

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



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PRESIDENT/CEO
THELLA F. BOWENS

SPECIAL BOARD

AGENDA

Thursday, May 22, 2014
9:30 A.M.

San Diego International Airport
Commuter Terminal – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

***Live webcasts of Authority Board meetings can be accessed at
http://www.san.org/sdcraa/leadership/board_meetings.aspx***

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting, pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance/Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PUBLIC HEARINGS:

OLD BUSINESS:

BUDGET WORKSHOP:

1. DISCUSSION REGARDING THE FISCAL YEAR 2015 PROPOSED BUDGET AND FISCAL YEAR 2016 PROPOSED CONCEPTUAL BUDGET:

RECOMMENDATION: Discuss the Fiscal Year 2015 Proposed Budget and Fiscal Year 2016 Proposed Conceptual Budget.

Presented by Scott Brickner, Vice President, Finance & Asset Management/
Treasurer

PRESIDENT/CEO REPORT:

BOARD COMMENT:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Commuter Terminal. Bring your ticket to the third floor receptionist for validation.

You may also reach the Commuter Terminal by using public transit via the San Diego MTS system, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

UPCOMING MEETING SCHEDULE

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
June 5	Thursday	9:00 a.m.	Regular	Board Room
July 7	Monday	9:00 a.m.	Special	Board Room
August 7	Thursday	9:00 a.m.	Regular	Board Room



SAN DIEGO
INTERNATIONAL
AIRPORT



San Diego County Regional Airport Authority
FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget
Budget Workshop Presentation
May 22, 2014



- **Organizational Strategies**
- **Organizational Initiatives**
- **Organizational Goals**
- **Economic, Industry and Credit Overview**
- **Budget Objectives**
- **Budget Guidelines**
- **Budget Overview**
 - **Revenue**
 - **Expense**
- **Division Expense Budgets**
- **Proposed Capital Program FY 2015 – FY 2019**
- **Plan of Finance FY 2015 – FY 2019**
- **Conclusion**



Organizational Strategies



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



Organizational Initiatives

Revenue Enhancement & Cost Containment

It is expected that, for the foreseeable future, the Authority will be operating in a resource-constrained environment. Execution of the Authority's financial strategy (to enhance the Authority's financial position) includes the critical components of enhancing revenue (especially non-airline revenue) and containing costs. In order to accomplish this, the organization must be innovative and implement new and better ways of running our business, which improve efficiency and optimize revenue.

Strategic Engagement

In order to optimize the Authority's investment in its workforce, employees must be engaged and aligned to execute the most strategically important initiatives. Both employee engagement – a measure of the pride, advocacy and commitment to one's job and organization – and strategic engagement – a measure of understanding and alignment to the mission and strategies of the organization – are key indicators of performance and workforce retention. Currently, overall Authority employee engagement stands at 78% (compared to national average of 30%) while strategic engagement is at 81% (no national average available). As competition for highly skilled workers continues to grow, the Authority's goal is for each to be in the range of 78% – 81% or higher in order to sustain the highest level of employee commitment and performance.

Airport Development Plan

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

Facility and Service Enhancement

In keeping with the Authority's commitment to a sustainable environment, positive passenger experience and operational efficiency improvements, the organization is considering a number of future projects and has several in development or under construction. A consolidated rental car center, surface parking facility, and enabling infrastructure are under construction on the north side of airport property. Projects in planning or under consideration include options for reduced energy and water consumption, airport way finding (both within and en route to SDIA), creative solutions to meet current parking demand, and examining new approaches to addressing traffic impacts caused by the airport.



Organizational Goals

Community Goal

Strategy: Be a trusted and highly responsive regional agency

- Identify and improve perceptions of trust and responsiveness of San Diego International Airport by stakeholders groups (year one: noise impacted community, current and prospective contractors, Authority Advisory Committees, as well as jurisdictions affected by ALUC)
 - A baseline survey will be conducted by June 30, 2014 to establish benchmark.
 - An action plan will be identified to affect improvement of targeted areas by September 30, 2014 and progress measured by June 30, 2015.

Customer Goal

Strategy: Achieve the highest level of internal and external customer satisfaction

- By March 31, 2015, improve “overall satisfaction with San Diego International Airport,” as measured by the Airports Council International Airport Service Quality (ASQ) Survey within North America to a 12 month score within .05 to .08 points above the 4/1/13 – 3/31/14 time period.
- Increase perceptions of trust and responsiveness of San Diego International Airport by tenant stakeholder groups.
 - A baseline survey will be conducted by June 30, 2014 to establish benchmark.
 - An action plan will be identified to affect improvement of targeted areas by September 30, 2014 and progress measured by June 30, 2015.

Employee Goal

Strategy: Ensure the highest level of employee commitment and performance

- Sustain high levels of employee performance and commitment as evidenced by sustaining at least a 78% - 81% score in both employee engagement as well as strategic engagement scores as measured by the FY15 Employee Opinion Survey (EOS).

Financial Goal

Strategy: Enhance the financial position of the Airport Authority

Through efficiency improvements, revenue optimization and cost containment efforts:

- Maintain debt service coverage ratio of greater than 1.5 while sustaining Cost per Enplaned Passenger (CPE) below budget of \$11.37 in FY15.
- Exceed the FY15 non-airline revenue budget of \$104.5 M.
- Exceed FY15 operating income vs. budget by more than \$1 million.

Operational Goal

Strategy: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner

- Fewer than two discrepancies are noted as a part of the annual Federal Aviation Administration Part 139 Certification Inspection.
- By June 30, 2014 develop a plan for implementation of Board direction, regarding Ground Transportation operations at San Diego International Airport. By June 30, 2015, meet or exceed all progress milestones and interim project objectives established to achieve full implementation.

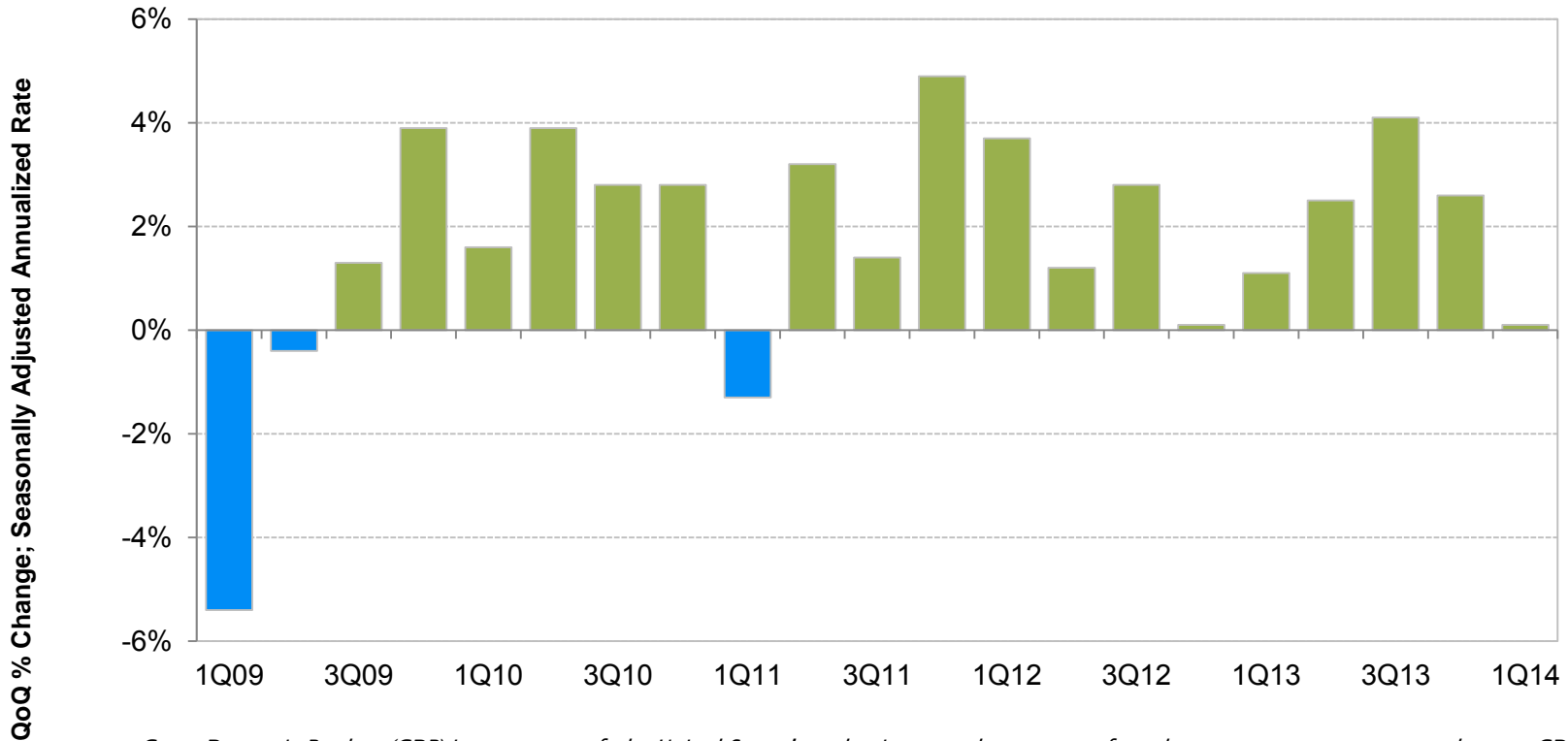


Economic, Industry and Credit Overview



Overall Modest Economic Growth in the Last Four Quarters

U.S. Gross Domestic Product (QoQ)
First Quarter 2009 – First Quarter 2014

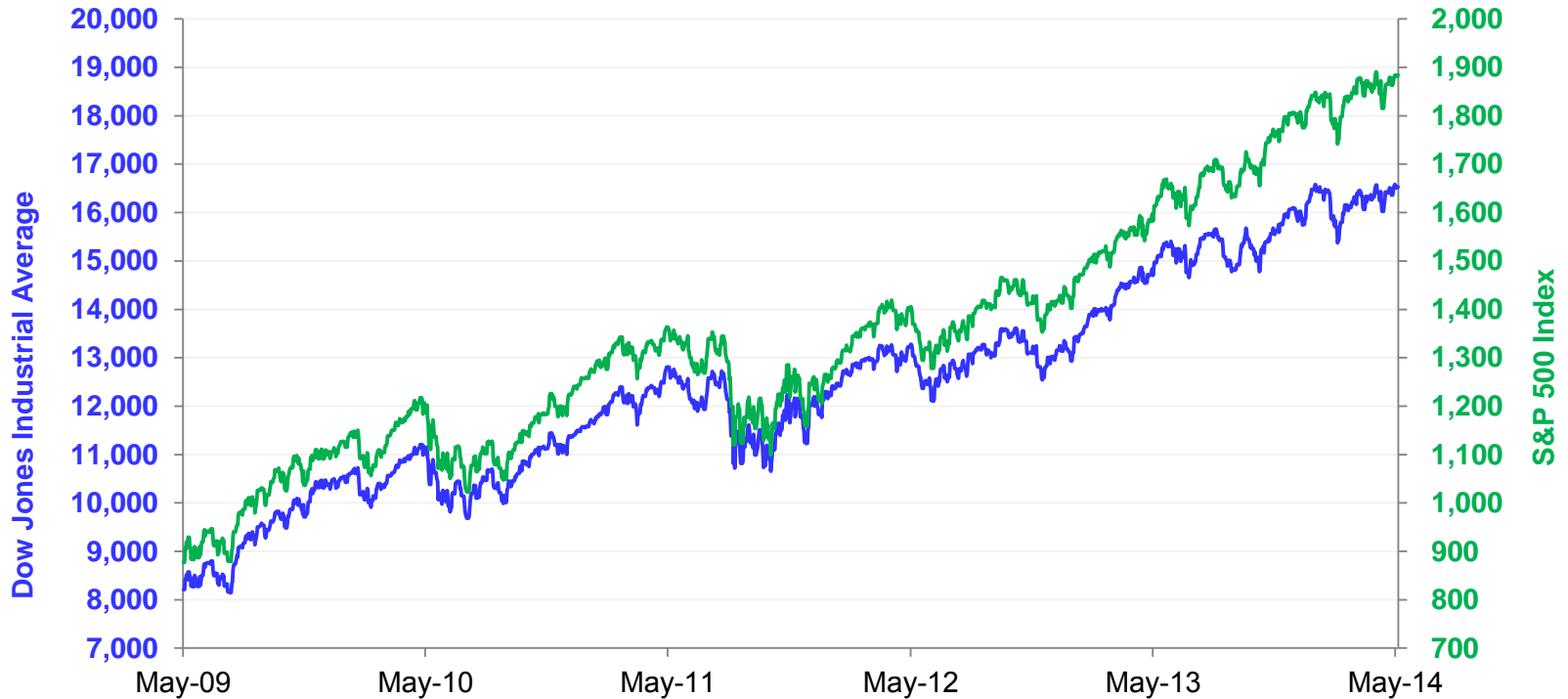


Gross Domestic Product (GDP) is a measure of the United States' production over the quarter, often shown as quarter on quarter change. GDP includes consumption, government spending, investment, and net exports. It is the measure of economic activity in the United States.

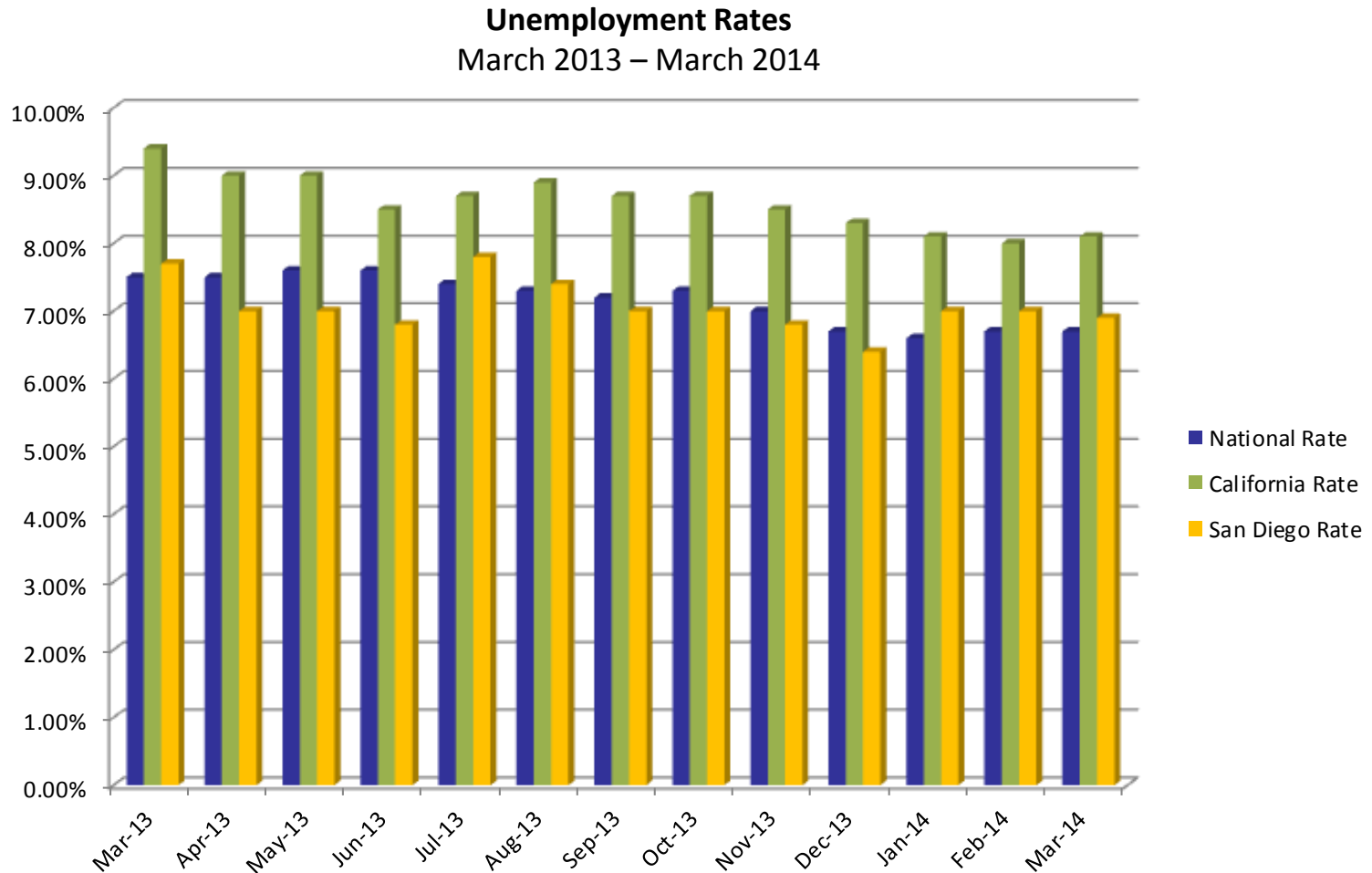


Equity Markets Continue to Rise

Dow Jones Industrial Average and S&P 500 Indices
May 2009 – May 2014



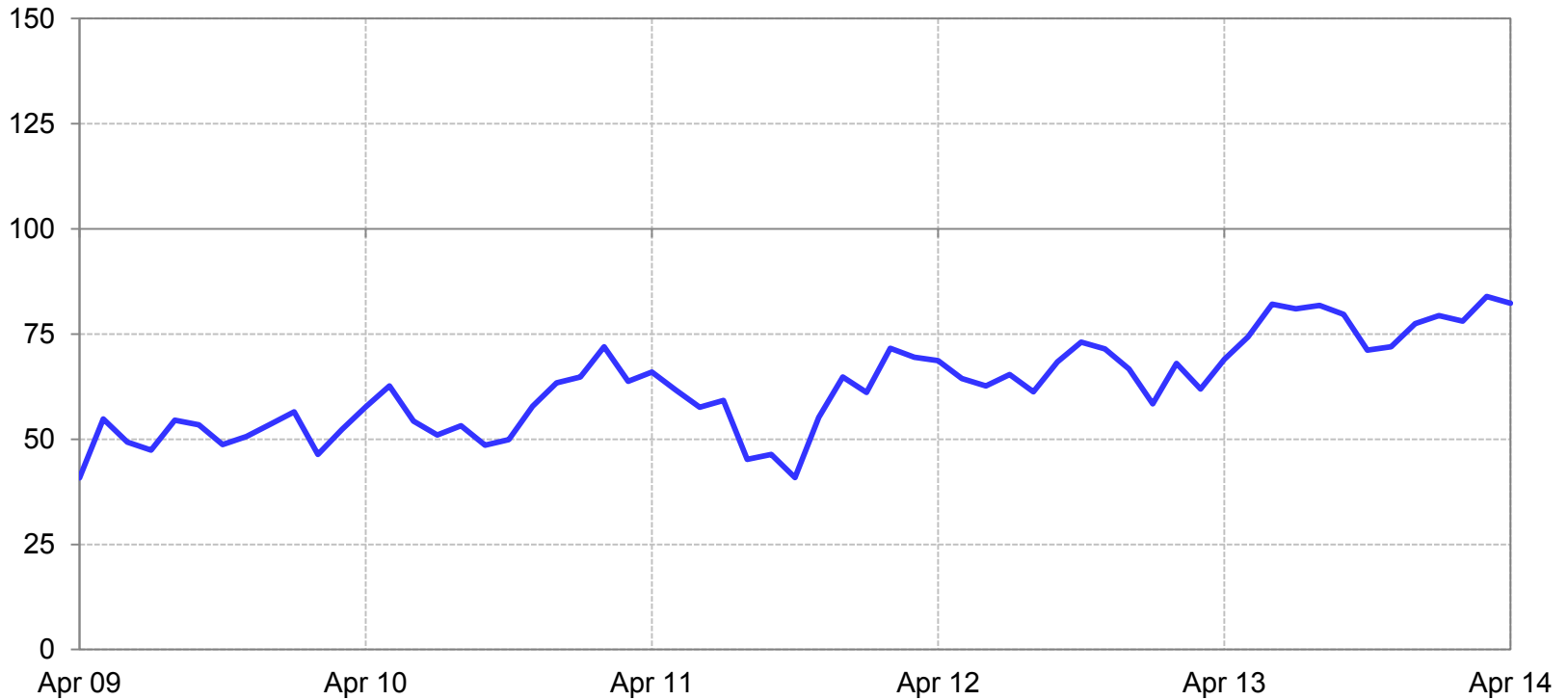
Slight Improvement in Unemployment Rate





Consumer Confidence Increases

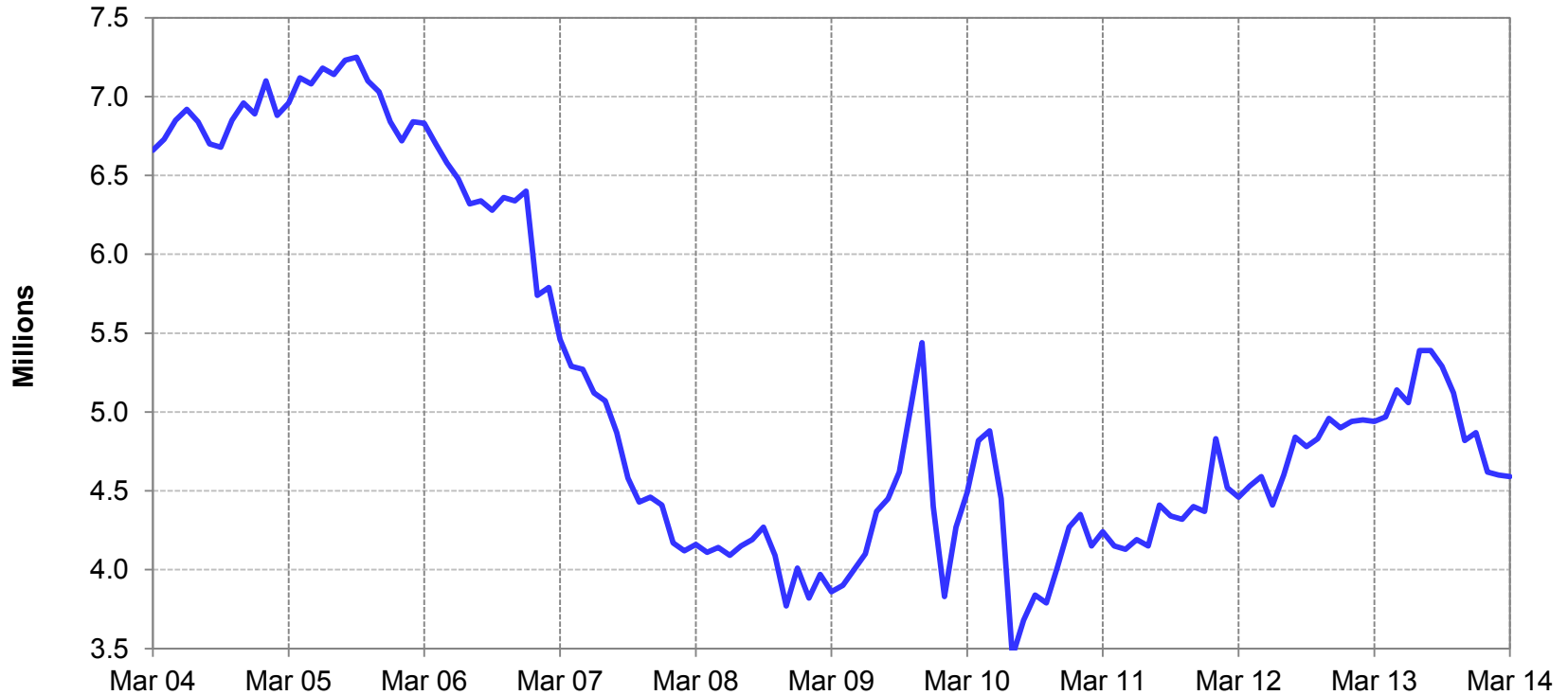
Consumer Confidence Index
April 2009 – April 2014





Existing Home Sales Down Slightly

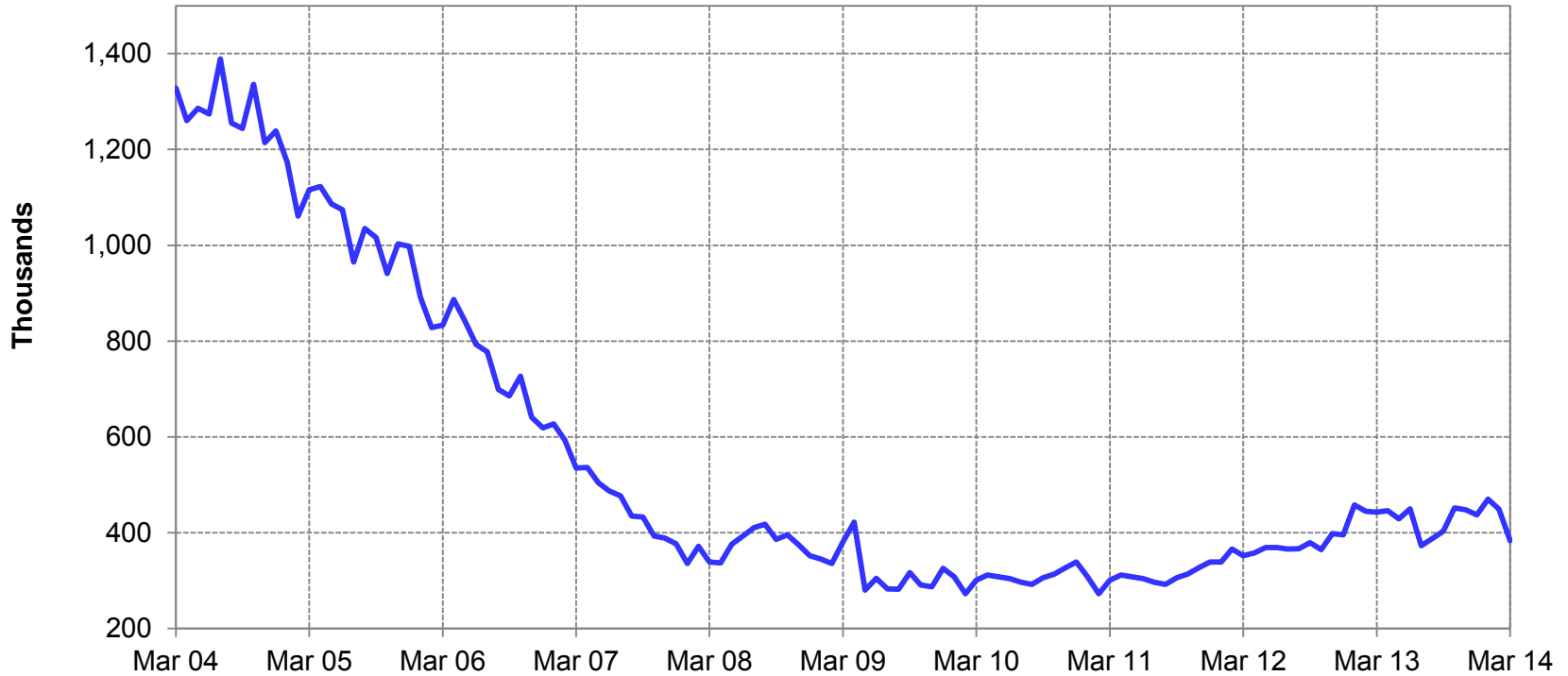
U.S. Existing Home Sales
March 2004 – March 2014





New Home Sales Range-Bound

U.S. New Home Sales
March 2004 – March 2014





Oil Prices Trending Higher

West Texas Intermediate Oil Price Per Barrel (WTI Spot)
April 2009 – April 2014





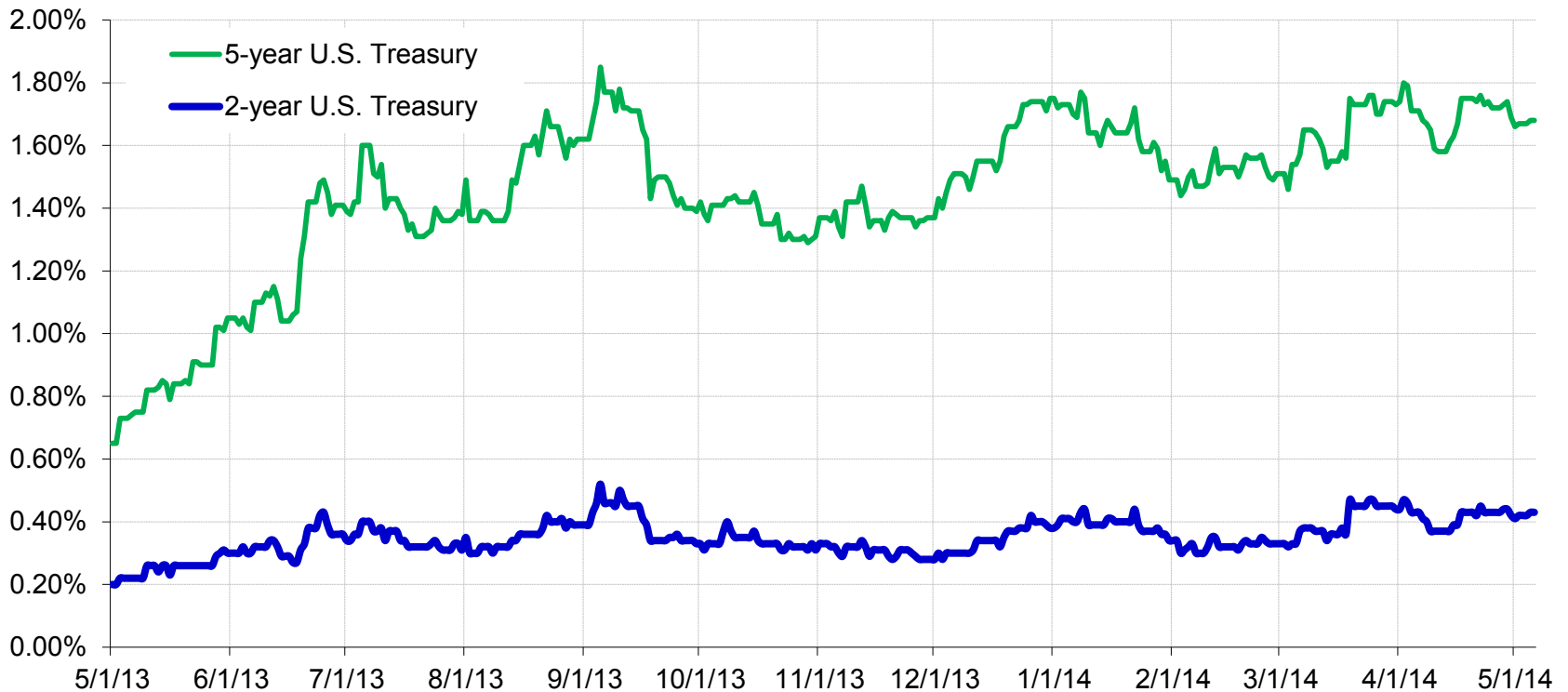
Jet Fuel Prices Trending Higher

U.S. Gulf Coast Kerosene-Type Jet Fuel Spot Price FOB
April 2009 – April 2014



Treasury Yields Trending Up

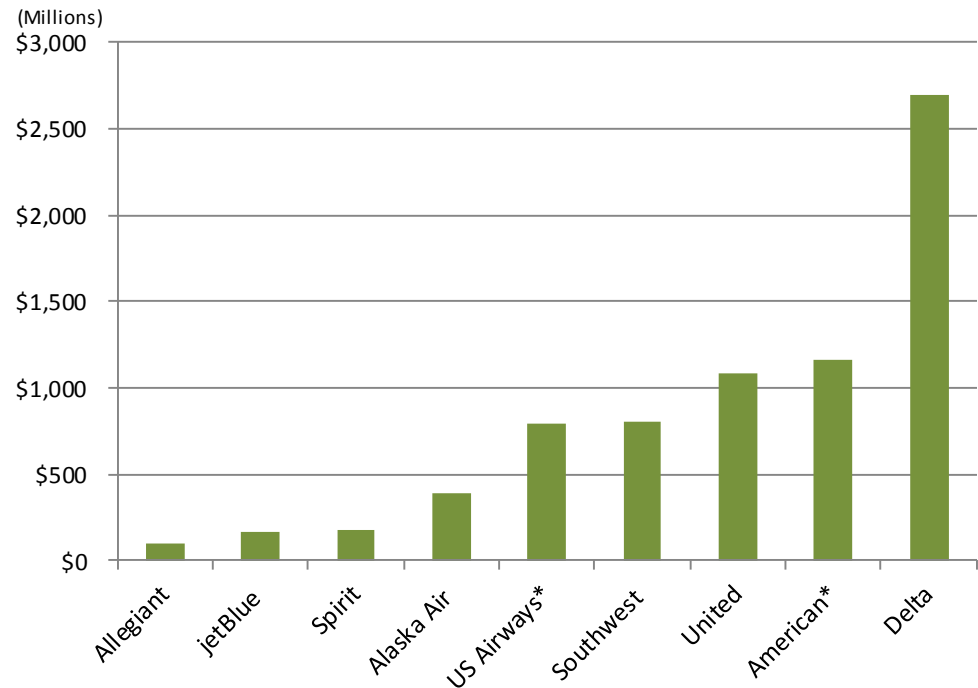
2- and 5-year U.S. Treasury Yields
May 2013 – May 2014



Airline Industry Overview

- All major US airlines recorded a profit in 2013 and the domestic industry collectively realized a \$7.4B profit (ex. special items), up from \$3.5B in 2012.
- Main drivers of growth include improvement in yields due to continued consolidation (marked by the merger between American Airlines and US Airways), lower jet fuel prices in calendar year 2013, growing travel demand (thanks to an improving US Economy), and international flight growth
- Mainline capacity for most airlines is projected to trend upward for FY 2014, with a focus on international expansion
- Network and Fleet Restructuring: Airlines are ceasing service to smaller and unprofitable airports and focusing on replacing aging aircraft with larger and more fuel efficient models

2013 US Airline Net Income (ex. special items)



* American and US Airways completed their merger on December 9, 2013; results in this report are provided for each carrier on a separate non-GAAP basis.

Moody's U.S. Airports 2014 Outlook

Improved from Negative to Stable

Key drivers are:

- Modest growth in enplanements
- Airlines will add seats
- Fuel prices have stabilized
- Slight gains in the U.S. economy
- Cost to airlines per enplanement (CPE) will rise modestly

SDCRAA Strong Credit

recently affirmed by Fitch, Moody's and S&P

- Fitch affirms A+ Senior and A Subordinate ratings with a stable outlook.
- Moody's assigns A3 rating to CFC Bond issuance and affirms A1 Senior and A2 Subordinate ratings with a stable outlook.
- Standard & Poor's assigns A- rating to CFC Bond issuance and affirms A+ Senior and A Subordinate ratings with a stable outlook.

SDCRAA Strong Credit

recently affirmed by Fitch, Moody's and S&P

Key Rating Rationale

- Regional economy supports strong O&D market covering the 2nd largest City and County in California
- Diverse carrier base with 14 domestic and 5 foreign flag carriers
- Experienced proactive management team composed of seasoned professionals
- Solid financial operations and liquidity
- Strong debt service coverage
- Conservative plan of finance



Budget Objectives

- Enhance revenue
- Contain costs
- Maintain current bond rating (A+)
- Ensure optimal facility and service enhancement initiative support
- Position the Authority for implementation of ADP
- Ensure adequate Funding for Safety & Security

- Address regulatory, legal and contractual requirements
- Address maintenance needs of new and aging facilities
- Continue to serve the region with a high level of trust, responsiveness and customer service
- Enhance staff performance, capacity, and efficiency through training development and best business practices
- Promote new domestic and international air service



Budget Guidelines

- The 5 Organizational Strategies remain the same
- Provide / develop new or enhanced revenues
- Personnel Expenses: FY15 – FY16 Budget – New positions must be justified
- Non-Personnel Expenses:

- *FY15 Budget*

Increase in utilities, maintenance and security expenses \$4.0M

Required budget reductions from all departments -\$1.2M

Total Increase vs. FY15 Conceptual Budget **\$2.8M**

- *FY16 Budget: 2% justified increase vs. FY15 budget (does not include RCC busing)*



Budget Overview

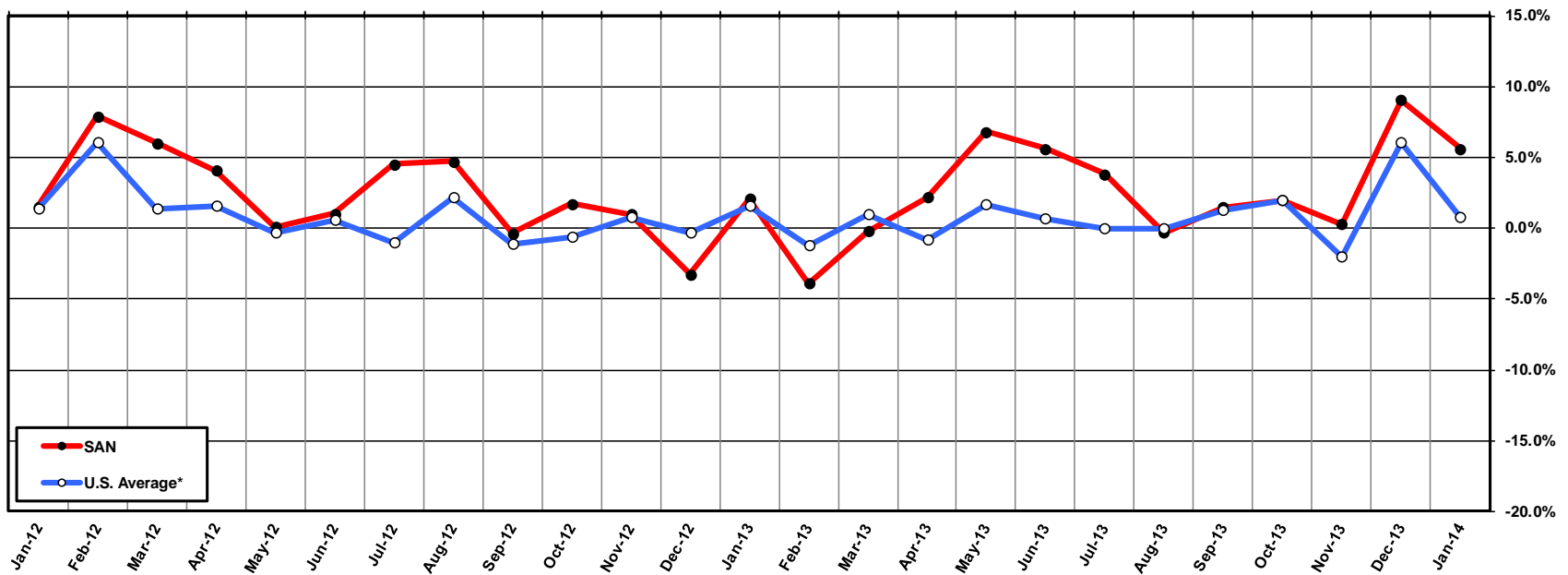


Revenue Budget Overview

SDIA Passenger Traffic

SDIA traffic growth has met or exceeded national averages since April 2013

TOTAL ENPLANED PASSENGERS (% CHANGE)



* U.S. Average is based on T-100 Market Reporting Data from the DOT Bureau of Transportation Statistics.

FY 2015 - 2016 Proposed Budget Assumptions

➤ Enplanements

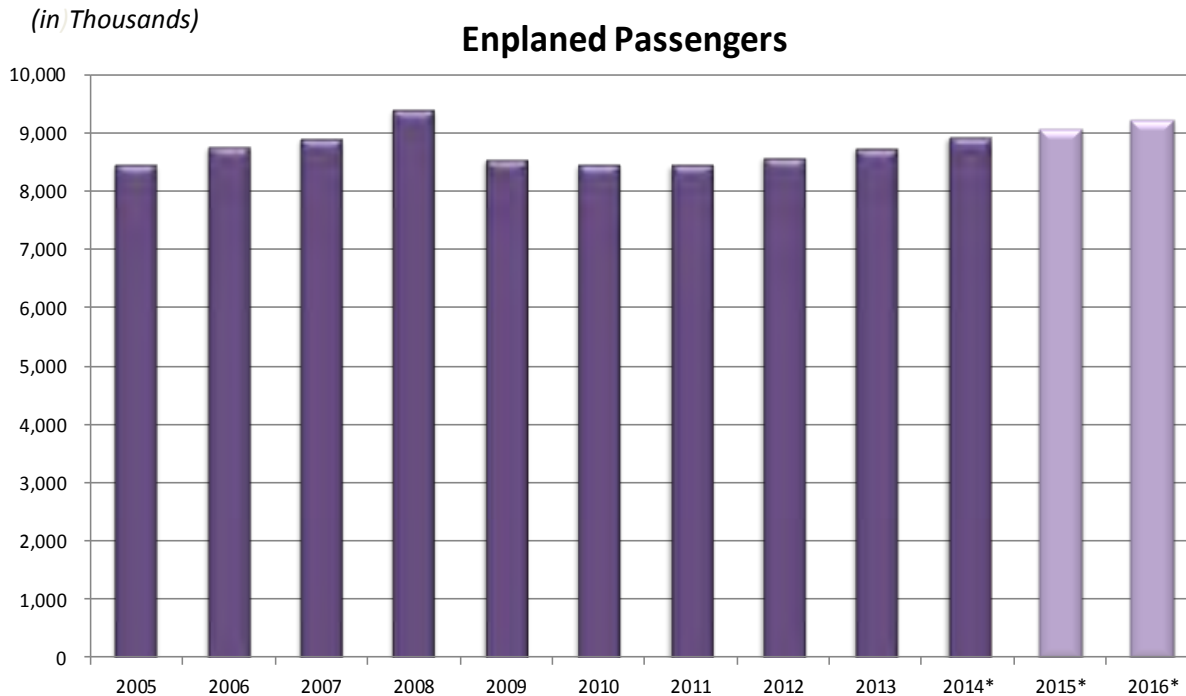
- FY 2015 Proposed Budget of 9.06M 1.6% increase over FY 2014 Forecast of 8.91M
- FY 2016 Proposed Conceptual Budget of 9.21M, 1.7% increase over FY 2015 Proposed Budget

(in Thousands)

Fiscal Year	FY14 Budget Enplanements	% Change Year over Year	FY15 Budget Enplanements	% Change Year over Year	Change vs FY14 Budget	% Change vs FY14 Budget
2013 Actuals	8,738		8,738		-	
2014 Budget/Forecast	8,800	0.7%	8,914	2.0%	114	1.3%
2015	8,976	2.0%	9,061	1.6%	85	0.9%
2016	9,156	2.0%	9,215	1.7%	59	0.6%

FY 2015 - 2016 Proposed Budget Assumptions

SDIA Passenger Traffic



Annual Enplaned Passengers

Fiscal Year	Enplaned Passengers	% Change
2005	8,449	6.3%
2006	8,750	3.6%
2007	8,892	1.6%
2008	9,389	5.6%
2009	8,536	-9.1%
2010	8,454	-1.0%
2011	8,441	-0.2%
2012	8,575	1.6%
2013	8,738	1.9%
2014*	8,914	2.0%
2015*	9,061	1.6%
2016*	9,215	1.7%

* Projected FY 2014 and Budgeted FY 2015 & FY 2016

FY 2015 – FY 2016 Proposed Budget Assumptions

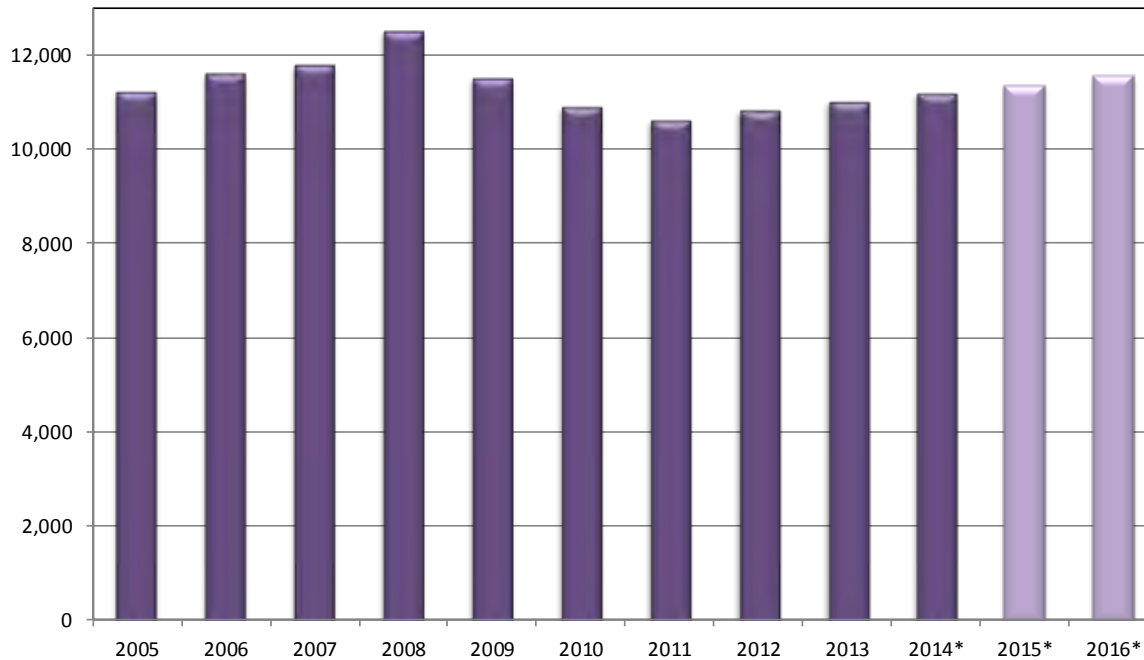
➤ Landed Weight

- FY 2015 Proposed Budget landed weight of 11,366M lbs, 1.6% increase over FY 2014 Forecast of 11,185M lbs
- FY 2016 Proposed Conceptual Budget landed weight of 11,559M lbs, 1.7% increase over FY 2015 Proposed Budget

FY 2015 - 2016 Proposed Budget Assumptions

SDIA Landed Weight

(in Thousands)



* Projected FY 2014 and Budgeted FY 2015 & 2016

Aircraft Landed Weight

Fiscal Year	(Million lbs)	% Change
2005	11,200	4.2%
2006	11,605	3.6%
2007	11,774	1.5%
2008	12,501	6.2%
2009	11,497	-8.0%
2010	10,893	-5.3%
2011	10,606	-2.6%
2012	10,820	2.0%
2013	11,016	1.8%
2014*	11,185	1.5%
2015*	11,366	1.6%
2016*	11,559	1.7%

FY 2015 – 2016 Proposed Budget Assumptions

- Airline Revenue- recovery methodology remains the same as FY 2014 budget

<i>Fiscal Year</i>	<i>Terminal</i>	<i>Security</i>	<i>Airfield</i>	<i>CUPPS</i>
FY 2015	70%	95%	100%	100%
FY 2016	70%	95%	100%	100%

- Concessions Development Program
 - FY 2015 – 2016 revenue estimates reflect current Sales per Enplaned Passenger (SEP) rate which is higher than the budgeted SEP in FY 2014
- Car Rental License Fees
 - FY 2015 – 2016 estimates reduced to reflect low cost providers' increased market share and pricing pressure

FY 2015 – 2016 Proposed Budget Assumptions

- Parking Revenue
 - Relocated Economy Lot opened March 2014
 - Scheduled parking rate increase in July 2014
 - T2 lot open for full Fiscal Year 2015

- Ground Rentals
 - New Fixed Base Operator (FBO) facility commences summer 2014 (FY 2015)
 - Rental Car Center (RCC) opens mid FY 2016
 - Vehicle storage revenue ceases once RCC opens

- Inflight Services
 - Percentage rent increased from 7% to 8% in January 2014 due to new negotiated agreement

- Ground Transportation
 - Ground Transportation fees include 25% discount for converted vehicles and 75% premium for unconverted vehicles in FY 2015
 - Ground Transportation fees include 10% discount for converted vehicles and 100% premium for unconverted vehicles in FY 2016

Parking Rates

Rate Structure	2013	2014	2015	2016	FY 2015 Increase vs FY 2014
Valet Parking	\$36.00	\$36.00	\$38.00	\$38.00	\$2.00
Terminal 1,2, and Commuter					
0 to 30 minutes	\$2.00	\$2.00	\$3.00	\$3.00	\$1.00
31 to 1 Hour	\$4.00	\$4.00	\$5.00	\$5.00	\$1.00
1 to 1.5 Hours	\$6.00	\$6.00	\$7.00	\$7.00	\$1.00
1.5 to 2 Hours	\$8.00	\$8.00	\$9.00	\$9.00	\$1.00
2 to 2.5 Hours	\$10.00	\$10.00	\$11.00	\$11.00	\$1.00
2.5 to 3 Hours	\$12.00	\$12.00	\$13.00	\$13.00	\$1.00
3 to 3.5 Hours	\$14.00	\$14.00	\$15.00	\$15.00	\$1.00
3.5 to 4 Hours	\$16.00	\$16.00	\$17.00	\$17.00	\$1.00
4 to 4.5 Hours	\$18.00	\$18.00	\$19.00	\$19.00	\$1.00
4.5 to 5 Hours	\$20.00	\$20.00	\$21.00	\$21.00	\$1.00
5 to 5.5 Hours	\$26.00	\$26.00	\$27.00	\$27.00	\$1.00
5.5 to 6 Hours	\$26.00	\$26.00	\$27.00	\$27.00	\$1.00
6 to 6.5 Hours	\$26.00	\$26.00	\$27.00	\$27.00	\$1.00
6.5 to 7 Hours	\$26.00	\$26.00	\$27.00	\$27.00	\$1.00
7 to 24 Hours	\$28.00	\$28.00	\$30.00	\$30.00	\$2.00
1st Day	\$28.00	\$28.00	\$30.00	\$30.00	\$2.00
Long Term Lot 1	\$18.00	\$18.00	\$20.00	\$20.00	\$2.00
Economy Lot	\$11.00	\$11.00	\$13.00	\$13.00	\$2.00

Ground Transportation Permit and Trip Fees

Mode	FY14 Actual Fees		FY15 Budgeted Fees			FY16 Estimated Fees		
	Includes AFV ¹ 100% Discount	Includes Non AFV 0% Premium	Base Fee	Includes AFV ¹ 25% Discount	Includes Non AFV 75% Premium	Base Fee	Includes AFV 10% Discount	Includes Non AFV 100% Premium
Taxi Cab Trip Fee⁴	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 3.50	\$ 2.00	\$ 2.00	\$ 4.00
Taxi Cab "All Day" Permit²	\$ -	\$ 571	\$ 475	\$ - ³	\$ 832	\$ 2,052	\$ 1,047	\$ 4,104
Supershuttle	\$ -	\$ 907	\$ 992	\$ 744	\$ 1,736	\$ 1,257	\$ 1,131	\$ 2,513
SDCASA/Primetime Shuttles	\$ -	\$ 5,028	\$6,181	\$ 4,636	\$10,816	\$ 6,586	\$ 5,927	\$ 13,172
Limousines	\$ -	\$ 104	\$ 131	\$ 98	\$ 230	\$ 170	\$ 153	\$ 340
Hotel/Motel	\$ -	\$ 1,610	\$2,010	\$ 1,508	\$ 3,518	\$ 2,601	\$ 2,341	\$ 5,202
Off Airport Parking	\$ -	\$ 5,006	\$5,805	\$ 4,353	\$10,158	\$ 7,511	\$ 6,760	\$ 15,023

¹ AFV refers to Alternative Fuel Vehicles

² Taxi Cabs with only "A" and "B" permits also have a trip fee of \$2.00 but permit fees are 50% of "All Day" permit fees.

³ Permit Fee reduction according to AFV Taxi Cab conversion incentive fully offsets permit fee for FY14 and FY15. In FY16 there is an \$800 maximum reduction in the permit as per the AFV Taxi Cab conversion incentive. Converted "All Day" Cabs also receive a cash incentive payment of \$2,000 in FY14 and \$500 in FY15. ("A" and "B" permits receive 50% of this cash incentive).

⁴ The FY15-FY16 meter fee is projected to be \$2.00, however, Non-AFV Taxi Cabs will incur premiums in FY15 of 75%, FY16 of 100% causing the trip fee charged to drivers to be \$3.50 and \$4.00 respectively.

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY2015 Proposed Budget	Inc/(Dec) FY15 Proposed vs FY14 Budget	% Change FY15 Proposed vs FY15 Conceptual	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Proposed	% Change
Operating Revenue:											
Airline Revenue											
Landing Fees	\$ 19,658,173	\$ 21,814,724	\$ 24,055,014	\$ 23,704,477	\$ 1,889,753	8.7%	\$ (350,537)	-1.5%	\$ 24,403,943	\$ 699,466	3.0%
Aircraft Parking Fees	3,190,928	2,559,493	2,799,267	2,768,087	208,594	8.1%	(31,179)	-1.1%	2,830,215	62,128	2.2%
Building Rentals	41,839,619	45,869,700	47,237,652	49,969,936	4,100,236	8.9%	2,732,285	5.8%	52,306,370	2,336,433	4.7%
Common Use System Support Charges	-	1,116,900	1,116,900	1,124,994	8,094	0.7%	8,094	0.7%	1,145,548	20,554	1.8%
Other Aviation Revenue	1,591,266	1,592,288	1,595,586	1,589,711	(2,577)	-0.2%	(5,875)	-0.4%	1,592,957	3,246	0.2%
Security Surcharge	23,359,938	24,969,500	27,091,200	26,529,900	1,560,400	6.2%	(561,300)	-2.1%	27,632,400	1,102,500	4.2%
Total Airline Revenue	89,639,923	97,922,606	103,895,618	105,687,106	7,764,501	7.9%	1,791,488	1.7%	109,911,434	4,224,327	4.0%
Non-Airline Revenue											
Terminal rent non-Airline	971,790	1,024,234	1,069,154	1,500,586	476,352	46.5%	431,432	40.4%	1,569,133	68,547	4.6%
Terminal concessions	14,150,898	17,216,343	19,475,281	19,783,233	2,566,890	14.9%	307,952	1.6%	19,870,544	87,311	0.4%
Rental Car License Fees	24,401,371	25,061,200	26,073,700	24,576,100	(485,100)	-1.9%	(1,497,600)	-5.7%	24,993,700	417,600	1.7%
License Fees Other	3,488,472	3,277,200	3,299,800	4,146,700	869,500	26.5%	846,900	25.7%	4,217,100	70,400	1.7%
Parking Revenue	33,883,703	34,290,532	38,492,545	38,824,776	4,534,243	13.2%	332,230	0.9%	39,462,542	637,767	1.6%
Ground Transportation Permits and Citations	1,866,781	2,261,247	3,545,439	3,576,416	1,315,169	58.2%	30,978	0.9%	3,289,603	(286,813)	-8.0%
Ground Rentals	8,189,723	8,193,071	11,558,786	11,356,903	3,163,831	38.6%	(201,884)	-1.7%	14,139,787	2,782,884	24.5%
Grant Reimbursements	189,181	223,200	227,700	292,000	68,800	30.8%	64,300	28.2%	292,000	-	0.0%
Other Operating Revenue *	715,970	441,900	451,600	469,744	27,844	6.3%	18,144	4.0%	473,200	3,456	0.7%
Total Non-Airline Revenue	87,857,889	91,988,928	104,194,005	104,526,457	12,537,529	13.6%	332,452	0.3%	108,307,609	3,781,152	3.6%
Total Operating Revenue	177,497,812	189,911,534	208,089,623	210,213,564	20,302,030	10.7%	2,123,940	1.0%	218,219,043	8,005,479	3.8%
Interest Income	4,140,067	5,290,220	5,583,586	4,707,690	(582,530)	-11.0%	(875,896)	-15.7%	5,165,382	457,692	9.7%
Non-Operating Revenue											
Passenger facility charges	35,437,453	35,155,100	35,858,200	36,614,900	1,459,800	4.2%	756,700	2.1%	37,237,200	622,300	1.7%
Customer facility charges (Rental Car Center)	19,117,217	26,528,528	30,065,665	30,350,379	3,821,851	14.4%	284,714	0.9%	30,866,210	515,831	1.7%
Quieter Home Program	13,241,658	12,069,400	12,069,700	11,804,573	(264,827)	-2.2%	(265,127)	-2.2%	11,627,849	(176,724)	-1.5%
BAB Interest Rebate	4,778,599	4,741,129	4,741,129	4,636,215	(104,914)	-2.2%	(104,914)	-2.2%	4,636,215	-	0.0%
Capital grant contributions	16,077,280	20,108,089	10,615,097	9,786,680	(10,321,409)	-51.3%	(828,417)	-7.8%	7,201,101	(2,585,579)	-26.4%
Other Nonoperating Revenue	(4,231,997)	-	-	-	-	0.0%	-	-	-	-	0.0%
Total Non-Operating Revenue	84,420,210	98,602,246	93,349,791	93,192,747	(5,409,500)	-5.5%	(157,044)	-0.2%	91,568,575	(1,624,172)	-1.7%
Total Revenue	\$ 266,058,089	\$ 293,804,000	\$ 307,023,000	\$ 308,114,000	\$ 14,310,000	4.9%	\$ 1,091,000	0.4%	\$ 314,953,000	\$ 6,839,000	2.2%

*Other Operating Revenue includes Finger Printing Fees, Utilities Reimbursements, Service Charges, Equipment Rental and Miscellaneous Revenues.

FY 2015 Proposed Budget vs. FY 2014 Budget

Airline Revenues

Net increase of \$7.8M in airline revenue primarily reflecting:

- Increase of \$4.1M in building rentals reflecting:
 - Higher maintenance for existing and new facilities, and increase in utilities
 - Increase in debt service due to completion of the projects and decrease in capitalized interest
- Increase of \$1.9M in landing fees reflecting:
 - Increase airfield maintenance and Airport Use Compatibility Plans (ALUCPs)
 - Increase in debt service due to completion of the projects and decrease in capitalized interest
- Increase of \$1.6M in security surcharge reflecting:
 - Increases in Harbor Police costs, airport security and access control maintenance costs
 - Increase in security checkpoints rent due to higher terminal rate
- Increase in aircraft parking fees of \$0.2M

FY 2015 Proposed Budget vs. FY 2014 Budget

Non-Airline Revenue

Net increase of \$12.5M in non-airline revenue primarily reflecting:

- Increase of \$4.5M in parking revenue due to rate increase, higher enplanements, and full year of newly opened Terminal 2 and Economy lots
- Increase of \$3.2M in ground rent revenue primarily due to \$2.9M of new Landmark Fixed Base Operator facility rent starting in summer 2014
- Increase of \$2.6M in concession revenue due to higher food and beverage and retail revenue from new concessions program
- Increase of \$1.3M in ground transportation cost recovery revenue
- Increase of \$0.9M in other license fees due to:
 - Increase of \$0.3M in inflight catering services revenue
 - Increase of \$0.6M in ground handling revenue due to new vendor contracts and services

FY 2015 Proposed Budget vs. FY 2014 Budget

Interest Income and Non-Operating Revenue

Net decrease of \$0.6M in interest revenue due to lower interest rate and decrease in bond proceeds balance

Net decrease of \$5.4M in non-operating revenue primarily reflecting:

- Increase of \$3.8M in Customer Facility Charges (Rental Car Center fees) due to a full year at \$7.50 CFC daily rate and enplanements
- Increase of \$1.5M in Passenger Facility Charges due to higher enplanements
- Decrease of \$0.1M in Build America Bond (BAB) interest rebate revenue due to carry forward of 2014 sequestration impact
- Decrease of \$0.3M in Quieter Home Program (QHP) revenue due to a reduction in grant contributions (increase in local match percentage)
- Decrease of \$10.3M in capital grant contributions due to fewer grant eligible projects

FY 2016 Proposed Conceptual Budget vs. FY 2015 Proposed Budget

Airline Revenues

Net increase of \$4.2M in airline revenue primarily reflecting:

- Increase of \$2.3M in building rentals reflecting:
 - Increase in utilities and personnel costs
 - Increase in debt service
 - Increase in amortization charges for new terminal projects
- Increase of \$1.1M in security surcharge reflecting:
 - Increases in Harbor Police costs, airport security and access control maintenance costs
 - Increase in security checkpoints rent due to higher terminal rate
- Increase of \$0.7M in landing fees reflecting increase in amortization charges for new airfield projects

FY 2016 Proposed Conceptual Budget vs. FY 2015 Proposed Budget

Non-Airline Revenue

Net increase of \$3.8M in non-airline revenue primarily reflecting:

- Increase of \$2.8M in ground rent revenue primarily due to an increase of \$2.6M in rent revenue for partial year of the Rental Car Center
- Increase of \$0.6M in parking revenue due to higher enplanements
- Increase of \$0.4M in car rental license fee revenue due to higher enplanements
- Decrease of \$0.3M in ground transportation cost recovery revenue

FY 2016 Proposed Conceptual Budget vs. FY 2015 Proposed Budget

Interest Income and Non-Operating Revenue

Net increase of \$0.5M in interest revenue due to an increase in the interest rate

Net decrease of \$1.6M in non-operating revenue primarily reflecting:

- Increase of \$0.6M in Passenger Facility Charges due to higher enplanements
- Increase of \$0.5M in Customer Facility Charges (Rental Car Center fees) due to higher enplanements.
- Decrease of \$0.2M in Quieter Home Program revenue due to a reduction in grant contributions
- Decrease of \$2.6M in Capital grant contributions due to fewer grant eligible projects



Airline Cost Per Enplaned Passenger

Airline derived cost per enplaned passengers includes landing fees, aircraft parking fees, terminal rents, Common Use System Support charges and security surcharge.

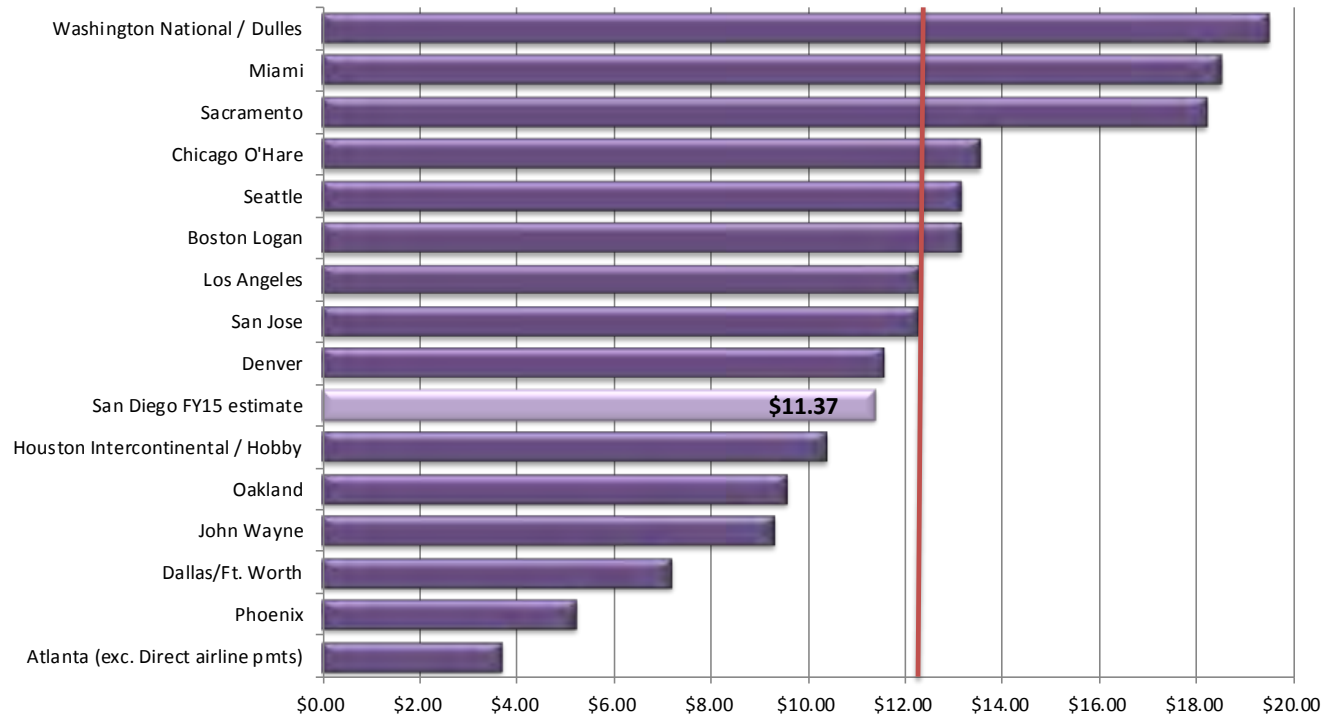
Cost per Enplaned Passenger



* Projected FY 2014 and Budgeted FY 2015 & 2016



Airline Cost Per Enplaned Passenger by Select Airports



Median (\$12.29) for the above selected Moody's rated airports
Source: Moody's Investor Service, MFRA Database, as of April, 2014



Expense Budget Overview

FY 2015 – FY 2016 Proposed Budget Assumptions

Personnel

➤ Salaries

- FY 2015 - 2016 includes same assumptions as approved in FY 2015 Conceptual Budget
 - Pay-for-performance
 - Contractually required union increases

➤ Health and Dental Benefits

- Health: FY 2015 - 2016 budget 9.0% renewal rate
- Dental: FY 2015 - 2016 budget 7.5% renewal rate

➤ Retirement Benefits

- FY 2015 proposed budget actuarial rate increase of 2.4% vs. FY 2014 Budget
- FY 2016 proposed budget actuarial rate increase of 0.5% vs. FY 2015 Proposed Budget

➤ SDCERS Unfunded Actuarial Liability (UAL) (GASB change)

- \$7.6M GASB UAL is a non-cash expense which does not affect the Authority's Debt Service Coverage, Cost Per Enplaned Passenger or Days Cash on Hand metrics

FY 2015 – FY 2016 Proposed Budget Assumptions

Non- Personnel

- Increase in Utilities (Gas & Electric): 10% rate increase in FY 2015 - 2016
- Increased maintenance needs: 12kV, construction maintenance remediation, pavement and striping
- Increase in Harbor Police costs due to increase in rates
- Update of Rural, United States Marine Corps (USMC) and new North Island Airport Land Use Compatibility Plans (ALUCP) begin in FY 2015
- Additional environmental regulatory requirements – stormwater management, air quality management and water quality
- New Baggage Handling system maintenance transferred to airlines starting July 1, 2014 (FY 2015)
- Rental Car Center (RCC) Busing start up costs begin in FY 2015

FY 2015 – 2016 Proposed Personnel Summary by Division

	FY 2014 Authorized & Funded Positions	FY 2014 Authorized & Unfunded	FY 2015 Authorized & Funded Positions	Proposed FY 2015 Authorized & Unfunded Positions	Proposed FY 2016 Authorized & Funded Positions	Proposed FY 2016 Authorized & Unfunded Positions
Executive	70	1	67	1	67	1
Operations	184	3	185	1	186	1
Finance and Asset Management	81	1	80	1	80	1
Development	78	1	83	1	83	1
TOTAL	413	6	415	4	416	4
Total Authorized Positions	FY 2014 419		FY 2015 419		FY 2016 420	



Non-Personnel Guidelines for FY 2015 Budget

(in Millions)

Increase in Utilities, Maintenance and Security expenses

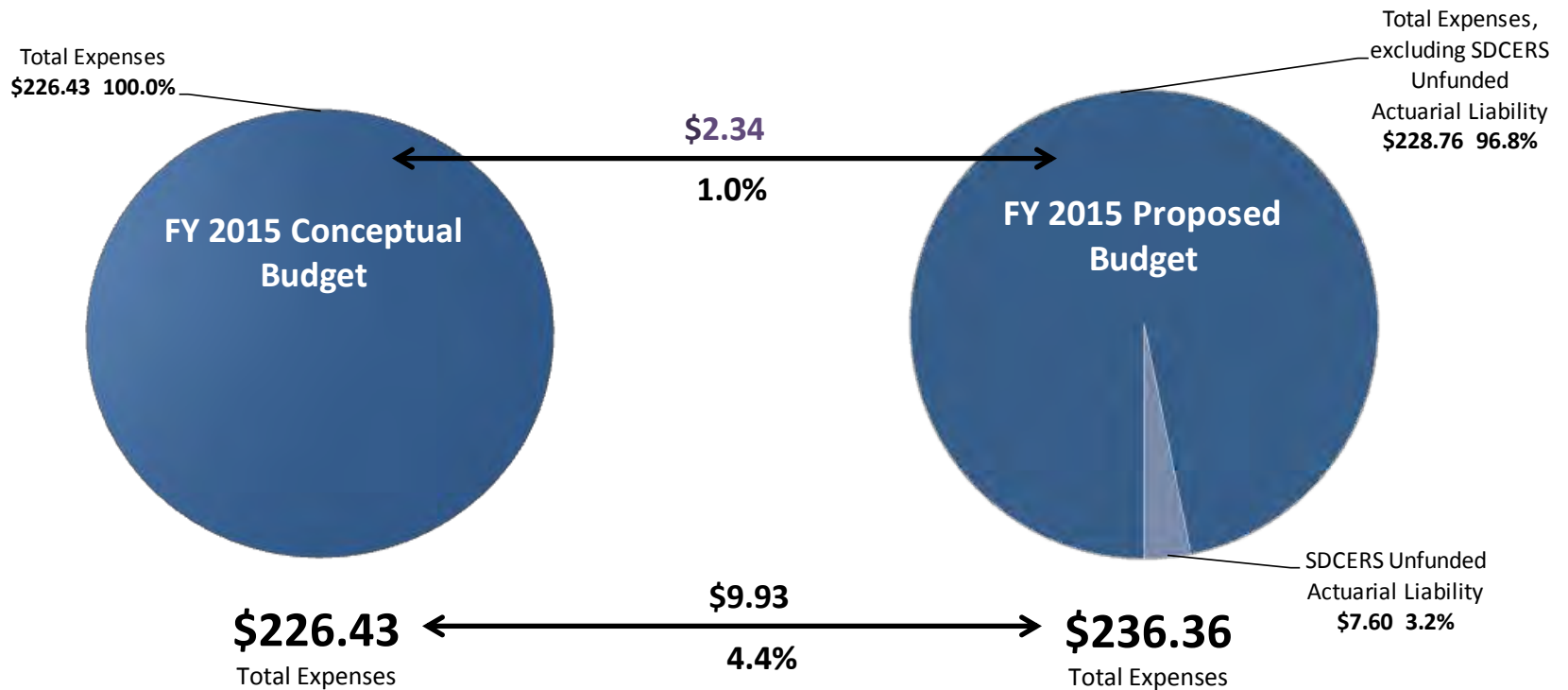
\$ 4.0

Required budget reductions from all departments

\$-1.2

Total Increase vs. FY15 Conceptual Budget

\$2.8

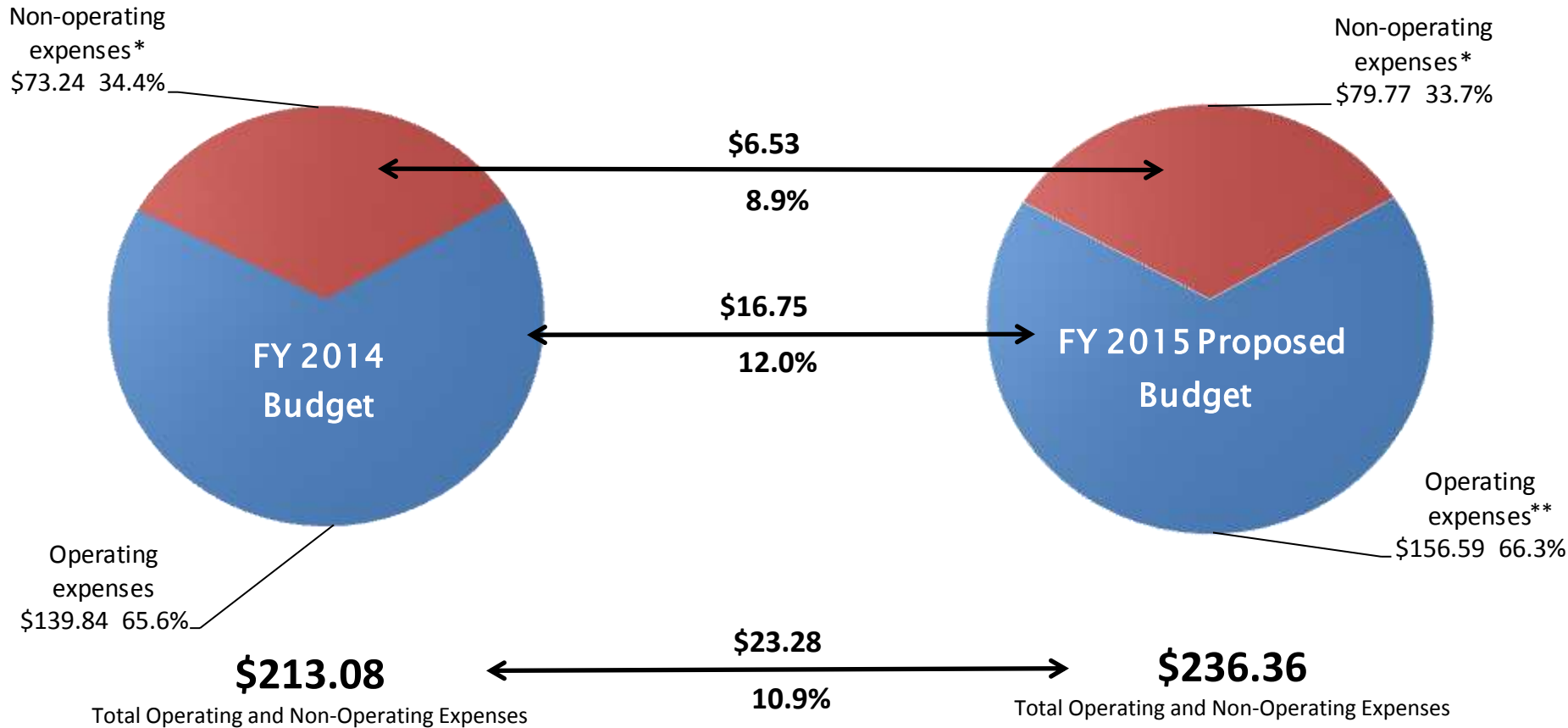




Expense Budget Overview Continued

FY 2014 Budget vs. FY 2015 Proposed Budget Expense Comparison

(in Millions)

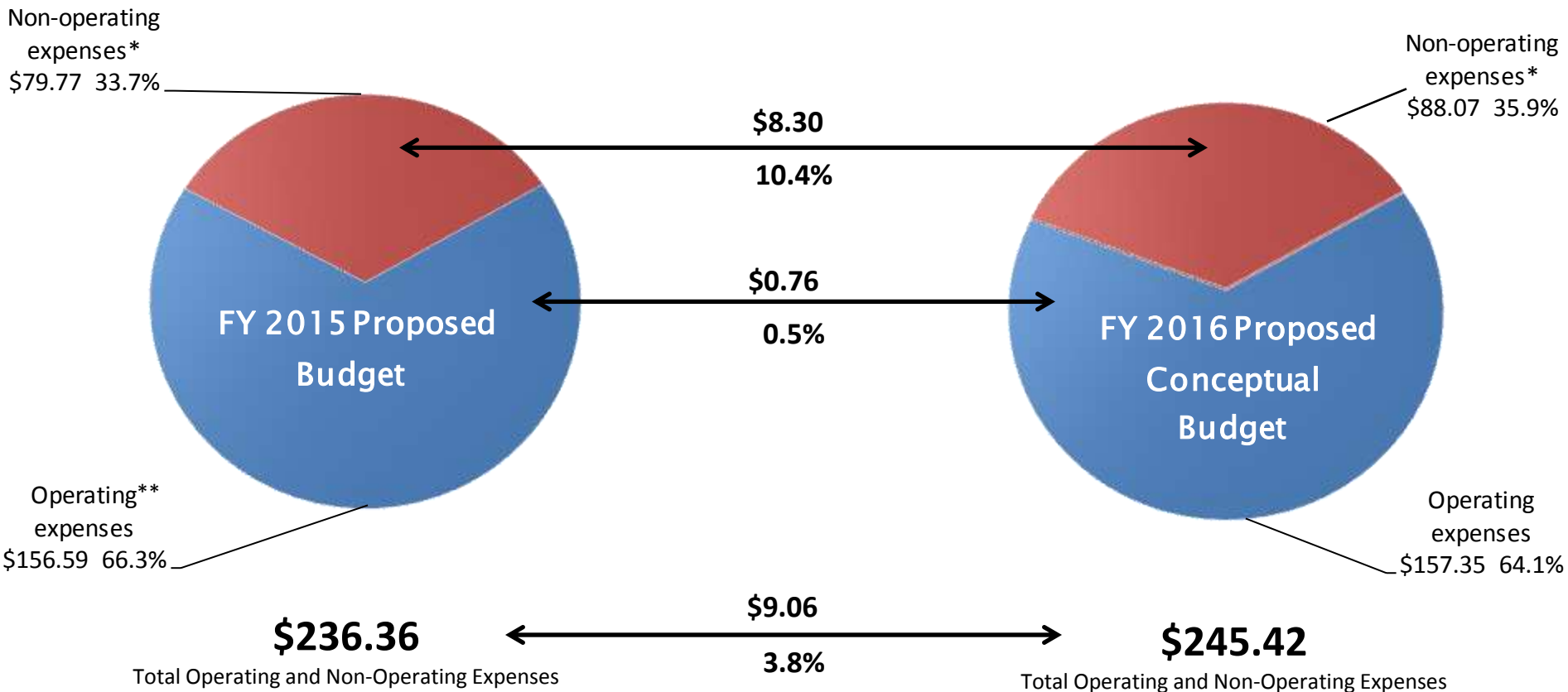


* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

** Includes SDCERS Unfunded Actuarial Liability (GASB Change)

FY 2015 Proposed Budget vs. FY 2016 Proposed Conceptual Budget Comparison

(in Millions)



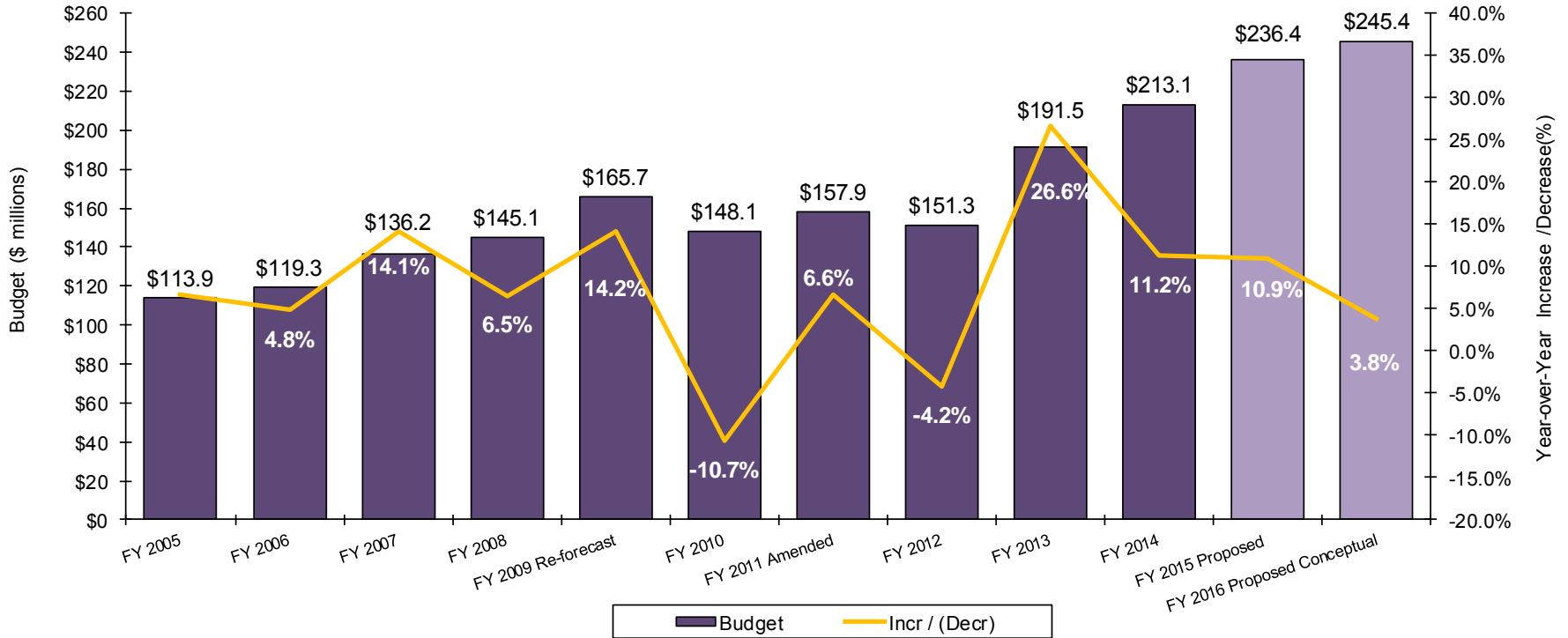
* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

** Includes SDCERS Unfunded Actuarial Liability (GASB Change)



Expense Budget Overview Continued

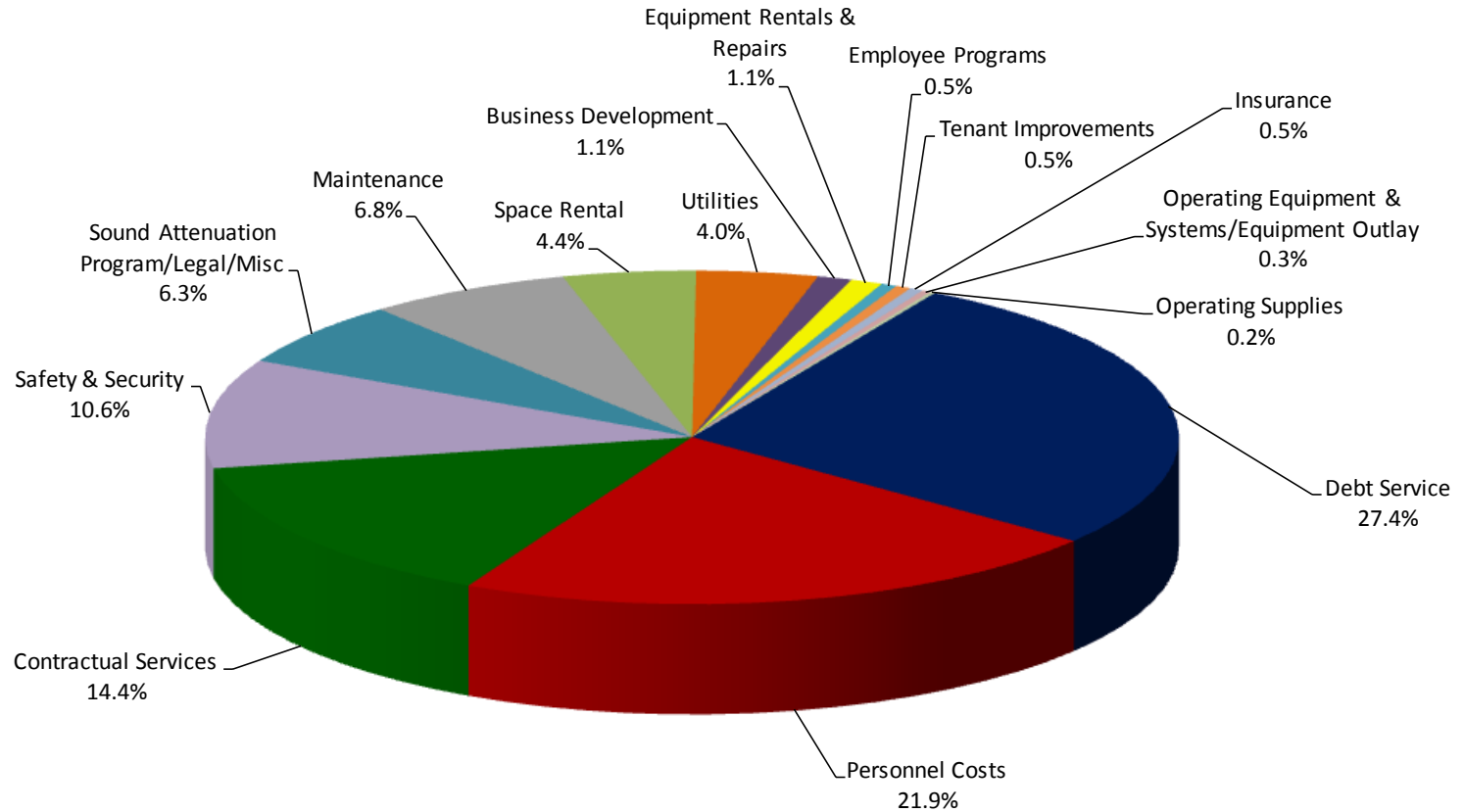
Expense Budget FY 2005 – FY 2016*



* Total Authority expenses



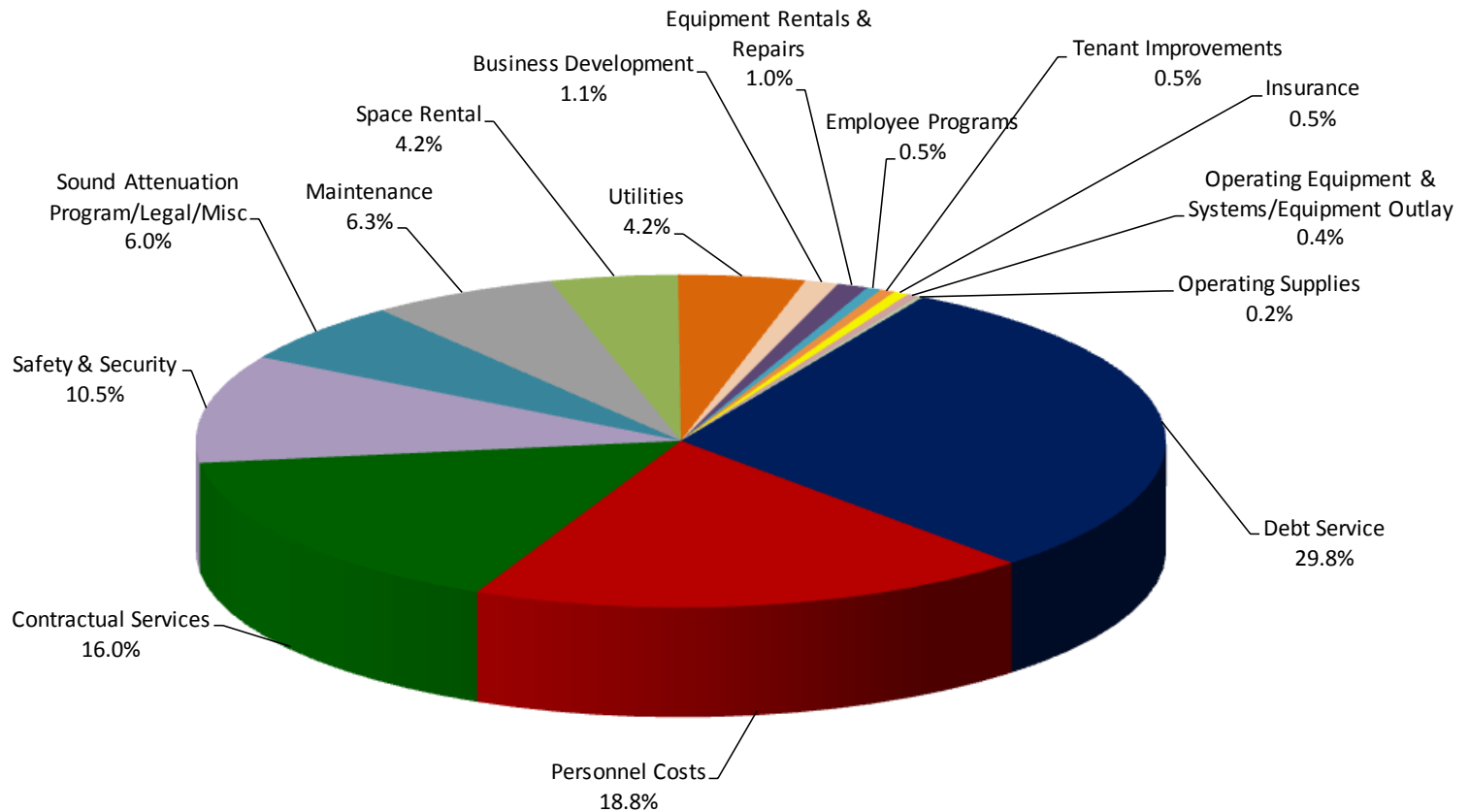
FY 2015 Proposed Expense Budget by Category



Total FY 2015 Proposed Budget is \$236.4M



FY 2016 Proposed Conceptual Expense Budget by Category



Total FY 2016 Proposed Conceptual Budget is \$245.4M

Expense Budget Overview

Continued

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 28,435,266	\$ 31,169,886	\$ 33,004,041	\$ 32,375,837	\$ 1,205,951	3.9%	\$ (628,204)	-1.9%	\$ 33,688,450	\$ 1,312,613	4.1%
Premium Overtime	1,063,025	867,400	865,700	841,000	(26,400)	-3.0%	(24,700)	-2.9%	841,000	-	0.0%
Employee Benefits	14,103,945	16,319,513	17,701,713	17,646,940	1,327,427	8.1%	(54,773)	-0.3%	18,649,795	1,002,855	5.7%
<i>Less: Capitalized Labor</i>	<i>(4,786,022)</i>	<i>(5,749,016)</i>	<i>(6,180,522)</i>	<i>(6,055,685)</i>	<i>(306,669)</i>	<i>5.3%</i>	<i>124,837</i>	<i>-2.0%</i>	<i>(6,362,450)</i>	<i>(306,765)</i>	<i>5.1%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	<i>(723,749)</i>	<i>(703,804)</i>	<i>(732,944)</i>	<i>(663,928)</i>	<i>39,876</i>	<i>-5.7%</i>	<i>69,016</i>	<i>-9.4%</i>	<i>(688,119)</i>	<i>(24,191)</i>	<i>3.6%</i>
Subtotal Personnel Expenses	38,092,464	41,903,979	44,657,988	44,144,164	2,240,186	5.3%	(513,824)	-1.2%	46,128,675	1,984,511	4.5%
SDCERS Unfunded Actuarial Liability (GASB change)	-	-	-	7,600,000	7,600,000	0.0%	7,600,000	0.0%	-	(7,600,000)	-100.0%
Total Personnel Expenses	38,092,464	41,903,979	44,657,988	51,744,164	9,840,186	23.5%	7,086,176	15.9%	46,128,675	(5,615,489)	-10.9%
Non-Personnel Expenses											
Contractual Services	29,283,526	33,265,134	34,052,611	34,073,655	808,521	2.4%	21,044	0.1%	39,238,419	5,164,764	15.2%
Safety and Security	23,994,020	24,975,464	27,111,790	25,001,794	26,331	0.1%	(2,109,996)	-7.8%	25,794,332	792,537	3.2%
Space Rental	10,897,338	10,378,412	10,324,952	10,450,296	71,884	0.7%	125,344	1.2%	10,424,581	(25,715)	-0.2%
Utilities	6,659,333	8,566,650	8,943,750	9,557,536	990,886	11.6%	613,786	6.9%	10,414,599	857,064	9.0%
Maintenance	11,204,464	11,661,347	12,017,693	16,085,448	4,424,101	37.9%	4,067,755	33.8%	15,369,505	(715,943)	-4.5%
Operating Equipment & Systems	468,700	456,779	500,468	558,235	101,456	22.2%	57,767	11.5%	682,027	123,792	22.2%
Operating Supplies	405,863	374,352	431,444	409,508	35,156	9.4%	(21,936)	-5.1%	411,380	1,872	0.5%
Insurance	794,984	1,253,580	1,546,084	1,071,422	(182,158)	-14.5%	(474,662)	-30.7%	1,239,364	167,942	15.7%
Employee Programs	1,234,759	1,259,598	1,425,213	1,229,248	(30,350)	-2.4%	(195,965)	-13.7%	1,205,323	(23,925)	-1.9%
Business Development	2,444,407	2,943,753	2,860,045	2,685,228	(258,525)	-8.8%	(174,817)	-6.1%	2,726,335	41,107	1.5%
Equipment Rentals & Repairs	1,316,109	2,445,217	2,569,571	2,526,119	80,902	3.3%	(43,452)	-1.7%	2,520,528	(5,591)	-0.2%
Tenant Improvements	433	359,900	-	1,200,000	840,100	233.4%	1,200,000	0.0%	1,200,000	-	0.0%
Total Non-Personnel Expenses	88,703,936	97,940,186	101,783,621	104,848,489	6,908,303	7.1%	3,064,868	3.0%	111,226,393	6,377,904	6.1%
Total Operating Expenses	126,796,400	139,844,165	146,441,608	156,592,653	16,748,489	12.0%	10,151,045	6.9%	157,355,069	762,416	0.5%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	14,885,711	15,176,621	15,176,621	14,955,716	(220,905)	-1.5%	(220,905)	-1.5%	14,734,811	(220,905)	-1.5%
Debt Service	23,836,045	58,027,215	64,640,771	64,658,631	6,631,416	11.4%	17,860	0.0%	73,037,120	8,378,490	13.0%
Legal Settlements Expense	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Other Non-Operating Expense	46,856	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	38,768,879	73,223,836	79,817,392	79,624,347	6,400,511	8.7%	(193,045)	-0.2%	87,781,931	8,157,584	10.2%
Total Expenses	165,565,279	213,068,000	226,259,000	236,217,000	23,149,000	10.9%	9,958,000	4.4%	245,137,000	8,920,000	3.8%
Equipment Outlay	1,157,996	10,000	170,000	147,000	137,000	1370.0%	(23,000)	-13.5%	284,000	137,000	93.2%
Total Authority Expenses incl Equip Outlay	\$166,723,275	\$213,078,000	\$226,429,000	\$236,364,000	\$23,286,000	10.9%	\$9,935,000	4.4%	\$245,421,000	\$9,057,000	3.8%

Major Drivers of FY 2015 Proposed Budget

**Total Inc/(Dec)
FY2015 Budget
vs. FY2014 Budget**

\$ 213,078,000

FY 2014 Budget

Personnel:

SDCERS Unfunded Actuarial Liability (GASB change)	7,600,000
Retirement and other benefits	1,055,184
Contracted wage increases and pay-for-performance	872,098
Full year of FY2014 new hires and vacancy savings (salaries and burden)	670,274
Employer taxes	96,409
5 new, 1 funded and 4 eliminated position (salaries and burden)	(186,987)
Capitalized labor / QHP - labor, burden, labor overhead	(266,792)

Total Increase / (Decrease) in Salaries and Benefits, Net

9,840,186

Non-Personnel:

Terminal and Landside (Operations & Maintenance):

Green Build:

Annual maintenance contract costs	1,102,998
Airport custodial contract costs	395,306
Utilities (gas & electric and telephone services) costs	275,380
Public outreach, marketing, promotional activities and materials costs	(579,300)
Baggage Handling System (BHS) costs	(1,349,104)
Other (net)	(69,915)

Total Increase / (Decrease) Due to Green Build

(224,634)

Major Drivers of FY 2015 Proposed Budget

	Total Inc/(Dec) FY2015 Budget vs. FY2014 Budget
Concession Development Program:	
Airport custodial contract costs	\$ 158,731
Marketing fees	124,200
Construction maintenance remediation costs	(210,887)
Other (net)	75,688
Total Increase / (Decrease) Due to Concession Development Program	147,732
Northside Development:	
Public outreach, marketing, promotional activities and materials costs	305,000
Rental Car Center (RCC) Busing	244,800
Annual maintenance contract costs	92,000
Total Increase / (Decrease) Due to Northside Development	641,800
Other Terminal and Landside:	
Annual maintenance contract costs, major maintenance and supplies costs	4,764,094
Utilities (gas, electric, water and telephone services) costs	715,505
Other terminal and landside costs (custodial contract, tenant improvement and space rental)	333,240
Computer licenses & agreements and operating equipment costs	181,497
Ground transportation costs	(302,080)
Total Increase / (Decrease) Due to Other Terminal and Landside	5,692,256
Total Increase / (Decrease) in Terminal and Landside (Operations & Maintenance)	6,257,154

Major Drivers of FY 2015 Proposed Budget

	Total Inc/(Dec) FY2015 Budget vs. FY2014 Budget
Safety and Security:	
Law enforcement costs - Harbor Police and contract security services	\$ 473,633
Maintenance of access control system costs and credentialing asset management software	300,000
Aircraft Rescue Fire Fighting (ARFF) and Emergency Medical Services (EMS)	(447,302)
Total Increase / (Decrease) in Safety and Security	326,331
Regional Aviation Planning Programs:	
Update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs) and preparing Naval Air Station North Island (NASNI) ALUCP	1,180,000
SDIA Airport Land Use Compatibility Plans (ALUCPs) completed	(500,000)
Total Increase / (Decrease) in Regional Aviation Planning Programs	680,000
Environmental Regulatory Requirements:	
Stormwater Management Program, Industrial Hygiene/Indoor Air Quality, USDA wildlife assessment costs, and refuse & hazardous waste disposal costs	250,000
Total Increase / (Decrease) in Environmental Regulatory Requirements	250,000
Other Operating Expenses:	
Insurance	(140,190)
Domestic & international air service marketing costs	(275,000)
Other (net)	(189,992)
Total Increase / (Decrease) in Other Operating Expenses	(605,182)
Total Increase / (Decrease) in Non-Personnel Operating Expenses, Net	6,908,303
Total Increase / (Decrease) in Operating Expenses	16,748,489

Major Drivers of FY 2015 Proposed Budget

	Total Inc/(Dec) FY2015 Budget vs. FY2014 Budget
Debt Service:	
Debt service costs	\$ 6,631,416
Other Non-Operating Expenses:	
Decrease in Quieter Home Program	(220,905)
Other (net)	(10,000)
Total Increase / (Decrease) in Non-Operating Expenses	6,400,511
Equipment Outlay:	
Equipment outlay costs	137,000
Total Increase / (Decrease)	23,286,000
FY15 Proposed Budget	\$ 236,364,000

Major Drivers of FY 2016 Proposed Conceptual Budget

	Total Inc/(Dec) FY2016 Conceptual Budget vs. FY2015 Budget
	<hr/>
FY 2015 Budget	\$ 236,364,000
Personnel:	
Contracted wage increases and pay-for-performance	1,019,614
Retirement and other benefits	920,266
Full year of FY2015 new hires and vacancy savings (salaries and burden)	287,959
Vacancy savings	
Employer taxes	87,629
Capitalized labor / QHP - labor, burden, labor overhead	(330,956)
SDCERS Unfunded Actuarial Liability (GASB change)	(7,600,000)
Total Increase / (Decrease) in Salaries and Benefits, Net	<hr/> (5,615,489)
Non-Personnel:	
Terminal and Landside (Operations & Maintenance):	
Northside Development:	
Rental Car Center (RCC) Busing	4,441,911
Annual maintenance contract costs, insurance costs	146,069
Other (net)	65,000
Total Increase / (Decrease) Due to Northside Development	<hr/> 4,652,980

Major Drivers of FY 2016 Proposed Conceptual Budget

	Total Inc/(Dec) FY2016 Conceptual Budget vs. FY2015 Budget
	<hr/>
Other Terminal and Landside:	
Utilities (gas, electric, water and telephone services) costs	\$ 757,064
Shuttles and parking operation costs	350,998
Other terminal and landside costs (custodial contract and space rental costs)	193,739
Annual maintenance contract costs, supplies and major maintenance costs	(1,087,393)
Total Increase / (Decrease) Due to Other Terminal and Landside	<hr/> 214,409 <hr/>
Total Increase / (Decrease) in Terminal and Landside (Operations and Maintenance)	4,867,388
 Safety and Security:	
Law enforcement costs - Harbor Police and contract security services	617,717
Maintenance of access control system	307,450
Aircraft Rescue Fire Fighting (ARFF) and Emergency Medical Services (EMS)	174,820
Total Increase / (Decrease) in Safety and Security	<hr/> 1,099,987 <hr/>
 Regional Aviation Planning Programs:	
Update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs), continue development of Naval Air Station North Island (NASNI) ALUCP and miscellaneous airport planning projects costs	120,000
Total Increase / (Decrease) in Regional Aviation Planning Programs	<hr/> 120,000 <hr/>

Major Drivers of FY 2016 Proposed Conceptual Budget

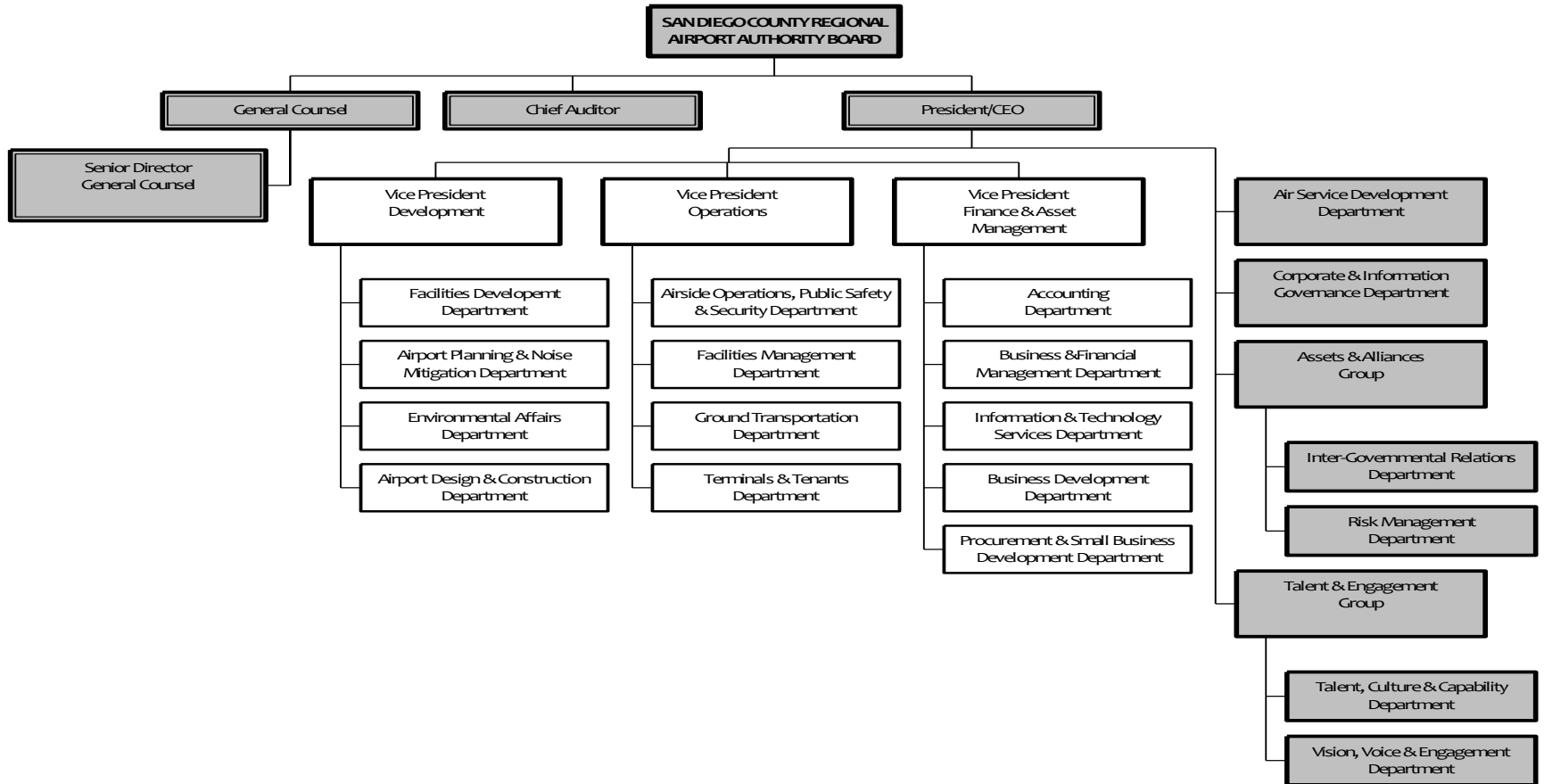
	Total Inc/(Dec) FY2016 Conceptual Budget vs. FY2015 Budget
Other Operating Expenses:	
Outside professional services	\$ 145,755
Other (net)	144,773
Total Increase / (Decrease) in Other Operating Expenses	290,529
Total Increase / (Decrease) in Non-Personnel Operating Expenses, Net	6,377,904
Total Increase / (Decrease) in Operating Expenses	762,416
Debt Service:	
Debt service costs	8,378,490
Other Non-Operating Expenses:	
Quieter Home Program	(220,905)
Total Increase / (Decrease) in Non-Operating Expenses	8,157,585
Equipment Outlay:	
Equipment outlay costs	137,000
Total Increase / (Decrease)	9,057,000
FY16 Proposed Conceptual Budget	\$ 245,421,000



Division Expense Budget Overview



SDCRAA Organizational Chart

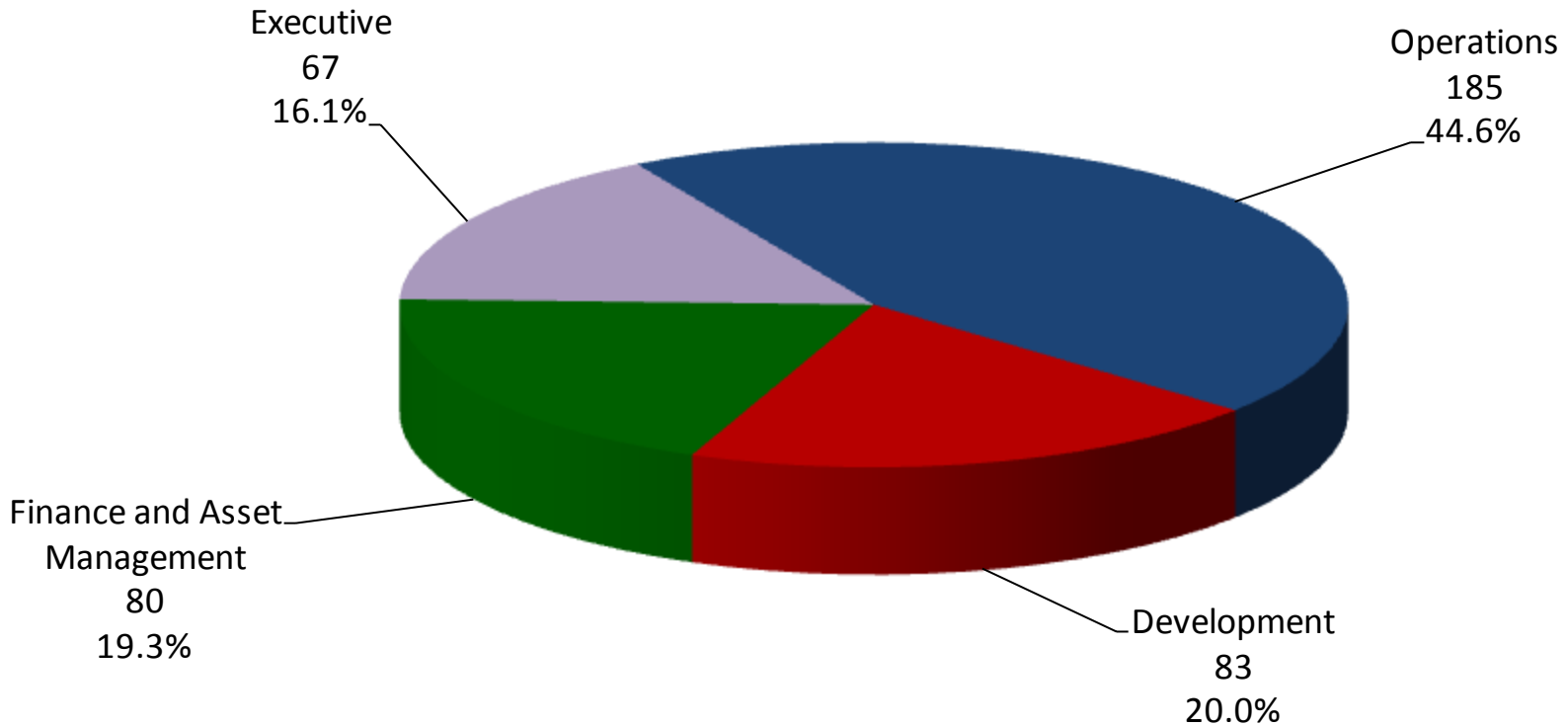


* Boxes in grey reside in the Executive Division



Division Expense Budget Overview Continued

FY 2015 Proposed Budget Personnel by Division

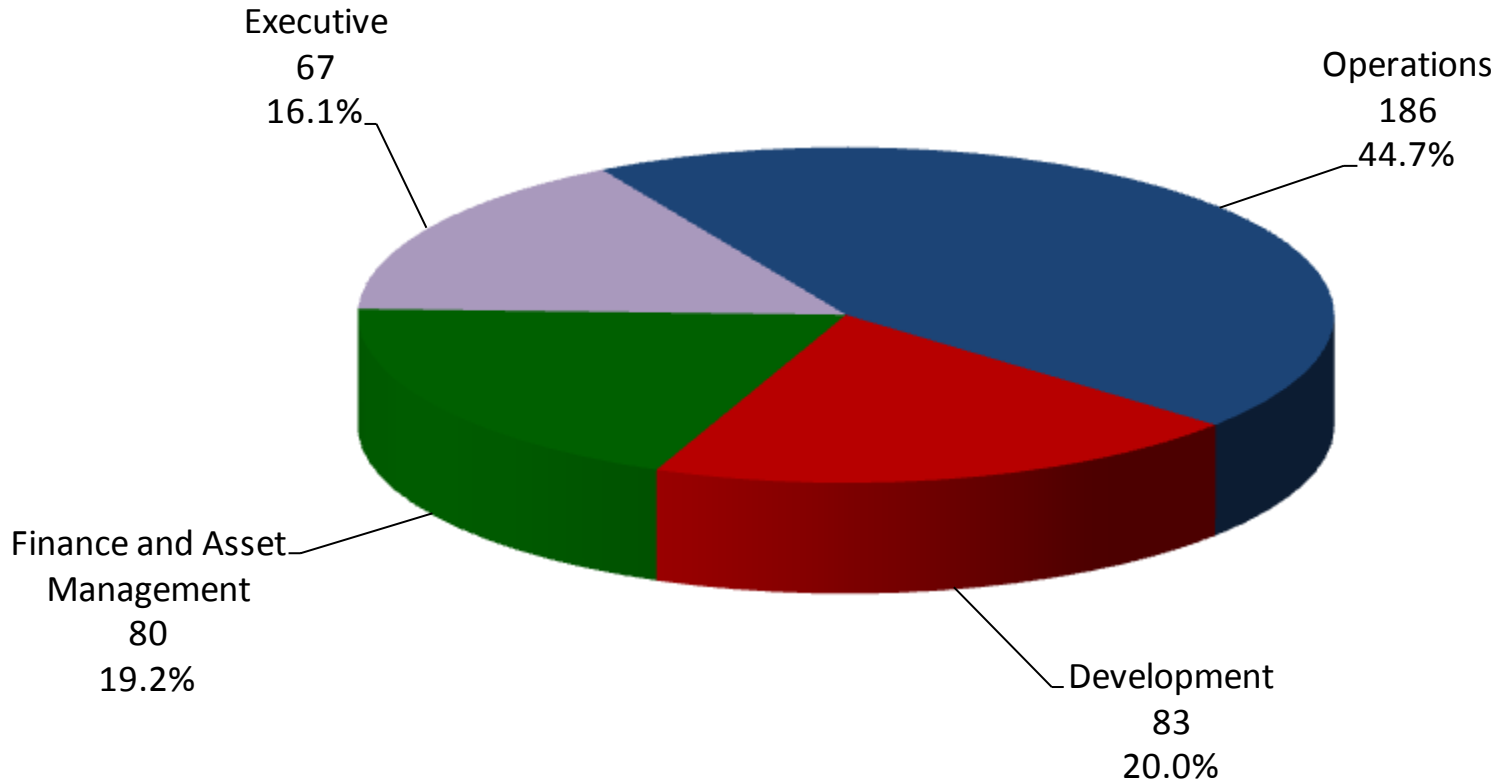


Total Authorized Positions are 419



Division Expense Budget Overview Continued

FY 2016 Proposed Conceptual Budget Personnel by Division



Total Authorized Positions are 420



Division Expense Budget Overview

Continued

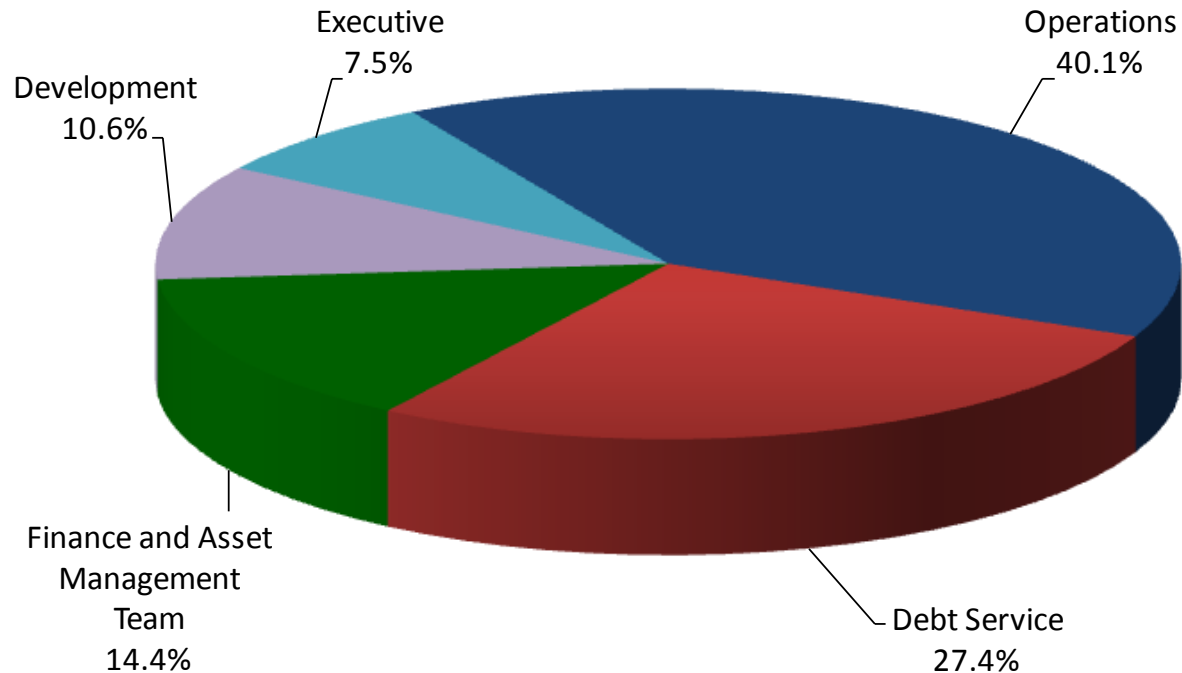
FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary by Department

Department	FY2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Executive Offices	\$ 1,037,925	\$ 1,007,285	\$ 1,039,639	\$ 1,096,942	\$ 89,657	8.9%	\$ 57,303	5.5%	\$ 1,135,944	\$ 39,003	3.6%
General Counsel	1,730,108	2,526,455	2,551,813	2,583,157	56,703	2.2%	31,344	1.2%	2,626,197	43,040	1.7%
Chief Auditor	988,910	1,071,662	1,173,491	1,184,008	112,346	10.5%	10,516	0.9%	1,224,802	40,794	3.4%
Board Services	273,574	321,863	190,225	187,300	(134,563)	-41.8%	(2,925)	-1.5%	188,000	700	0.4%
Corporate & Information Governance	755,218	847,272	987,022	1,002,157	154,884	18.3%	15,135	1.5%	1,036,971	34,814	3.5%
Talent Culture & Capability	3,260,593	3,324,637	3,422,164	3,450,489	125,852	3.8%	28,325	0.8%	3,489,045	38,556	1.1%
Vision, Voice & Engagement	4,355,226	4,203,971	4,298,296	3,968,448	(235,523)	-5.6%	(329,848)	-7.7%	4,121,831	153,383	3.9%
Risk Management	1,678,702	2,533,804	2,832,706	2,034,349	(499,455)	-19.7%	(798,357)	-28.2%	2,278,648	244,299	12.0%
Intergovernmental Relations	912,808	998,928	1,035,659	878,330	(120,598)	-12.1%	(157,329)	-15.2%	925,605	47,274	5.4%
Air Service Development	913,850	1,515,568	1,207,009	1,258,852	(256,716)	-16.9%	51,843	4.3%	1,259,004	152	0.0%
Executive Division	15,906,915	18,351,445	18,738,024	17,644,032	(707,413)	-3.9%	(1,093,991)	-5.8%	18,286,048	642,016	3.6%
Ground Transportation	12,897,426	18,952,273	19,315,430	19,034,712	82,440	0.4%	(280,718)	-1.5%	24,059,145	5,024,433	26.4%
Terminals & Tenants	9,878,463	10,269,868	10,746,332	11,335,715	1,065,847	10.4%	589,383	5.5%	11,687,033	351,319	3.1%
Facilities Management	25,556,960	26,512,525	28,391,525	32,554,536	6,042,011	22.8%	4,163,011	14.7%	33,058,074	503,538	1.5%
Aviation Security/Public Safety	23,203,644	22,711,399	24,885,271	23,666,041	954,642	4.2%	(1,219,229)	-4.9%	24,769,226	1,103,185	4.7%
Airside Operations	6,796,975	8,359,289	8,847,495	8,202,980	(156,310)	-1.9%	(644,515)	-7.3%	8,344,844	141,865	1.7%
Operations Division	78,333,468	86,805,354	92,186,053	94,793,984	7,988,630	9.2%	2,607,931	2.8%	101,918,323	7,124,339	7.5%
Environmental Affairs	2,321,718	3,138,939	3,327,852	3,749,414	610,476	19.4%	421,562	12.7%	3,915,842	166,428	4.4%
Airport Planning & Noise Mitigation	18,810,372	18,684,172	19,018,214	18,629,622	(54,550)	-0.3%	(388,592)	-2.0%	18,713,956	84,335	0.5%
Facilities Development	1,538,161	2,194,647	2,388,849	2,680,552	485,905	22.1%	291,703	12.2%	2,370,045	(310,507)	-11.6%
Airport Design & Construction	234,265	41,812	42,648	45,253	3,441	8.2%	2,605	6.1%	45,253	(0)	0.0%
Development Division	22,904,516	24,059,569	24,777,563	25,104,841	1,045,271	4.3%	327,278	1.3%	25,045,096	(59,744)	-0.2%
Business Development	-	168,170	174,703	347,291	179,121	106.5%	172,588	98.8%	326,193	(21,098)	-6.1%
Information & Technology Services	4,941,953	7,064,738	7,235,513	7,362,063	297,325	4.2%	126,549	1.7%	7,670,474	308,411	4.2%
Business and Financial Management	16,514,460	14,884,719	14,531,218	14,966,487	81,768	0.5%	435,269	3.0%	15,088,173	121,686	0.8%
Accounting	1,609,891	1,668,047	1,721,973	1,568,244	(99,802)	-6.0%	(153,728)	-8.9%	1,689,827	121,582	7.8%
Procurement and Small Business Development	2,316,028	2,288,659	2,378,248	2,084,830	(203,829)	-8.9%	(293,418)	-12.3%	2,137,379	52,549	2.5%
SDCERS Unfunded Actuarial Liability, vacancy savings and worker's compensation losses	360,000	(239,916)	44,935	7,833,597	8,073,513	-3365.1%	7,788,662	17333.2%	222,368	(7,611,229)	-97.2%
Financial & Asset Management Division	25,742,332	25,834,417	26,086,590	34,162,512	8,328,096	32.2%	8,075,922	31.0%	27,134,413	(7,028,099)	-20.6%
Debt Service	23,836,045	58,027,215	64,640,771	64,658,631	6,631,416	11.4%	17,860	0.0%	73,037,120	8,378,490	13.0%
Total Budget	\$ 166,723,275	\$ 213,078,000	\$ 226,429,000	\$ 236,364,000	\$ 23,286,000	10.9%	\$ 9,935,000	4.4%	\$ 245,421,000	\$ 9,057,000	3.8%



Division Expense Budget Overview Continued

FY 2015 Proposed Expense Budget by Division

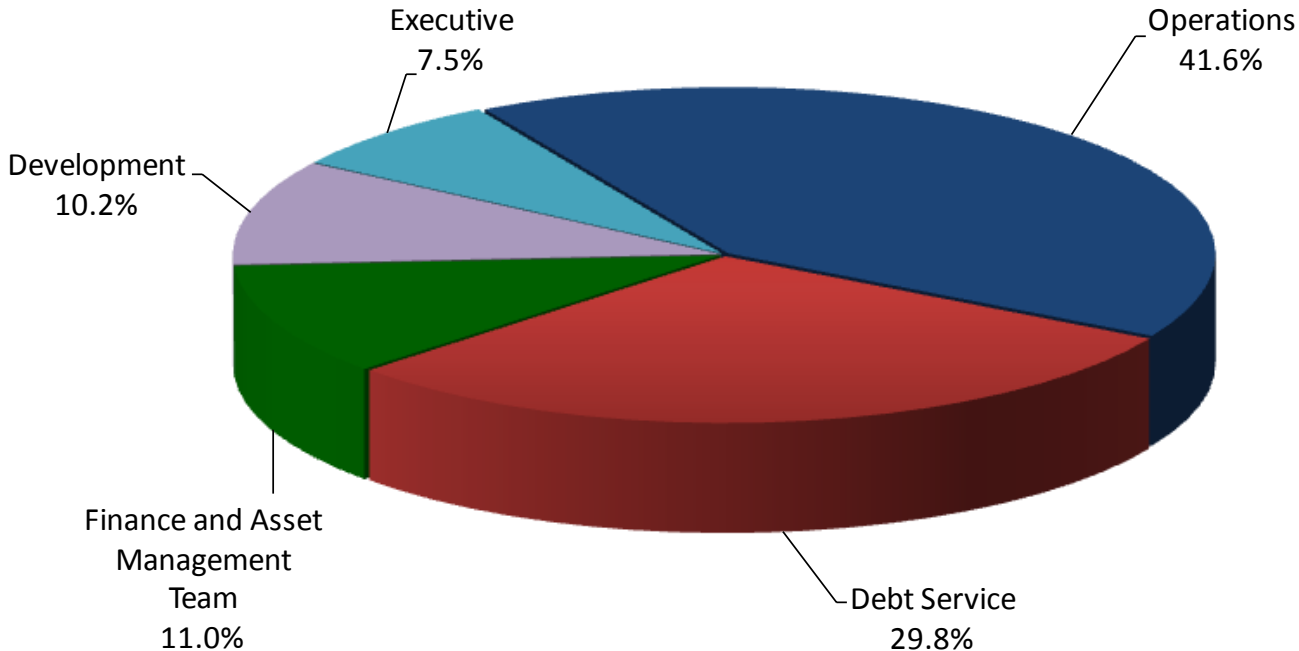


Total FY 2015 Proposed Budget is \$236.4M



Division Expense Budget Overview Continued

FY 2016 Proposed Conceptual Expense Budget by Division



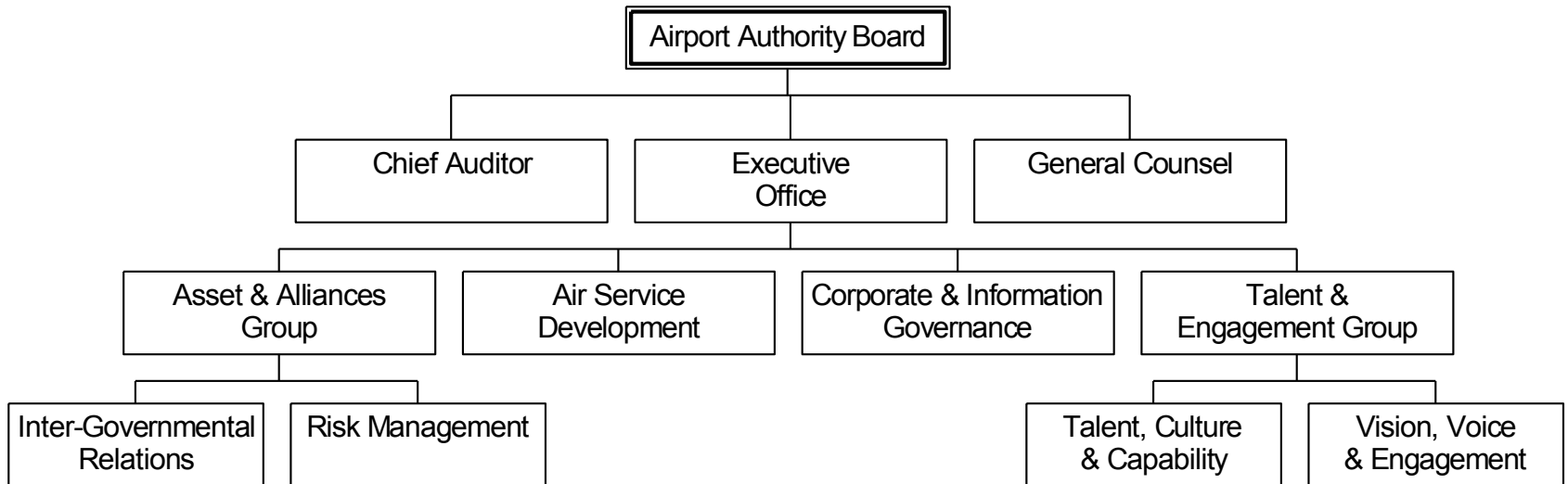
Total FY 2016 Proposed Conceptual Budget is \$245.4M



Executive Division

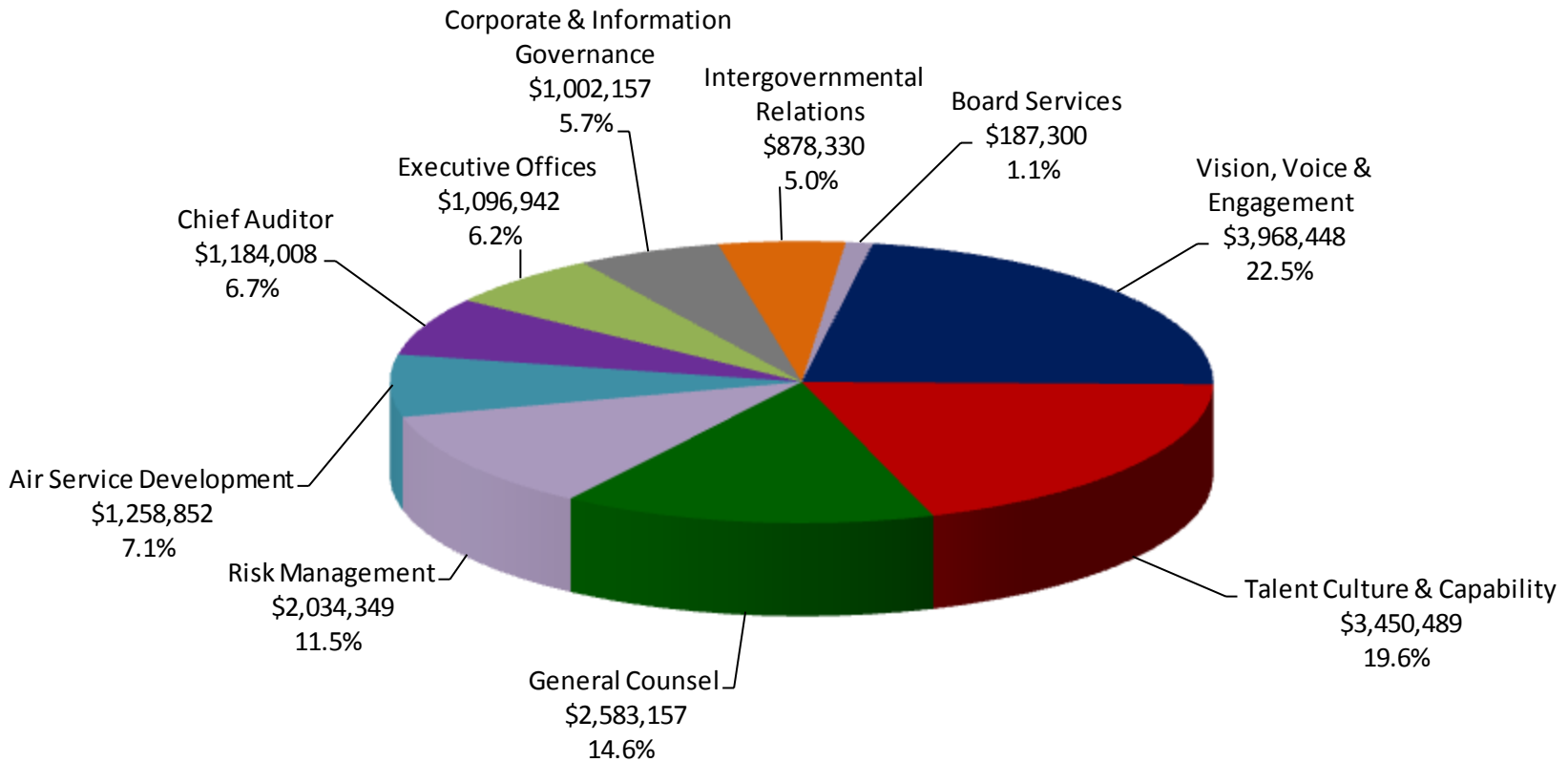


FY 2015 – 2016 Organizational Structure





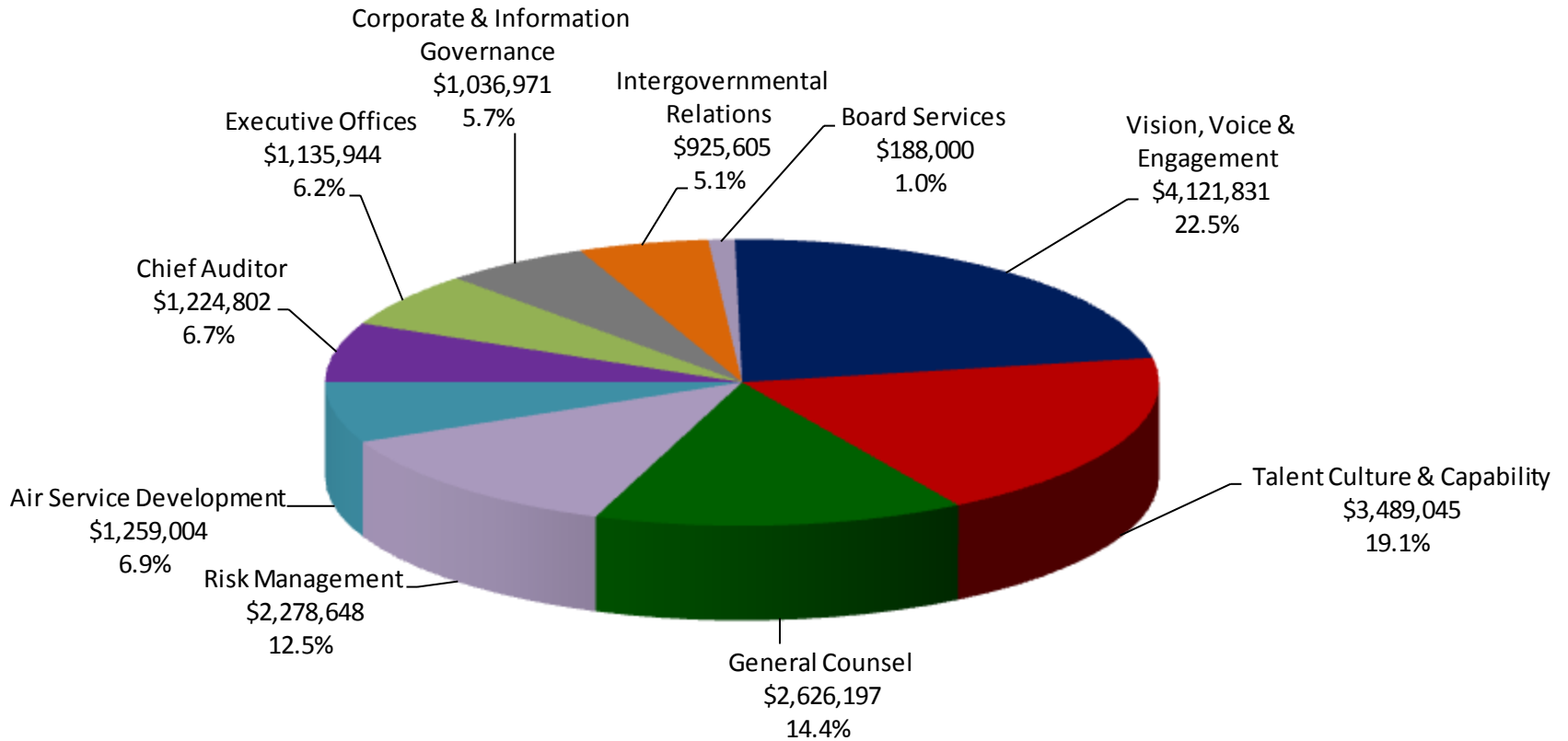
FY 2015 Proposed Expense Summary by Department



Total FY 2015 Proposed Budget is \$17.6M



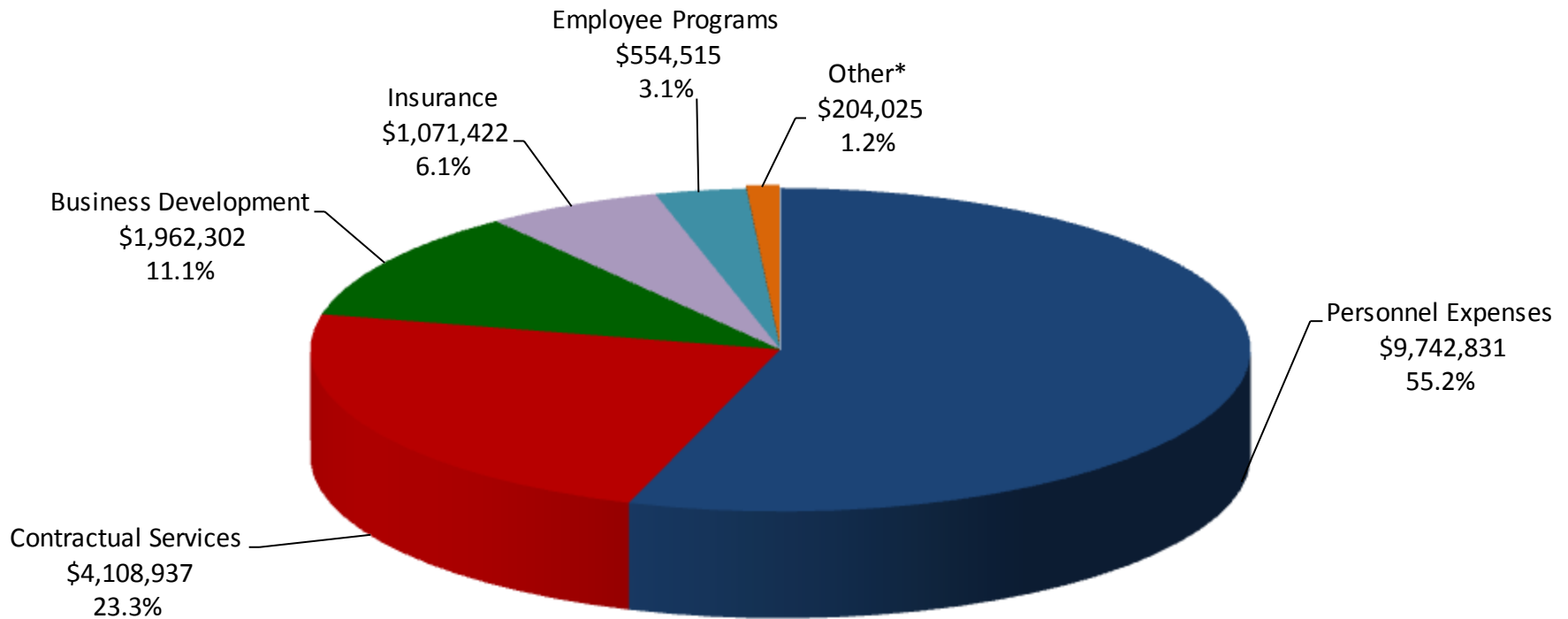
FY 2016 Proposed Conceptual Expense Summary by Department



Total FY 2016 Proposed Conceptual Budget is \$18.3M



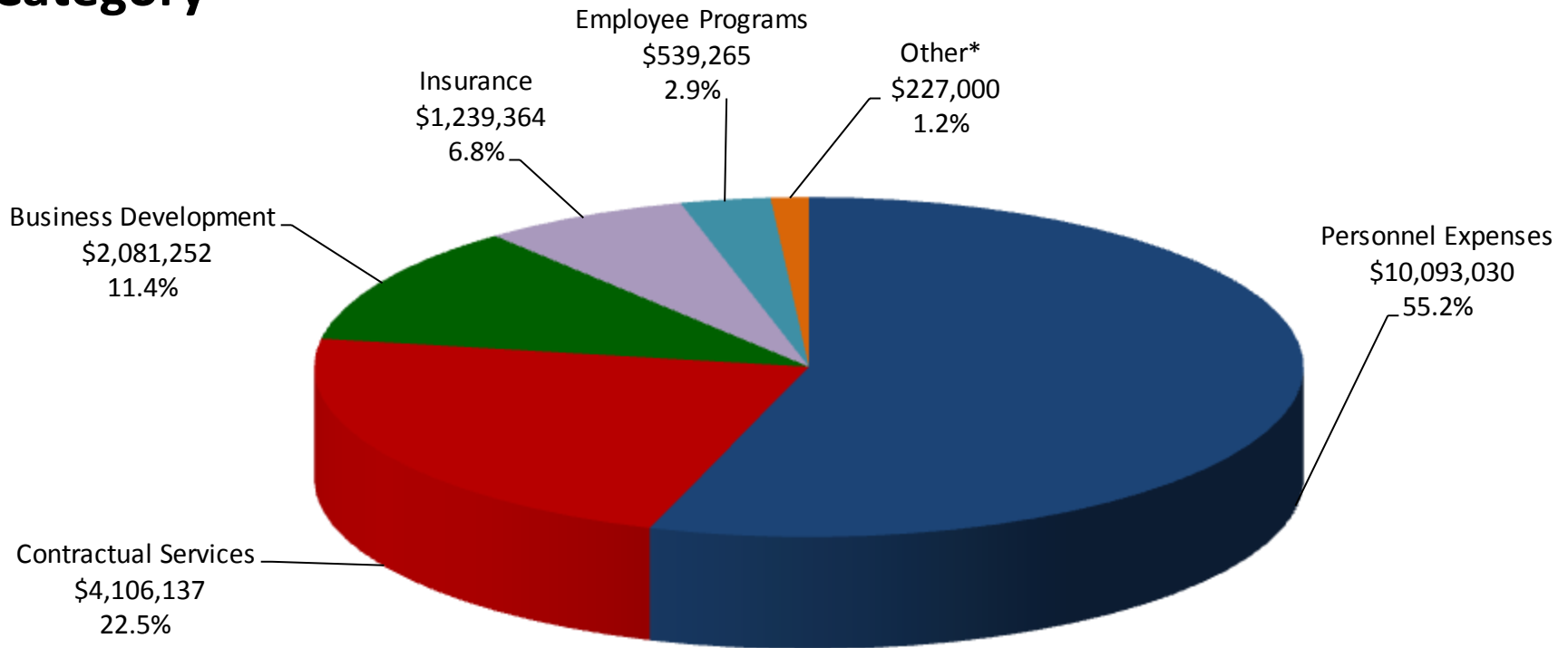
FY 2015 Proposed Expense Summary by Major Expense Category



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

Total FY 2015 Proposed Budget is \$17.6M

FY 2016 Proposed Conceptual Expense Summary by Major Expense Category



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

Total FY 2016 Proposed Conceptual Budget is \$18.3M



FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 6,142,859	\$ 6,476,244	\$ 6,692,999	\$ 6,583,151	\$ 106,907	1.7%	\$ (109,848)	-1.6%	\$ 6,756,624	\$ 173,472	2.6%
Premium Overtime	11,517	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	2,895,160	3,118,559	3,321,460	3,229,159	110,600	3.5%	(92,301)	-2.8%	3,381,920	152,761	4.7%
Subtotal	9,049,536	9,594,803	10,014,459	9,812,310	217,507	2.3%	(202,149)	-2.0%	10,138,543	326,233	3.3%
<i>Less: Capitalized Labor</i>	-	(74,193)	(77,306)	(69,479)	4,714	-6.4%	7,827	-10.1%	(45,514)	23,965	-34.5%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	9,049,536	9,520,611	9,937,153	9,742,831	222,220	2.3%	(194,321)	-2.0%	10,093,030	350,199	3.6%
Non-Personnel Expenses											
Contractual Services	3,554,179	4,435,970	4,301,300	4,108,937	(327,033)	-7.4%	(192,363)	-4.5%	4,106,137	(2,800)	-0.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Utilities	183	2,400	2,450	18,150	15,750	656.2%	15,700	640.8%	3,150	(15,000)	-82.6%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	15,806	17,850	18,700	33,650	15,800	88.5%	14,950	79.9%	78,400	44,750	133.0%
Operating Supplies	27,040	52,575	52,929	40,475	(12,100)	-23.0%	(12,454)	-23.5%	38,975	(1,500)	-3.7%
Insurance	794,984	1,253,580	1,546,084	1,071,422	(182,158)	-14.5%	(474,662)	-30.7%	1,239,364	167,942	15.7%
Employee Programs	540,913	641,765	646,238	554,515	(87,250)	-13.6%	(91,723)	-14.2%	539,265	(15,250)	-2.8%
Business Development	1,888,264	2,337,795	2,163,045	1,962,302	(375,493)	-16.1%	(200,743)	-9.3%	2,081,252	118,950	6.1%
Equipment Rentals & Repairs	35,743	67,700	68,925	80,550	12,850	19.0%	11,625	16.9%	75,275	(5,275)	-6.5%
Total Non-Personnel Expenses	6,857,111	8,810,835	8,800,871	7,871,201	(939,634)	-10.7%	(929,670)	-10.6%	8,163,018	291,817	3.7%
Total Operating Expenses	15,906,648	18,331,445	18,738,024	17,614,032	(717,413)	-3.9%	(1,123,991)	-6.0%	18,256,048	642,016	3.6%
Non-Operating Expenses:											
Legal Settlements Expense	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Total Non-Operating Expenses	267	20,000	-	10,000	(10,000)	-50.0%	10,000	0.0%	10,000	-	0.0%
Total Expenses	15,906,915	18,351,445	18,738,024	17,624,032	(727,413)	-4.0%	(1,113,991)	-5.9%	18,266,048	642,016	3.6%
Equipment Outlay	-	-	-	20,000	20,000	0.0%	20,000	0.0%	20,000	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 15,906,915	\$ 18,351,445	\$ 18,738,024	\$ 17,644,032	\$ (707,413)	-3.9%	\$ (1,093,991)	-5.8%	\$ 18,286,048	\$ 642,016	3.6%

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Major Drivers

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 18,351,445	\$ 17,644,032
Personnel costs		
Salary adjustments and pay for performance	326,822	173,472
Veterans Fellowship Program (salaries & burden)	200,523	-
Burden for current staff	158,606	152,761
Changes in capitalized labor	4,714	23,965
1 position eliminated (salaries & burden)	(90,403)	-
2 positions transferred out due to reorganization (salaries & burden)	(378,041)	-
Total Increase / (Decrease) in personnel costs	222,220	350,199
Marketing, promotional activities and materials	(326,450)	103,000
Insurance	(182,158)	167,942
Outside professional services	61,042	26,500
Domestic and international air service marketing cost	(275,000)	-
Other, net	(207,068)	(5,625)
Total Increase / (Decrease) in non-personnel costs	(929,634)	291,817
Total Increase / (Decrease)	(707,413)	642,016
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 17,644,032	\$ 18,286,048

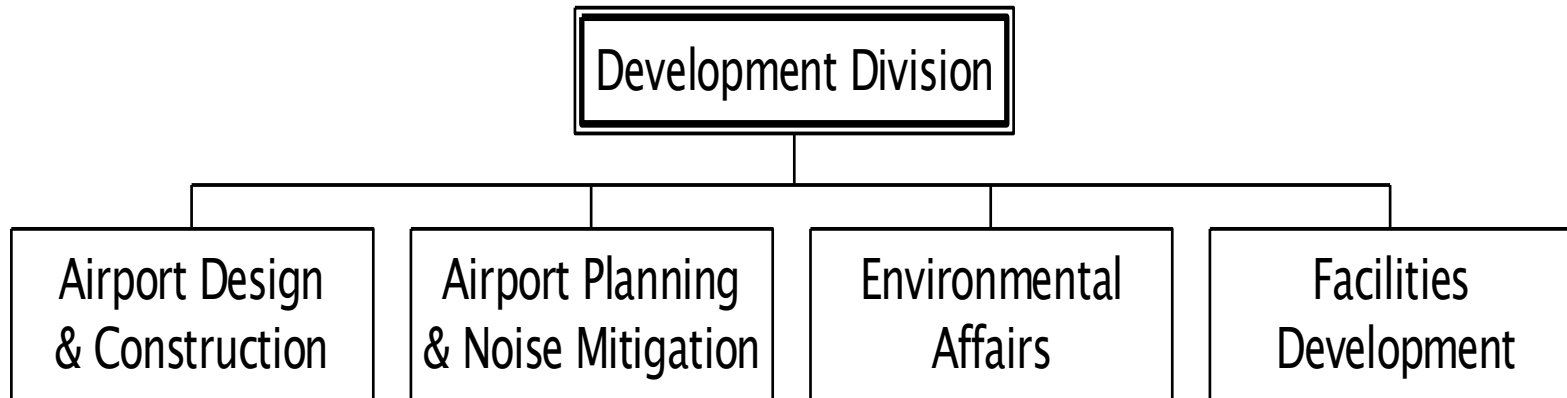


Development Division

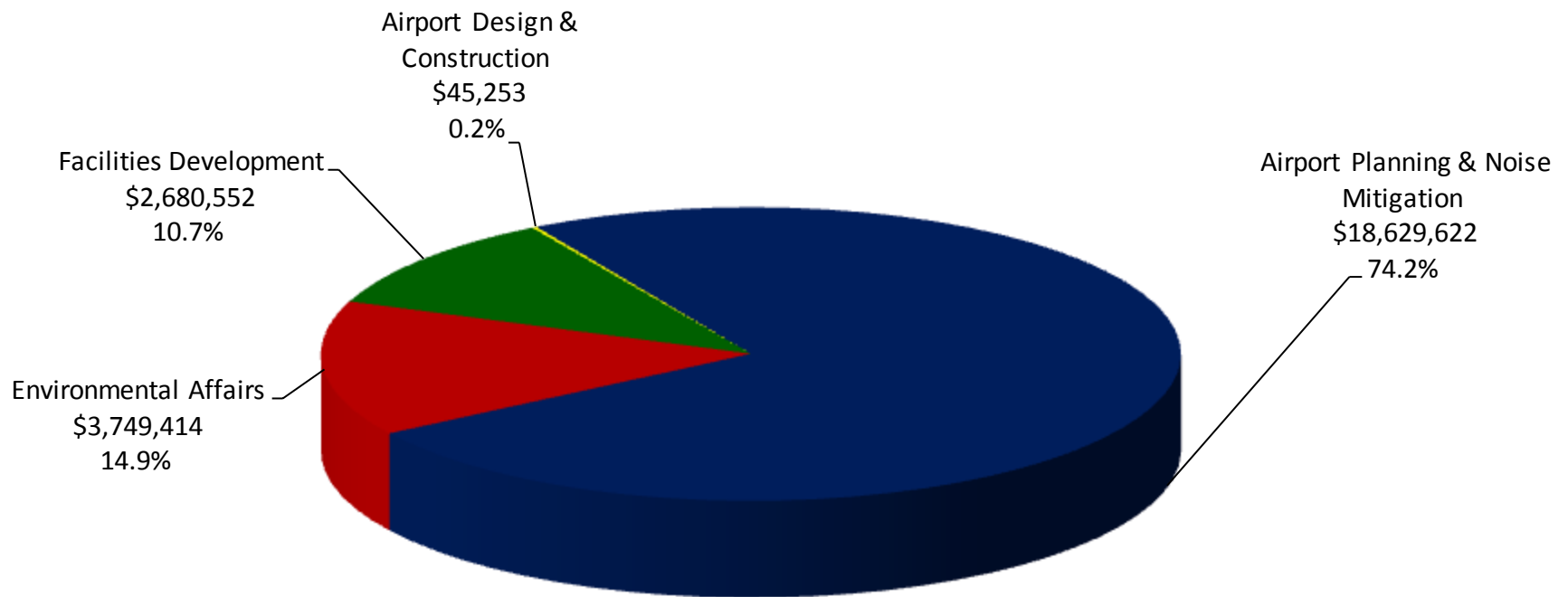


Development Division Overview Continued

FY 2015 – 2016 Organizational Structure



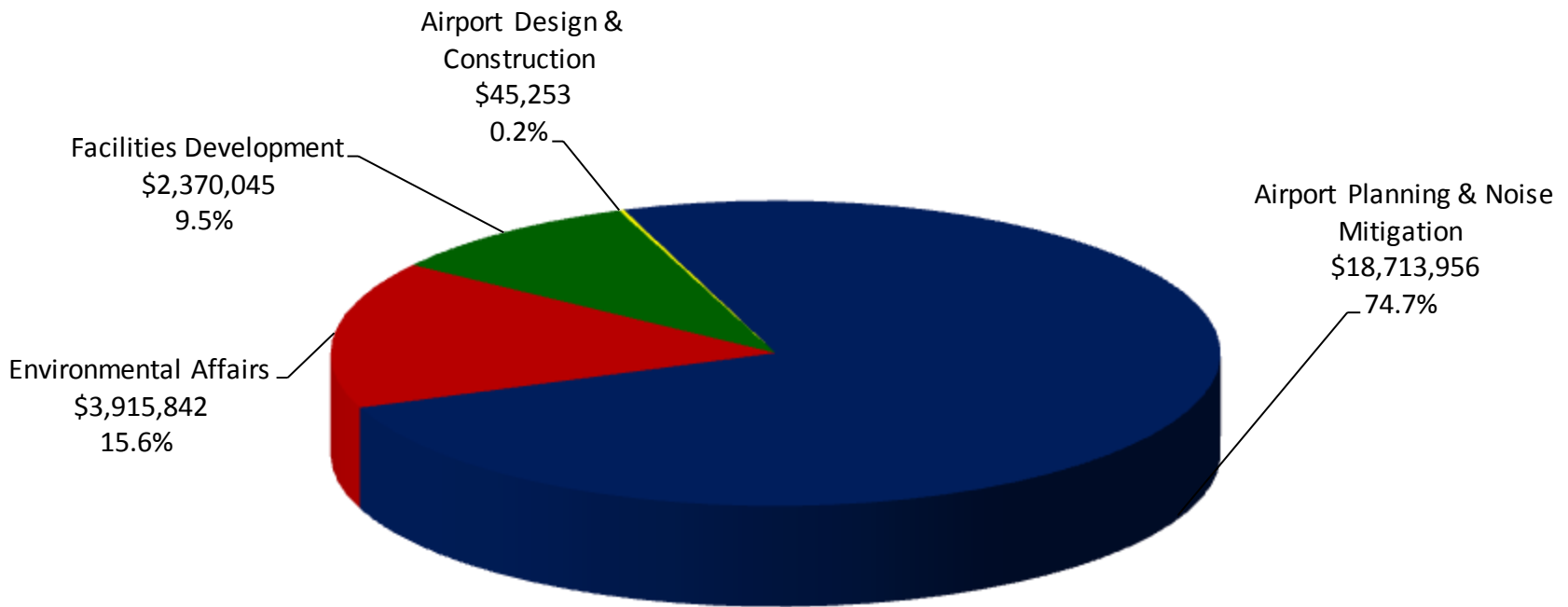
FY 2015 Proposed Expense Summary by Department



Total FY 2015 Proposed Budget is \$25.1M



FY 2016 Proposed Conceptual Expense Summary by Department

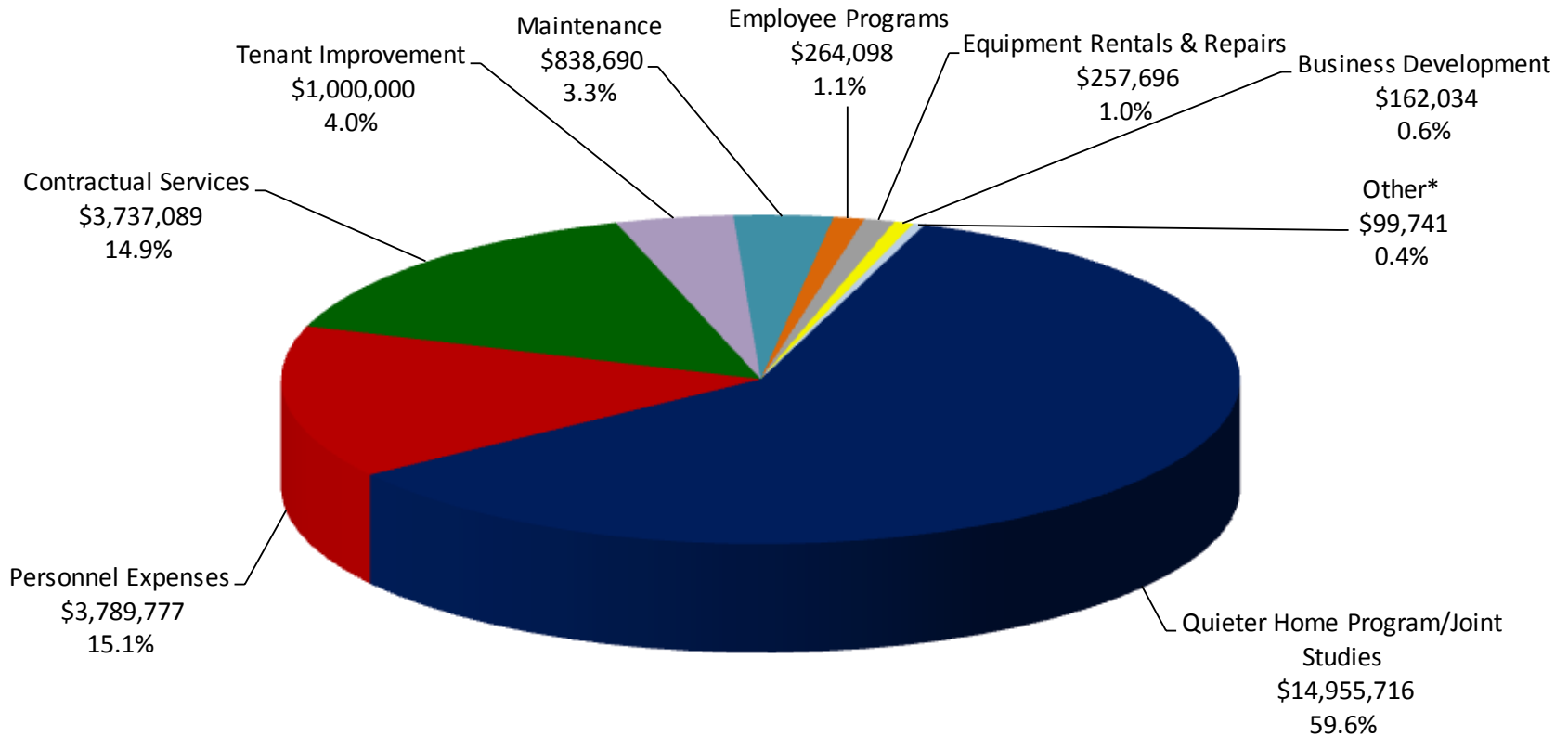


Total FY 2016 Proposed Conceptual Budget is \$25.0M



Development Division Overview Continued

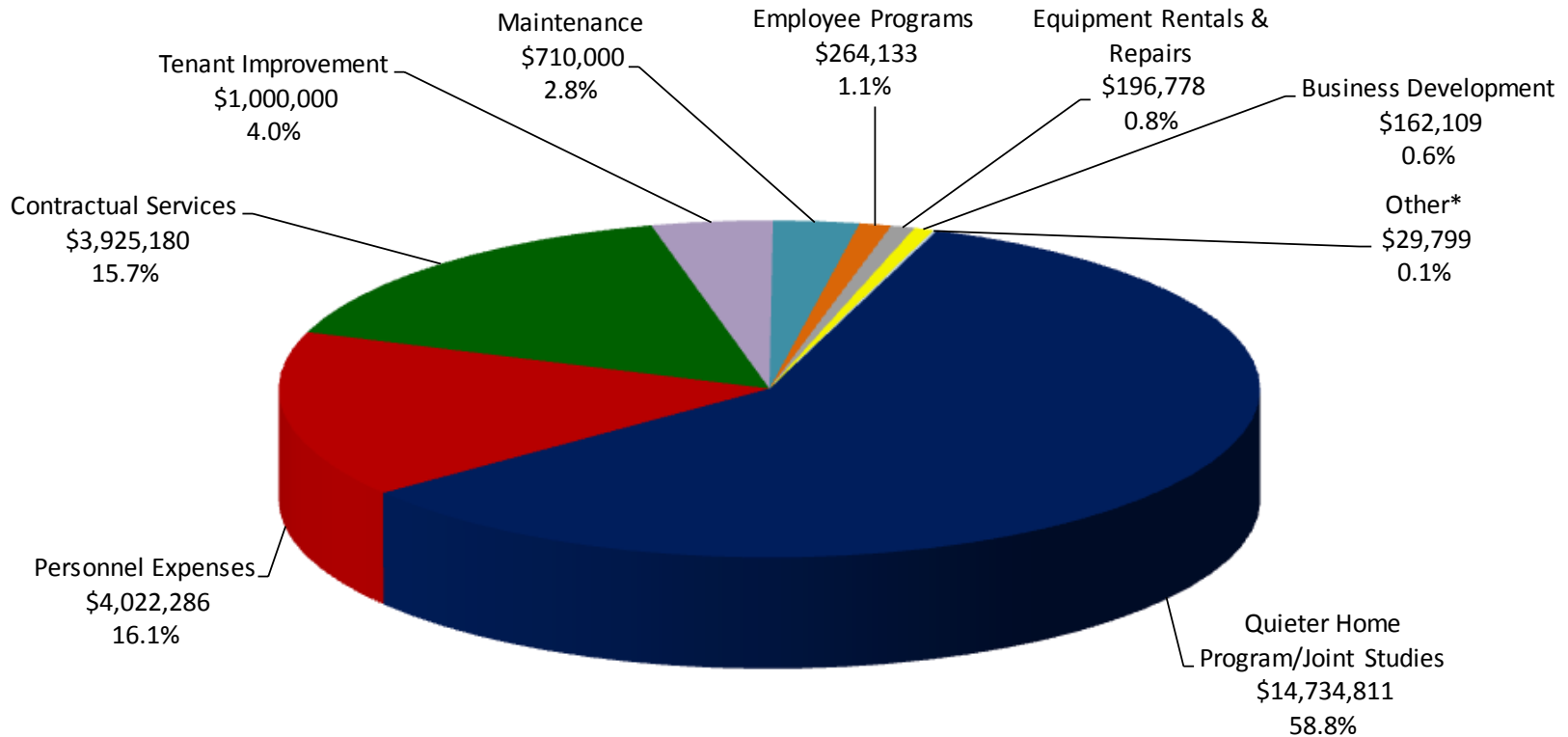
FY 2015 Proposed Expense Summary by Major Expense Category



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

Total FY 2015 Proposed Budget is \$25.1M

FY 2016 Proposed Conceptual Expense Summary by Major Expense Category



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

Total FY 2016 Proposed Conceptual Budget is \$25.0M



Development Division Overview

Continued

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 5,230,503	\$ 6,380,110	\$ 6,690,646	\$ 6,797,309	\$ 417,199	6.5%	\$ 106,663	1.6%	\$ 7,148,419	\$ 351,110	5.2%
Premium Overtime	43,433	-	-	20,000	20,000	0.0%	20,000	0.0%	20,000	-	0.0%
Employee Benefits	2,438,096	3,118,822	3,336,177	3,522,602	403,780	12.9%	186,425	5.6%	3,758,923	236,321	6.7%
Subtotal	7,712,032	9,498,932	10,026,823	10,339,911	840,979	8.9%	313,088	3.1%	10,927,342	587,431	5.7%
Less: Capitalized Labor	(4,309,983)	(5,072,107)	(5,646,297)	(5,886,206)	(814,099)	16.1%	(239,910)	4.2%	(6,216,937)	(330,730)	5.6%
Less: QHP - Labor/Burden/Labor Overhead	(723,749)	(703,804)	(732,944)	(663,928)	39,876	-5.7%	69,016	-9.4%	(688,119)	(24,191)	3.6%
Total Personnel Expenses	2,678,301	3,723,021	3,647,582	3,789,777	66,756	1.8%	142,195	3.9%	4,022,286	232,510	6.1%
Non-Personnel Expenses											
Contractual Services	3,862,276	3,894,700	4,636,636	3,737,089	(157,611)	-4.0%	(899,547)	-19.4%	3,925,180	188,091	5.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	715	1,500	1,500	1,600	100	6.7%	100	6.7%	1,600	-	0.0%
Maintenance	576,316	610,000	660,000	838,690	228,690	37.5%	178,690	27.1%	710,000	(128,690)	-15.3%
Operating Equipment & Systems	14,729	7,729	7,268	2,838	(4,891)	-63.3%	(4,430)	-61.0%	2,858	20	0.7%
Operating Supplies	33,883	26,927	27,265	15,303	(11,624)	-43.2%	(11,962)	-43.9%	15,341	38	0.2%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	386,251	222,073	212,840	264,098	42,025	18.9%	51,258	24.1%	264,133	35	0.0%
Business Development	100,500	155,848	141,223	162,034	6,186	4.0%	20,811	14.7%	162,109	75	0.0%
Equipment Rentals & Repairs	323,186	231,151	246,629	257,696	26,545	11.5%	11,067	4.5%	196,778	(60,918)	-23.6%
Tenant Improvements	-	-	-	1,000,000	1,000,000		1,000,000		1,000,000	-	
Total Non-Personnel Expenses	5,297,856	5,149,928	5,933,360	6,279,348	1,129,420	21.9%	345,988	5.8%	6,277,999	(1,349)	0.0%
Total Operating Expenses	7,976,157	8,872,948	9,580,942	10,069,125	1,196,176	13.5%	488,183	5.1%	10,300,285	231,161	2.3%
Non-Operating Expenses:											
Joint Studies/Sound Attenuation	14,885,711	15,176,621	15,176,621	14,955,716	(220,905)	-1.5%	(220,905)	-1.5%	14,734,811	(220,905)	-1.5%
Other Non-Operating Expense	42,648	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	14,928,359	15,176,621	15,176,621	14,955,716	(220,905)	-1.5%	(220,905)	-1.5%	14,734,811	(220,905)	-1.5%
Total Expenses	22,904,516	24,049,569	24,757,563	25,024,841	975,271	4.1%	267,278	1.1%	25,035,096	10,256	0.0%
Equipment Outlay	-	10,000	20,000	80,000	70,000	700.0%	60,000	300.0%	10,000	(70,000)	-87.5%
Total Authority Expenses incl Equip Outlay	\$ 22,904,516	\$ 24,059,569	\$ 24,777,563	\$ 25,104,841	\$ 1,045,271	4.3%	\$ 327,278	1.3%	\$ 25,045,096	\$ (59,744)	-0.2%

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Major Drivers

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 24,059,569	\$ 25,104,841
Personnel costs		
2 positions transferred in due to reorganization (salaries & burden)	381,543	-
3 new positions (salaries & burden)	322,254	-
Burden for current staff	317,530	236,321
Salary adjustments and pay for performance	243,734	351,110
2 positions eliminated (salaries & burden)	(424,082)	-
Capitalized labor	(774,223)	(354,922)
Total Increase / (Decrease) in personnel costs	66,756	232,510
Update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs), preparing Naval Air Station North Island (NASNI)	1,180,000	120,000
ALUCP and miscellaneous airport planning projects costs		
Tenant improvement	300,000	-
Major maintenance	178,690	(178,690)
Stormwater Management Program, Industrial Hygiene/Indoor Air Quality and permit costs	129,850	67,000
Quieter Home Program	(220,905)	(220,905)
SDIA Airport Land Use Compatibility Plans (ALUCPs) completed	(500,000)	-
Other, net	(89,120)	(79,659)
Total Increase / (Decrease) in non-personnel costs	978,515	(292,254)
Total Increase / (Decrease)	1,045,271	(59,744)
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 25,104,841	\$ 25,045,096

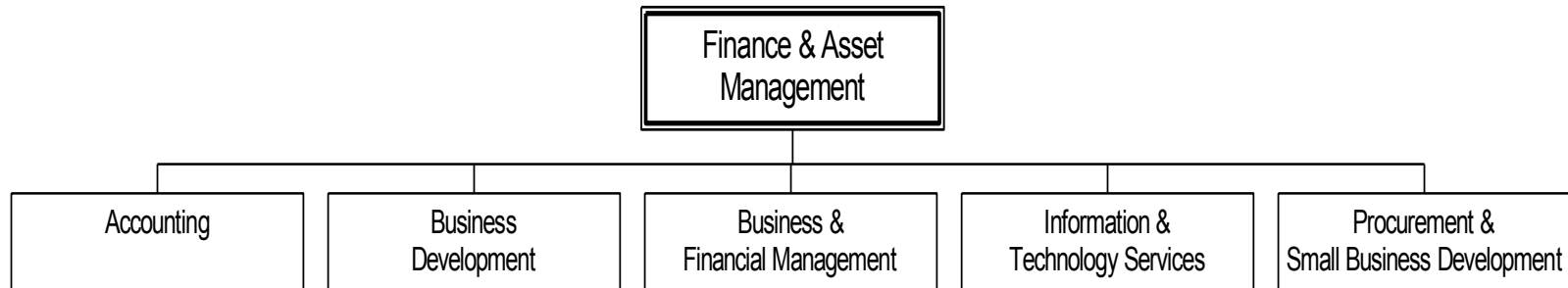


Finance & Asset Management Division



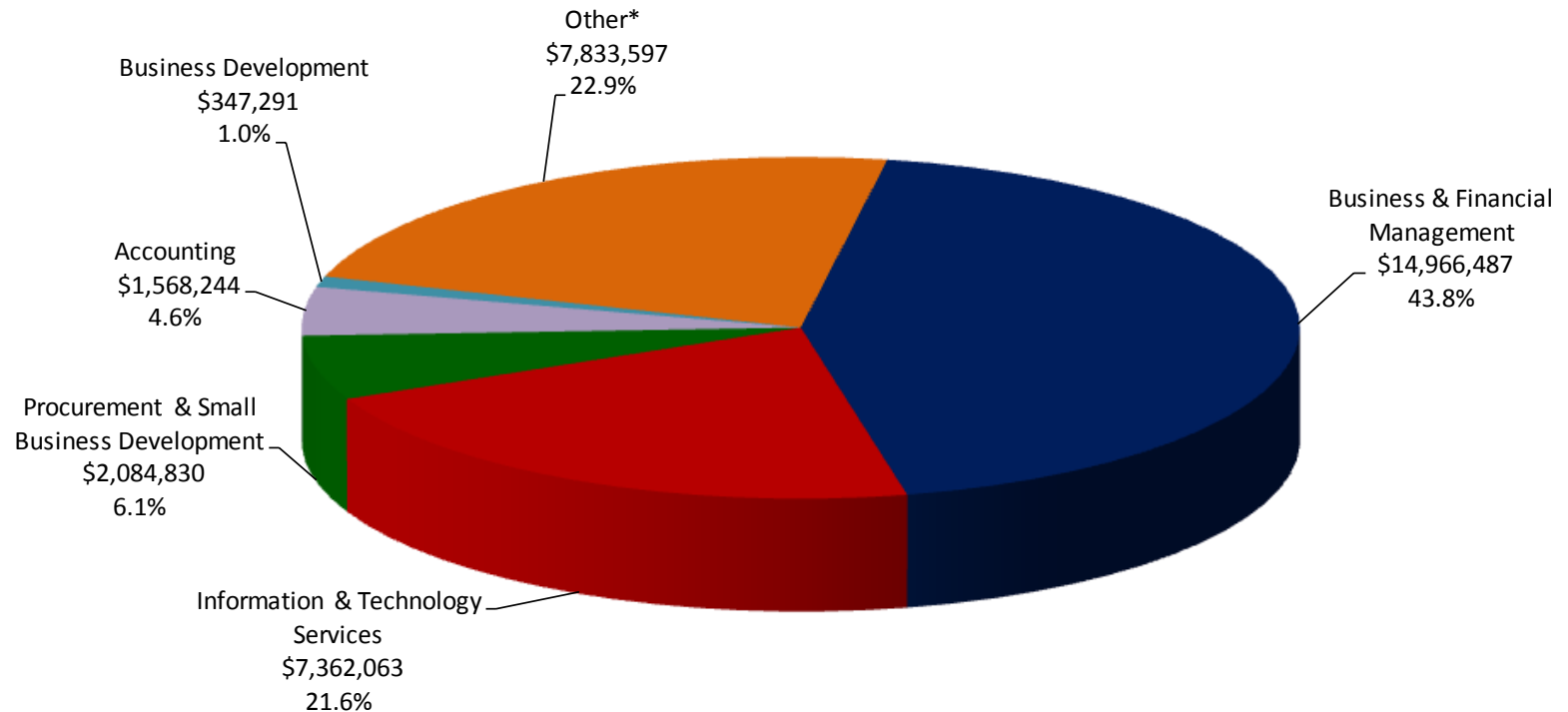
Finance & Asset Management Division Overview Continued

FY 2015 – 2016 Organizational Structure





FY 2015 Proposed Expense Summary by Department



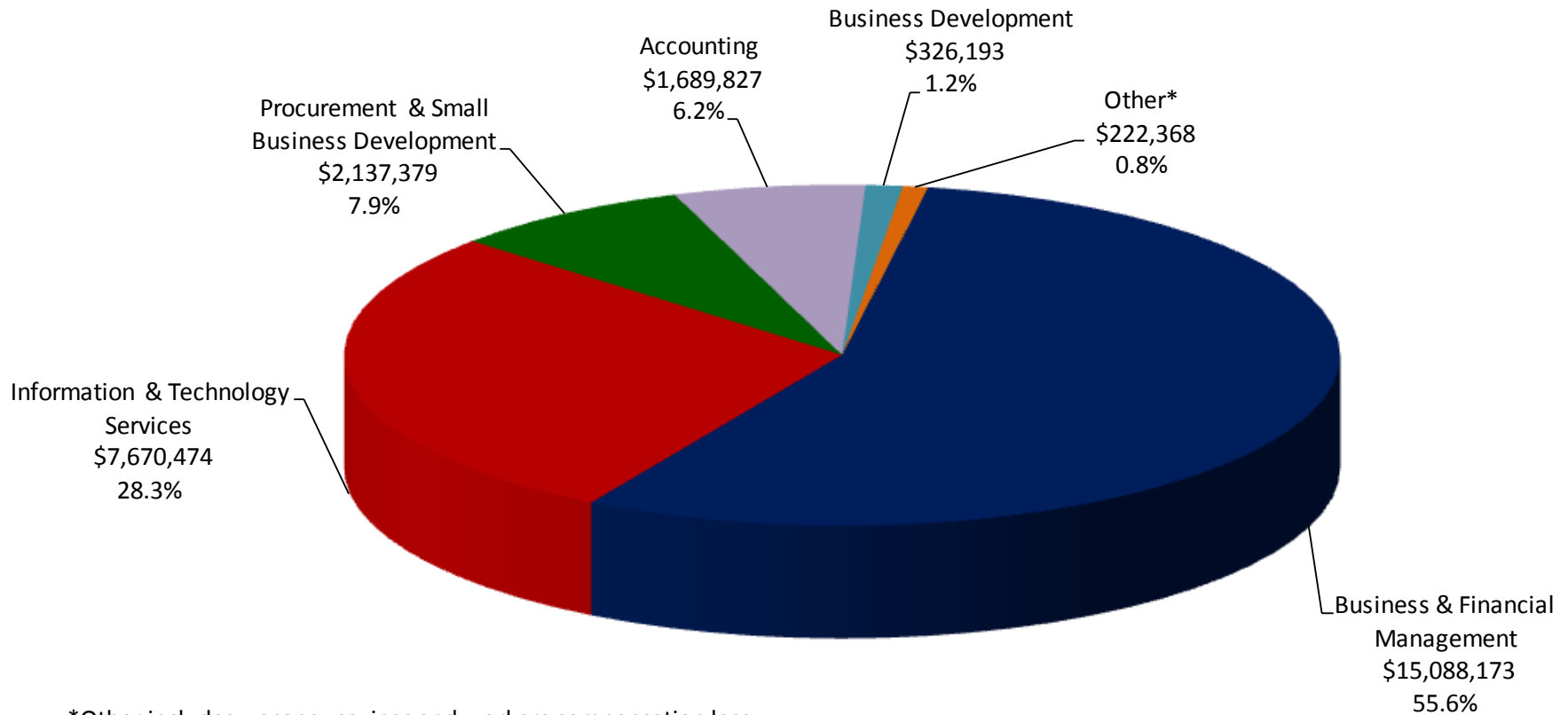
*Other includes SDCERS Unfunded Actuarial Liability (GASB Change), vacancy savings and workers compensation loss

Total FY 2015 Proposed Budget is \$34.2M



Finance & Asset Management Division Overview Continued

FY 2016 Proposed Conceptual Expense Summary by Department

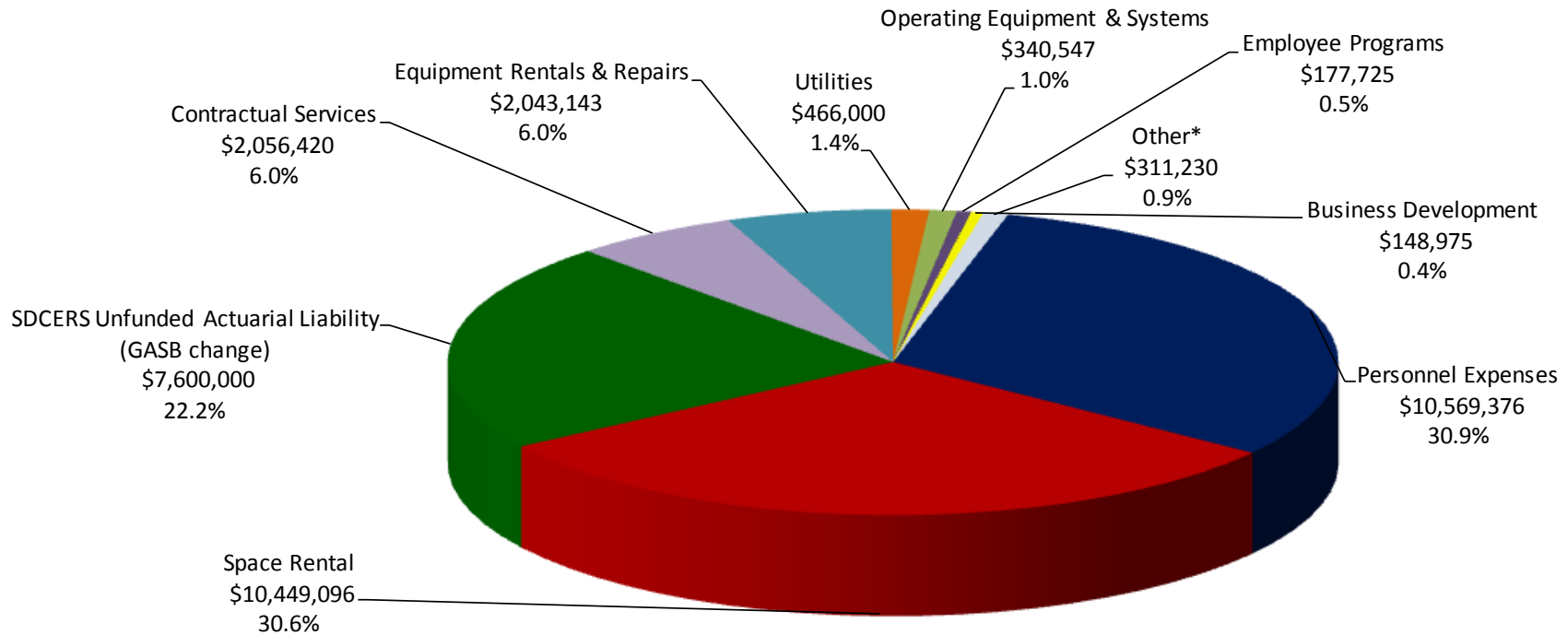


*Other includes vacancy savings and workers compensation loss

Total FY 2016 Proposed Conceptual Budget is \$27.1M



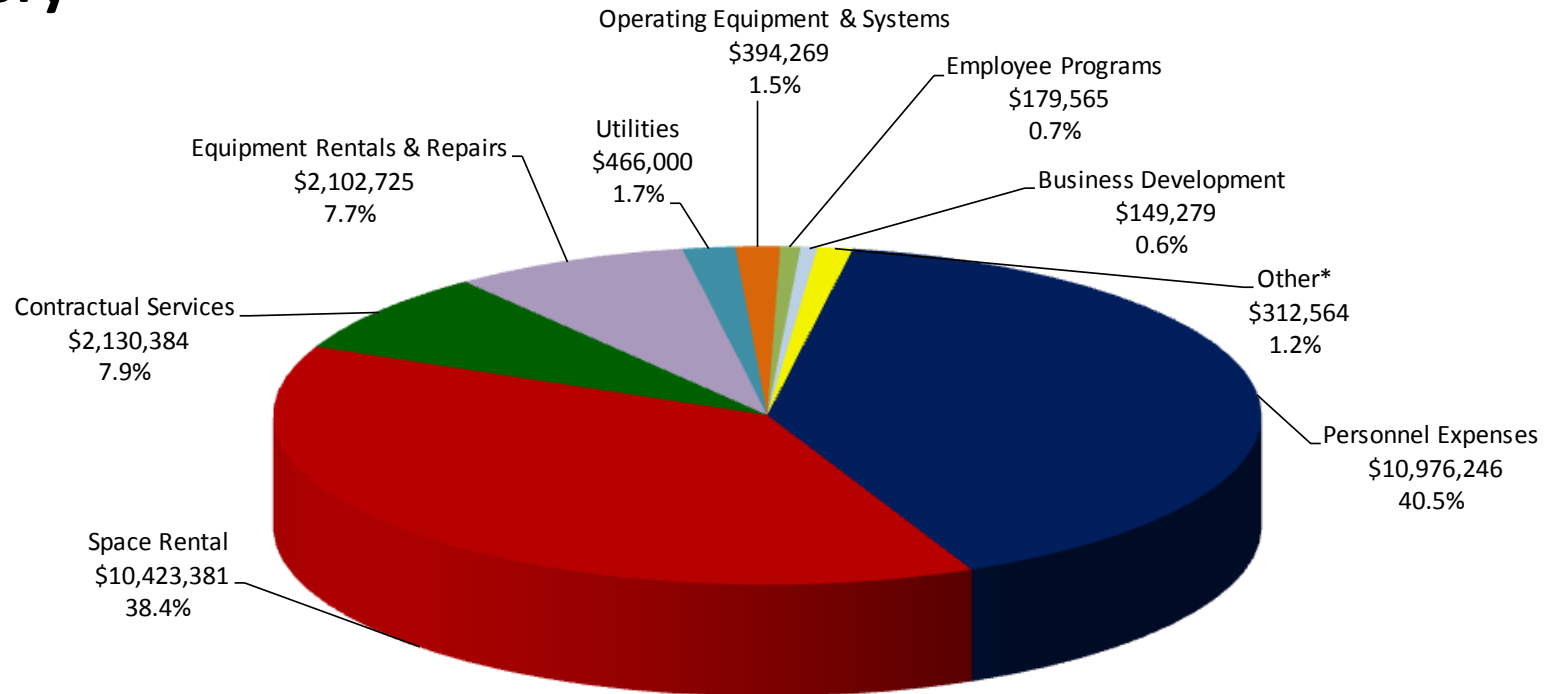
FY 2015 Proposed Expense Summary by Major Expense Category



*Other includes tenant improvements, maintenance, and operating supplies

Total FY 2015 Proposed Budget is \$34.2M

FY 2016 Proposed Conceptual Expense Summary by Major Expense Category



*Other includes tenant improvements, maintenance, and operating supplies

Total FY 2016 Proposed Conceptual Budget is \$27.1M

Finance & Asset Management Division

Overview Continued

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 6,704,744	\$ 6,570,226	\$ 6,958,377	\$ 6,788,358	\$ 218,132	3.3%	\$ (170,019)	-2.4%	\$ 7,011,203	\$ 222,845	3.3%
Premium Overtime	183,617	202,400	150,400	150,000	(52,400)	-25.9%	(400)	-0.3%	150,000	-	0.0%
Employee Benefits	3,079,310	3,200,011	3,501,798	3,631,018	431,008	13.5%	129,220	3.7%	3,815,043	184,024	5.1%
Less: Capitalized Labor	(104,509)	(102,717)	(106,919)	-	102,717	-100.0%	106,919	-100.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Subtotal Personnel Expenses	9,967,670	9,972,637	10,610,576	10,569,376	596,740	6.0%	(41,199)	-0.4%	10,976,246	406,869	3.8%
SDCERS Unfunded Actuarial Liability (GASB change)	-	-	-	7,600,000	7,600,000	0.0%	7,600,000	0.0%	-	(7,600,000)	-100.0%
Total Personnel Expenses *	9,863,161	9,869,920	10,503,656	18,169,376	8,299,456	84.1%	7,665,720	73.0%	10,976,246	(7,193,131)	-39.6%
Non-Personnel Expenses											
Contractual Services	2,495,953	1,976,000	1,918,173	2,056,420	80,420	4.1%	138,247	7.2%	2,130,384	73,964	3.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	10,897,338	10,377,212	10,323,752	10,449,096	71,884	0.7%	125,344	1.2%	10,423,381	(25,715)	-0.2%
Utilities	350,291	487,000	490,000	466,000	(21,000)	-4.3%	(24,000)	-4.9%	466,000	-	0.0%
Maintenance	18,140	18,593	18,593	19,650	1,057	5.7%	1,057	5.7%	19,650	-	0.0%
Operating Equipment & Systems	342,022	313,200	318,500	340,547	27,347	8.7%	22,047	6.9%	394,269	53,721	15.8%
Operating Supplies	46,181	56,900	57,530	91,580	34,680	60.9%	34,050	59.2%	92,914	1,334	1.5%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	158,522	186,625	189,165	177,725	(8,900)	-4.8%	(11,440)	-6.0%	179,565	1,840	1.0%
Business Development	368,332	138,600	141,154	148,975	10,375	7.5%	7,821	5.5%	149,279	304	0.2%
Equipment Rentals & Repairs	872,785	2,050,466	2,126,067	2,043,143	(7,323)	-0.4%	(82,924)	-3.9%	2,102,725	59,582	2.9%
Tenant Improvements	433	359,900	-	200,000	(159,900)	-44.4%	200,000	0.0%	200,000	-	0.0%
Total Non-Personnel Expenses	15,549,997	15,964,496	15,582,934	15,993,136	28,639	0.2%	410,202	2.6%	16,158,167	165,031	1.0%
Total Operating Expenses	25,413,157	25,834,417	26,086,590	34,162,512	8,328,096	32.2%	8,075,922	31.0%	27,134,413	(7,028,099)	-20.6%
Total Non-Operating Expenses	4,208	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	25,417,365	25,834,417	26,086,590	34,162,512	8,328,096	32.2%	8,075,922	31.0%	27,134,413	(7,028,099)	-20.6%
Equipment Outlay	324,967	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Authority Expenses incl Equip Outlay	\$ 25,742,332	\$ 25,834,417	\$ 26,086,590	\$ 34,162,512	\$ 8,328,096	32.2%	\$ 8,075,922	31.0%	\$ 27,134,413	\$ (7,028,099)	-20.6%

*Personnel costs include vacancy savings

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Major Drivers

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 25,834,417	\$ 34,162,512
Personnel costs		
SDCERS Unfunded Actuarial Liability (GASB change)	7,600,000	(7,600,000)
Burden for current staff	483,208	184,024
Salary adjustments and pay-for-performance	297,728	222,845
Changes in capitalized labor costs	102,717	-
1 Position eliminated (salaries & burden)	(184,197)	-
Total Increase / (Decrease) in personnel costs*	8,299,456	(7,193,131)
Space rental	71,884	(25,715)
Outside professional services	62,070	83,096
Operating equipment, systems and supplies	53,847	53,721
Equipment rentals and repairs	15,601	59,582
Tenant improvements	(159,900)	-
Other, net	(14,862)	(5,654)
Total Increase / (Decrease) in non-personnel costs	28,639	165,031
Total Increase / (Decrease)	8,328,096	(7,028,099)
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 34,162,512	\$ 27,134,413

*Personnel costs include vacancy saving



Debt Service

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Debt Service											
Principal on Commercial Paper	\$ 805,000	\$ 6,065,000	\$ 6,149,000	\$ 6,159,000	\$ 94,000	1.5%	\$ 10,000	0.2%	\$ 6,109,000	\$ (50,000)	-0.8%
Principal on Revenue Bonds	4,610,000	5,785,000	10,695,000	10,695,000	4,910,000	84.9%	-	0.0%	11,090,000	395,000	3.7%
Interest Expense - Capitalized Leases	427,139	877,298	877,298	877,298	0	0.0%	-	0.0%	877,298	-	0.0%
Interest on Revenue Bonds and Commercial Paper	20,476,188	48,988,040	50,080,268	49,967,809	979,769	2.0%	(112,459)	-0.2%	50,147,267	179,458	0.4%
Interest on Special Facility Bonds				-	-	0.0%	-	0.0%	8,170,605	8,170,605	0.0%
Fees	282,886	315,674	767,690	789,314	473,639	150.0%	21,623	2.8%	886,200	96,886	12.3%
Amortization of Bond Premium and Cost of Issuance	(1,487,765)	(4,003,797)	(3,928,486)	(3,829,790)	174,007	-4.3%	98,696	-2.5%	(4,243,249)	(413,459)	10.8%
Total Debt Service	\$ 23,836,045	\$ 58,027,215	\$ 64,640,771	\$ 64,658,631	\$ 6,631,416	11.4%	\$ 17,860	0.0%	\$ 73,037,120	\$ 8,378,490	13.0%

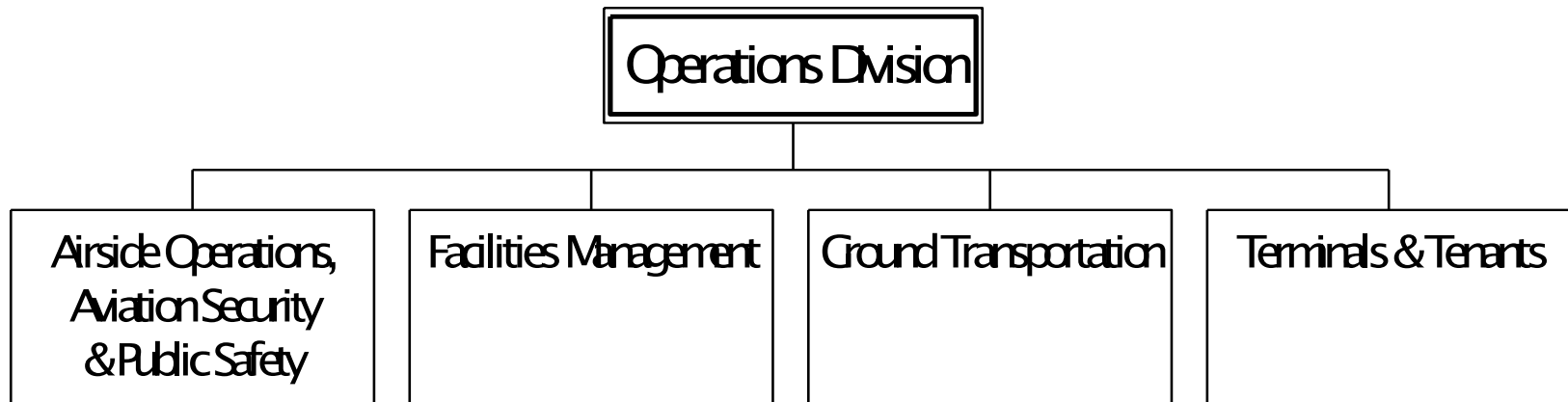


Operations Division



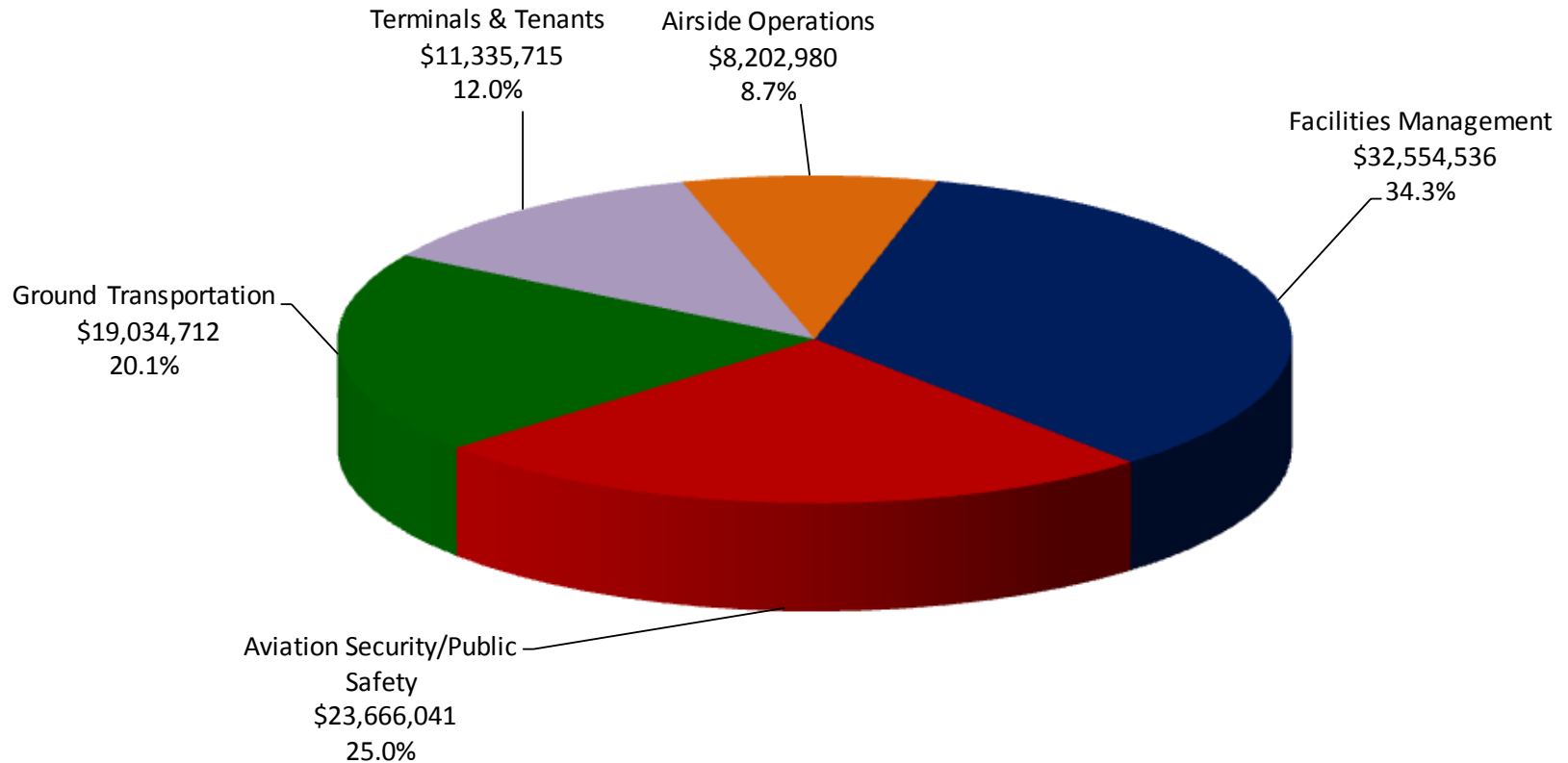
Operations Division Overview Continued

FY 2015 – 2016 Organizational Structure





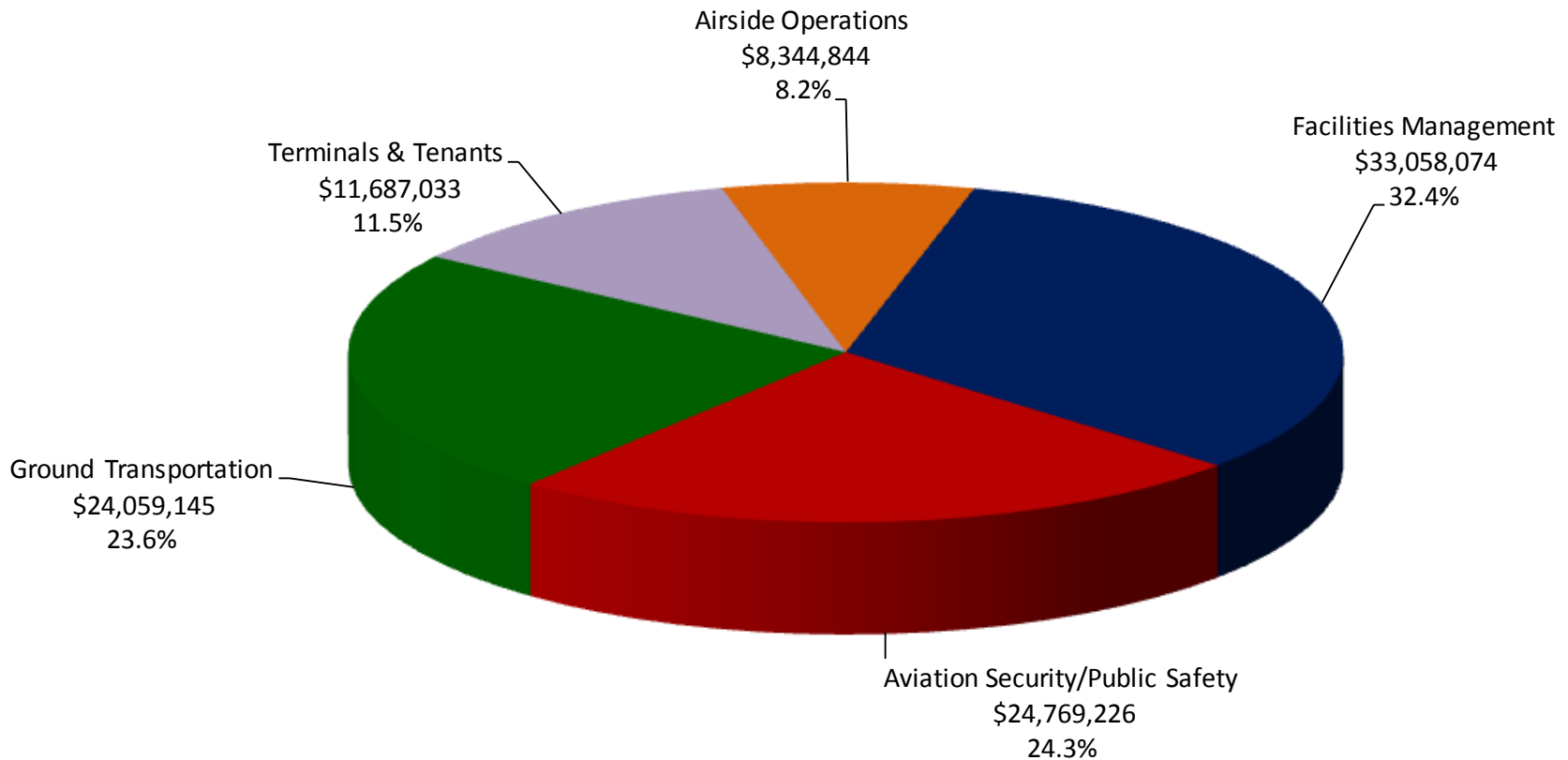
FY 2015 Proposed Expense Summary by Department



Total FY 2015 Proposed Budget is \$94.8M



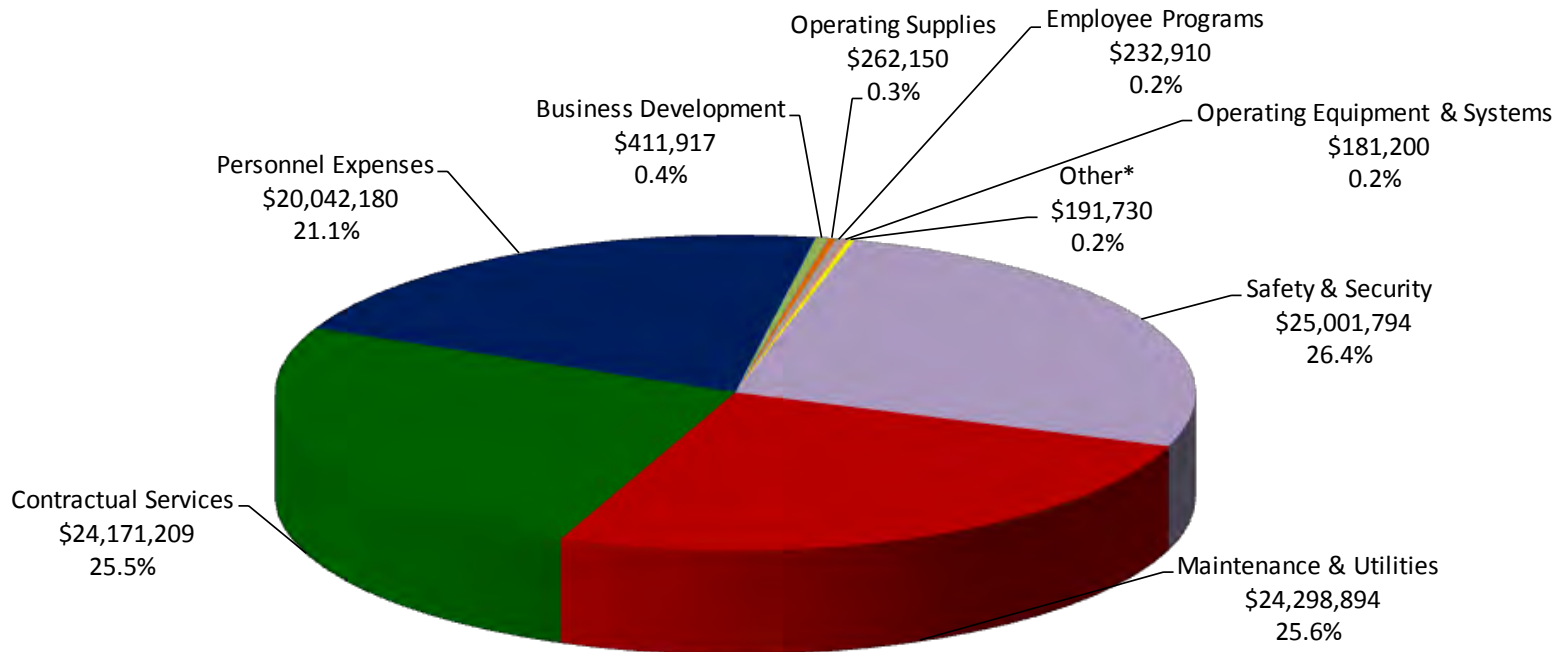
FY 2016 Proposed Conceptual Expense Summary by Department



Total FY 2016 Proposed Conceptual Budget is \$101.9M



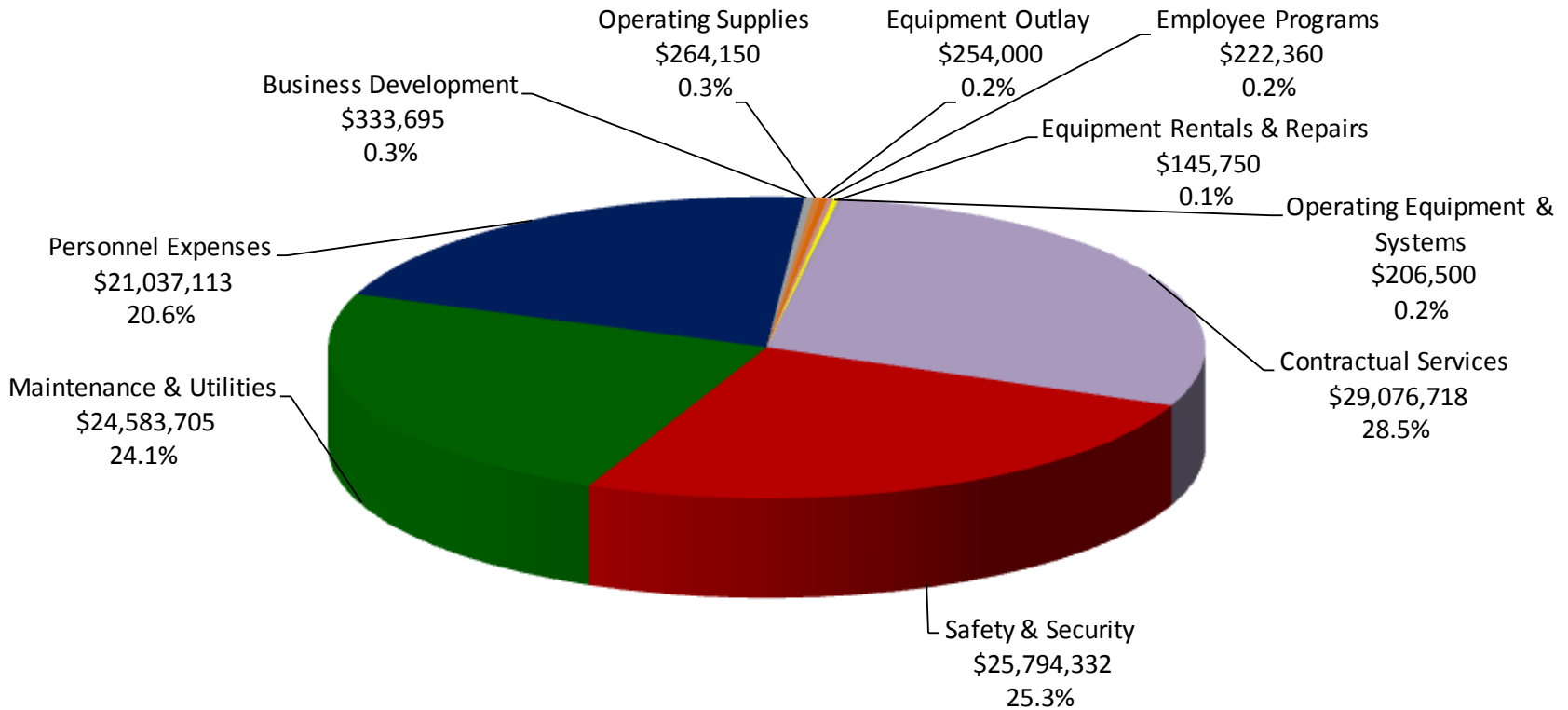
FY 2015 Proposed Expense Summary by Major Expense Category



*Other includes operating equipment & systems, and operating supplies

Total FY 2015 Proposed Budget is \$94.8M

FY 2016 Proposed Conceptual Expense Summary by Major Expense Category



*Other includes operating equipment & systems, and operating supplies

Total FY 2016 Proposed Conceptual Budget is \$101.9M

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2013 Actuals	FY 2014 Budget	FY 2015 Conceptual Budget	FY 2015 Proposed Budget	Inc/(Dec) FY15 Budget vs FY14 Budget	% Change	Inc/(Dec) FY15 Proposed vs FY15 Conceptual	% Change	FY 2016 Proposed Conceptual Budget	Inc/(Dec) FY16 Conceptual vs FY15 Budget	% Change
Operating Expenses:											
Personnel Expenses											
Salaries and Wages	\$ 10,357,160	\$ 11,743,306	\$ 12,662,019	\$ 12,207,019	\$ 463,713	3.9%	\$ (455,000)	-3.6%	\$ 12,772,204	\$ 565,185	4.6%
Premium Overtime	824,458	665,000	715,300	671,000	6,000	0.9%	(44,300)	-6.2%	671,000	-	0.0%
Employee Benefits	5,691,378	6,882,121	7,542,278	7,264,160	382,039	5.6%	(278,118)	-3.7%	7,693,910	429,749	5.9%
Subtotal	16,872,996	19,290,427	20,919,597	20,142,180	851,753	4.4%	(777,417)	-3.7%	21,137,113	994,934	4.9%
<i>Less: Capitalized Labor</i>	<i>(371,529)</i>	<i>(500,000)</i>	<i>(350,000)</i>	<i>(100,000)</i>	<i>400,000</i>	<i>-80.0%</i>	<i>250,000</i>	<i>-71.4%</i>	<i>(100,000)</i>	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Personnel Expenses	16,501,466	18,790,427	20,569,597	20,042,180	1,251,753	6.7%	(527,417)	-2.6%	21,037,113	994,934	5.0%
Non-Personnel Expenses											
Contractual Services	19,371,119	22,958,464	23,196,502	24,171,209	1,212,745	5.3%	974,707	4.2%	29,076,718	4,905,509	20.3%
Safety and Security	23,994,020	24,975,464	27,111,790	25,001,794	26,331	0.1%	(2,109,996)	-7.8%	25,794,332	792,537	3.2%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	6,308,144	8,075,750	8,449,800	9,071,786	996,036	12.3%	621,986	7.4%	9,943,849	872,064	9.6%
Maintenance	10,610,009	11,032,754	11,339,100	15,227,108	4,194,354	38.0%	3,888,008	34.3%	14,639,855	(587,253)	-3.9%
Operating Equipment & Systems	96,142	118,000	156,000	181,200	63,200	53.6%	25,200	16.2%	206,500	25,300	14.0%
Operating Supplies	298,759	237,950	293,720	262,150	24,200	10.2%	(31,570)	-10.7%	264,150	2,000	0.8%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	149,073	209,135	376,970	232,910	23,775	11.4%	(144,060)	-38.2%	222,360	(10,550)	-4.5%
Business Development	87,311	311,510	414,623	411,917	100,407	32.2%	(2,706)	-0.7%	333,695	(78,222)	-19.0%
Equipment Rentals & Repairs	84,395	95,900	127,950	144,730	48,830	50.9%	16,780	13.1%	145,750	1,020	0.7%
Total Non-Personnel Expenses	60,998,972	68,014,927	71,466,456	74,704,804	6,689,877	9.8%	3,238,348	4.5%	80,627,209	5,922,405	7.9%
Total Operating Expenses	77,500,438	86,805,354	92,036,053	94,746,984	7,941,630	9.1%	2,710,931	2.9%	101,664,323	6,917,339	7.3%
Total Non-Operating Expenses	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Total Expenses	77,500,438	86,805,354	92,036,053	94,746,984	7,941,630	9.1%	2,710,931	2.9%	101,664,323	6,917,339	7.3%
Equipment Outlay	833,030	-	150,000	47,000	47,000	0.0%	(103,000)	-68.7%	254,000	207,000	440.4%
Total Authority Expenses incl Equip Outlay	\$ 78,333,468	\$ 86,805,354	\$ 92,186,053	\$ 94,793,984	\$ 7,988,630	9.2%	\$ 2,607,931	2.8%	\$ 101,918,323	\$ 7,124,339	7.5%

FY 2015 Proposed – FY 2016 Proposed Conceptual Budget Major Drivers

	Inc/(Dec) FY15 vs FY14	Inc/(Dec) FY16 Conceptual vs FY15
FY 2014 Budget / FY 2015 Budget	\$ 86,805,354	\$ 94,793,984
Personnel costs		
Salary adjustments,contracted wage increases and pay for performance	348,786	517,623
Burden for current staff	313,525	405,086
Change in capitilized labor	400,000	-
2 new positions (salaries & burden)	124,275	-
1 funded position (salaries & burden)	65,167	-
1 new position (salaries & burden)	-	72,225
Total Increase / (Decrease) in personnel costs	1,251,753	994,934
Airfield pavement and striping	1,543,000	(861,000)
12kV maintenance	1,413,000	70,000
Utilities	996,036	872,064
Construction maintenance remediation costs	951,063	(427,673)
Airport custodial contract	675,294	219,454
Law enforcement costs - Harbor Police Department	328,632	517,717
Outside Consulting services	275,500	33,000
Rental Car Center (RCC) busing	244,800	4,441,911
Major maintenance	200,000	150,000
Credentialing Asset Management	200,000	-
Hood vent cleaning for concessioners	200,000	-
Access Control System maintenance	100,000	307,450
Parking and shuttles operations	(151,155)	350,998
Aircraft Rescue Fire Fight (ARFF) contract costs	(475,445)	145,590
Other, net	236,154	309,894
Total Increase/ (Decrease) in non-personnel costs	6,736,877	6,129,405
Total Increase/ (Decrease)	7,988,630	7,124,339
FY 2015 Budget / FY 2016 Conceptual Budget	\$ 94,793,984	\$ 101,918,323



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Capital Program Budget Fiscal Years 2015 – 2019

Capital Program Summary

- **5 Year Program**
- **Approved by the Board Annually**
 - Capital Improvement Program Oversight Committee (CIPOC)
- **Managed by the Capital Improvement Committee (CIC)**
 - CEO & Vice Presidents
- **FY 2014 - 2018 CIP Program - 62 Projects**
 - \$732 Million
- **The Green Build**
 - \$820 Million
- **FY 2014 - 2018 Total Capital Program \$1.55 Billion**

CIP Project Development Process

- Sponsors submit project requests
 - Project is defined
 - Scope, schedule, and budget are developed
 - Assessments are conducted with sponsors and stakeholders
 - Financial business case, risk/opportunity identification, planning and environmental impacts, capitalization, O&M costs
- Results are presented to CIC Review Group
 - Directors of Airport Planning, Business and Financial Management and Facilities Development review project details
 - Recommendations are made for prioritization to the Capital Improvement Committee(CIC)
- Proposed CIP presented to Airlines for input and feedback
- CIC reviews and approves proposed CIP budget to be taken to the Board
- Board reviews and approves Capital Program budget

Current/Proposed CIP Program – Project Location

CIP Program: \$731,753,193

\$846,769,570

Project Location	FY 2014 -2018	Project Closeouts/ Modifications	Project Additions	FY 2015 -2019
Airside	18	1	0	17
Terminal	15	3	5	17
Landside	25	6	9	28
Admin.	4	0	0	4
Totals	62	10	14	66

Capital Budget Summary

FY 2014 - 2018 Capital Improvement Program	\$ 415,629,089
FY 2014 - 2018 Project Closeouts & Modifications	(23,681,243)
FY 2014 - 2018 Project Adjustments	<u>(10,054,460)</u>
FY 2014 - 2018 Capital Improvement Program Balance	\$ 381,893,386
Proposed FY 2015 Projects & Adjustments	148,752,080
Rental Car Center	316,124,104
The Green Build	<u>820,000,000</u>
Proposed FY 2015 -2019 Capital Program	\$ <u>1,666,769,570</u>

Proposed FY 2015 - 2019 Capital Projects

<u>Project Name</u>	<u>Estimated Cost</u>
1) Construct Taxi Hold Lot	\$ 5,750,000
2) Employee Parking Lot 6 Expansion	6,290,000
3) FIS Passenger Processing Improvements	1,460,000
4) Replace Terminal Seating in T1 and T2E	5,420,000
5) Solid Waste Disposal & Recycling Facility	1,050,000
6) Modernize Siemens APOGEE Building Auto. Control System	1,000,000
7) Pavement Rehabilitation - Air Freight Bldg.	1,600,000
8) Air Freight Buildings Roof Replacement - Stillwater/Air Lane Rd.	2,240,000
9) Liberty Station Facility – Roof Replacement & Improvements	1,500,000

Proposed FY 2015 - 2019 Capital Projects

<u>Project Name</u>	<u>Estimated Cost</u>
10) Develop Administrative Space	\$ 2,300,000
11) RCC – Small Market-share Build-outs	4,000,000
12) Replace & Refurbish Passenger Boarding Bridges	23,300,000
13) Construct Hazardous Waste Storage Facility	640,000
14) Construct Parking Plaza	82,080,000
15) Capital Projects Allowance	5,000,000
16) Public Art Allowance	<u>429,870</u>
Total FY 2015 - 2019 Proposed Capital Projects	\$ 144,059,870

Proposed FY 2015 - 2019 Capital Project Adjustments

<u>Project Name</u>	<u>Estimated Cost</u>
1) Upgrade Ground Transportation Systems	\$ 577,469
2) Upgrade Remaining 12 Remote Noise Monitoring Poles	245,741
3) Runway 09 Displaced Threshold Relocation	1,000,000
4) Restaurant Development at RCC	1,969,000
5) Reconfigure Sec. Chkpt. 2 & Refurb. T1 Rotundas/Bag. Claim	<u>900,000</u>
Total Proposed Current CIP Project Adjustments	\$ <u>4,692,210</u>
Total FY 2015 - 2019 Proposed Capital Projects & Adjustments	<u>\$148,752,080</u>

* Source of funds: Airport Cash - \$138.4M, PFC - \$9.3M, CFC - \$1M



Construct Taxi Hold Lot



Construct Taxi Hold Lot

SCOPE:

- Relocate taxi hold lot from Harbor Island location to the former TDY location to reduce airport lease obligations
- Accommodate 182 taxis, shuttle buses, and a 2,200 SF building
- Reduce taxi transit time to terminal and improve airport patron serviceability

Strategies :

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$5,750,000	25 months



Employee Parking Lot 6 Expansion



Employee Parking Lot 6 Expansion

SCOPE:

- Expand lot to add 650 parking spaces on 4.5 acres to more effectively cover current & future Airport employee parking needs
- Recapture paid parking spaces in Terminal 1 & Terminal 2
- Reduce employee dissatisfaction associated with inadequate parking availability

Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$6,290,000	21 months



FIS Passenger Processing Improvements



FIS Passenger Processing Improvements

SCOPE:

- Provide passport clearance kiosks to help speed processing of international passengers
- Provide automated signs to improve quality, visibility and appearance of signs used for passenger control and information
- Remove existing west wall on upper level to create new automated processing lane

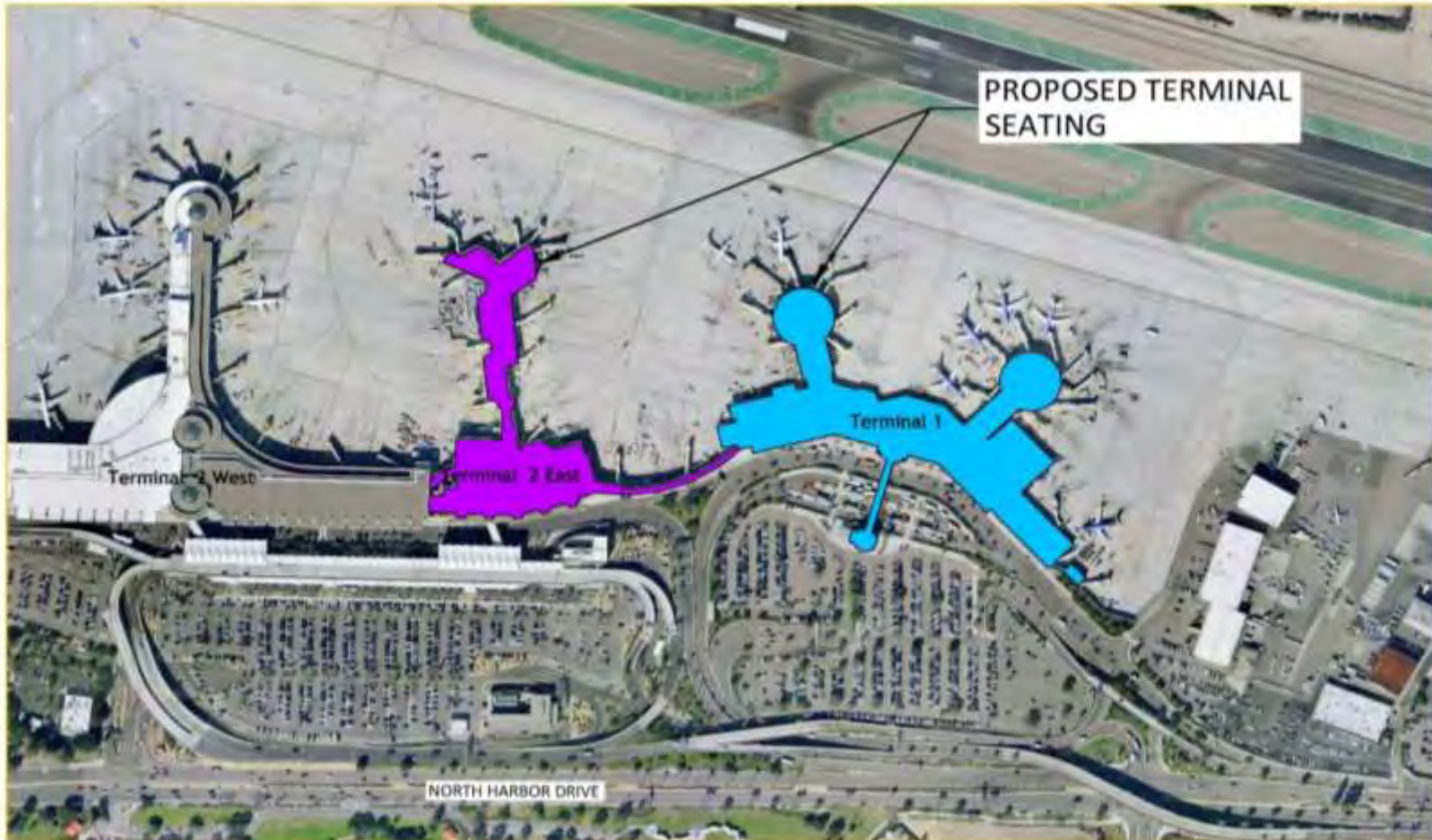
Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$1,460,000	15 months



Replace Terminal Seating



Replace Terminal Seating

SCOPE:

- Provide approximately 2,266 replacement seats in Terminals 1 and 2: T1 – 1,345 and T2 – 921
- Provide electrical connectivity to passengers
- Ease of repair to replace damaged/worn seat – 5 min. vs. 45 min.

Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$5,420,000	17 months



Solid Waste Disposal & Recycling Facility



Solid Waste Disposal & Recycling Facility

SCOPE:

- Enclose waste disposal and recycling facility within a steel-framed structure to ensure storm water regulatory compliance
- Contain trash and pollutants from entering storm drain system
- Upgrade CCTV system to better observe disposal activities

Strategies:

- Financial
- Customer

Estimated Cost	Duration
\$1,050,000	13 months



Modernize Siemens APOGEE Building Automation Control System



Modernize Siemens APOGEE Building Automation Control System

SCOPE:

- Upgrade existing 15 year-old building automation system software that controls and monitors all HVAC systems and electrical usage
- Crucial to controlling energy consumption
- Current system is frequently failing causing systems to shut down and has limited control capabilities

Strategies:

- Financial
- Operations
- Customer

Estimated Cost	Duration
\$1,000,000	13 months



Pavement Rehabilitation - Air Freight Building



Pavement Rehabilitation - Air Freight Building

SCOPE:

- Replace approximately 1.3 acres of pavement as necessary
- Abide by contractual lease obligations to maintain property
- Avoid potential safety impacts of injuries due to poor conditions
- Update Airport-wide Pavement Management System Report

Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$1,600,000	11 months



Air Freight Buildings Roof Replacement - Stillwater and Air Lane Road



Air Freight Buildings Roof Replacement - Stillwater and Air Lane Road

SCOPE:

- Replace facility roofs
- Provide safe, secure facility for tenant operations
- Preserve assets

Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$2,240,000	19 months



Liberty Station Facility – Roof Replacement & Improvements



Liberty Station Facility – Roof Replacement & Improvements

SCOPE:

- Replace facility roof and stucco
- Improve facility for QHP & Auditing operations

Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$1,500,000	15 months



Develop Administrative Space



Develop Administrative Space

SCOPE:

- Accommodate Authority's existing space needs with anticipation of ultimate build-out of spaces when Airport Development Program (ADP) is implemented
- Possible modification of space for Airline use

Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$2,300,000	15 months



RCC Small Market-share Build-outs



RCC Small Market-share Build-outs

SCOPE:

- Complete tenant improvement component beyond the base building to ensure RCC design standards
- Allow for more flexible lease terms for small market operators
- Allow small market operators to access the RCC in an economically viable manner

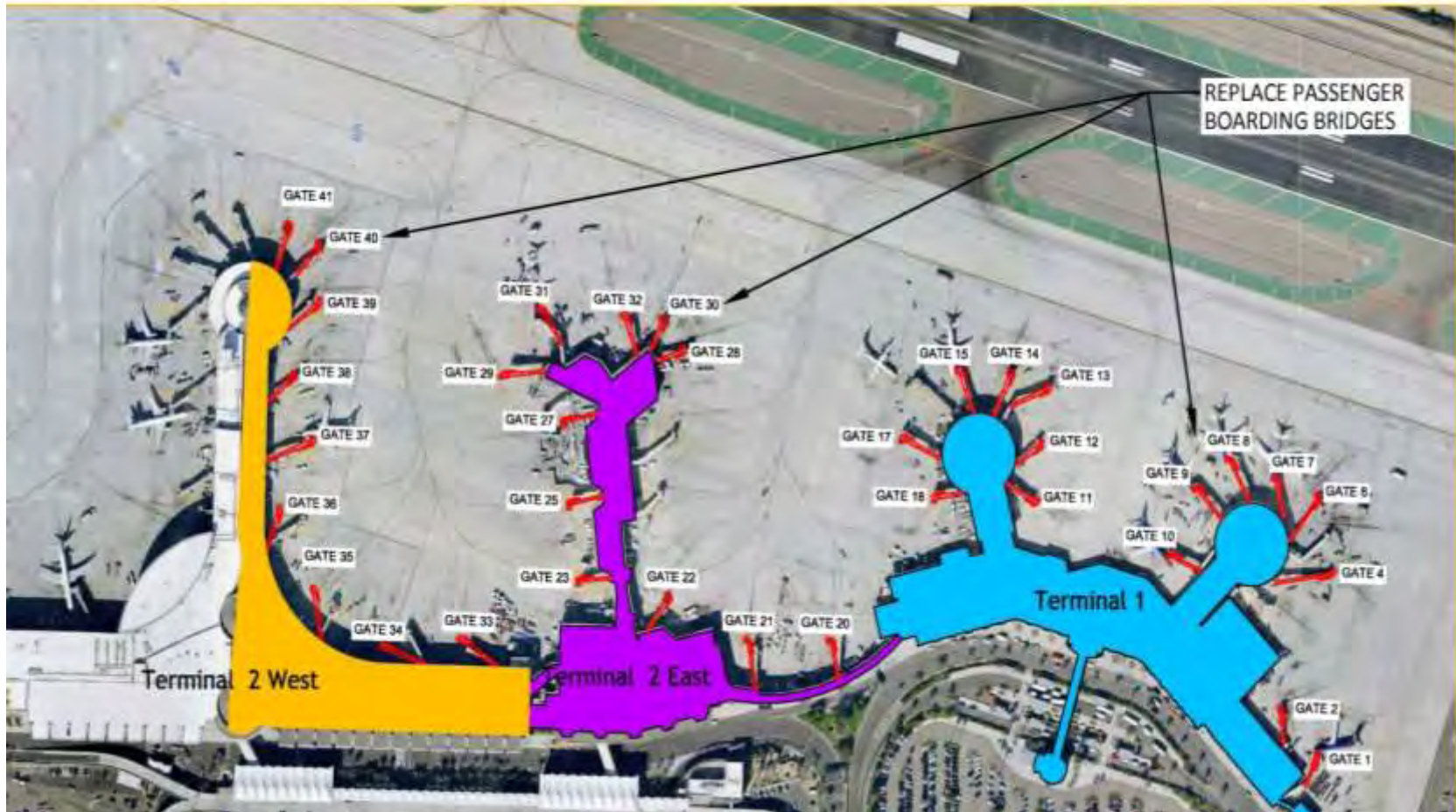
Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$4,000,000	20 months



Replace and Refurbish Passenger Boarding Bridges



Replace and Refurbish Passenger Boarding Bridges

SCOPE:

- Update assessment report on bridge conditions
- Three-year plan to replace and/or refurbish passenger boarding bridges (PBB's) based on updated assessment

Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$23,300,000	31 months



Hazardous Waste Storage Facility



Hazardous Waste Storage Facility

SCOPE:

- Purchase and install a pre-fab storage unit approximately 10 x 20 ft. to consolidate, store and manage hazardous waste being processed for disposal per Federal, State and local laws and regulations
- Includes a fire alarm, electric utilities and concrete pad
- Reduce risk and liabilities of potential safety and environmental hazards

Strategies:

- Customer
- Operations
- Community

Estimated Cost	Duration
\$640,000	11 months



Construct Parking Plaza



Construct Parking Plaza

Scope:

- Develop 3,000 space parking plaza at T2

Strategies:

- Customer
- Financial
- Operations

Estimated Cost	Duration
\$82,080,000	32 months



Plan of Finance

Fiscal Years 2015 – 2019

Uses of Funds by Location

Total Use of Funds by Location Pre FY2015 - FY 2019 (in Thousands)			
<u>Location</u>	<u>Green Build</u>	<u>CIP</u>	<u>Total</u>
Terminal	\$ 496,020	143,322	\$ 639,342
Landside and Ancillary	256,272	476,027	732,299
Airside	67,708	125,650	193,358
Admin	-	19,690	19,690
Finance Costs	86,942	85,652	172,594
Total	\$ 906,942	\$ 850,341	\$ 1,757,283

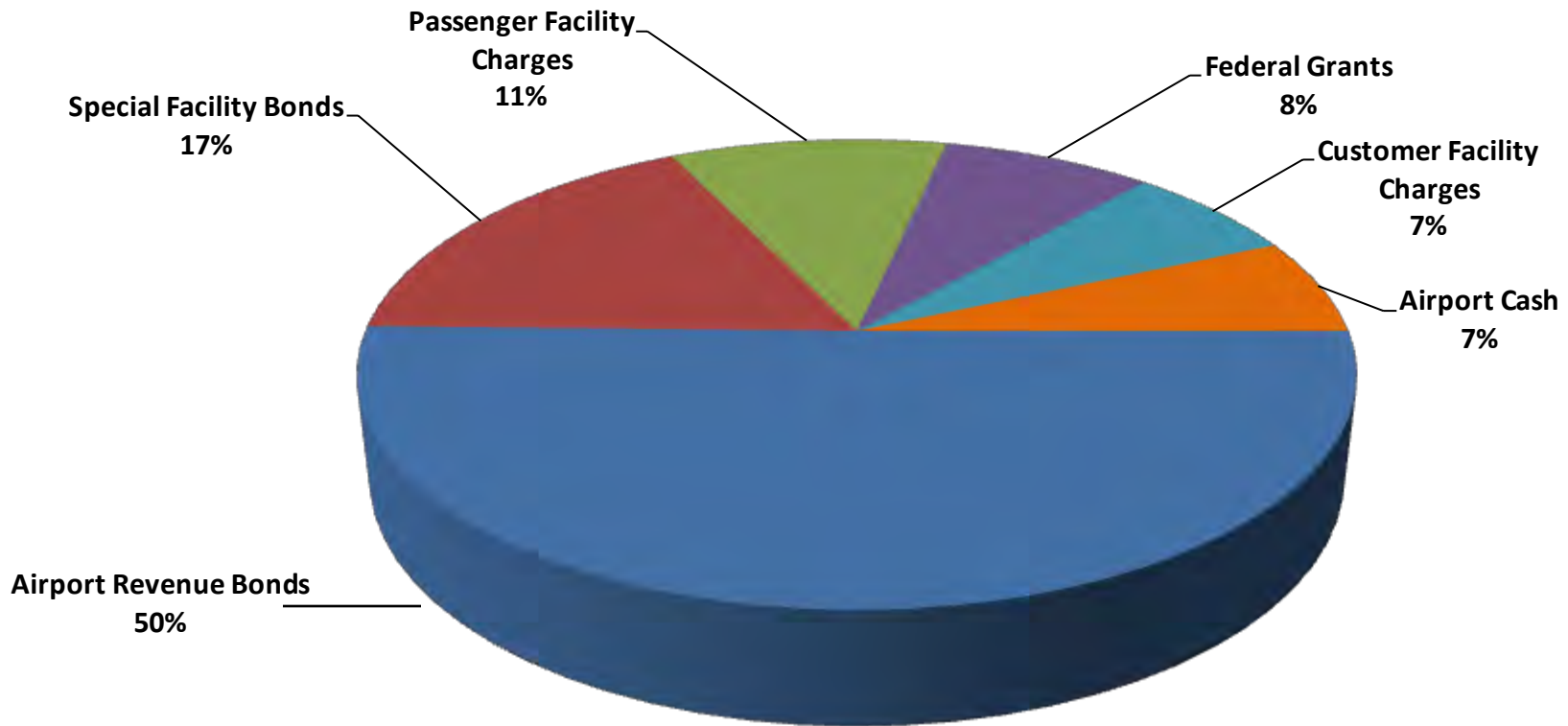
Uses and Sources of Funds

<i>(in Thousands)</i>	<u>Total Use of Funds</u>						
	Pre FY2015	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Green Build	\$ 791,282	\$ 28,718	\$ -	\$ -	\$ -	\$ -	\$ 820,000
CIP	244,436	297,880	139,621	21,143	24,541	37,068	764,690
Finance Costs	172,594	-	-	-	-	-	172,594
Total	\$ 1,208,312	\$ 326,598	\$ 139,621	\$ 21,143	\$ 24,541	\$ 37,068	\$ 1,757,283

<i>(in Thousands)</i>	<u>Total Sources of Funds</u>						
	Pre FY2015	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Airport Revenue Bonds	\$ 838,268	\$ 46,047	\$ 327	\$ -	\$ -	\$ -	\$ 884,641
Special Facility Bonds	108,515	154,853	42,505	-	-	-	305,873
Passenger Facility Charges	135,050	17,294	15,185	6,585	4,610	9,742	188,466
Federal Grants	73,177	10,078	7,290	8,027	19,141	25,052	142,765
Customer Facility Charges	40,104	47,732	30,668	-	-	-	118,505
Airport Cash	13,198	50,594	43,645	6,532	790	2,274	117,033
TOTAL SOURCES OF FUNDS	\$ 1,208,312	\$ 326,598	\$ 139,621	\$ 21,143	\$ 24,541	\$ 37,068	\$ 1,757,283

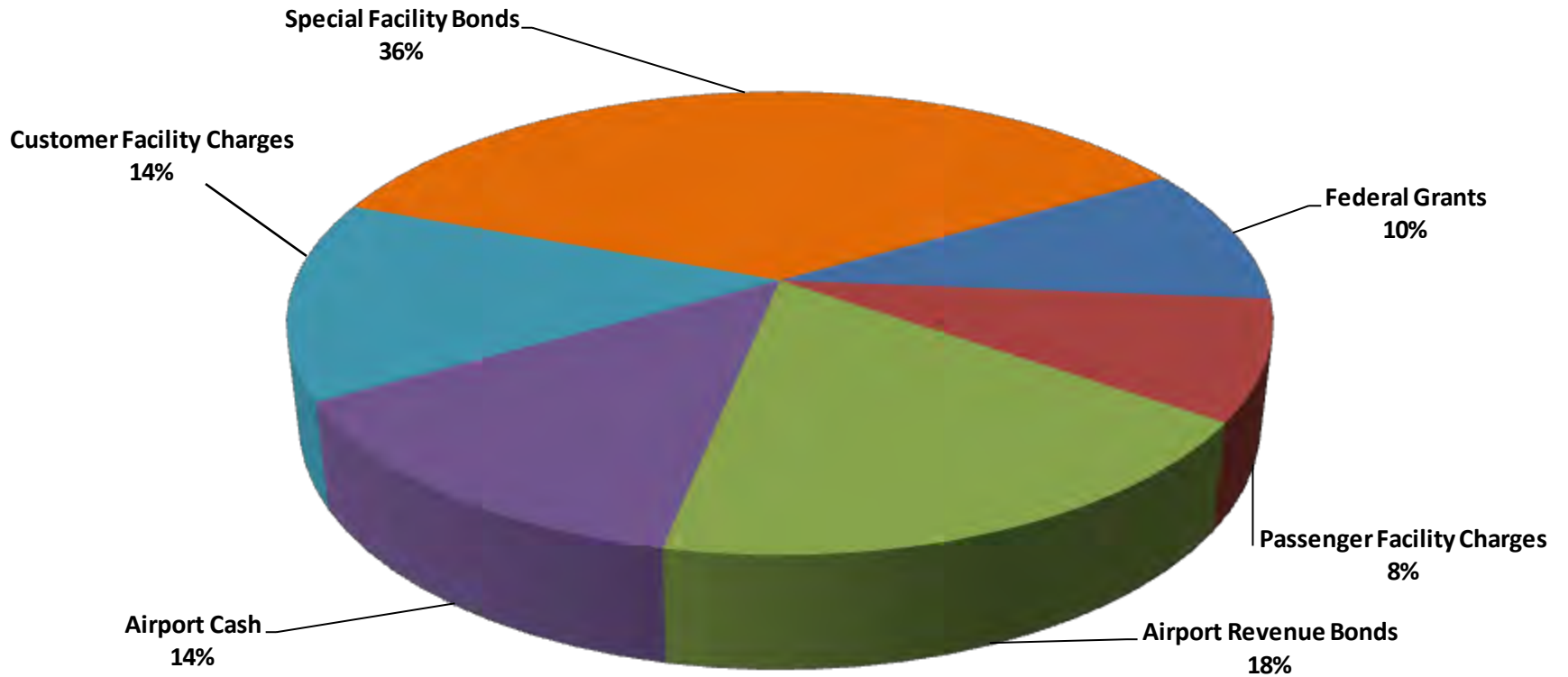


Pre FY 2015 – FY 2019 Total Sources of Funds (\$1,757,283,000)





Pre FY 2015 – FY 2019 CIP Sources of Funds (\$850,341,000)

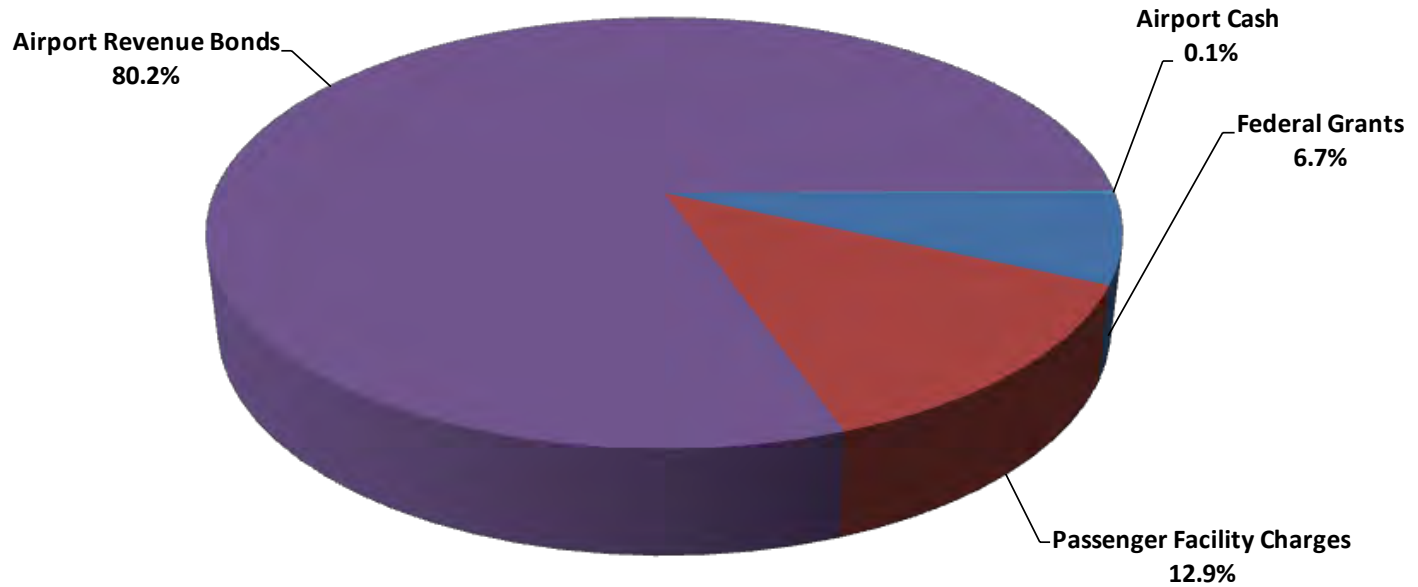




Pre FY 2015 – FY 2019

Green Build

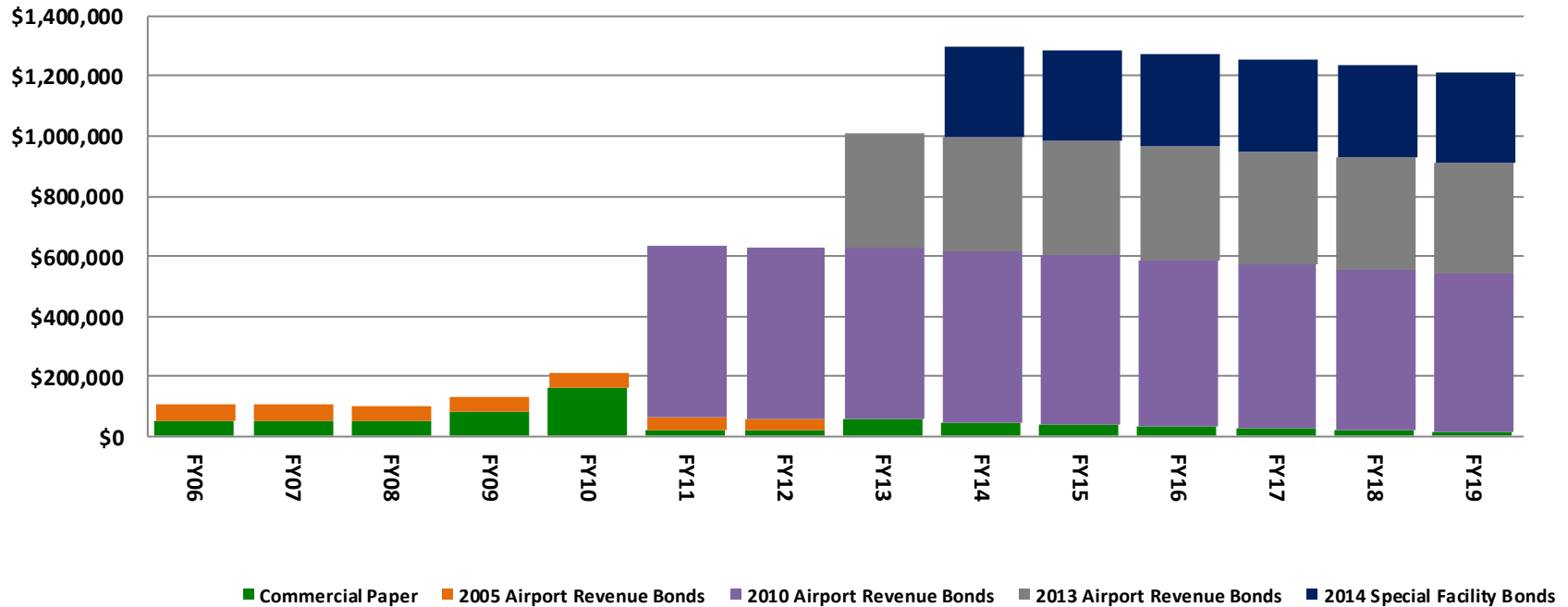
(\$906,942,000)



Aggregate Debt

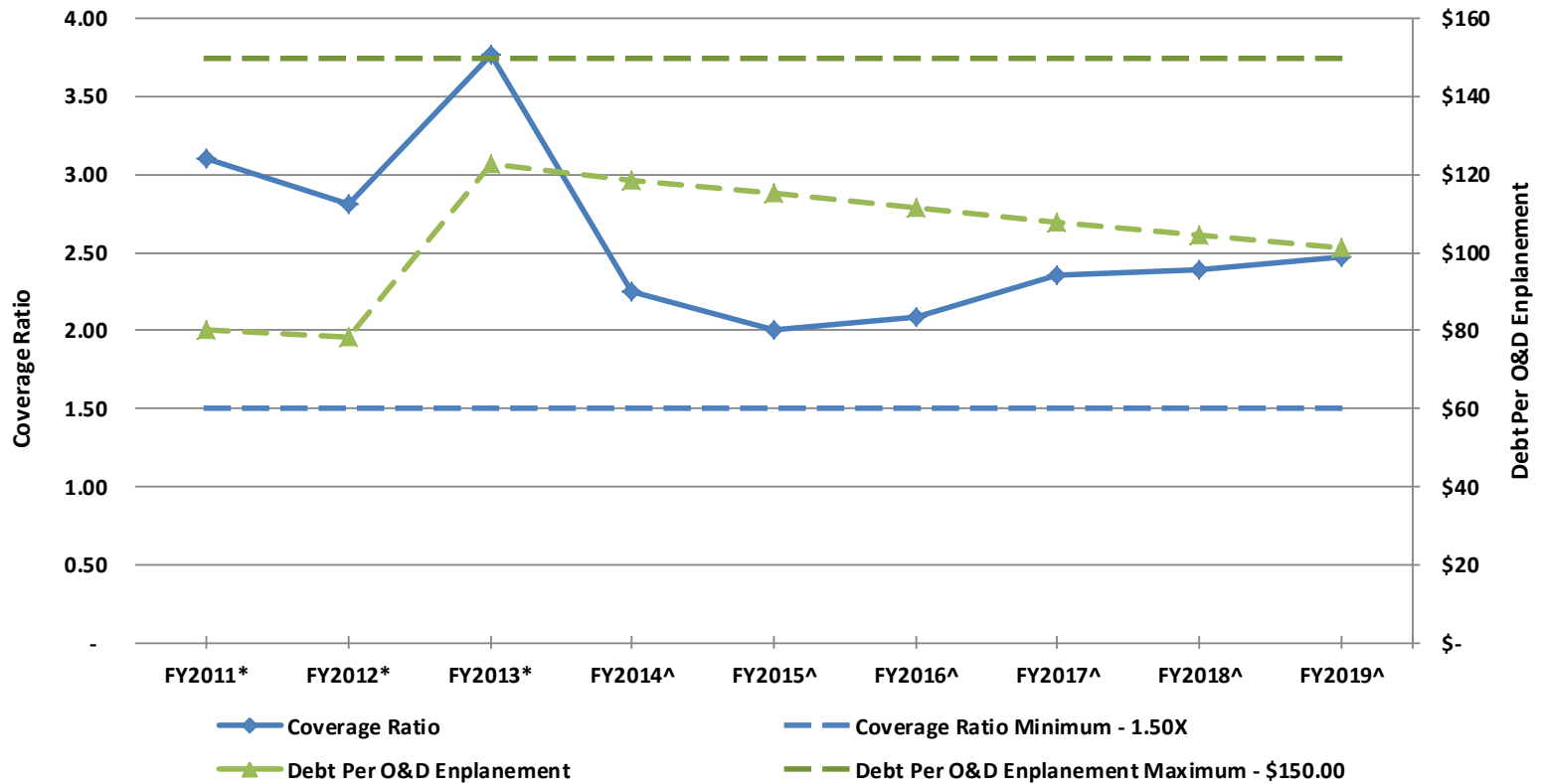
FY2006 - FY2019

(in Thousands)





Coverage Ratio & Debt Per Origin & Destination (O&D) Enplanement



* Actuals

^ Forecast

Coverage Ratio & Debt Per Origin & Destination (O&D) Enplanement

Fiscal Year	O&D Enplanements	Enplanement Growth	Outstanding Debt ¹ (\$)	Debt per O&D EPAX ²	Debt Service Coverage ³
FY2011*	7,934,653	-0.2%	635,298,000	80.07	3.11
FY2012*	8,060,947	1.6%	630,538,000	78.22	2.81
FY2013*	8,213,360	1.9%	1,006,595,572	122.56	3.77
FY2014^	8,379,494	2.0%	994,338,572	118.66	2.25
FY2015^	8,517,340	1.6%	982,394,572	115.34	2.01
FY2016^	8,662,100	1.7%	965,590,572	111.47	2.08
FY2017^	8,809,680	1.7%	948,382,572	107.65	2.35
FY2018^	8,914,960	1.2%	930,517,572	104.38	2.39
FY2019^	9,022,120	1.2%	911,938,572	101.08	2.47

¹ Debt excludes Special Facility bonds

² Goal per Debt Policy is no more than \$150 per O&D enplaned passenger (excluding CFC backed Special Facility bonds)

³ Target minimum per Debt Policy: 1.50x

* Actuals

^ Forecast



Conclusion

FY 2015 Proposed Budget & FY 2016 Conceptual Budget

- Provides necessary resources to accomplish the Authority's Strategies, Initiatives and Goals
- Meets mandated airport safety and security requirements
- Honors the Authority's legislative and regulatory mandates
- Funds necessary infrastructure development
- Enhances the financial position of the Authority
- Demonstrates prudence during slow economic recovery
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Addresses facility lifecycle maintenance costs