069 – FY10 Capital Projects Allowance

Description: The capital project allowance is to 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 2010	FY 2011	FY 2012	FY2013	Total
		2,000,000	2,000,000		\$ 4,000,000

Funding Source

AIP	PFC	Commercial		Airport Funds	Total
		Paper	Revenue Bonds		
				4,000,000	\$ 4,000,000

104106 – CT 1st Floor Build-Out

Description:

Project Cash Flow

Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
30,000	270,000				\$ 300,000

Funding Source

AIP	PFC	Commercial		Airport Funds	Total
		Paper	Revenue Bonds		
				300,000	\$ 300,000

Terminal Development Program

Terminal Development Program – Enabling Projects

Description: Development of programmatic design documents and pre-design work for the Terminal Development Program.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
36,488,169	23,956,379				\$ 60,444,548

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
1,096,000	41,925,740		1,042,641	16,380,167	\$ 60,444,548

Terminal Development Program

Description: Early design phase for terminal, airfield, and roadway elements of the Terminal Development Program.

Project Cash Flow					
Prior Years	FY 2010	FY 2011	FY 2012	FY2013	Total
20,773,350	4,226,650				\$ 25,000,000

Funding Source					
Commercial					
AIP	PFC	Paper	Revenue Bonds	Airport Funds	Total
	22,863,500			2,136,500	\$ 25,000,000

Operating Budget Impact

The following tables indicate the potential incremental effect on the operating budget in various fiscal years resulting from proposed Capital Improvement Program. Amounts for FY 2010 are reflected in the FY 2010 SDCRAA Budget. Future year amounts are estimates and will be included in future budgets if appropriate.

Expenses

CIP #	Project	Expense Category	FY10	FY11	FY12
103044	NTC Landfill Remediation	Contract Svcs	\$ 250,000	\$ 250,000	\$ 250,000
104026	Rehabilitate Taxiway C (C1-C4)	Contract Svcs	90,310	93,019	95,806
104047	Rehabilitate & Upgrade Remote Noise Monitor Poles	Maintenance	7,100	7,100	7,100
104057	Storm Water Management Program	Contract Svcs	0	200,000	200,000
104059	Runway Guard Light System & Airfield Informational Signs Upgrade	Maintenance	0	49,230	50,707
104061	Replace/Upgrade Taxiway Lights	Maintenance	0	169,617	174,706
104084	ARFF Vehicle	Maintenance	3,000	3,000	3,000
104087	Runway 9 Displaced Threshold Relocation	Maintenance Mater & Supp	24,060 350	24,781 400	25,524 450
104075	Upgrade Coast Guard Signage	Utilities Maintenance	500 37,200	500 43,316	500 44,465
104095	SAN Park-Pacific Highway Pavement	Maintenance Cont Svcs	120,000 2,000	120,000 2,250	120,000 2,500
104099	Exterior Campus Communication Infrastructure	Maintenance	3,615	3,723	3,835
103097	T1 Electrical Upgrades	Maintenance	1,252	1,290	1,328
104019	Common Use Terminal Equipment (CUTE Phase I)	Contract Svcs	100,000	100,000	100,000
104043	Remodel Terminal 1 Volunteer Airport Ambassador Info Desk	Maintenance	625	625	625
104054	Replace/Protect T1 Escalators	Contract Svcs	17,920	17,920	17,920
104056	Expand T2E Facilities	Contract Svcs Utilities Maintenance	0 0 0	500 62,000 55,000	500 62,000 55,000
104063	Energy Reduction Initiative	Maintenance	10,622	10,941	11,269
104079	Bag Belt Start Switch/FIDS Interlock	Maintenance	2,140	10,204	10,270
104080	Airport Visual Paging System	Maintenance	5,422	5,585	5,572
104088	IT Power Implementation	Maintenance Mat & supp	30,955 500	40,227 500	41,433 500
104106	CT 1 st Floor Build-Out	Maintenance	10,000	10,300	10,600

Performance Indicators

Performance Indicators

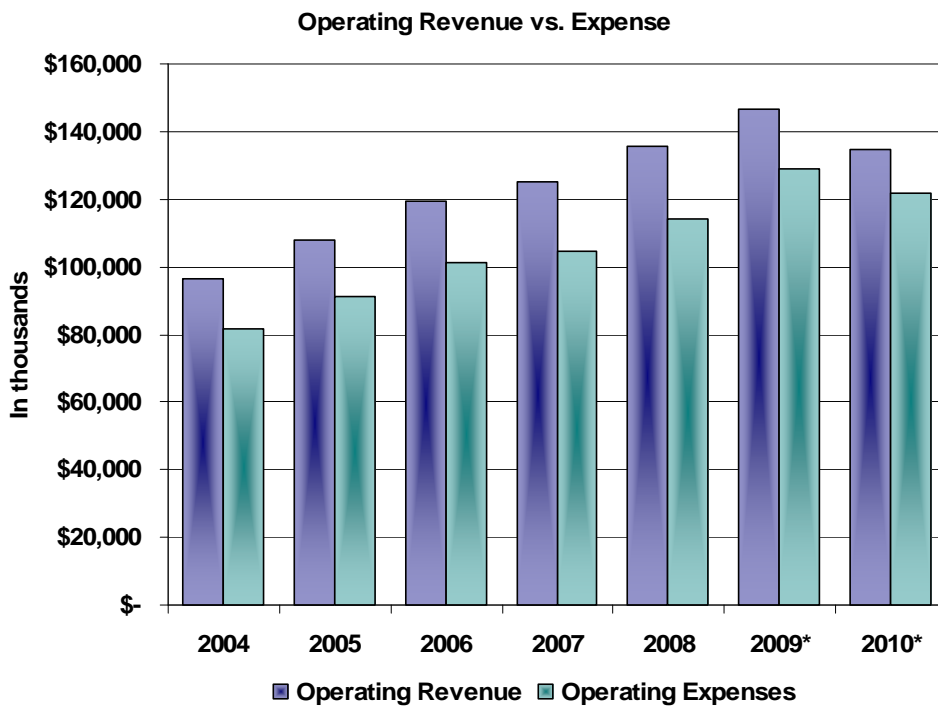
The following performance indicators are a selection of the various operational and financial metrics that the Authority monitors during the course of the year.

Operating Ratio

Fiscal Years ended June 30, 2004 to 2010

Fiscal Year	Operating Expenses ⁽¹⁾	Operating Revenue ⁽¹⁾	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*	120,124	136,312	0.88	4.9%
2010*	121,913	134,908	0.90	2.5%

(1) In thousands



* Re-forecasted FY 2009 and Budgeted FY 2010

Figure 11 - Operating Ratio

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

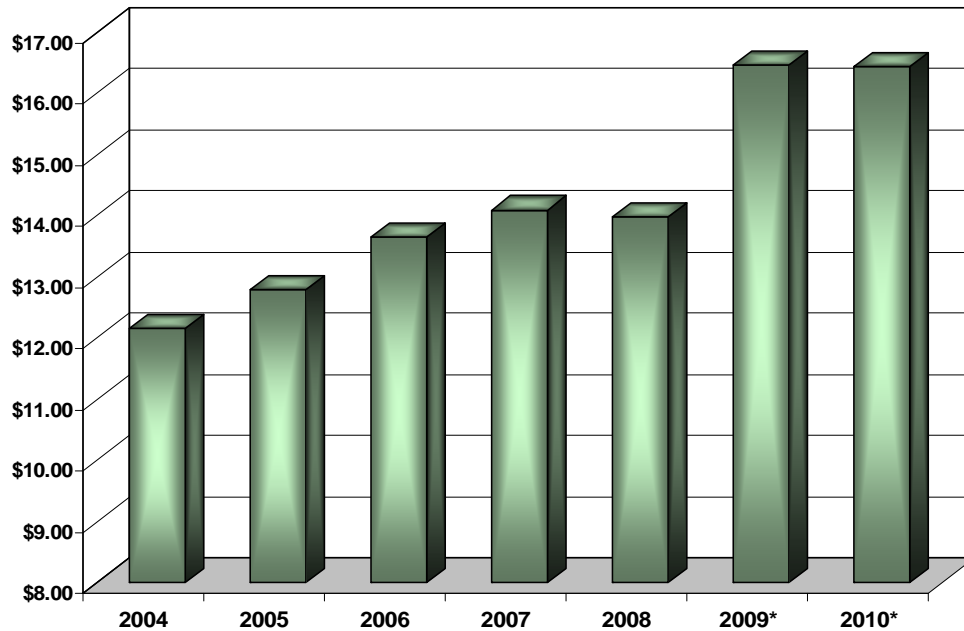
Operating Revenue per Enplanement

Fiscal Years ended June 30, 2004 to 2010

Fiscal Year	Operating Revenue ⁽¹⁾	Enplaned Passengers ⁽¹⁾	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*	136,312	8,273	16.48	17.8%
2010*	134,908	8,200	16.45	-0.2%

⁽¹⁾ In thousands

Operating Revenue per Enplaned Passenger



* Re-forecasted FY 2009 and Budgeted FY 2010

Figure 12 - Operating Revenue per Enplanement

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

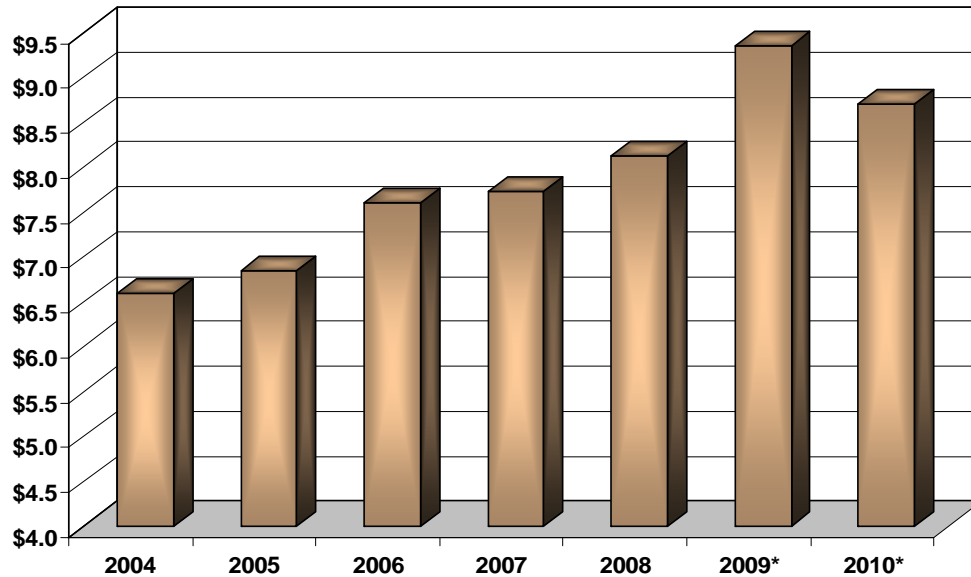
Non-Airline Revenue per Enplanement

Fiscal Years ended June 30, 2004 to 2010

Fiscal Year	Non-Airline Revenue ⁽¹⁾	Enplaned Passengers ⁽¹⁾	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*	77,370	8,273	9.35	15.2%
2010*	71,379	8,200	8.70	-6.9%

⁽¹⁾ In thousands

Non-Airline Revenue per Enplaned Passenger



* Re-forecasted FY 2009 and Budgeted FY 2010

Figure 13 - Non-Airline Revenue per Enplanement

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

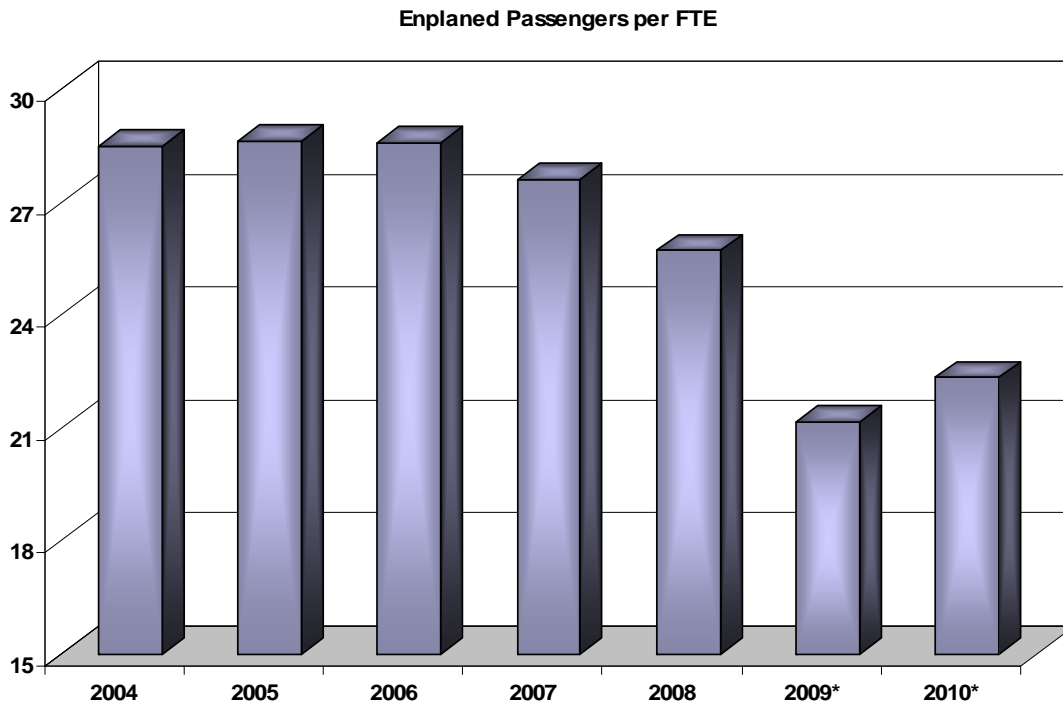
Decrease in FY 2010 is primarily driven by decreased parking/ground transportation revenues resulting from a lower projected passenger traffic and a shorter duration time for long term parking transactions.

Enplaned Passengers per FTEs

Fiscal Years ended June 30, 2004 to 2010

Fiscal Year	Enplaned Passengers per FTEs	FTEs	Enplaned Passengers ⁽¹⁾
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*	21	391	8,273
2010*	22	367	8,200

(1) In thousands



* Authorized FY 2009 and Funded FY 2010

Figure 14 - Enplaned Passengers per FTEs

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

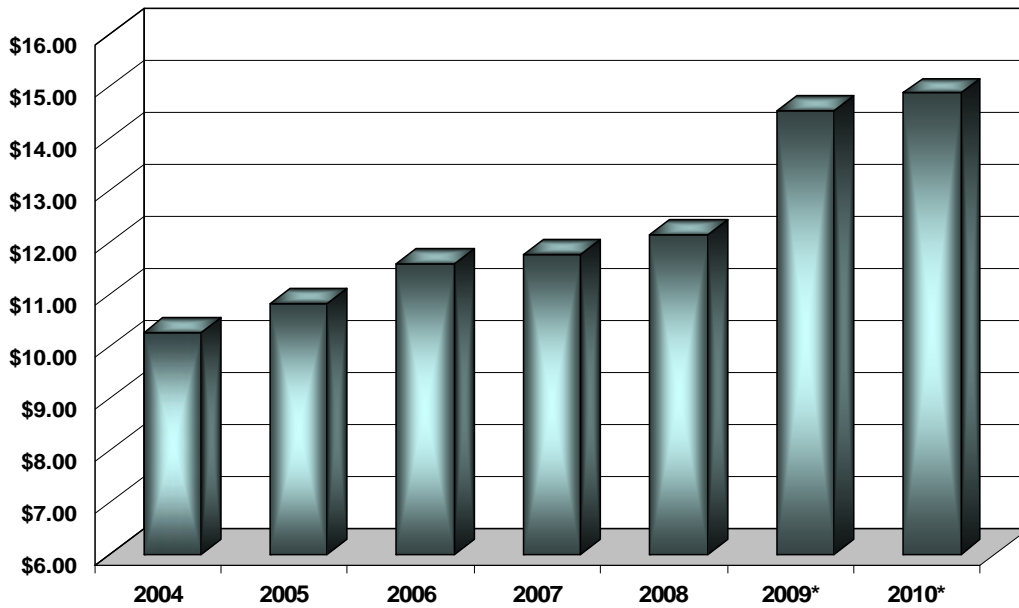
Operating Cost per Enplanement

Fiscal Years ended June 30, 2004 to 2010

Fiscal Year	Operating Costs ⁽¹⁾	Enplaned Passengers ⁽¹⁾	Operating Cost 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*	120,124	8,273	14.52	19.6%
2010*	121,913	8,200	14.87	2.4%

⁽¹⁾ In thousands

Operating Cost per Enplaned Passenger



* Re-forecasted FY 2009 and Budgeted FY 2010

Figure 15 - Operating Cost per Enplanement

Source: San Diego County Regional Airport Authority. Information presented reflects those years that the Authority was in operation.

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 Passengers Satisfaction Rating

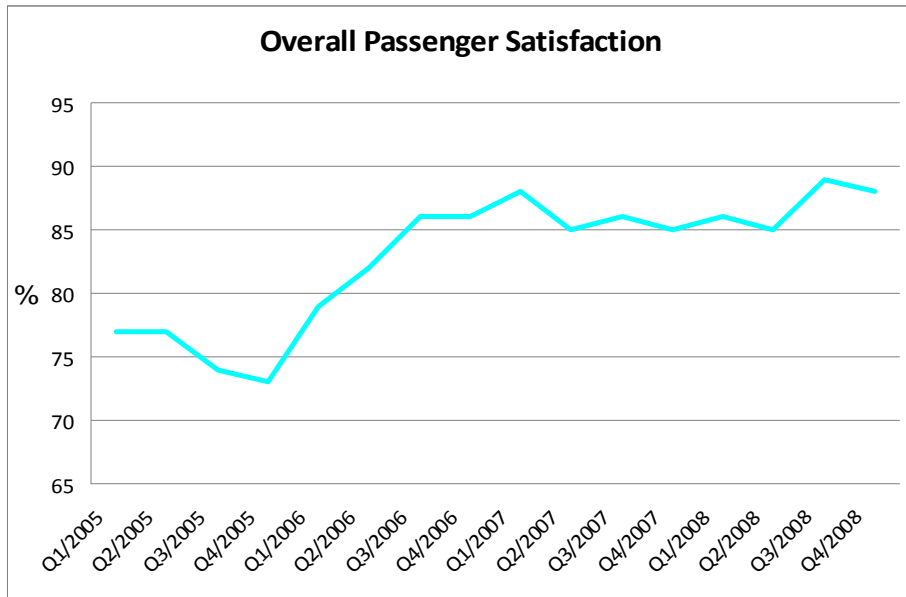


Figure 16 - Passenger Satisfaction Rating

Food and Beverage Satisfaction Rating

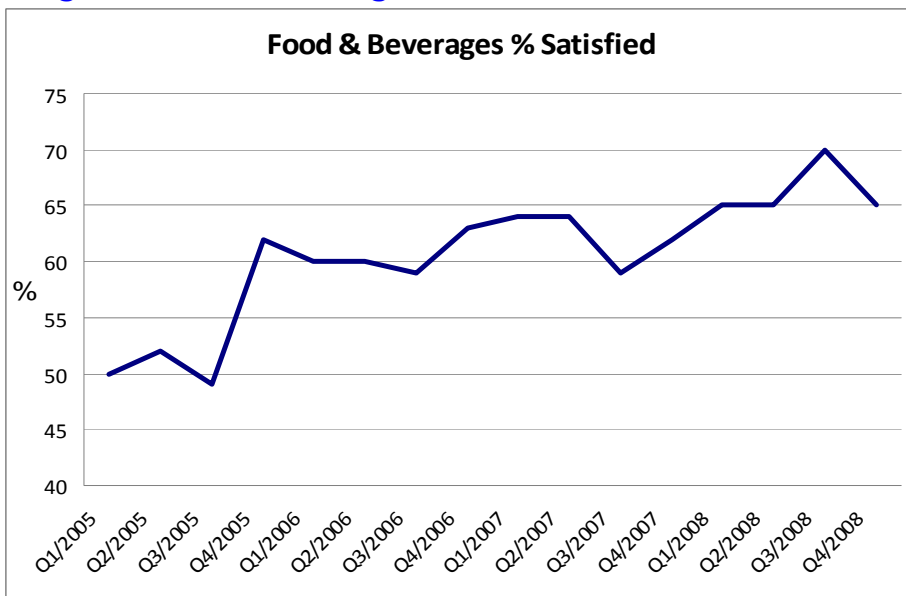


Figure 17 - Food & Beverage Rating

Baggage Delivery Satisfaction Rating

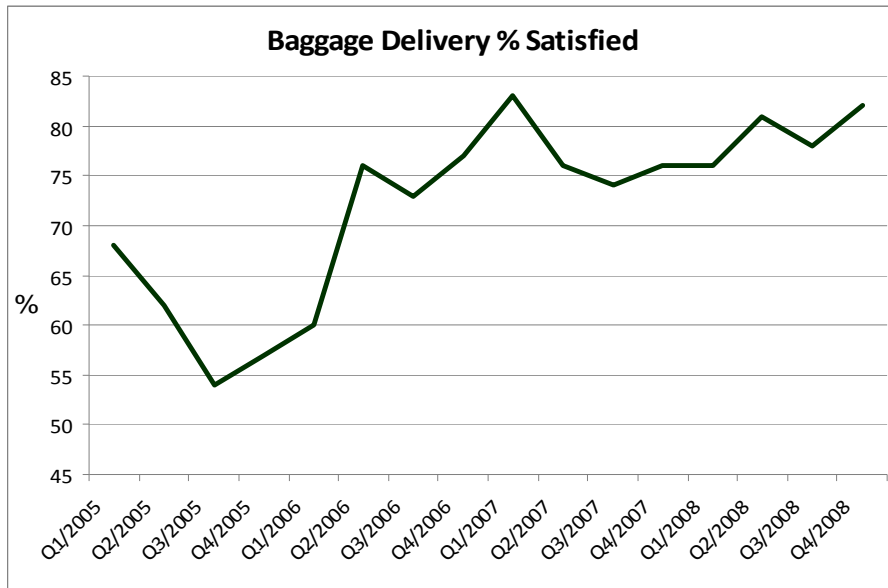


Figure 18 - Baggage Delivery Rating

Terminal Facilities Satisfaction Rating

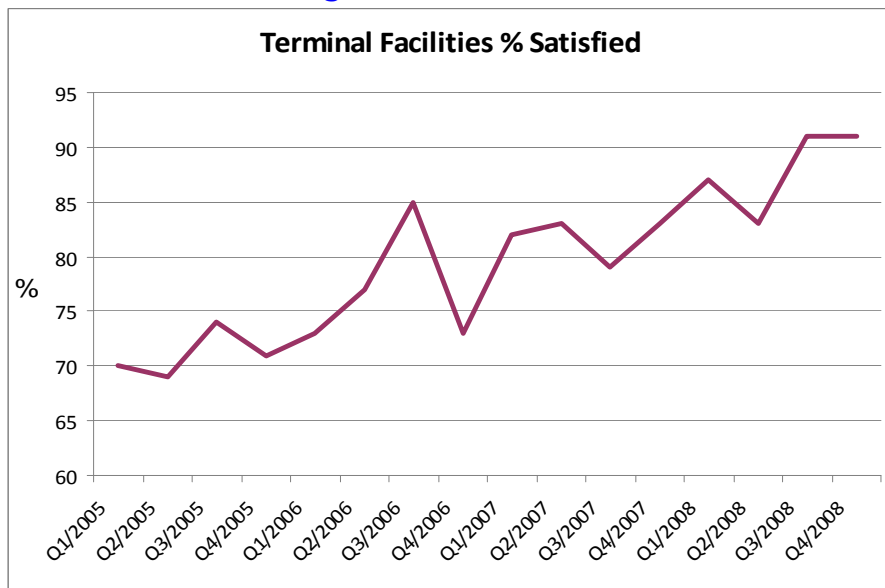


Figure 19 - Terminal Facilities Rating

Security Checkpoint Satisfaction Rating

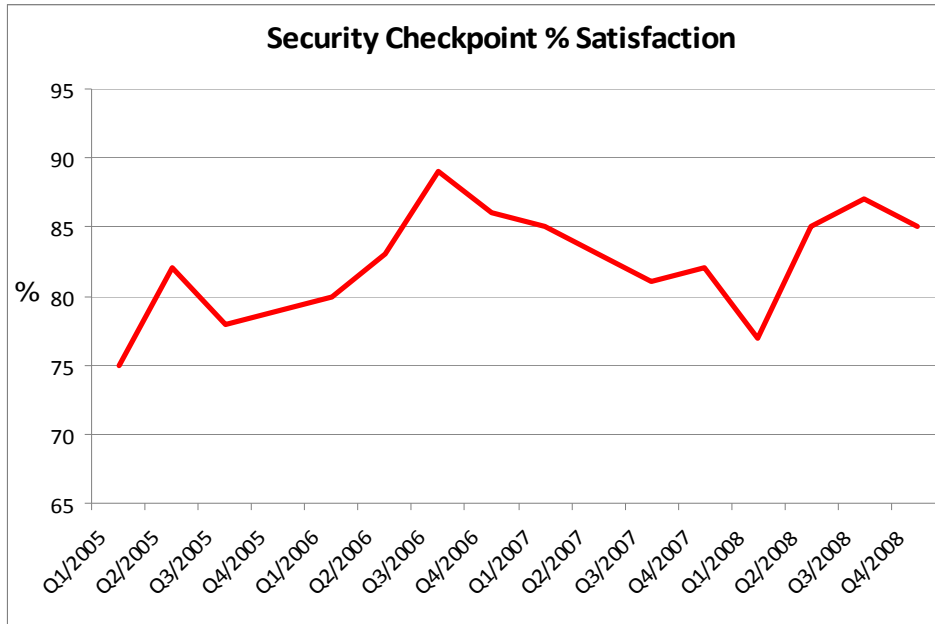


Figure 20 - Security Checkpoint Rating

Retail Satisfaction Rating



Figure 21 - Retail Rating

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Supplemental Data

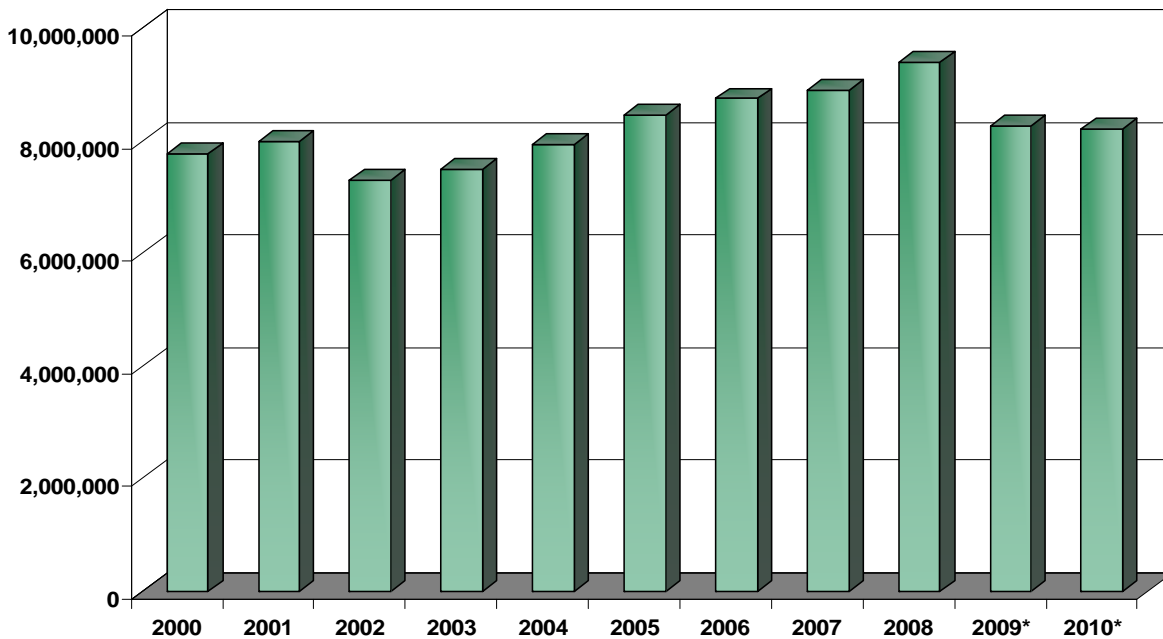
Supplemental Data

Annual Enplaned Passengers

Fiscal Years ended June 30, 2000 to 2010

Fiscal Year	Enplaned Passengers	% Change
2000	7,768,050	2.8%
2001	8,004,178	3.0%
2002	7,299,511	-8.8%
2003	7,505,705	2.8%
2004	7,947,440	5.9%
2005	8,449,107	6.3%
2006	8,749,734	3.6%
2007	8,892,069	1.6%
2008	9,389,327	5.6%
2009*	8,273,000	-11.9%
2010*	8,200,120	-0.9%

Enplaned Passengers



* Projected FY 2009 and Budgeted FY 2010

Figure 22 - 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.

Enplaned Passengers – Fiscal Year 2010 enplaned passengers at SDIA are projected to be 8.2 million, or -0.9% lower than the FY 2009 projections of 8.3 million. The estimated decrease in enplaned passengers for FY 2010 is based on a slowing economy and the financial challenges currently faced by the airline industry.

Airline Market Share – FY 2003 – FY 2008

Air Carrier	2003		2004		2005		2006		2007		2008	
	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	0.6%	39,518	0.7%	32,223	0.3%
Alaska	419,644	5.6%	439,430	5.5%	476,395	5.6%	492,891	5.6%	536,784	5.6%	498,169	5.3%
Aloha	--	--	--	--	29,051	0.3%	41,882	0.3%	38,418	0.5%	33,620	0.4%
American West	369,279	4.9%	450,256	5.7%	466,615	5.5%	451,904	5.5%	374,072	5.2%	78,298	0.8%
American	860,889	11.5%	831,823	10.5%	879,144	10.4%	968,832	11.1%	873,624	11.1%	808,790	8.6%
AirTran Airways	--	--	--	--	--	--	--	--	7,983	--	97,937	1.0%
British Airways	59,937	0.8%	16,756	0.2%	--	--	--	--	--	--	--	--
Continental	319,737	4.3%	354,114	4.5%	401,803	4.8%	454,699	4.8%	503,189	5.2%	520,856	5.5%
Delta	711,123	9.5%	674,570	8.5%	713,872	8.4%	666,101	8.4%	633,772	7.6%	687,104	7.3%
Frontier	99,325	1.3%	140,846	1.8%	152,917	1.8%	171,544	1.8%	196,598	2.0%	231,926	2.5%
Hawaiian	81,393	1.1%	101,847	1.3%	108,798	1.3%	112,410	1.3%	154,932	1.3%	160,939	1.7%
Jet Blue	706	0.0%	119,517	1.5%	118,762	1.4%	161,594	1.4%	151,984	1.8%	224,205	2.4%
Mesa	51,090	0.7%	42,235	0.5%	114,010	1.3%	117,330	1.3%	42,219	1.3%	17,098	0.2%
Midwest Airlines	--	--	--	--	--	--	18,688	--	34,551	0.2%	42,763	0.5%
Northwest	303,878	4.0%	310,795	3.9%	319,790	3.8%	292,393	3.8%	286,952	3.3%	295,724	3.1%
Southwest	2,613,353	34.8%	2,741,470	34.5%	2,866,405	33.9%	2,979,763	33.9%	3,106,431	34.1%	3,306,386	35.2%
Sun County	12,864	0.2%	21,515	0.3%	27,339	0.3%	41,091	0.3%	45,931	0.5%	44,454	0.5%
United	890,984	11.9%	939,722	11.8%	982,535	11.6%	989,744	11.6%	990,725	11.1%	978,816	10.4%
US Air	237,094	3.2%	241,167	3.0%	251,629	3.0%	212,622	2.4%	300,568	2.4%	552,751	5.9%
Virgin America	--	--	--	--	--	--	--	--	--	--	57,292	0.6%
Other	24,555	0.3%	--	--	8,439	0.1%	27,329	0.1%	63,526	0.3%	102,288	1.1%
Total Air Carrier	7,099,005	94.6%	7,473,596	94.0%	7,966,992	94.3%	8,259,786	94.4%	8,381,777	94.4%	8,771,639	93.4%
Commuter												
American Eagle	216,014	2.9%	276,485	3.5%	288,843	3.4%	287,136	3.4%	275,087	3.3%	238,147	2.5%
Sky West	182,545	2.4%	197,359	2.5%	193,272	2.3%	202,812	2.3%	217,602	2.3%	177,112	1.9%
Express Jet	--	--	--	--	--	--	--	--	17,603	--	202,429	2.2%
Other	8,141	0.1%	--	--	--	--	--	--	--	--	--	--
Total Commuter	406,700	5.4%	473,844	6.0%	482,115	5.7%	489,948	5.6%	510,292	5.6%	617,688	6.6%
Total Enplanements	7,505,705	100%	7,947,440	100%	8,449,107	100.0%	8,749,734	100%	8,892,069	100%	9,389,327	100%

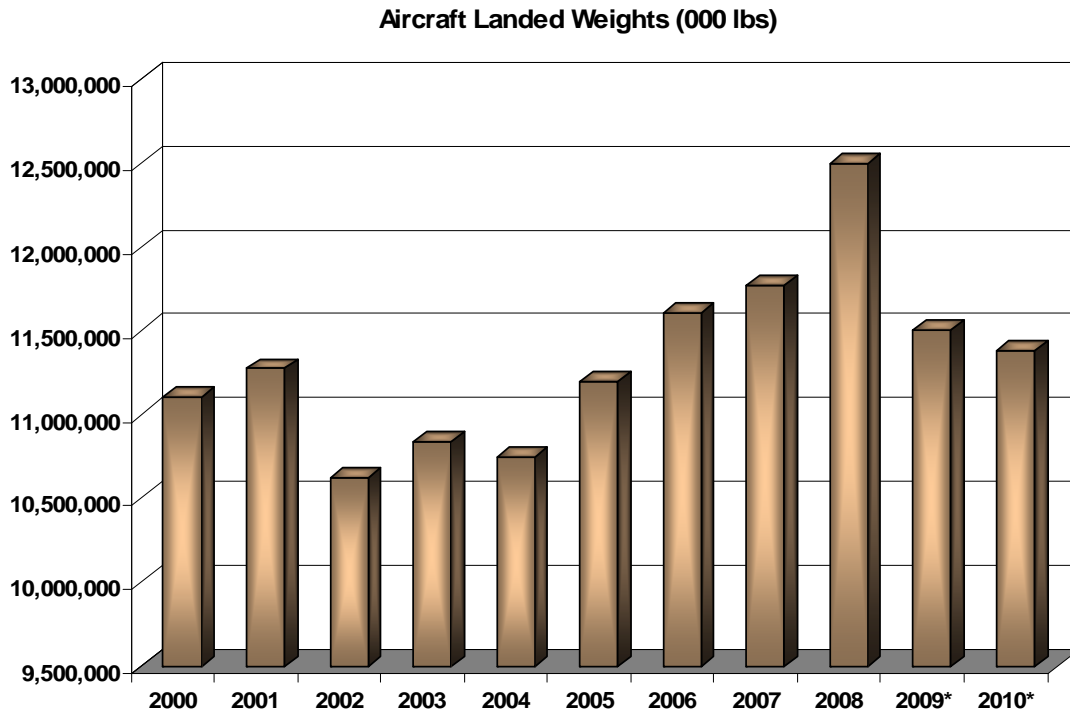
Figure 23 – Airline Market Share

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. Eight carriers accounted for 82% 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 2010

Aircraft Landed Weight		
Fiscal Year	per 1000lbs	% Change
2000	11,106,313	1.8%
2001	11,275,236	1.5%
2002	10,626,416	-5.8%
2003	10,841,140	2.0%
2004	10,748,648	-0.9%
2005	11,200,204	4.2%
2006	11,604,873	3.6%
2007	11,773,957	1.5%
2008	12,501,491	6.2%
2009*	11,505,489	-8.0%
2010*	11,382,155	-1.1%



* Projected FY 2009 and Budgeted FY 2010

Figure 24 - 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. Estimated decrease in landed weight for FY 2010 is based on a slowing economy and the financial challenges currently faced by the airline industry.

Aircraft Landed Weight

Aircraft Landed Weight (Thousand pounds)
Top 15 Ranked on Fiscal Year 2008 Results

Airline	2003	% of Total	2004	% of Total	2005	% of Total	2006	% of Total	2007	% of Total	2008	% of Total
1. Southwest	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%
2. United	1,234,404	11.4%	1,192,898	11.1%	1,278,347	11.4%	1,269,465	10.9%	1,270,371	10.8%	1,222,906	9.8%
3. American	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%
4. Delta	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%
5. 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%
6. Alaska	568,499	5.2%	574,698	5.3%	605,435	5.4%	616,552	5.3%	668,390	5.7%	612,282	4.9%
7. Continental	423,145	3.9%	441,702	4.1%	454,189	4.1%	497,929	4.3%	533,322	4.5%	538,786	4.3%
8. 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%
9. Northwest	385,725	3.6%	352,928	3.3%	363,268	3.2%	315,608	2.7%	326,140	2.8%	334,692	2.7%
10. JetBlue	--	--	144,191	1.3%	123,145	1.1%	174,337	1.5%	175,333	1.5%	288,239	2.3%
11. Frontier	127,679	1.2%	176,080	1.6%	194,758	1.7%	246,749	2.1%	283,898	2.4%	287,387	2.3%
12. 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%
13. Express Jet	--	--	--	--	--	--	--	--	34,384	0.3%	273,655	2.2%
14. Hawaiian	117,934	1.1%	135,040	1.3%	145,920	1.3%	145,920	1.3%	211,840	1.8%	235,200	1.9%
15. SkyWest	233,991	2.2%	239,521	2.2%	247,215	2.2%	251,902	2.2%	246,559	2.1%	195,777	1.6%
Subtotal	9,581,169	88.4%	9,677,421	90.0%	9,938,714	88.7%	10,261,526	88.4%	10,634,875	90.3%	11,576,788	92.6%
All Others	1,259,971	11.6%	1,071,227	10.0%	1,261,490	11.3%	1,343,347	11.6%	1,139,082	9.7%	924,703	7.4%
TOTAL	10,841,140	100.0%	10,748,648	100.0%	11,200,204	100.0%	11,604,873	100.0%	11,773,957	100.0%	12,501,491	100.0%
Annual % Change	2.0%		-0.9%		4.2%		3.6%		1.5%		6.2%	

Figure 25 - Top 15 Ranked by Aircraft Landed Weight

Source: San Diego Unified Port District (for the first six months of Fiscal Year 2003) and SDCRAA.

Landed weight is the maximum gross certificated landed weight in one thousand pound units as stated in the airlines' flight operational manual.

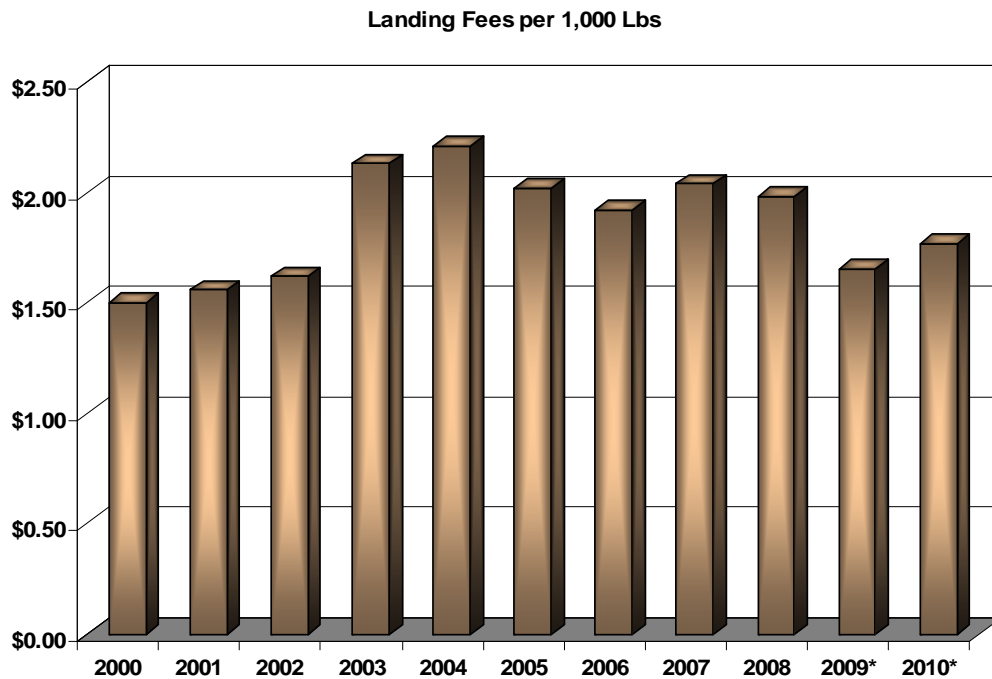
Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at SDIA.

Information presented reflects those years that the Authority was in operation.

Landing Fees

Fiscal Years Ended June 30, 2000 to 2010

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*	1.65	-16.5%
2010*	1.77	7.1%



* Projected FY 2009 and Budgeted FY 2010

Figure 26 - Landing Fees

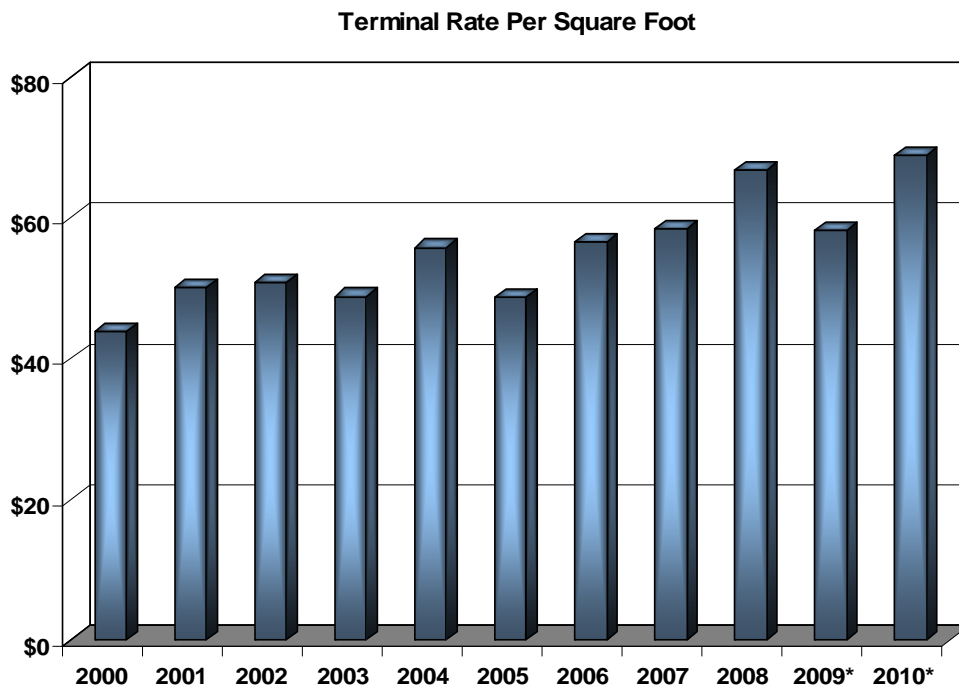
Source: San Diego Unified Port District (for Fiscal Years 2000-2002 and the first six months of Fiscal Year 2003) and SDCRAA.

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 2010

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*	58.21	-12.7%
2010*	68.81	18.2%



* Projected FY 2009 and Budgeted FY 2010

** Net of janitorial credit

Figure 27 - Terminal Rates

Source: San Diego Unified Port District (for Fiscal Years 2000-2002 and the first six months of Fiscal Year 2003) and SDCRAA.

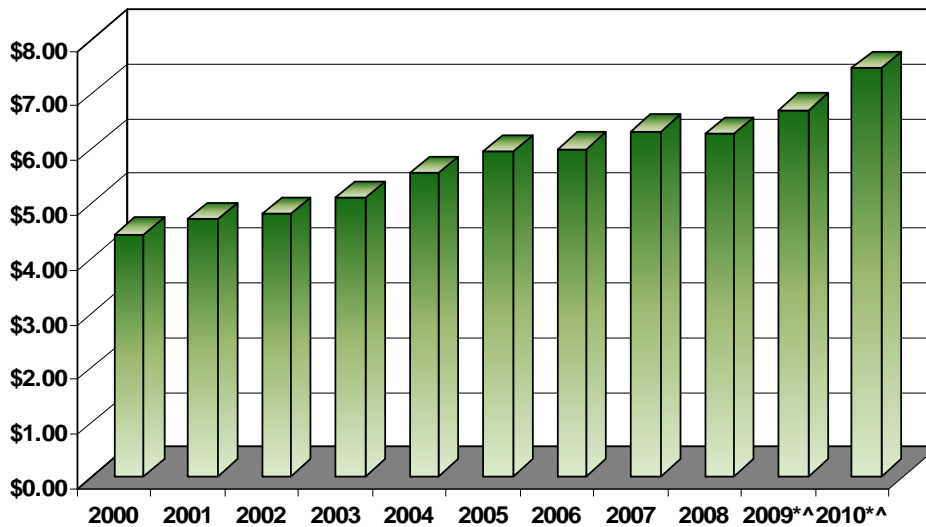
Terminal Rates are rates billed to airlines for the rent of terminal space per square foot. Beginning with FY 2005, the Security Surcharge was excluded from Terminal Rates and charged separately.

Airline Cost per Enplaned Passenger

Fiscal Years Ended June 30, 2000 to 2010

Fiscal Year	Enplaned Passengers	Cost per Enplaned Passenger
2000	7,768,050	\$4.42
2001	8,004,178	\$4.69
2002	7,299,511	\$4.80
2003	7,505,705	\$5.08
2004	7,947,440	\$5.55
2005	8,449,107	\$5.94
2006	8,749,734	\$5.98
2007	8,892,069	\$6.31
2008	9,389,327	\$6.26
2009*	8,273,000	\$6.69
2010*	8,200,120	\$7.45

Cost per Enplaned Passenger



* Projected FY 2009 and Budgeted FY 2010

^ Fuel farm cost recovery and fuel franchise fees are excluded from the calculation in FY 2009 and FY 2010 per new Airline Operating Agreement methodology.

Figure 28 - 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 is the total annual cost of fees and charges paid by the airlines divided by the total fiscal year enplanements.

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	144,145	46,484	190,629	14,712	1,069	206,410
2005	148,990	50,820	199,810	13,239	429	213,478
2006	154,005	53,509	207,514	13,628	542	221,684
2007	162,148	35,666	197,814	21,979	467	220,260
2008	167,753	55,373	223,126	16,123	1,040	240,289

Airfield Operations

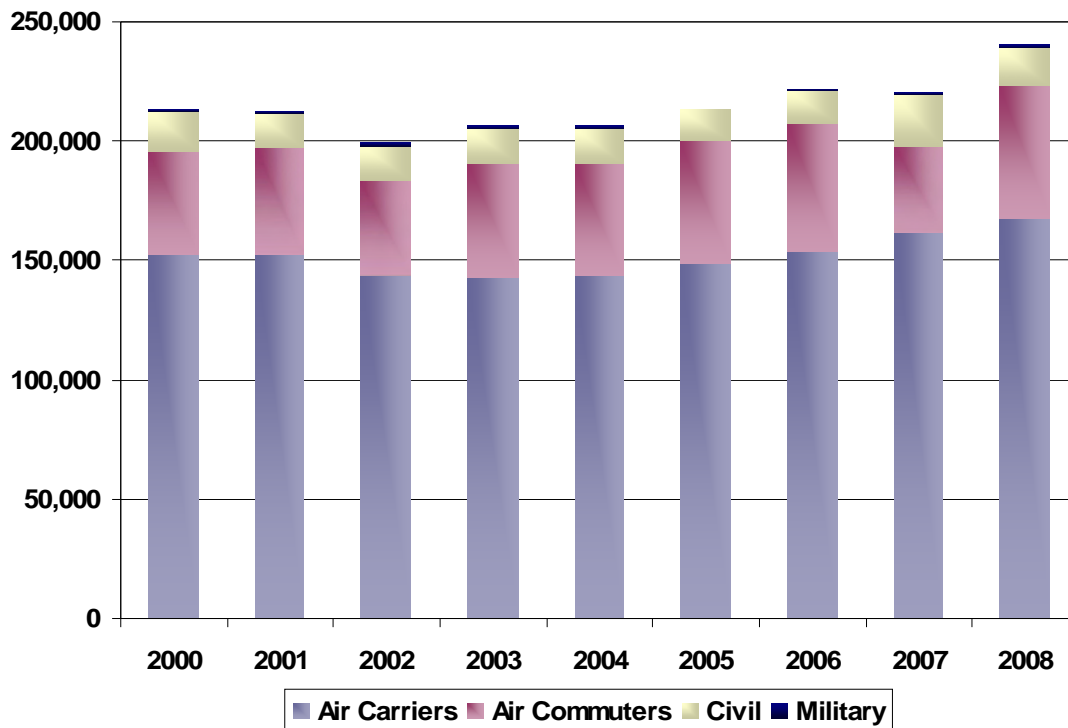


Figure 29 - Airfield Operations

Source: San Diego Unified Port District (for Fiscal Years 2000-2002 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	% of Total Operating Revenue
Southwest Airlines	\$ 10,692,447	\$ 12,767,378	\$ 13,464,404	\$ 15,624,767	\$ 16,920,722	12.5%
Host International	7,106,523	8,038,435	9,147,356	9,808,385	10,875,857	8.0%
American Airlines	7,772,143	8,472,274	10,191,557	8,303,616	7,750,147	5.7%
Hertz Rent-A-Car	4,901,573	5,316,755	5,979,512	6,728,751	6,860,949	5.1%
United Airlines	4,989,506	5,877,927	5,717,234	6,623,373	6,522,426	4.8%
Avis Budget Group	3,103,562	4,966,532	6,002,357	4,465,182	6,193,565	4.6%
Delta Airlines	4,774,243	5,010,848	4,876,095	5,347,415	5,168,634	3.8%
US Airways	699,542	672,643	571,874	1,714,362	4,048,246	3.0%
Continental Airlines	1,849,721	2,123,291	2,364,096	2,995,689	3,314,090	2.4%
Alaska Airlines	2,027,193	2,400,679	2,464,162	2,843,993	2,800,385	2.1%
Enterprise Rent-A-Car	858,956	1,084,031	2,888,849	2,007,684	2,530,192	1.9%
Northwest Airlines	1,944,832	2,116,996	2,185,926	2,195,324	2,064,861	1.5%

Figure 30- Sources of Revenues

Source: San Diego County Regional Airport Authority

Information presented reflects those years that the Authority was in operation.

Population and Economic Metrics San Diego County (2000-2009)

Calendar Year	Estimated		Per Capita		Labor Force
	Population	% Change	Personal Income	% Change	
2000	2,813,833	-1.5%	32,789	8.5%	1,376,008
2001	2,865,208	1.8%	33,801	3.1%	1,409,726
2002	2,922,758	2.0%	34,612	2.4%	1,450,497
2003	2,975,082	1.8%	35,676	3.1%	1,468,198
2004	3,011,770	1.2%	38,452	7.8%	1,490,781
2005	3,038,074	0.9%	40,383	5.0%	1,505,892
2006	3,065,077	0.9%	42,801	6.0%	1,520,474
2007	3,100,132	1.1%	n/a	n/a	1,542,445
2008	3,131,552	1.0%	n/a	n/a	1,548,700
2009	3,173,407	1.3%	n/a	n/a	1,576,300

Calendar Year	Unemployment		Unemployment Rate
	Employed	Unemployed	
2000	1,322,244	53,764	3.9%
2001	1,350,738	58,988	4.2%
2002	1,375,787	74,710	5.2%
2003	1,391,739	76,459	5.2%
2004	1,420,124	70,657	4.7%
2005	1,440,531	65,361	4.3%
2006	1,459,929	60,545	4.0%
2007	1,471,577	70,868	4.6%
Apr-08	1,472,900	75,800	4.9%
Apr-09	1,433,100	143,200	9.1%

Sources: Population Data - California Dept. of Finance, Demographic Research Unit;
Income Data - U.S. Dept. of Commerce, Bureau of Economic Analysis;
Employment Data - U.S. Dept. of Labor, Bureau of Labor Statistics

Figure 31 - Population Metrics

Households & Income

Households	2000-2008		
	2000	2008	Change
Number of Households	450,691	487,975	8.3%
Median Household Income	47,360	49,422	4.4%

Income Distribution	2000-2008		
	2000	2007	Change
Less than \$15,000	12.5%	12.5%	0.0%
\$15,000-29,999	18.0%	17.1%	-5.0%
\$30,000-44,999	17.3%	16.5%	-4.7%
\$45,000-59,999	13.9%	13.3%	-4.2%
\$60,000-74,999	11.0%	10.9%	-1.3%
\$75,000-99,999	11.5%	11.8%	2.3%
\$100,000-124,999	6.6%	7.1%	8.1%
\$125,000-149,999	3.3%	3.7%	13.3%
\$150,000-199,999	2.9%	3.7%	26.5%
\$200,000 or more	3.0%	3.5%	18.1%

Figure 32 - Households & Incomes

Source: San Diego Association of Governments, 2008 (Income in real 1999 dollars, adjusted for inflation). Percentages may not add to 100% due to rounding.

Industry Sectors & Establishment Sizes

Industry Sectors	Establishments	Employees	Quarterly Payroll
Natural Resources and Mining	761	11,247	\$82,516
Construction	7,089	77,099	\$989,974
Manufacturing	3,148	102,405	\$1,594,243
Trade, Transportation, and Utilities	14,235	215,291	\$2,051,108
Information	1,265	39,319	\$1,147,106
Financial Activities	9,573	75,679	\$1,072,192
Professional and Business Services	16,162	216,043	\$3,175,218
Education and Health Services	8,146	134,259	\$1,517,150
Leisure and Hospitality	6,857	168,339	\$916,141
Other Services	26,126	58,444	\$371,211
Unclassified	4,947	5,742	\$53,282
Totals	98,309	1,103,871	\$12,970,146
<i>Portion owned by Government</i>			
Federal Government	256	41,690	\$651,234
State Government	437	36,283	\$460,977
Local Government	588	130,088	\$1,660,256

Source: California Employment Development Dept., Quarterly Census of Employment and Wages, Q3 2008.

Industry Sectors	Establishments by Number of Employees				
	0-19	20-49	50-99	100-249	250+
Agriculture	623	69	29	18	3
Mining	22	**	**	**	0
Utilities	50	6	**	9	3
Construction	6,194	630	216	100	8
Manufacturing	2,350	440	195	138	59
Wholesale Trade	3,701	319	113	44	11
Retail Trade	7,230	926	343	238	56
Transportation and Warehousing	1,119	148	48	28	6
Information	1,019	135	57	41	22
Finance and Insurance	4,329	316	71	**	16
Real Estate and Rental and Leasing	4,788	169	39	29	9
Services	48,892	3,385	1,170	650	293
Total	80,317	6,543	2,281	1,295	486

Source: California Employment Development Dept.

Fields with ** denote suppression of some or all data by EDD for purposes of confidentiality.

Figure 33 - Industry Sectors & Establishment Sizes

Labor Force, Employment, Unemployment Rate

Year	Labor Force	Employment	Unemployment	Unemployment Rate	
				Local (SD County)	State
2003	1,469,800	1,393,300	76,500	5.2%	6.8%
2004	1,492,400	1,421,700	70,700	4.7%	6.2%
2005	1,507,800	1,442,700	65,100	4.3%	5.4%
2006	1,518,000	1,457,500	60,500	4.0%	4.9%
2007	1,542,500	1,471,600	70,900	4.6%	5.4%
Apr-08	1,548,700	1,472,900	75,800	4.9%	6.0%
Apr-09	1,576,300	1,433,100	143,200	9.1%	10.9%

2006 Labor Participation Rate			
(% of Population 16+)	Population	Labor Force	Percentage
Male	1,143,357	847,242	74.1%
Female	1,136,318	655,864	57.7%
Total	2,279,675	1,503,106	65.9%

Figure 34 - Employment Rates

Source: California Employment Development Dept. 2007 Benchmark (not seasonally adjusted); American Community Survey, 2006

Principal Employers

Employer	2008			1999		
	Employees (1)	Rank	Percentage total of County Employment (2)	Employees (1)	Rank	Percentage total of County Employment (3)
State of California	41,400	1	2.8%	32,600	2	2.5%
Federal Government	40,800	2	2.8%	43,300	1	3.3%
University of California, San Diego	30,078	3	2.0%	18,829	3	1.4%
County of San Diego	16,303	4	1.1%	17,700	4	1.4%
San Diego Unified School District	15,800	5	1.1%	12,292	5	0.9%
Sharp HealthCare	14,390	6	1.0%	7,931	8	0.6%
Scripps Health	11,690	7	0.8%	5,898	10	0.5%
City of San Diego	11,054	8	0.7%	11,100	6	0.8%
Qualcomm Inc.	9,444	9	0.6%	10,500	7	0.8%
Kaiser Permanente	7,608	10	0.5%	-	-	-
US Postal Service, San Diego District	-	-	-	7,018	9	0.5%
Total	198,567		13.4%	167,168		12.8%

Figure 35 - Principal Employers

Sources: County of San Diego CAFR FY 2008

(1) San Diego Business Journal

(2) California Labor Market Info

Percentage is calculated by dividing employees by total employment of 1,477,200 as of June 2008.

(3) California Labor Market Info

Percentage is calculated by dividing employees by total employment of 1,307,000 as of June 1999.

Principal Employers in San Diego County (2008-2009)

Employer	Local Employees	Product or Service
United States Navy, San Diego	42,000 Military/ 7,000 Civilian	Government
Federal Government	39,100	Government
State of California	37,100	Government
University of California, San Diego	24,790	Education
San Diego Unified School District	21,073	Education
City of San Diego	20,700	Government
County of San Diego	18,900	Government
Sharp HealthCare	13,872	Health Care
Scripps Mercy Hospital	11,000	Health Care
Scripps Health	10,313	Health Care
Kaiser Foundation Hospital	7,330	Health Care
United States Postal Service	6,187	Government
Qualcomm Inc.	6,000	Telecom
AT&T Inc.	5,800	Telecom
San Diego Community College District	5,600	Education
Sempra Energy	5,500	Energy
Science Applications International Corp. (SAIC)	4,667	Defense
National Steel & Shipbuilding Co. (NASSCO)	4,600	Defense
Grossmont Union High School District	4,490	Education
YMCA of San Diego County	4,400	Education
San Diego State University	4,283	Education
SBC Communications Inc.	4,200	Telecom
Northrop Grumman	4,165	Defense
Rady Children's Hospital	3,504	Health Care
Solar Turbines	3,500	Energy
Palomar Pomerado Health	3,200	Health Care
General Atomics	3,137	Defense
Palomar College	3,070	Education
Barona Valley Ranch Resort and Casino	3,000	Entertainment
Jack in the Box Inc.	3,000	Food Service
Wells Fargo Bank	3,000	Financial Services
BAE Systems	3,000	Defense
San Diego Police Department	2,775	Government
U.S. Border Patrol Sector Headquarters	2,700	Government
Chula Vista Elementary School District	2,560	Education
Callaway Golf Co.	2,500	Entertainment
Sony Electronics Inc.	2,500	Entertainment
Sycuan Resort & Casino	2,500	Entertainment
Viejas Casino	2,500	Entertainment
Zoological Society of San Diego	2,500	Education
Cox Communications Inc.	2,300	Telecom
Oceanside Unified School District	2,300	Education

San Diego Daily Transcript SourceBook 2009, San Diego County Regional Airport Authority

Figure 36 - Principal Employers

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Glossary

AAAE – American Association of Airport Executives

ACCRUAL BASIS OF ACCOUNTING - Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

ACI – Airports Council International.

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 – 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 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, improve airfield safety and enhance 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.

DEBT SERVICE – Principal and interest payments on bonds. The bond-financed portions of the CIP are recovered through debt service, instead of depreciation. See “Statement of Operations” for further clarification.

DEBT SERVICE COVERAGE – An amount equal to 125 percent 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.

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 and ending June 30.

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 Principals 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 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.

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.

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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