



SAN DIEGO  
INTERNATIONAL  
AIRPORT



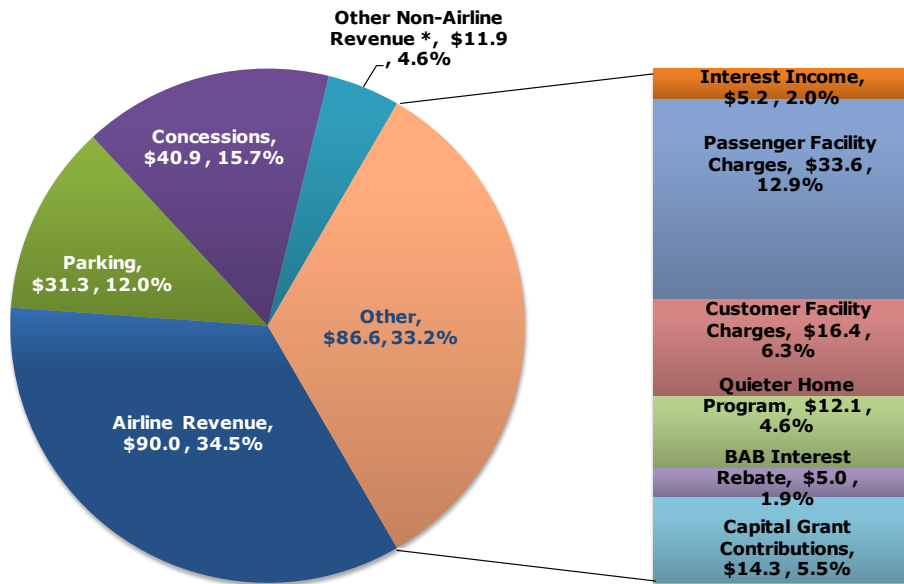
**San Diego County Regional Airport Authority**  
**FY 2014 Proposed Budget & FY 2015 Proposed Conceptual Budget**  
**Finance Division**  
**Financial Planning and Budget**

# Revenue Budget Overview

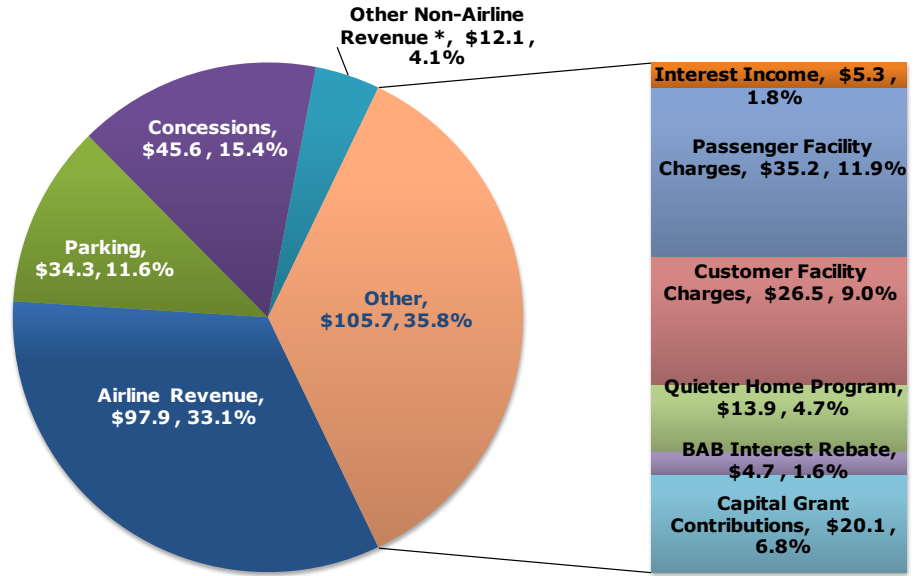
## FY 2014 Revenue Overview

Total revenue for FY 2014 Proposed Budget is an increase of \$34.9M (13.4%) vs. FY 2013 Budget

(\$ in millions)



FY 2013 Budget  
Total = \$260.7M



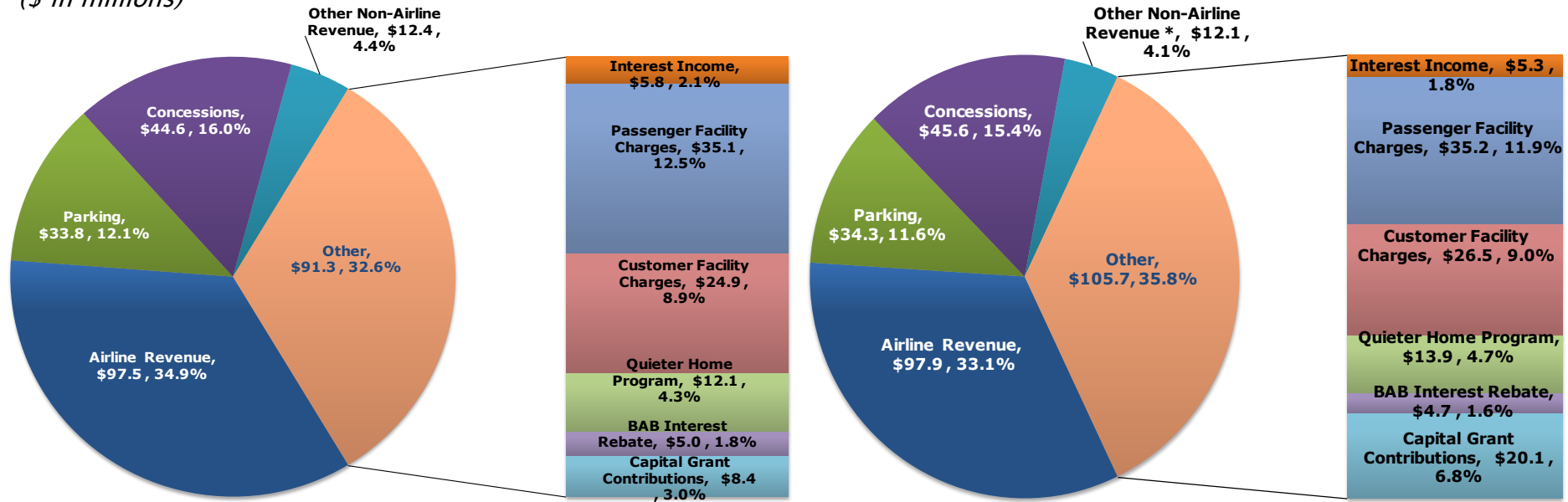
FY 2014 Proposed Budget  
Total = \$295.6M

\* Other Non-Airline revenue includes Non-Airline Terminal Rent, Ground Transportation permits and citations, Ground Rentals, Grant Reimbursements and Other Operating Revenue

## FY 2014 Revenue Overview

Total revenue for FY 2014 Proposed Budget is an increase of \$16.0M (5.7%) vs. FY 2014 Conceptual Budget

(\$ in millions)



FY 2014 Conceptual Budget  
Total = \$279.6M

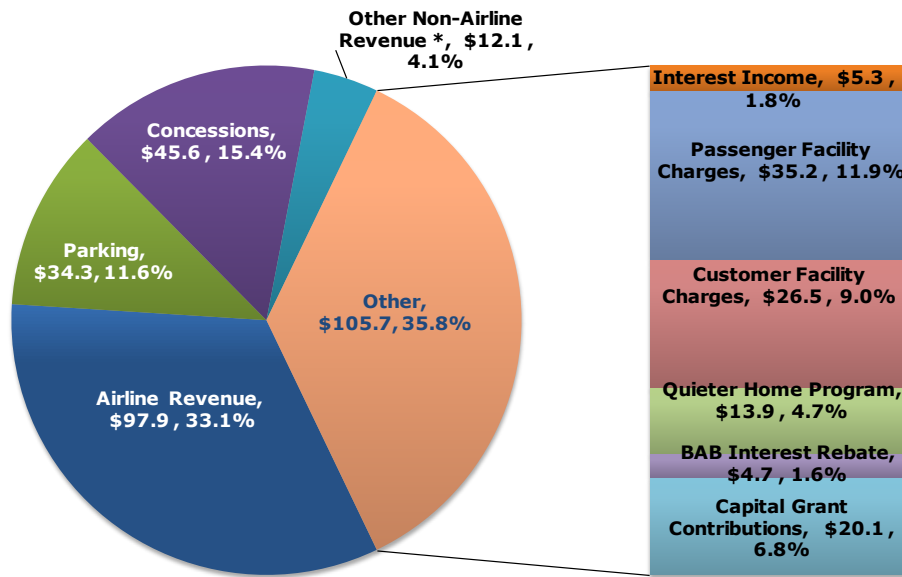
FY 2014 Proposed Budget  
Total = \$295.6M

\* Other Non-Airline revenue includes Non-Airline Terminal Rent, Ground Transportation permits and citations, Ground Rentals, Grant Reimbursements and Other Operating Revenue

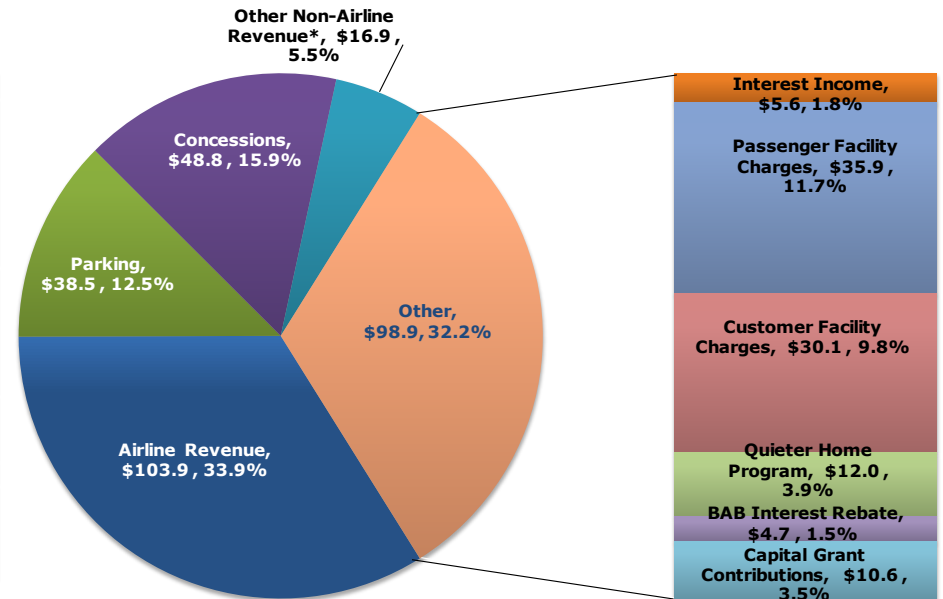
## FY 2015 Revenue Overview

Total revenue for FY 2015 Proposed Conceptual Budget is an increase of \$11.4M (3.9%) vs. FY 2014 Proposed Budget

(\$ in millions)



FY 2014 Proposed Budget  
Total = \$295.6M



FY 2015 Proposed Conceptual Budget  
Total = \$307.0M

\* Other Non-Airline revenue includes Non-Airline Terminal Rent, Ground Transportation permits and citations, Ground Rentals, Grant Reimbursements and Other Operating Revenue





# Revenue Budget Overview Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY2014 Proposed Budget	Inc/(Dec) FY14 Proposed vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Concept	% Change	FY2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed	% Change
<b>Operating Revenue:</b>											
<b>Airline Revenue</b>											
Landing Fees	\$ 18,419,244	\$ 21,092,400	\$ 21,327,500	\$ 22,515,515	\$ 1,423,115	6.7%	\$ 1,188,015	5.6%	\$ 24,775,951	\$ 2,260,436	10.0%
Aircraft Parking Fees	3,134,539	3,299,900	3,262,900	2,641,702	(658,198)	-19.9%	(621,198)	-19.0%	2,883,129	241,427	9.1%
Building Rentals	30,632,762	43,356,900	47,631,200	45,869,700	2,512,800	5.8%	(1,761,500)	-3.7%	47,237,652	1,367,951	3.0%
Common Use System Support Charges	-	-	-	1,116,900	1,116,900	-	1,116,900	-	1,116,900	-	-
Other Aviation Revenue	1,594,529	1,584,300	1,587,500	1,592,288	7,988	0.5%	4,788	0.3%	1,595,586	3,298	0.2%
Security Surcharge	18,649,147	20,629,100	23,676,600	24,186,500	3,557,400	17.2%	509,900	2.2%	26,286,400	2,099,900	8.7%
<b>Total Airline Revenue</b>	<b>72,430,221</b>	<b>89,962,600</b>	<b>97,485,700</b>	<b>97,922,606</b>	<b>7,960,006</b>	<b>8.8%</b>	<b>436,906</b>	<b>0.4%</b>	<b>103,895,618</b>	<b>5,973,012</b>	<b>6.1%</b>
<b>Nonairline Revenue</b>											
Terminal rent non-Airline	907,264	959,811	1,000,463	1,024,234	64,423	6.7%	23,771	2.4%	1,069,154	44,920	4.4%
Terminal concessions	13,305,723	14,028,738	17,020,418	17,216,343	3,187,605	22.7%	195,925	1.2%	19,475,281	2,258,939	13.1%
Rental Car License Fees	23,943,041	24,028,200	24,753,800	25,061,200	1,033,000	4.3%	307,400	1.2%	26,073,700	1,012,500	4.0%
License Fees Other	3,178,544	2,860,000	2,860,000	3,277,200	417,200	14.6%	417,200	14.6%	3,299,800	22,600	0.7%
Parking Revenue	30,141,508	31,301,505	33,824,719	34,290,532	2,989,027	9.5%	465,813	1.4%	38,492,545	4,202,013	12.3%
Ground Transportation Permits and Citations	1,328,452	2,199,787	3,187,374	2,261,247	61,461	2.8%	(926,127)	-29.1%	3,545,439	1,284,191	56.8%
Ground Rentals	7,136,299	7,974,794	7,554,175	8,193,071	218,278	2.7%	638,897	8.5%	11,558,786	3,365,715	41.1%
Grant Reimbursements	300,857	218,800	223,200	223,200	4,400	2.0%	-	0.0%	227,700	4,500	2.0%
Other Operating Revenue *	878,051	552,540	422,900	441,900	(110,640)	-20.0%	19,000	4.5%	451,600	9,700	2.2%
<b>Total Nonairline Revenue</b>	<b>81,119,739</b>	<b>84,124,175</b>	<b>90,847,050</b>	<b>91,988,928</b>	<b>7,864,753</b>	<b>9.3%</b>	<b>1,141,878</b>	<b>1.3%</b>	<b>104,194,005</b>	<b>12,205,077</b>	<b>13.3%</b>
<b>Total Operating Revenue</b>	<b>153,549,960</b>	<b>174,086,775</b>	<b>188,332,750</b>	<b>189,911,534</b>	<b>15,824,759</b>	<b>9.1%</b>	<b>1,578,784</b>	<b>0.8%</b>	<b>208,089,623</b>	<b>18,178,089</b>	<b>9.6%</b>
<b>Interest Income</b>	5,491,516	5,204,220	5,809,121	5,290,220	86,000	1.7%	(518,901)	-8.9%	5,583,586	293,366	5.5%
<b>Nonoperating Revenue</b>											
Passenger facility charges	34,639,244	33,624,500	35,105,500	35,155,100	1,530,600	4.6%	49,600	0.1%	35,858,200	703,100	2.0%
Customer facility charges (Rental Car Center)	11,486,962	16,422,631	24,911,428	26,528,528	10,105,896	61.5%	1,617,100	6.5%	30,065,665	3,537,137	13.3%
Quieter Home Program	11,013,260	12,073,700	12,074,100	13,863,400	1,789,700	14.8%	1,789,300	14.8%	12,069,700	(1,793,700)	-12.9%
BAB Interest Rebate	4,995,921	4,995,921	4,995,921	4,741,129	(254,792)	-5.1%	(254,792)	-5.1%	4,741,129	-	0.0%
Capital grant contributions	20,833,591	14,302,252	8,373,181	20,108,089	5,805,837	40.6%	11,734,908	140.1%	10,615,097	(9,492,992)	-47.2%
Other Nonoperating Revenue	(2,871,477)	-	-	-	-	0.0%	-	-	-	-	0.0%
<b>Total Nonoperating Revenue</b>	<b>80,097,502</b>	<b>81,419,005</b>	<b>85,460,130</b>	<b>100,396,246</b>	<b>18,977,241</b>	<b>23.3%</b>	<b>14,936,116</b>	<b>17.5%</b>	<b>93,349,791</b>	<b>(7,046,455)</b>	<b>-7.0%</b>
<b>Total Revenue</b>	<b>\$ 239,138,978</b>	<b>\$ 260,710,000</b>	<b>\$ 279,602,000</b>	<b>\$ 295,598,000</b>	<b>\$ 34,888,000</b>	<b>13.4%</b>	<b>15,996,000</b>	<b>5.7%</b>	<b>\$ 307,023,000</b>	<b>\$ 11,425,000</b>	<b>3.9%</b>

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

## FY 2014 Proposed Budget vs. FY 2013 Budget

### Airline Revenue

Net increase of \$8.0M in airline revenue cost recovery primarily reflects:

- Increase of \$3.6M in security surcharge due to:
  - Increases in Harbor Police costs, other airport security contracts and access control system maintenance costs
  - Increase in security checkpoints square footage (Green Build)
- Increase of \$2.5M in building rentals due to higher O&M for existing/new facilities and increase in debt service
- Increases in landing fees of \$1.4M due to higher net airfield expenses (Ramp Control Facility staffing costs, increase in utilities and personnel expenses)
- Common Use System Support Charges (CUPPS) revenue – 100% recovery of CUPPS O&M expenses of \$1.1M
- Decrease in aircraft parking fees of \$0.6M due to vacant aircraft parking positions anticipated in FY2014

## FY 2014 Proposed Budget vs. FY 2013 Budget

### Non-Airline Revenue

Net increase of \$7.9M in non-airline revenue mainly reflects:

- Net increase of \$3.2M in concession revenue due to:
  - Increase of \$2.4M in storage revenue and reimbursement of certain O&M expenses allocated to concessionaires
  - Increase of \$0.8M in retail, food and beverage, and other concessions revenue due to higher enplanements and gross sales per passenger
- Increase of \$3.0M in parking revenue due to higher enplanements and the full recovery of the Terminal 2 parking lot
- Increase of \$1.0M in car rental license fee revenue due to higher enplanements and gross sales per passenger
- Increase of \$0.4M in in-flight catering and ground handling license fee revenue due to higher enplanements and gross sales per passenger
- Increase of \$0.3M in ground rental revenue from increased cargo rent and higher rental car vehicle storage



## FY 2014 Proposed Budget vs. FY 2013 Budget

### Non-Operating Revenue

Net increase of \$19.0M in non-operating revenue reflects:

- Increase of \$10.1M in Customer Facility Charges (Rental Car Center fees) due to:
  - FY 2014 has full year of new CFC methodology (\$/day vs. \$/transaction)
  - The FY 2014 \$/day rate increases from \$6 (Jul-Dec) to \$7.50 (Jan-Jun)
  - Higher enplanements
- Net increase of \$5.8M in capital grant contributions due to an increase of \$15.8M in new grant funded CIP projects (Storm Drain Trunk, T1W Pre-conditioned Air, Taxiway C hold apron, Stormwater/Airfield Drainage); offset by a decrease of \$10.0M for completed grant funded Green Build projects (T2W Pre-conditioned Air, Baggage Handling System, Apron expansion)
- Increase of \$1.8M in Quieter Home Program grant revenue
- Increase of \$1.5M in Passenger Facility Charges due to an increase in the budgeted collection rate and an increase in projected enplanements
- Decrease of \$0.2M in BAB interest rebate due to impact of sequestration

## FY 2014 Proposed Budget vs. FY 2014 Conceptual Budget

### Airline Revenue

Net increase of \$0.4M in airline revenue cost recovery primarily reflects :

- Increase of \$1.2M in landing fees due to higher net airfield expenses (Water Quality/ San Diego Bay Sediment Quality Objectives costs and increase in utilities)
- Common Use System Support Charges (CUPPS) revenue – 100% recovery of CUPPS O&M expenses of \$1.1M
- Increase of \$0.5M in security surcharge due to higher Harbor Police costs, other airport security contracts and access control system maintenance costs
- Decrease of \$0.6M in aircraft parking fees due to anticipated vacant aircraft parking positions in FY2014
- Decrease of \$1.8M in building rentals mainly due to decrease in debt service reflecting decreased interest rate and decrease of Green Build program capital costs

## FY 2014 Proposed Budget vs. FY 2014 Conceptual Budget

### Non-Airline Revenue

Net increase of \$1.1M in non-airline revenue mainly reflects:

- Increase of \$0.6M in ground rent for airline space (A&O, DHL, SW) and higher rental car vehicle storage revenue
- Increase of \$0.5M in parking revenue reflecting an increase in transactions due to higher enplanements
- Increase of \$0.4M in in-flight catering and ground handling license fee revenue due to higher enplanements and gross sales per passenger
- Increase of \$0.3M in car rental license fee revenue due to higher enplanements
- Net increase of \$0.2M in concessions revenue due to:
  - Increase of \$0.6M in storage revenue and reimbursement of certain O&M expenses allocated to concessionaires
  - Decrease of \$0.2M in retail revenue due to lower gross sales per passenger
  - Decrease of \$0.2M in other concessions revenue due to Smarte Carte contract changes
- Decrease of \$0.9M in ground transportation revenue from vehicle conversion incentive program changes

## FY 2014 Proposed Budget vs. FY 2014 Conceptual Budget

### Interest Income and Non-Operating Revenue

Net decrease of \$0.5M in interest revenue reflects:

- Lower debt service reserve fund balances and lower projected interest rates

Net increase of \$14.9M in non-operating revenue reflects:

- Increase of \$11.7M in capital grant contributions due to shift in receipt of grant funds from FY13 to FY14 (predominantly Storm Drain Trunk, T1W Pre-conditioned Air, and Taxiway C hold apron)
- Increase of \$1.8M in Quieter Home Program grant revenue
- Increase of \$1.6M in Customer Facility Charges (Rental Car Center fees) due to an increase in the percent of rental car transactions per passenger and increased enplanements
- Decrease of \$0.2M in BAB interest rebate due to impact of sequestration

## FY 2015 Proposed Conceptual Budget vs. FY 2014 Proposed Budget

### Airline Revenue

Net increase of \$6.0M in airline revenue cost recovery primarily reflects:

- Increase of \$2.3M in landing fees and increase of \$0.2M in aircraft parking fees due to higher net airfield expenses (Airport Land Use Compatibility Plans (ALUCPs), personnel and maintenance costs) and increase in debt service
- Increase of \$2.1M in security due to higher Harbor Police costs, other security contracts and access control system maintenance costs
- Increase of \$1.4M in building rentals due to higher O&M for existing/new facilities and increase in debt service

## FY 2015 Conceptual Budget vs. FY 2014 Proposed Budget

### Non-Airline Revenue

Net increase of \$12.2M in non-airline revenue mainly reflects:

- Increase of \$4.2M in parking revenue reflecting a rate increase and more transactions from higher enplanements
- Increase of \$3.4M in ground rental revenue due to:
  - \$3.3M higher rent revenue from Landmark for the new Fixed Base Operator facility starting Jul 2014
  - \$0.1M higher rent revenue from airline and cargo ground rent
- Overall increase of \$2.3M in concession revenue due to:
  - Increase of \$1.0M in retail revenue due to higher enplanements and gross sales per passenger
  - Increase of \$0.9M in food and beverage revenue due to higher gross sales per passenger and enplanements
  - Increase of \$0.4M in storage revenue and reimbursement of certain O&M expenses allocated to concessionaires
- Increase of \$1.3M in ground transportation revenue from increased trip and permit fees for non-alternative fuel vehicles
- Increase of \$1.0M in car rental license fee revenue due to higher enplanements and gross sales per passenger



## FY 2015 Conceptual Budget vs. FY 2014 Proposed Budget

### Interest Income and Non-Operating Revenue

Net increase of \$0.3M in interest revenue reflects:

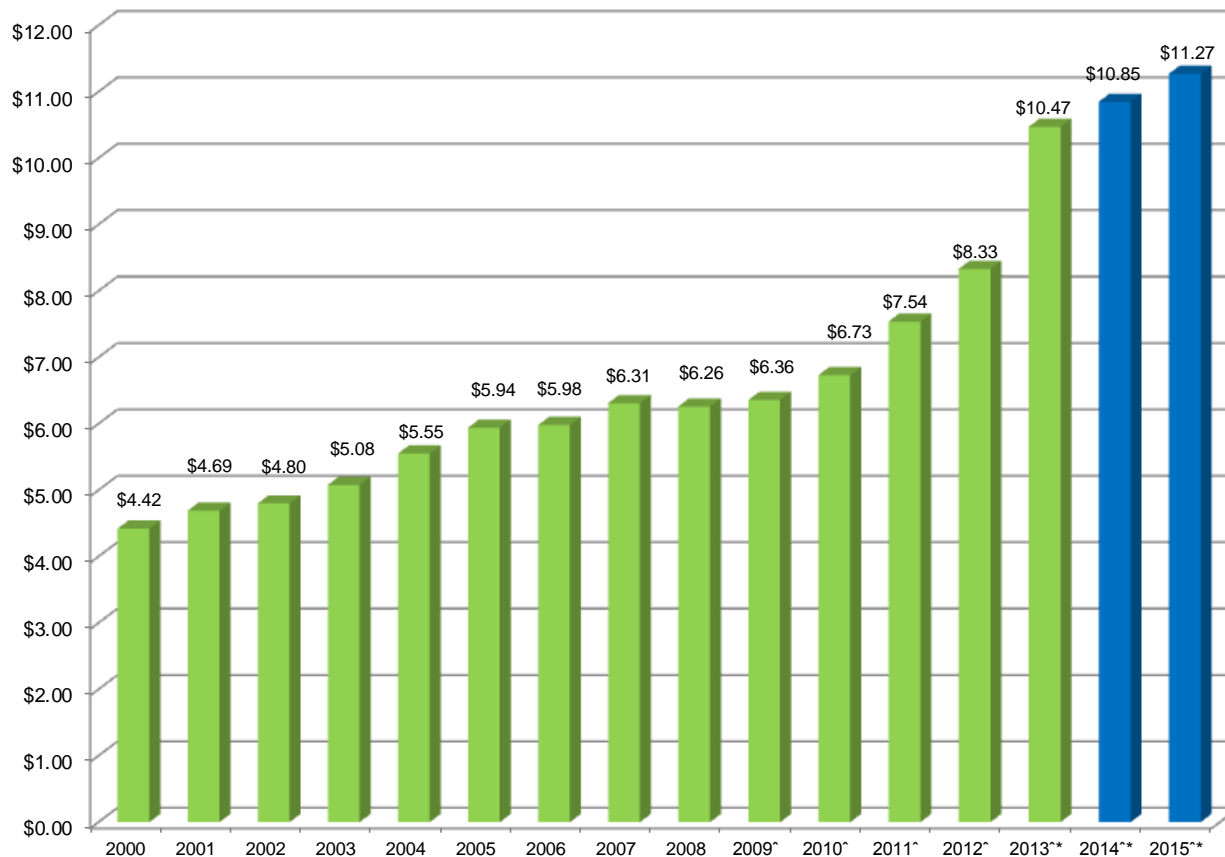
- Higher projected interest rates

Net decrease of \$7.0M in non-operating revenue reflects:

- Increase of \$3.5M in Customer Facility Charges (Rental Car Center fees) due to:
  - Full year of the CFC rate at \$7.50/day
  - Higher enplanements
- Increase of \$0.7M in Passenger Facility Charges due to higher enplanements
- Decrease of \$1.8M in Quieter Home Program grant revenue
- Decrease of \$9.4M in capital grant contributions due to completed FY14 grant funded projects (predominantly Storm Drain Trunk, T1W Pre-conditioned Air, and Taxiway C hold apron)

### Airline Cost per Enplaned Passenger

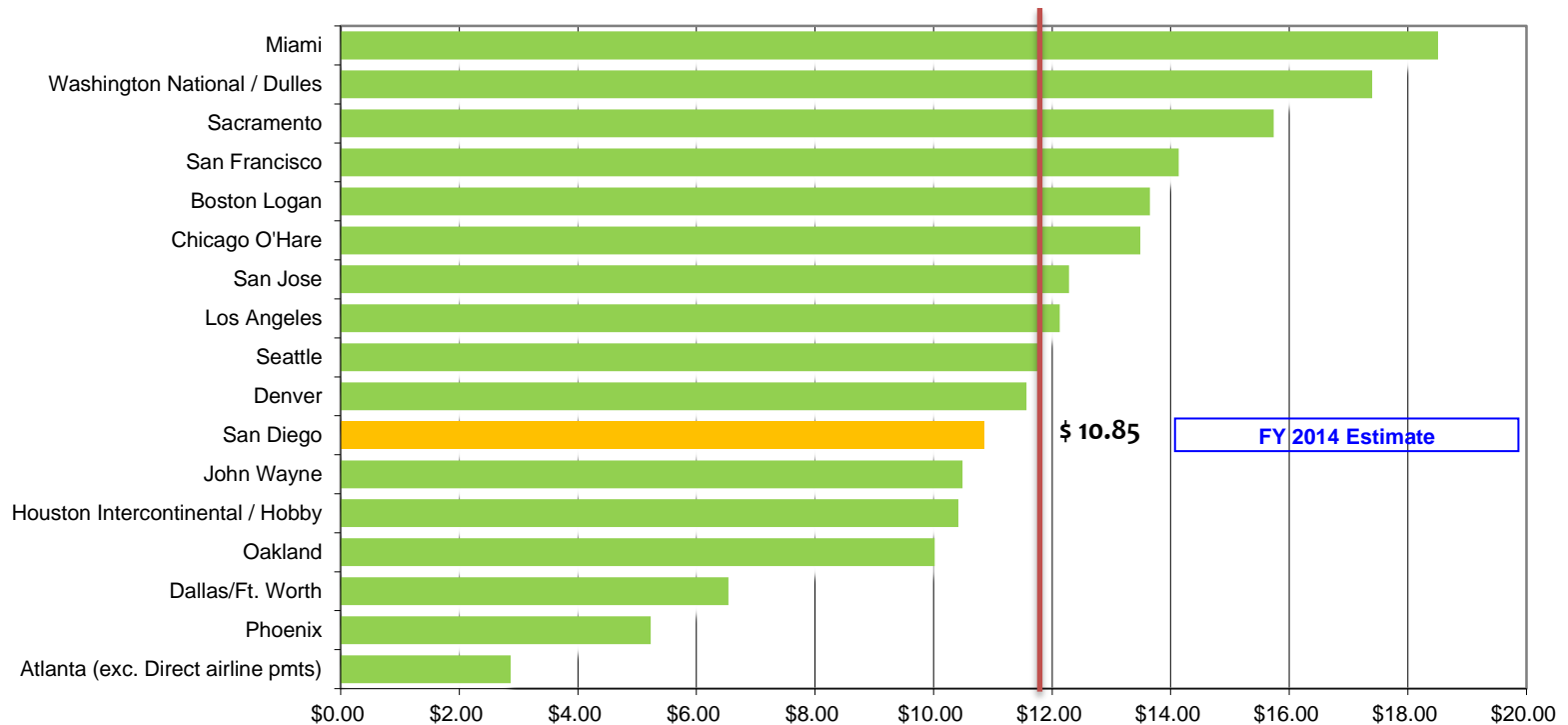
Airline derived costs per enplaned passengers includes landing fees, aircraft parking fees, terminal rents and security surcharge.



\* Projected FY 2013 and Budgeted FY 2014 & 2015

<sup>^</sup> Fuel farm cost recovery and fuel franchise fees are excluded from the FY 2009 through FY 2015 calculations per Airline Operating Agreement methodology.

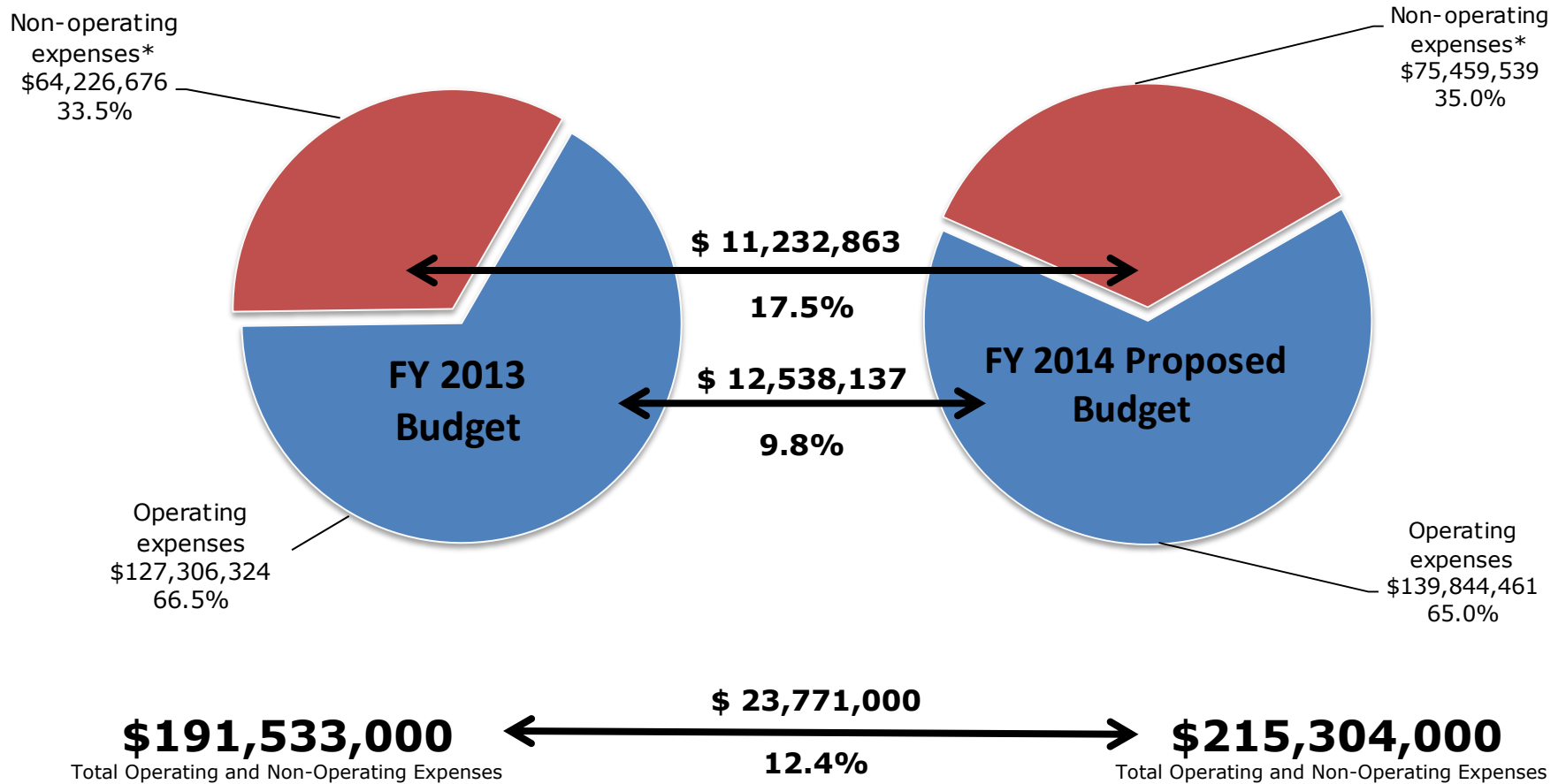
### Airline Cost per Enplaned Passenger by Select Airports



**Median (\$11.79) for the above selected Moody's rated airports**  
**Source: Moody's Investor Service, MFRA Database, as of April, 2013**

# Expense Budget Overview

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



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

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

**FY 2014 Proposed Budget Total Increase**  
**\$ 23,771,000 , 12.4%**

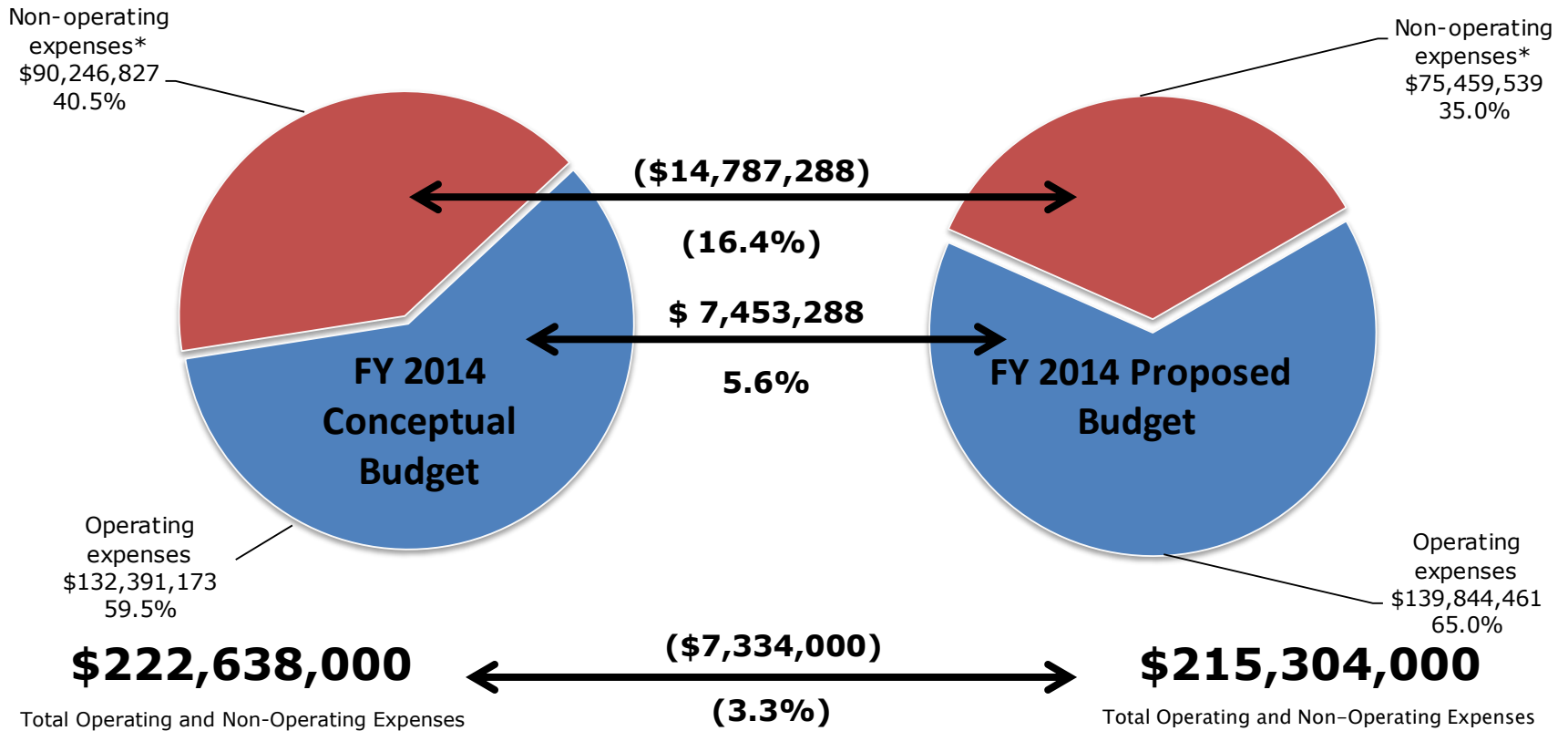
Increase in Debt service, QHP and Equipment Outlay  
**\$ 11,822,863**  
**6.1%**

Increase in Green Build and Concessions Development  
Program  
**\$ 7,766,582**  
**4.1%**

Increase in General Activity Operating Expenses  
**\$ 4,181,555**  
**2.2%**

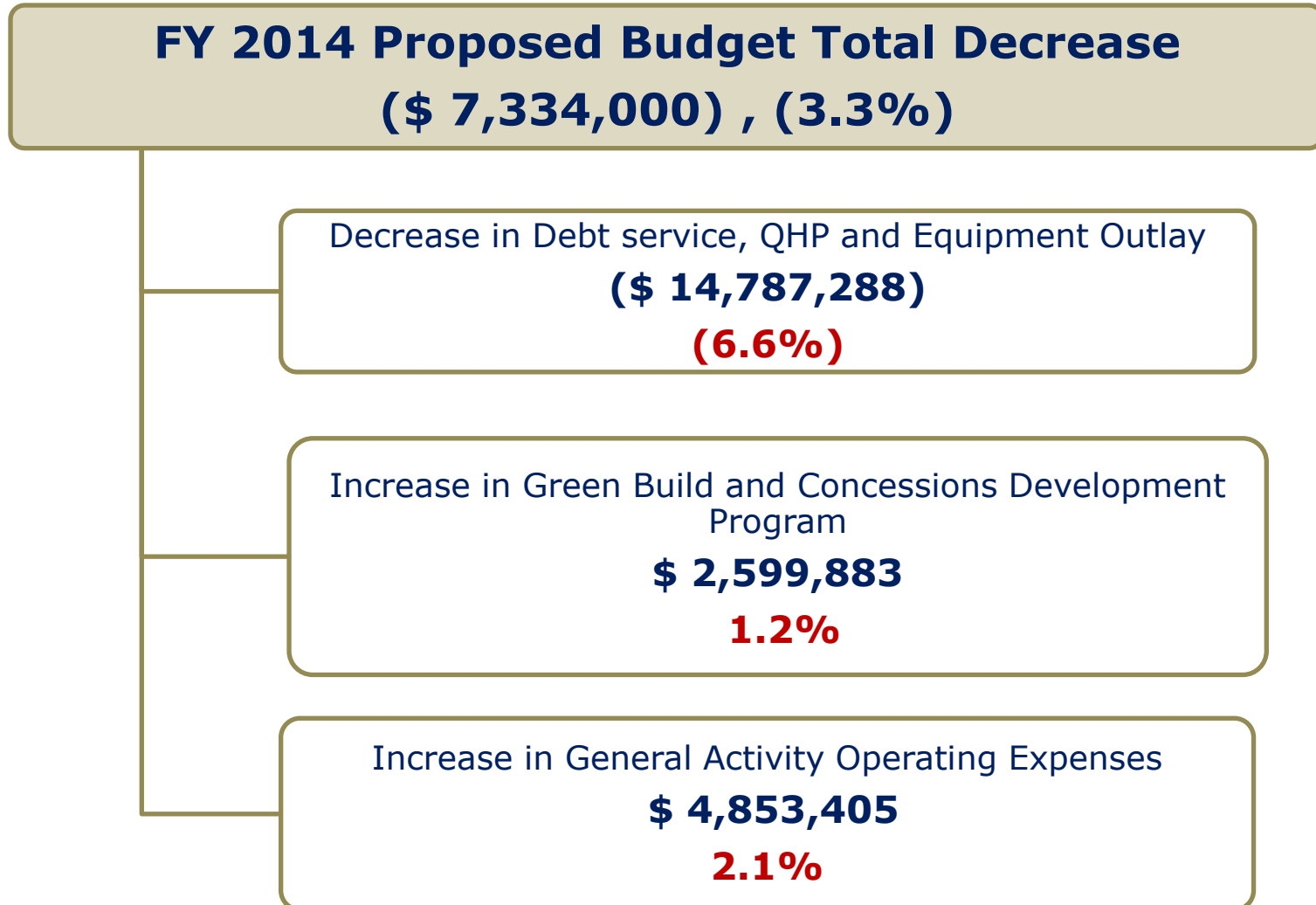


### FY 2014 Conceptual Budget vs. FY 2014 Proposed Budget Expense Comparison

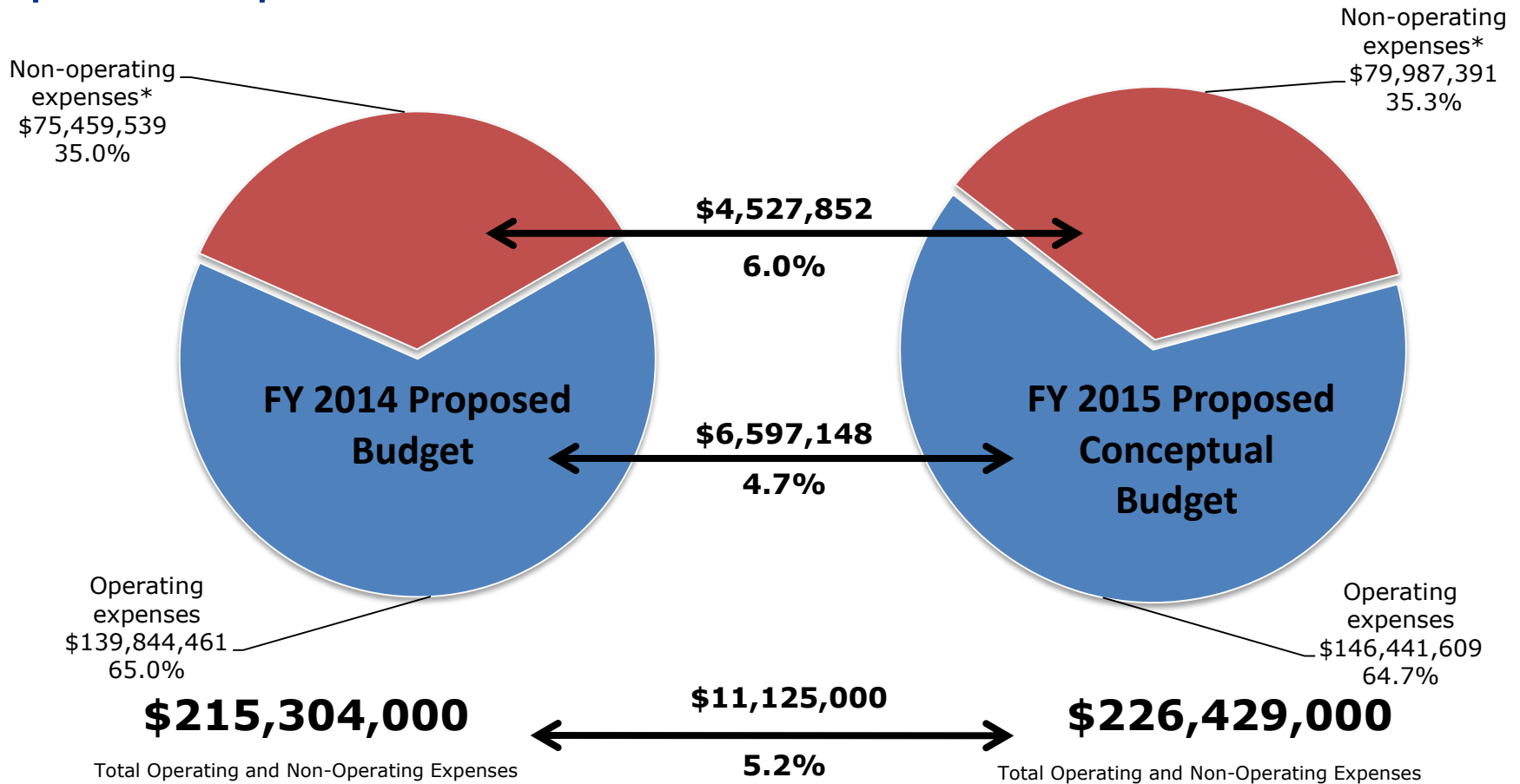


\*Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

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



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



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

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

**FY 2015 Conceptual Proposed Budget Total Increase**  
**\$ 11,125,000 , 5.2%**

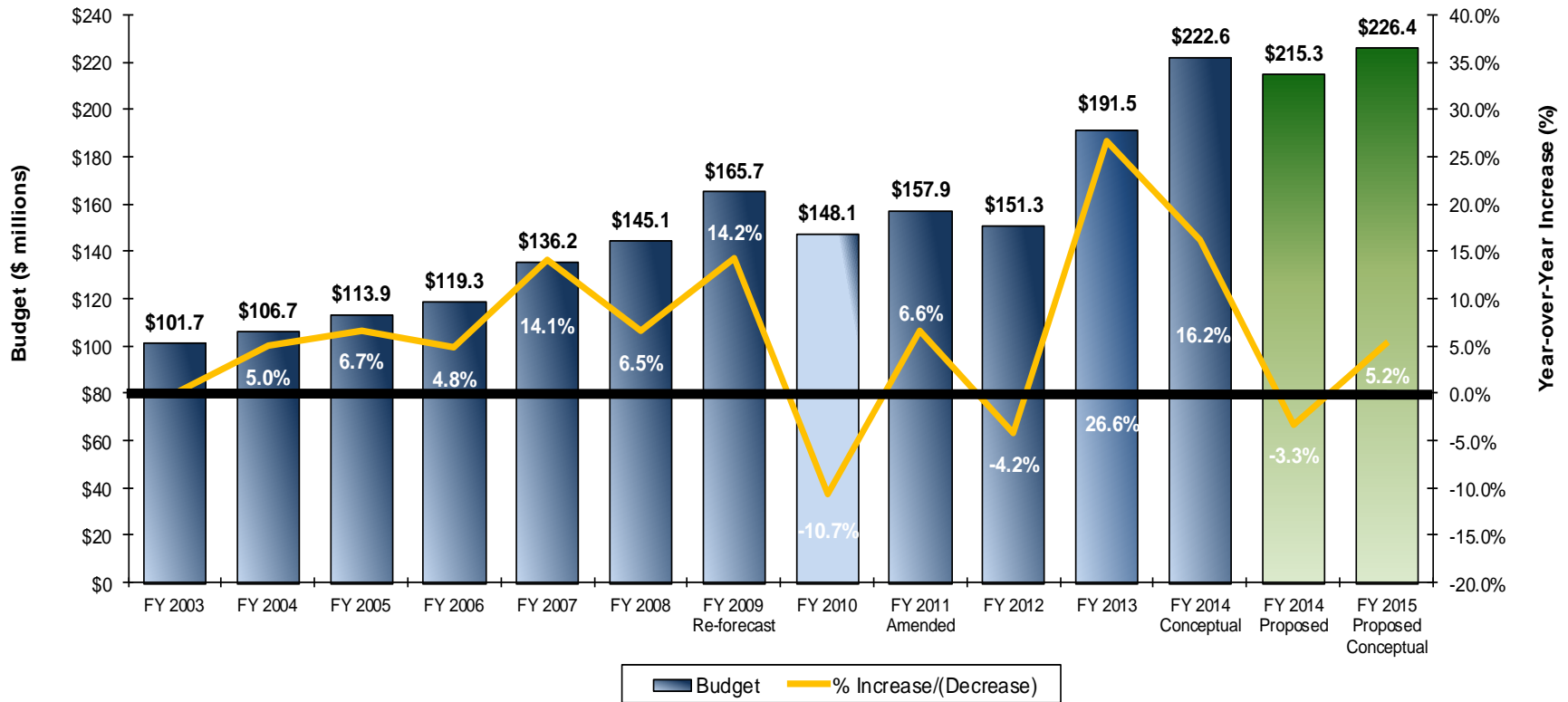
Increase in Debt service, QHP, and Equipment Outlay  
**\$ 4,527,852**  
**2.1 %**

Increase in Green Build, Concessions Development  
Program, and North Side Development  
**\$ 2,119,962**  
**1.0 %**

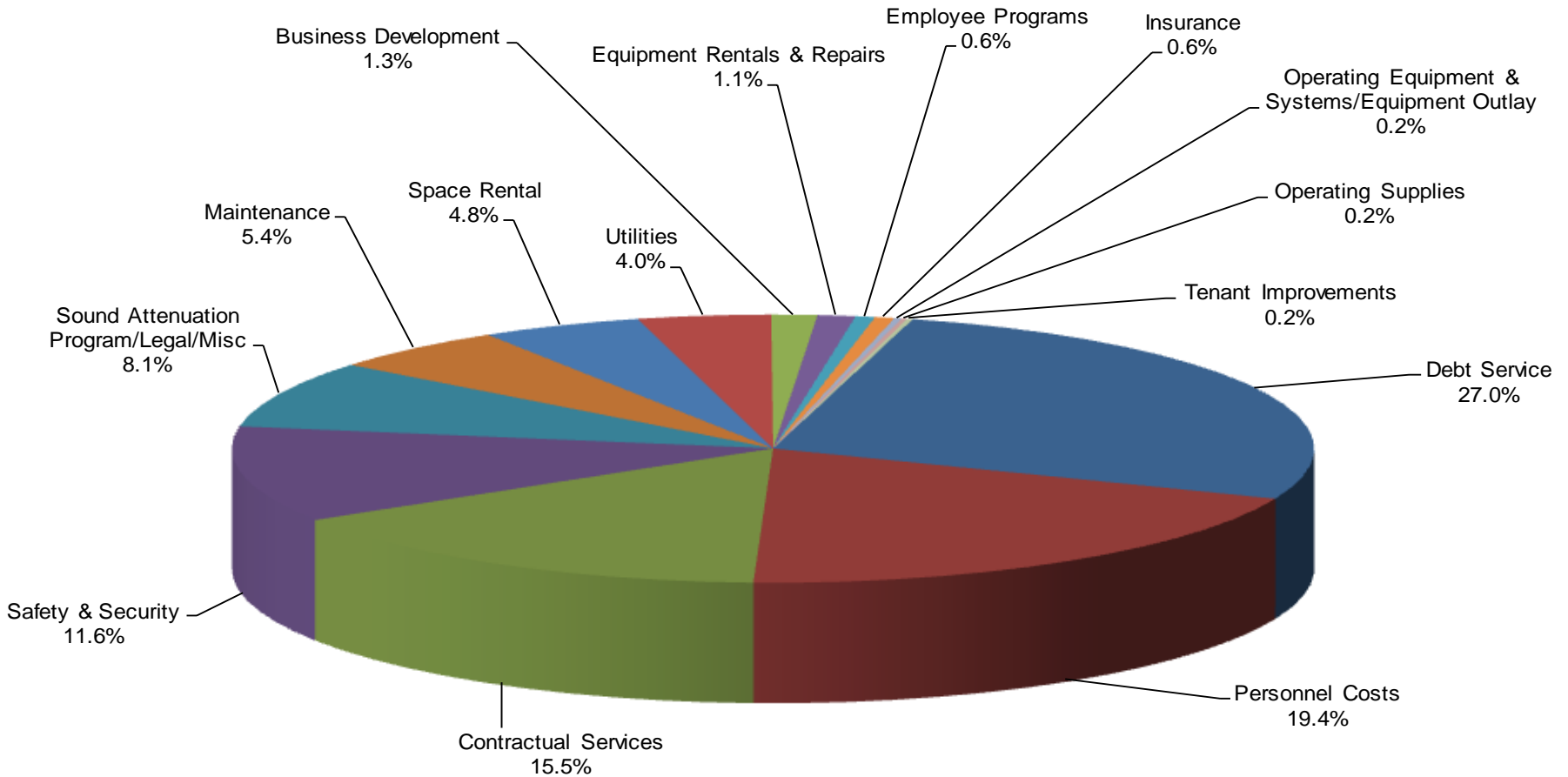
Increase in General Activity Operating Expenses  
**\$ 4,477,186**  
**2.1 %**

## Expense Budget FY 2003 – FY 2015

FY 2014 Proposed Budget is a 12.4% increase from FY 2013 Budget



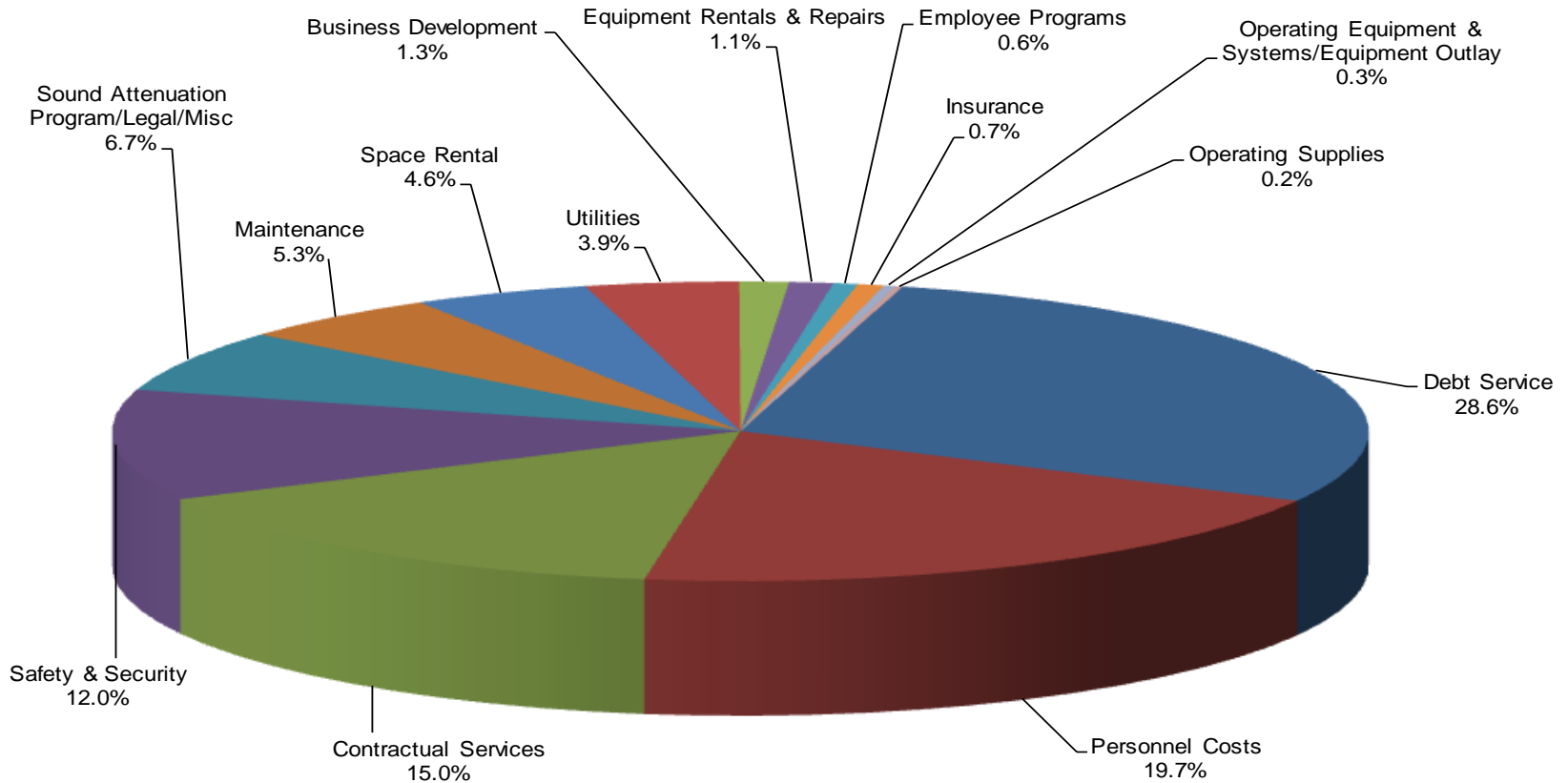
### FY 2014 Proposed Expense Budget by Category



Total FY 2014 Proposed Budget is \$215.3M



### FY 2015 Conceptual Expense Budget by Category



Total FY 2015 Proposed Conceptual Budget is \$226.4M

### FY 2014 & FY 2015 Expense Summary by Category

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 26,888,386	\$ 29,065,130	\$ 30,493,923	\$ 31,170,183	\$ 2,105,054	7.2%	\$ 676,260	2.2%	\$ 33,004,041	\$ 1,833,858	5.9%
Premium Overtime	943,523	818,500	768,500	867,400	48,900	6.0%	98,900	12.9%	865,700	(1,700)	-0.2%
Employee Benefits	14,935,072	15,198,202	16,445,508	16,319,513	1,121,311	7.4%	(125,995)	-0.8%	17,701,713	1,382,200	8.5%
Subtotal	42,766,980	45,081,832	47,707,931	48,357,096	3,275,265	7.3%	649,165	1.4%	51,571,454	3,214,357	6.6%
Less: Capitalized Labor	(4,737,159)	(4,958,440)	(4,605,767)	(5,749,016)	(790,576)	15.9%	(1,143,250)	24.8%	(6,180,522)	(431,506)	7.5%
Less: QHP - Labor/Burden/Labor Overhead	(793,309)	(708,766)	(748,501)	(703,804)	4,962	-0.7%	44,697	-6.0%	(732,944)	(29,140)	4.1%
<b>Total Personnel Expenses</b>	<b>37,236,512</b>	<b>39,414,626</b>	<b>42,353,664</b>	<b>41,904,276</b>	<b>2,489,650</b>	<b>6.3%</b>	<b>(449,388)</b>	<b>-1.1%</b>	<b>44,657,988</b>	<b>2,753,712</b>	<b>6.6%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	26,905,524	29,365,241	31,090,921	33,279,133	3,913,892	13.3%	2,188,213	7.0%	34,052,611	773,478	2.3%
Safety and Security	22,625,169	22,408,160	23,445,356	24,975,465	2,567,305	11.5%	1,530,109	6.5%	27,111,790	2,136,326	8.6%
Space Rental	11,414,838	11,416,345	10,381,960	10,378,412	(1,037,933)	-9.1%	(3,548)	0.0%	10,324,952	(53,460)	-0.5%
Utilities	6,674,423	7,753,075	8,643,075	8,566,650	813,575	10.5%	(76,425)	-0.9%	8,943,750	377,100	4.4%
Maintenance	8,496,587	8,234,743	9,002,220	11,661,347	3,426,604	41.6%	2,659,127	29.5%	12,017,693	356,346	3.1%
Operating Equipment & Systems	403,268	459,048	413,169	456,779	(2,269)	-0.5%	43,610	10.6%	500,468	43,689	9.6%
Operating Supplies	304,433	349,722	345,741	374,352	24,630	7.0%	28,611	8.3%	431,444	57,092	15.3%
Insurance	764,239	872,318	1,237,234	1,253,579	381,261	43.7%	16,345	1.3%	1,546,084	292,505	23.3%
Employee Programs	916,195	1,186,464	1,179,613	1,259,598	73,134	6.2%	79,985	6.8%	1,425,213	165,615	13.1%
Business Development	2,093,166	3,584,933	2,147,533	2,943,753	(641,180)	-17.9%	796,220	37.1%	2,860,045	(83,708)	-2.8%
Equipment Rentals & Repairs	1,264,057	1,744,849	1,985,788	2,431,217	686,368	39.3%	445,429	22.4%	2,569,571	138,353	5.7%
Tenant Improvements	70,800	516,800	164,900	359,900	(156,900)	-30.4%	195,000	118.3%	-	(359,900)	-100.0%
<b>Total Non-Personnel Expenses</b>	<b>81,932,700</b>	<b>87,891,698</b>	<b>90,037,509</b>	<b>97,940,185</b>	<b>10,048,487</b>	<b>11.4%</b>	<b>7,902,676</b>	<b>8.8%</b>	<b>101,783,621</b>	<b>3,843,436</b>	<b>3.9%</b>
<b>Total Operating Expenses</b>	<b>119,169,212</b>	<b>127,306,324</b>	<b>132,391,173</b>	<b>139,844,461</b>	<b>12,538,137</b>	<b>9.8%</b>	<b>\$ 7,453,288</b>	<b>5.6%</b>	<b>146,441,609</b>	<b>6,597,148</b>	<b>4.7%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	14,617,463	15,181,596	15,182,096	17,402,324	2,220,728	14.6%	2,220,228	14.6%	15,176,621	(2,225,703)	-12.8%
Debt Service	6,502,270	47,643,080	74,934,731	58,027,215	10,384,136	21.8%	(16,907,516)	-22.6%	64,640,771	6,613,555	11.4%
Legal Settlements Expense	160,330	20,000	20,000	20,000	-	0.0%	-	0.0%	-	(20,000)	-100.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>21,280,064</b>	<b>62,844,676</b>	<b>90,136,827</b>	<b>75,449,539</b>	<b>12,604,863</b>	<b>20.1%</b>	<b>(14,687,288)</b>	<b>-16.3%</b>	<b>79,817,391</b>	<b>4,367,852</b>	<b>5.8%</b>
<b>Total Expenses</b>	<b>140,449,276</b>	<b>190,151,000</b>	<b>222,528,000</b>	<b>215,294,000</b>	<b>25,143,000</b>	<b>13.2%</b>	<b>(7,234,000)</b>	<b>-3.3%</b>	<b>226,259,000</b>	<b>10,965,000</b>	<b>5.1%</b>
<b>Equipment Outlay</b>	<b>689,136</b>	<b>1,382,000</b>	<b>110,000</b>	<b>10,000</b>	<b>(1,372,000)</b>	<b>-99.3%</b>	<b>(100,000)</b>	<b>-90.9%</b>	<b>170,000</b>	<b>160,000</b>	<b>1600.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 141,138,413</b>	<b>\$ 191,533,000</b>	<b>\$ 222,638,000</b>	<b>\$ 215,304,000</b>	<b>\$ 23,771,000</b>	<b>12.4%</b>	<b>\$ (7,334,000)</b>	<b>-3.3%</b>	<b>\$ 226,429,000</b>	<b>\$ 11,125,000</b>	<b>5.2%</b>

### Major Drivers of FY14 Proposed Budget Increase

	Inc/(Dec) FY2014 Conceptual Budget vs FY2013 Budget	Inc/(Dec) FY2014 Proposed Budget vs FY2014 Conceptual	Total Inc/(Dec) FY2014 Proposed Budget vs FY2013 Budget
<b>FY 2013 Budget/ FY 2014 Conceptual Budget</b>	<b>\$ 191,533,000</b>	<b>\$ 222,638,000</b>	<b>\$ 191,533,000</b>
<b>Personnel:</b>			
10 New positions and 1 Eliminated in FY14 Conceptual Budget and additional 11 New & 5 Unfrozen positions in FY14 Proposed Budget (salaries, benefits & employer taxes)	513,692	1,331,487	1,845,179
Increase / Decrease in contracted wage increases and pay-for-performance	882,647	(73,784)	808,863
Increase / Decrease in burden (benefits & employer taxes) and salary adjustments net of vacancy savings for current staff	1,229,759	(608,539)	621,221
Change in capitalized labor / QHP - labor, burden, labor overhead	312,938	(1,098,553)	(785,615)
<b>Total Increase / Decrease in salaries and benefits, net</b>	<b>2,939,038</b>	<b>(449,388)</b>	<b>2,489,650</b>
<b>Green Build:</b>			
Increase in Baggage Handling System (BHS) costs	-	1,349,104	1,349,104
Increase in Common Use Passenger Processing System (CUPPS) costs	85,000	1,011,900	1,096,900
Increase / Decrease in utilities (gas & electric and telephone services) costs	958,000	(40,000)	918,000
Increase in contract security services and maintenance of access control system costs	722,100	-	722,100
Increase in Ramp Control Facility professional services costs	423,363	111,037	534,400
Increase in Airport custodial contract costs	100,000	370,137	470,137
Increase / Decrease in Authority-wide IT related repairs and other services costs	291,000	(76,005)	214,995
Increase / Decrease in annual maintenance contract costs and other supplies costs	618,433	(513,433)	105,000
Decrease / Increase in public outreach, marketing, promotional activities and materials costs	(400,250)	77,050	(323,200)
Increase other (net)	85,300	30,005	115,305
<b>Total Increase due to Green Build</b>	<b>2,882,946</b>	<b>2,319,795</b>	<b>5,202,741</b>
<b>Concession Development Program:</b>			
Increase in Receiving & Distribution Center (RDC) operator costs	620,792	-	620,792
Increase in maintenance costs	116,250	482,000	598,250
Increase / Decrease in Airport custodial contract	608,000	(138,528)	469,472
Increase other (net)	75,000	128,396	203,396
<b>Total Increase due to Concession Development Program</b>	<b>1,420,042</b>	<b>471,868</b>	<b>1,891,909</b>

### Major Drivers of FY14 Proposed Budget Increase

	Inc/(Dec) FY2014 Conceptual Budget vs FY2013 Budget	Inc/(Dec) FY2014 Proposed Budget vs FY2014 Conceptual	Total Inc/(Dec) FY2014 Proposed Budget vs FY2013 Budget
<b>Safety and Security:</b>			
Increase in law enforcement costs - Harbor Police department	\$ 387,400	\$ 1,604,733	\$ 1,992,133
Increase / Decrease in Aircraft Rescue Fire Fight (ARFF), Emergency Medical Services (EMS), maintenance of access control system and other services costs	354,696	(11,779)	342,917
<b>Total Increase in Safety and Security</b>	<b>742,096</b>	<b>1,592,954</b>	<b>2,335,050</b>
<b>Regional Aviation Planning Programs:</b>			
Decrease/ Increase in SDIA Airport Land Use Compatibility Plans (ALUCPs) and miscellaneous airport planning projects costs	(900,000)	550,000	(350,000)
Increase/ Decrease in Update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs) and North Island/Imp. Beach ALUCPs costs	900,000	(1,400,000)	(500,000)
<b>Total Decrease in Regional Aviation Planning Programs</b>	<b>-</b>	<b>(850,000)</b>	<b>(850,000)</b>
<b>Environmental Regulatory Requirements:</b>			
Decrease / Increase in Stormwater Management Program, Industrial Hygiene/Indoor Air Quality and USDA wildlife assessment costs	(32,000)	232,000	200,000
Decrease / Increase Water Quality/San Diego Bay Sediment Quality Objectives	(427,500)	627,000	199,500
<b>Total Decrease / Increase in Environmental Regulatory Requirements</b>	<b>(459,500)</b>	<b>859,000</b>	<b>399,500</b>
<b>Terminal and Landside (Operations &amp; Maintenance):</b>			
Increase in shuttles and parking operating costs	614,359	655,000	1,269,359
Decrease / Increase in annual maintenance contract costs, major maintenance, supplies costs and refuse & hazardous waste disposal costs	(384,206)	1,341,456	957,250
Decrease in space rental costs	(1,034,385)	(3,548)	(1,037,933)
Decrease / Increase in other terminal and landside costs (custodial contract costs, utilities and tenant improvement costs)	(51,530)	172,875	121,345
<b>Total Decrease / Increase in Terminal and Landside (Operations &amp; Maintenance)</b>	<b>(855,763)</b>	<b>2,165,783</b>	<b>1,310,021</b>

### Major Drivers of FY14 Proposed Budget Increase

	Inc/(Dec) FY2014 Conceptual Budget vs FY2013 Budget	Inc/(Dec) FY2014 Proposed Budget vs FY2014 Conceptual	Total Inc/(Dec) FY2014 Proposed Budget vs FY2013 Budget
<b>Other Operating Expenses:</b>			
Increase in insurance costs	\$ 205,816	\$ 77,740	\$ 283,556
Decrease / Increase in legal services costs	(200,000)	220,000	20,000
Decrease / Increase in outside consultant costs	(326,174)	231,441	(94,734)
Decrease / Increase in public outreach, marketing, promotional activities and materials costs	(514,350)	40,695	(473,655)
Decrease / Increase in domestic & international air service marketing costs	(565,000)	565,000	-
Decrease / Increase other (net)	(184,303)	208,401	24,098
<b>Total Decrease / Increase in Other Operating Expenses</b>	<b>(1,584,011)</b>	<b>1,343,276</b>	<b>(240,734)</b>
<b>Total Increase in Non-Personnel Operating expenses, net</b>	<b>2,145,810</b>	<b>7,902,676</b>	<b>10,048,487</b>
<b>Total Increase in Operating expenses</b>	<b>5,084,847</b>	<b>7,453,288</b>	<b>12,538,137</b>
<b>Debt Service:</b>			
Increase/ Decrease in debt service costs	27,291,652	(16,907,516)	10,384,136
<b>Other Non-Operating Expenses:</b>			
Increase in Quieter Home Program	500	2,220,228	2,220,728
<b>Total Increase/ Decrease in Non-Operating expenses</b>	<b>27,292,153</b>	<b>(14,687,288)</b>	<b>12,604,863</b>
<b>Equipment Outlay:</b>			
Decrease in Green Build Program equipment outlay (Ramp Control Facilities etc.) costs	(590,000)	-	(590,000)
Decrease in equipment outlay costs	(682,000)	(100,000)	(782,000)
<b>Total Decrease in Equipment Outlay</b>	<b>(1,272,000)</b>	<b>(100,000)</b>	<b>(1,372,000)</b>
<b>Total Increase/ Decrease</b>	<b>31,105,000</b>	<b>(7,334,000)</b>	<b>23,771,000</b>
<b>FY 2014 Conceptual/ FY14 Proposed Budget</b>	<b>\$ 222,638,000</b>	<b>\$ 215,304,000</b>	<b>\$ 215,304,000</b>

### Major Drivers of FY15 Proposed Conceptual Budget Increase

	Inc/(Dec)
	FY2015 Proposed Conceptual Budget vs FY2014 Proposed Budget
<b>FY 2014 Proposed Budget</b>	<b>\$ 215,304,000</b>
<b>Personnel:</b>	
Increase in burden (benefits& employer taxes) and salary adjustments net of vacancy savings for current staff	2,031,126
Contracted wage increases and pay-for-performance	982,589
1 New & 1 Unfrozen positions (salaries, benefits & employer taxes)	200,642
Change in capitalized labor / QHP - labor, burden, labor overhead	(460,645)
<b>Total Increase in salaries and benefits, net</b>	<b>2,753,712</b>
<b>Green Build:</b>	
Increase in law enforcement costs - Harbor Police department	1,323,282
Increase in annual maintenance contract costs	1,100,000
Decrease in public outreach, marketing, promotional activities and materials costs	(550,300)
Decrease in Baggage Handling System (BHS) costs	(1,349,104)
Increase other (net)	4,627
<b>Total Increase due to Green Build</b>	<b>528,505</b>
<b>Concession Development Program:</b>	
Increase in Airport custodial contract	151,558
Increase other (net)	123,604
<b>Total Increase due to Concession Development Program</b>	<b>275,162</b>
<b>Northside Development:</b>	
Increase in public outreach, marketing, promotional activities and materials costs	452,000
Increase in annual maintenance contract costs and water costs	225,000
Rental Car Center (RCC) Training	155,000
Increase in insurance costs	124,952
<b>Total Increase due to Northside Development</b>	<b>956,952</b>



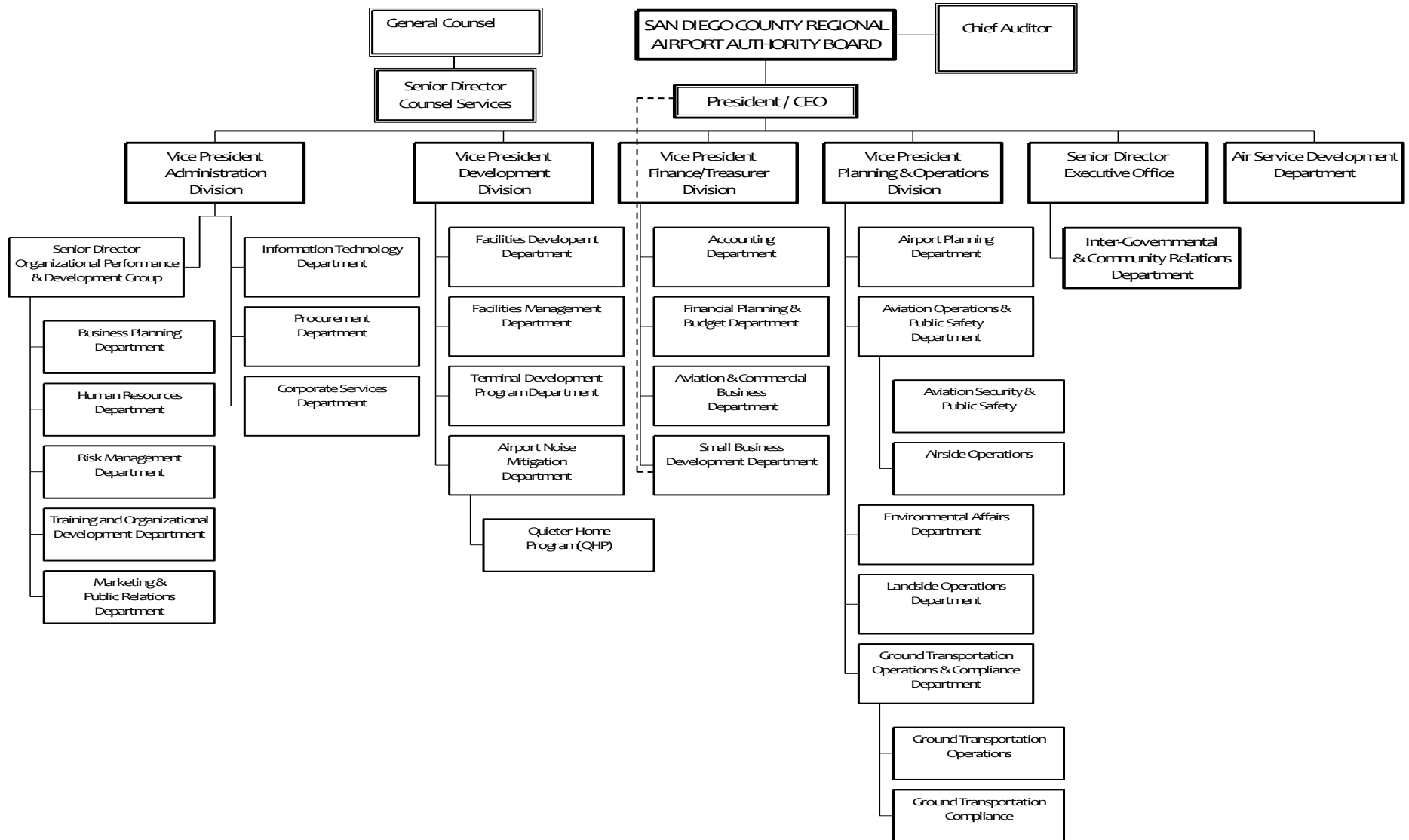
### Major Drivers of FY15 Proposed Conceptual Budget Increase

	Inc/(Dec)
	FY2015 Proposed Conceptual Budget vs FY2014 Proposed Budget
<b>Safety and Security:</b>	
Increase in law enforcement costs - Harbor Police department	\$ 500,046
Increase in Aircraft Rescue Fire Fight (ARFF),Emergency Medical Services (EMS), maintenance of access control system and other services costs	370,447
<b>Total Increase in Safety and Security</b>	<b>870,493</b>
<b>Regional Aviation Planning Programs:</b>	
Increase in Update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs) and North Island/Imp. Beach ALUCPs costs	1,150,000
Decrease in SDIA Airport Land Use Compatibility Plans (ALUCPs) and miscellaneous airport planning projects costs	(500,000)
<b>Total Increase in Regional Aviation Planning Programs</b>	<b>650,000</b>
<b>Environmental Regulatory Requirements:</b>	
Increase in Water Quality/San Diego Bay Sediment Quality Objectives costs	100,000
Increase in Stormwater Management Program, Industrial Hygiene/Indoor Air Quality and USDA wildlife assessment costs	100,000
<b>Total Increase in Environmental Regulatory Requirements</b>	<b>200,000</b>
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Increase in annual maintenance contract costs, major maintenance, supplies costs and refuse & hazardous waste disposal costs	398,000
Increase in utility (gas & electric, water, telephone services) costs	225,005
Increase in shuttles and parking operating costs	139,790
Decrease in Tenant Improvement Program costs	(359,900)
<b>Total Increase in Terminal and Landside (Operations &amp; Maintenance)</b>	<b>402,895</b>

### Major Drivers of FY15 Proposed Conceptual Budget Increase

	Inc/(Dec)
	<b>FY2015 Proposed Conceptual Budget vs FY2014 Proposed Budget</b>
<b>Other Operating Expenses:</b>	
Increase in insurance costs	\$ 144,201
Decrease in domestic & international air service marketing costs	(275,000)
Increase other (net)	90,228
<b>Total Decrease in Other Operating Expenses</b>	<b>(40,571)</b>
<b>Total Increase in Non-Personnel Operating expenses, net</b>	<b>3,843,436</b>
<b>Total Increase in Operating expenses</b>	<b>6,597,148</b>
<b>Debt Service:</b>	
Increase in debt service costs	6,613,555
<b>Other Non-Operating Expenses:</b>	
Decrease in Quieter Home Program	(2,225,703)
Decrease other (net)	(20,000)
<b>Total Increase in Non-Operating expenses</b>	<b>4,367,852</b>
<b>Equipment Outlay:</b>	
Increase in equipment outlay costs	160,000
<b>Total Increase</b>	<b>11,125,000</b>
<b>FY 2015 Proposed Conceptual Budget</b>	<b>\$ 226,429,000</b>

# SDCRAA Organization Chart



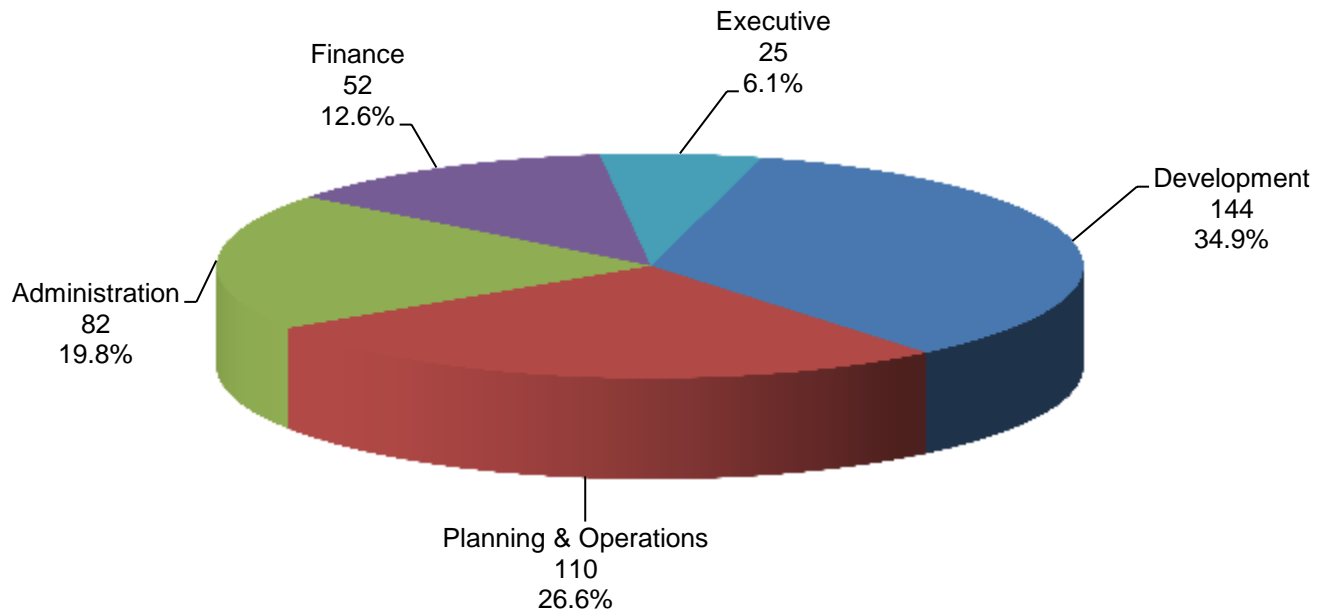
### FY 2014 Proposed & FY 2015 Personnel Summary by Division

	FY 2013 Authorized & Funded Positions	FY 2013 Authorized & Unfunded Positions	FY14 Authorized & Funded Positions	Proposed FY14 Authorized & Unfunded Positions	Proposed FY15 Authorized & Funded Positions	Proposed FY15 Authorized & Unfunded Positions
Executive Group	24	0	25	0	25	0
Planning & Operations	104	4	110	3	111	2
Finance	52	1	52	1	52	1
Development	127	4	144	0	145	0
Administration	81	2	82	2	82	2
<b>TOTAL</b>	<b>388</b>	<b>11</b>	<b>413</b>	<b>6</b>	<b>415</b>	<b>5</b>

Total Authorized  
Positions

FY 2013 399	FY 2014 419	FY 2015 420
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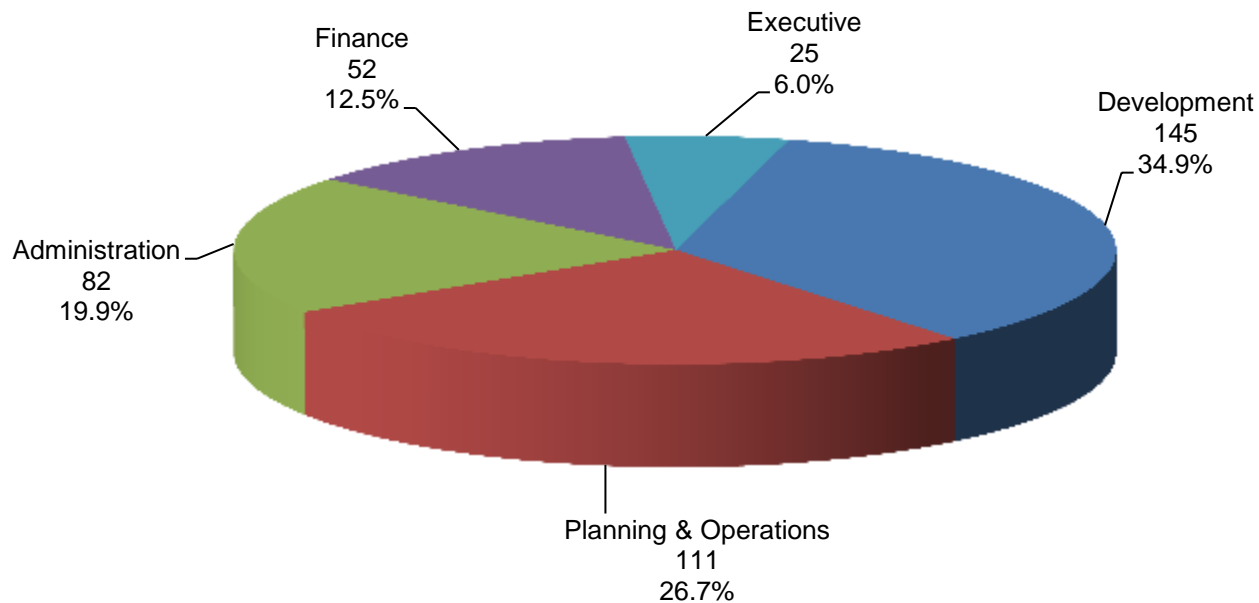
### FY 2014 Proposed Budget Personnel by Division



**Total Funded Positions are 413**

**Total Authorized Positions are 419**

### FY 2015 Proposed Conceptual Budget Personnel by Division



**Total Funded Positions are 415**

**Total Authorized Positions are 420**



SAN DIEGO  
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# Fiscal Year 2014–2018 Capital Program Budget

- 5 Year Program
- Approved by the Board Annually
- Managed by Capital Improvement Committee (CIC)
  - CEO & Vice Presidents
- FY 2013–2017 CIP authorized \$596.1M for 41 projects



# Current/Proposed CIP Program – Project Location

CIP Program Budget:

\$596.1M

\$649.0M\*

Project Location	FY2013–2017	FY2014–2018
Airside	13	17
Terminal	9	16
Landside	16	20*
Administrative	3	4
Totals	41	57

*\*\$30,600,000 not included for the Rental Car Center Buses/Bus Parking & Fueling Facility*



# Capital Budget Summary

(In thousands)

FY 2013 Capital Improvement Program	\$596,084
FY 2013 Project Closeouts	(2,834)
FY 2013 Project Cancellations	(180)
FY 2013 Project Adjustments	(1,314)
FY 2013 Capital Program Balance	\$591,756
Proposed New Projects	87,873
Proposed RCC Projects	30,600
The Green Build	820,000
Proposed FY 2014 Capital Program <sup>1</sup>	<u>\$1,530,229</u>

<sup>1</sup>Does not include financing costs of \$117M

# Proposed FY2014–2018 Capital Projects

(In thousands)

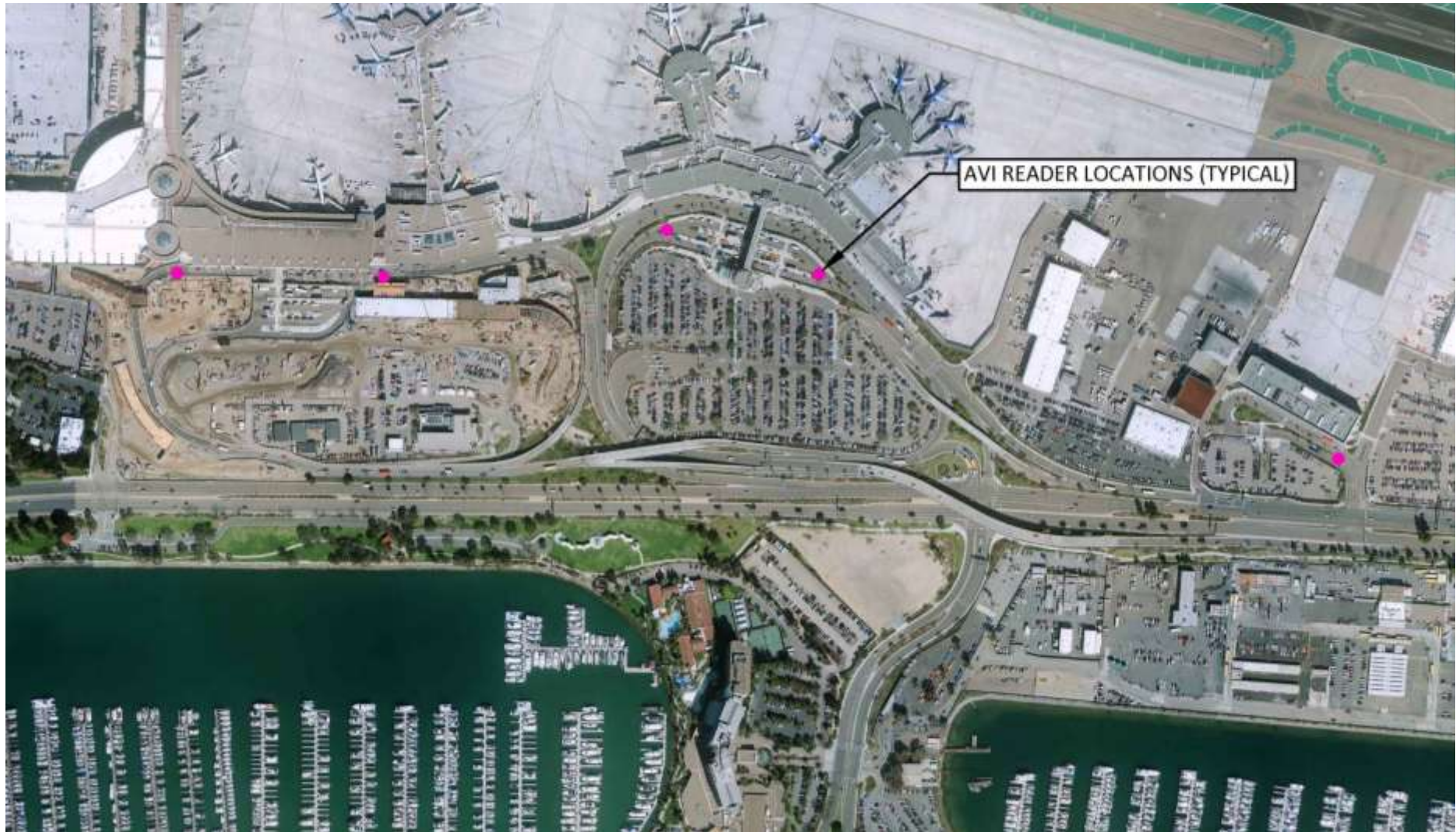
	<b><u>Description</u></b>	<b><u>Estimated Cost</u></b>
1)	Upgrade Ground Transportation Systems	\$ 2,400
2)	Cargo Taxiways	9,545
3)	Construct Apron Blast Fence at Commuter Terminal	990
4)	Construct FAA Waterline	470
5)	Construct Rental Car Center Restaurant Warm Shell	4,955
6)	Cargo Development Oversight	1,550
7)	Sky Club Conversion	1,495
8)	Terminal Flight Information Display System Update	3,022
9)	Replace Passenger Loading Bridges in Terminal 1	3,120
10)	T1 Baggage Claim Area Enhancements/T2E Ceiling Upgrade	4,056
11)	Wayfinding Signage/Directories (Terminal/Road/Parking)	4,940

# Proposed FY2014–2018 Capital Projects

(In thousands)

<u>Description</u>	<u>Estimated Cost</u>
12) Acquire Zero Emission Vehicle Buses	\$ 2,500
13) T2E CUPPS Expansion	4,000
14) North Side Additional Landscaping	2,500
15) Reconstruct Aprons at Cargo Terminal and Terminal 1	1,169
16) Pre-conditioned Air Installation at T1W & T2E (VALE)	4,800
17) Capital Project Allowance	5,000
18) Public Art Allowance Increase for New Projects	760
<b>Total FY14-18 Proposed CIP Projects</b>	<b>\$ 57,272</b>
1) Acquire Rental Car Center Buses	16,100
2) Construct Bus Parking/Fueling Facility	14,500
<b>Total FY14-16 Proposed RCC Supplemental Projects</b>	<b>\$ 30,600</b>

# Update Ground Transportation Permit Systems



## SCOPE:

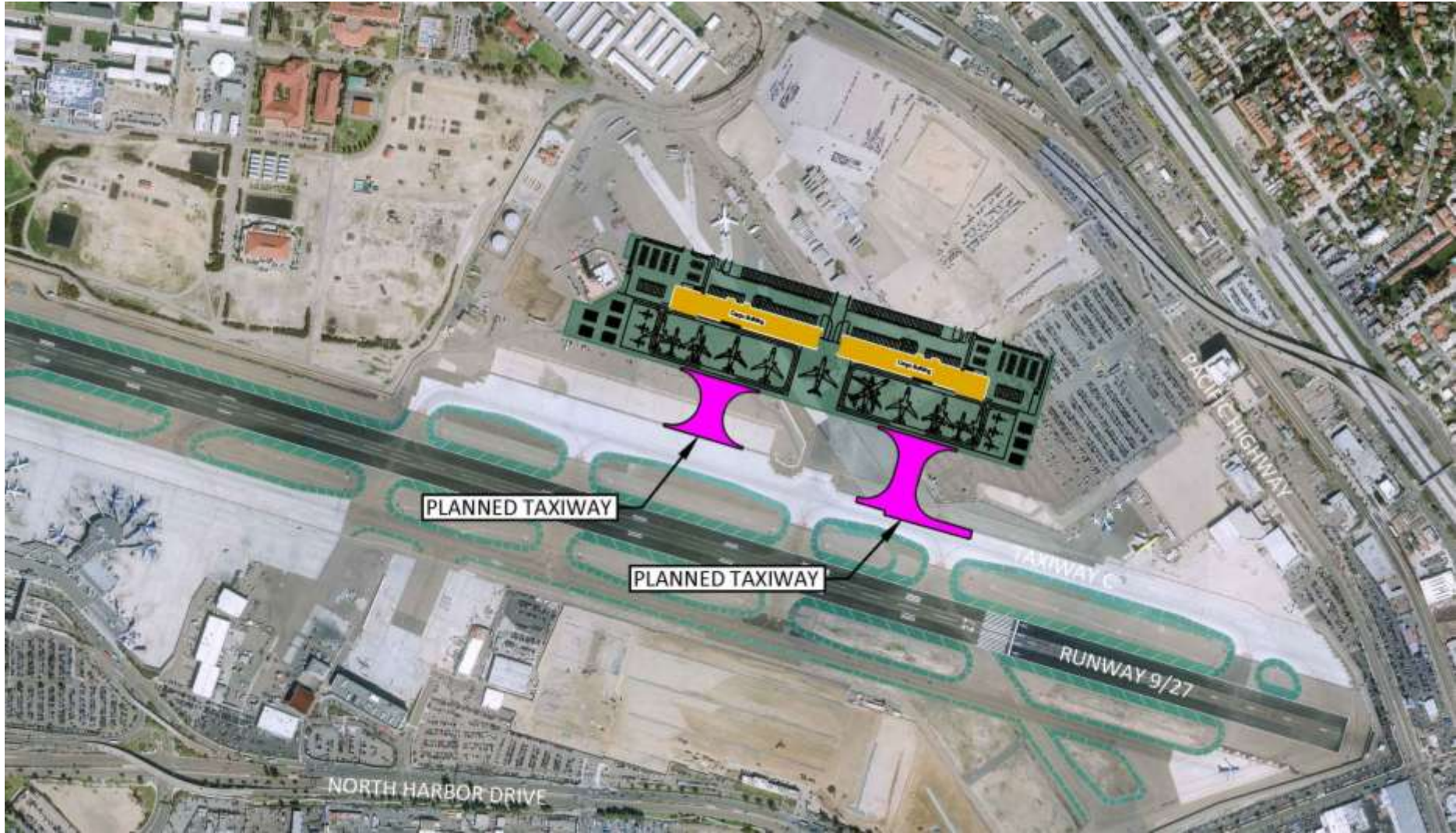
- Upgrade Ground Transportation Permit Software
- Upgrade Taxi Cab Trip Fee Payment System
- New Automated Taxi and Shuttle Dispatch System
- Upgrade Automotive Vehicle Identification (AVI) Software
- Upgrade AVI hardware at eight locations including: Commuter Terminal passenger loading curb, the Terminal 1 transit plaza and the Terminal 2 West transit Plaza

## Strategies :

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$2,400,000	11 months





## SCOPE:

- Provide two taxiways connecting Taxiway Charlie with the planned north side cargo facility:
  - Demolish existing 12" thick PCC pavement
  - Excavate and dispose of 24" of soil
  - Compact the subgrade to 90%, import material and compact to 95%
  - Provide 17" thick PCC, 8" thick Econocrete, 6" aggregate base
  - Rent 15,000 sq. ft. of plates for 6 months

## Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$9,545,000	25 months



# Construct Apron Blast Fence at Commuter Terminal



## SCOPE:

- Provide a blast fence along the Commuter Terminal apron to direct jet blast away from Winship Lane and Lot 8:
  - Build blast fence, 10' high x 264 LF long
  - Build passive pressure key – 8' wide x 2' deep

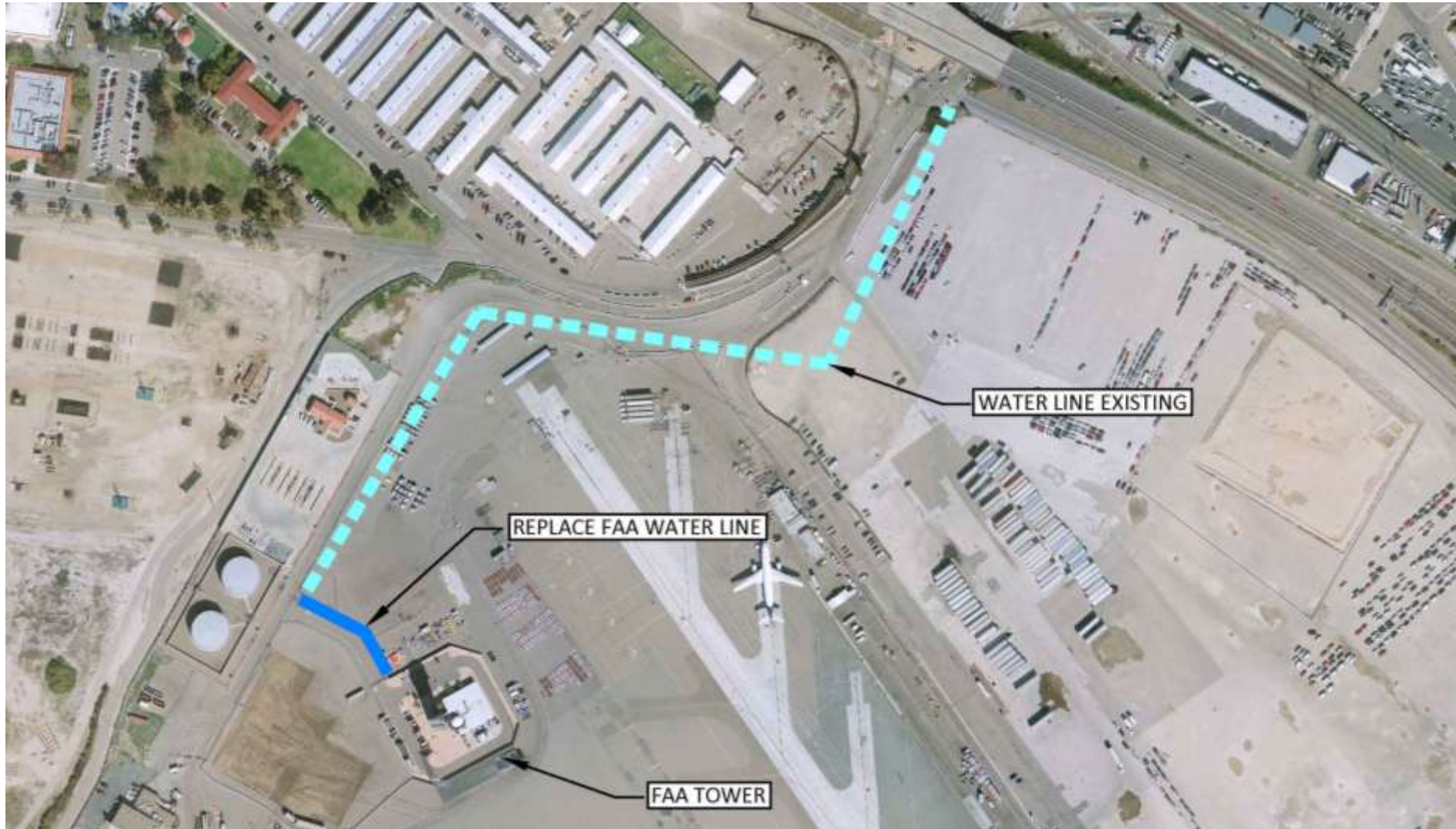
## Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$990,000	12 months



# Construct FAA Waterline



## SCOPE:

- Excavate 4 feet deep below 5" asphalt pavement
- Install 2" PVC water line to the Air Traffic Control Tower replacing the existing corroded FAA waterline
- Install a booster pump
- Install two water meters (not City meters)

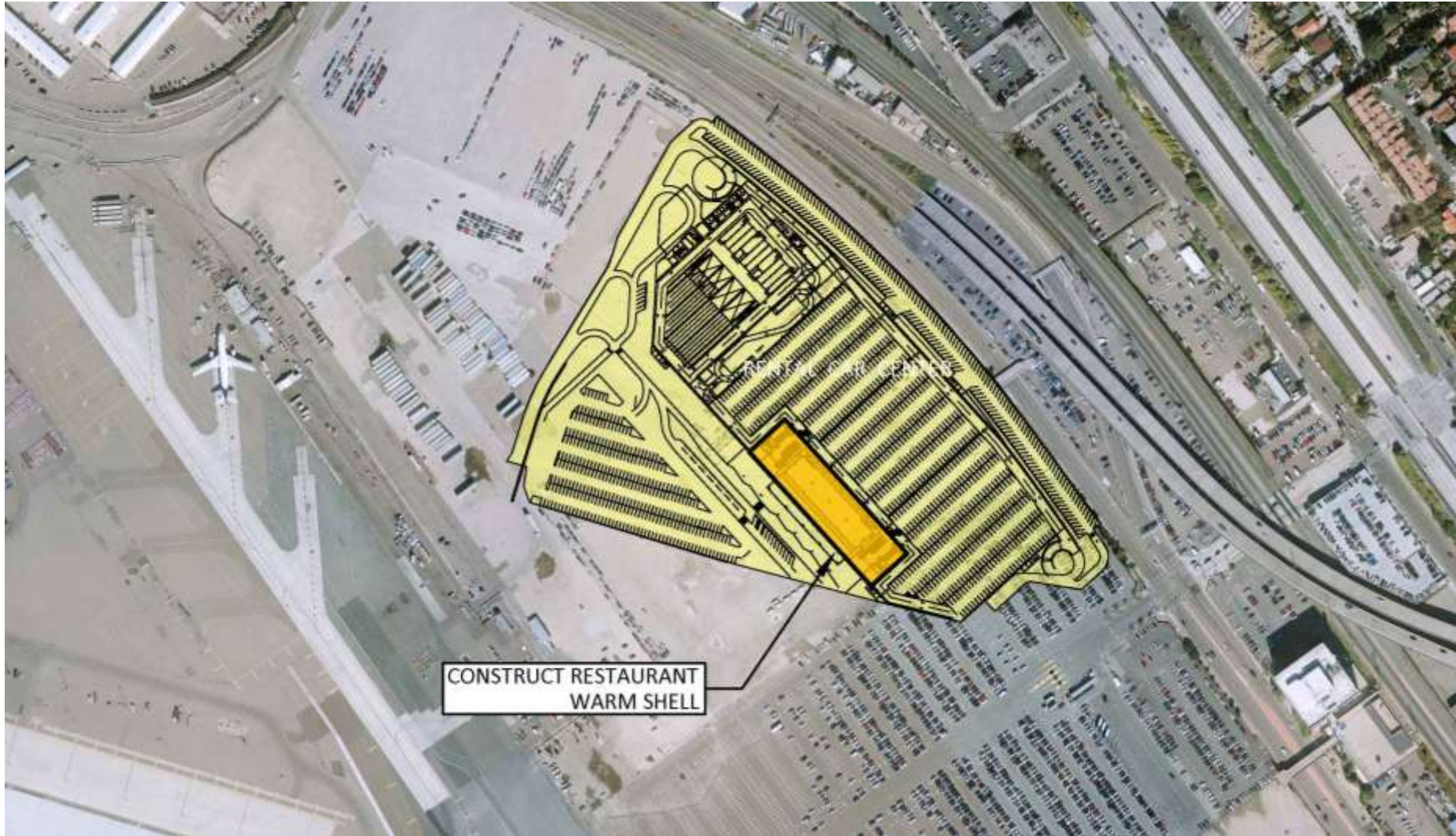
## Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$470,000	10 months



# Construct Rental Car Center (RCC) Restaurant Warm Shell



# Construct Rental Car Center (RCC) Restaurant Warm Shell

## SCOPE:

- Develop a shell space for a F&B tenant improvement at the RCC
  - Foundations
  - Floor & roof structures
  - Exterior cladding
  - Roofing & waterproofing
  - Stairs/vertical transportation
  - On-site utilities

## Strategies:

- Financial
- Customer

Estimated Cost	Duration
\$4,955,000	17 months



# Cargo Development Oversight



## SCOPE:

- Provide development oversight for a cargo building tenant improvement

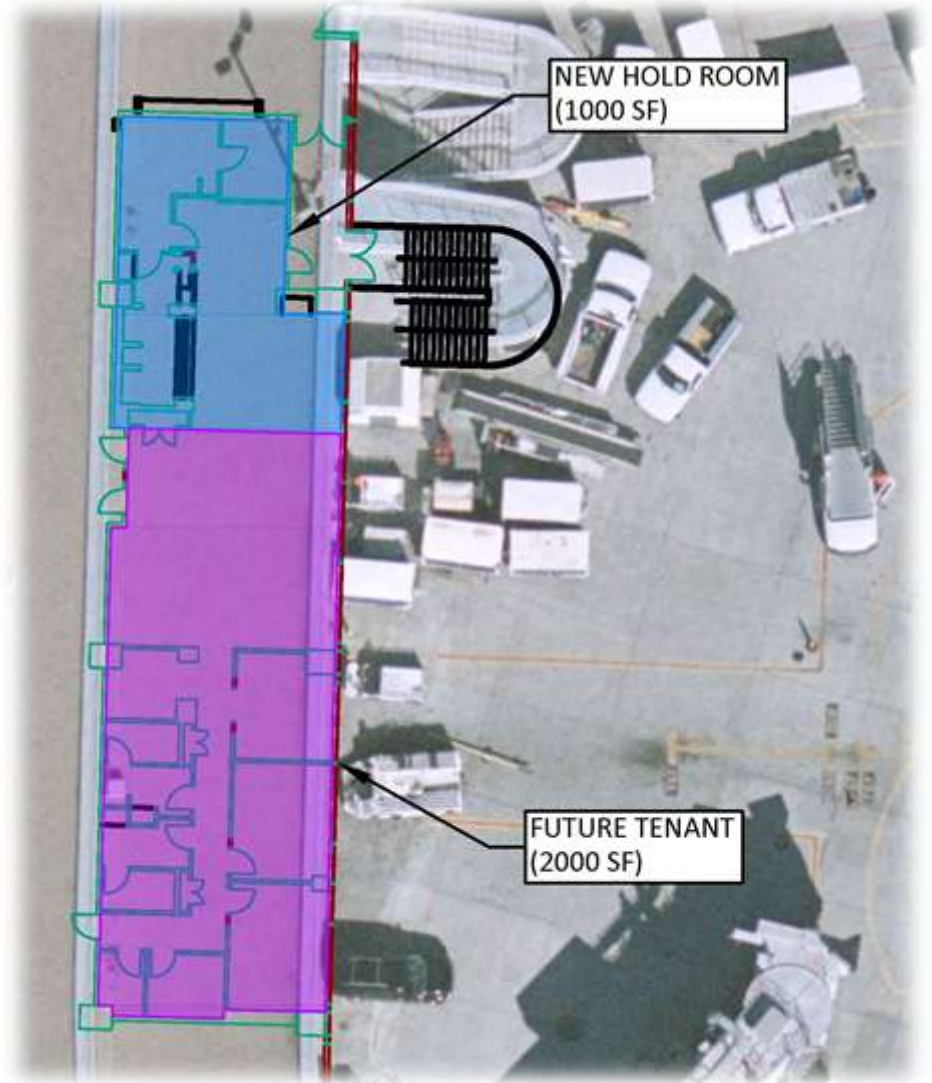
## Strategies:

- Customer

<b>Estimated Cost</b>	<b>Duration</b>
<b>\$1,550,000</b>	<b>29 months</b>



# Sky Club Conversion



## SCOPE:

- Demolish the existing 3,000 sq. ft. Delta Sky Club in Terminal 2 West
- Construct 1,000 sq. ft. of fully improved hold room space
  - Includes 100 Herman Miller hold room seats
- Construct 2,000 sq. ft. of shell space for a future tenant

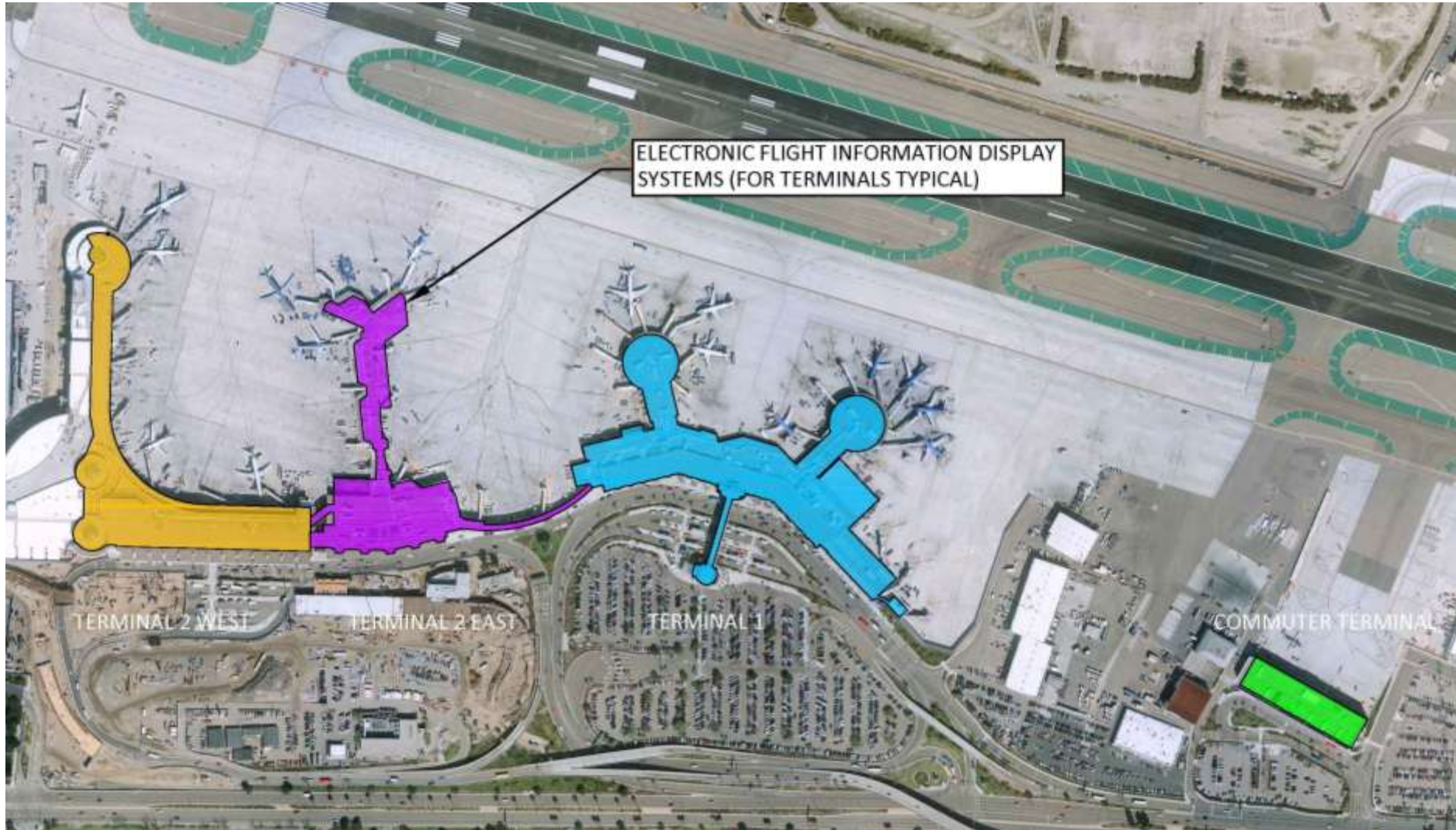
## Strategies:

- Financial
- Customer
- Operations

Estimated Cost	Duration
\$1,495,000	15 months



# Terminal Flight Information Display System (FIDS) Update



## SCOPE:

- Replace 32” FIDS monitors with 67 new Samsung 46” LED monitors
- Most surrounds have to be replaced
- Stainless steel frames need additional framing members
- Replace existing free standing stainless steel towers
- Anticipate relocating the FIDS bank at the 2nd floor of T2W and installing a new cabinet
- Replace existing Clear Cubes with a DDC controller

## Strategies:

- Customer

Estimated Cost	Duration
\$3,022,000	16 months



# Replace Passenger Loading Bridges in Terminal 1



## SCOPE:

- Replace three Passenger Loading Bridges at Terminal 1
- Gates: 3, 5, 16
- Replace the foundations of three bridges

## Strategies:

- Customer
- Operations

<b>Estimated Cost</b>	<b>Duration</b>
<b>\$3,120,000</b>	<b>20 months</b>

# Terminal 1 Baggage Claim Area Enhancements and Terminal 2 East Ceiling Upgrade

T1 Baggage  
Claim



T2E Ceiling  
Upgrade



# Terminal 1 Baggage Claim Area Enhancements and Terminal 2 East Ceiling Upgrade

## SCOPE:

### T1 Baggage Claim Area:

- Raise the ceiling
- Replace light fixtures, carpeting, signage, and fascia
- Reposition FIDS and artwork

### T2E Ceiling Upgrade:

- Replace T2E ceiling at security checkpoint and ticket counter to match the rest of T2E

## Strategies:

- Customer

Estimated Cost	Duration
\$4,056,000	22 months



# Wayfinding Signage and Directories (Terminal, Road, & Parking)



# Wayfinding Signage and Directories (Terminal, Road, & Parking)

## SCOPE:

- Concessions Directory & Signage
  - Replace existing with Samsung 46" LED and a DDC controller
- Provide four interactive sign units
- Parking Signage & Wayfinding
  - Replace 10 large parking wayfinding signs
- Wayfinding Study
  - Two Caltrans signs, 25 City signs

## Strategies:

- Customer
- Operations
- Community

Estimated Cost	Duration
\$4,940,000	22 months

# Acquire Zero Emission Vehicle (ZEV) Buses



# Acquire Zero Emission Vehicle (ZEV) Buses

## SCOPE:

- Purchase two refurbished, electric motor-powered buses
- Construct one charging station

## Strategies:

- Operations
- Community

<b>Estimated Cost</b>	<b>Duration</b>
<b>\$2,500,000</b>	<b>29 months</b>



# T2E Customer Use Passenger Processing System (CUPPS) Expansion



# T2E Customer Use Passenger Processing System (CUPPS) Expansion

## SCOPE:

- Install seven CUPPS in Terminal 2 East – Gates 23, 24, 25, 27, 28, 31, 32
- Replace existing ticket counters with CUPPS stations
- Each CUPPS includes: gate counters, workstations, keyboards, monitors, bag tag printer, boarding pass printer, boarding gate reader
- Replace existing back panel with new casework and monitors

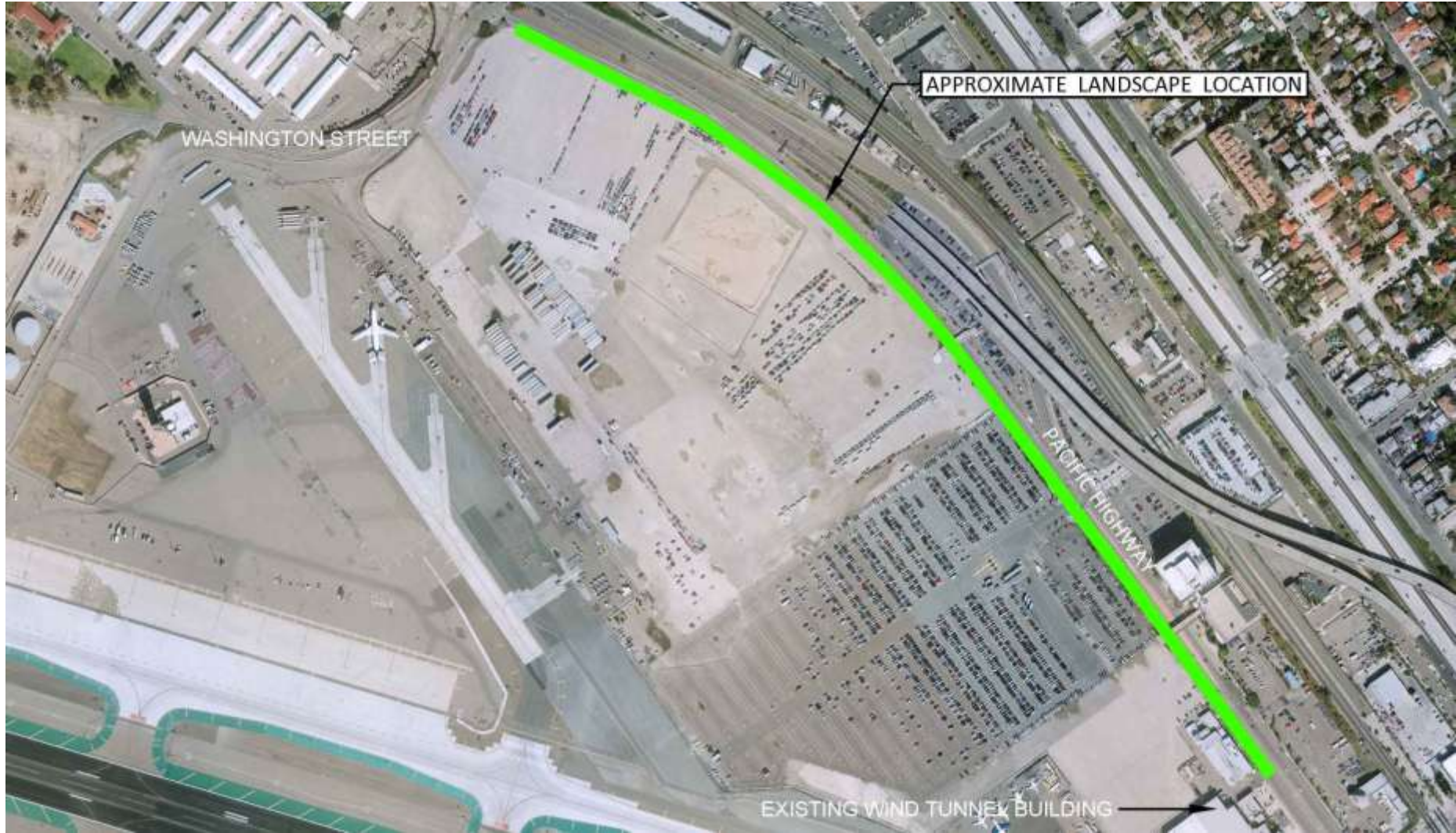
## Strategies:

- Customer
- Operations

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



# North Side Additional Landscaping



## **SCOPE:**

Provide improvements along Pacific Highway from Washington Street to the Wind Tunnel Fence:

- Expand to 5 ft., add trees and landscaping, place sidewalk
- Rehabilitate the street
- Easement coordination with the City of San Diego
- Draft maintenance agreement
- Dry and wet utility relocations to accommodate sidewalk improvements, etc.

## **Strategies:**

- Community

Estimated Cost	Duration
\$2,500,000	17 months



# Reconstruct Aprons at Cargo Terminal & Terminal 1



## SCOPE:

Reconstruct as recommended in the 2011 Pavement Maintenance/ Management Study to prevent failure, airport disruption, and increase safety:

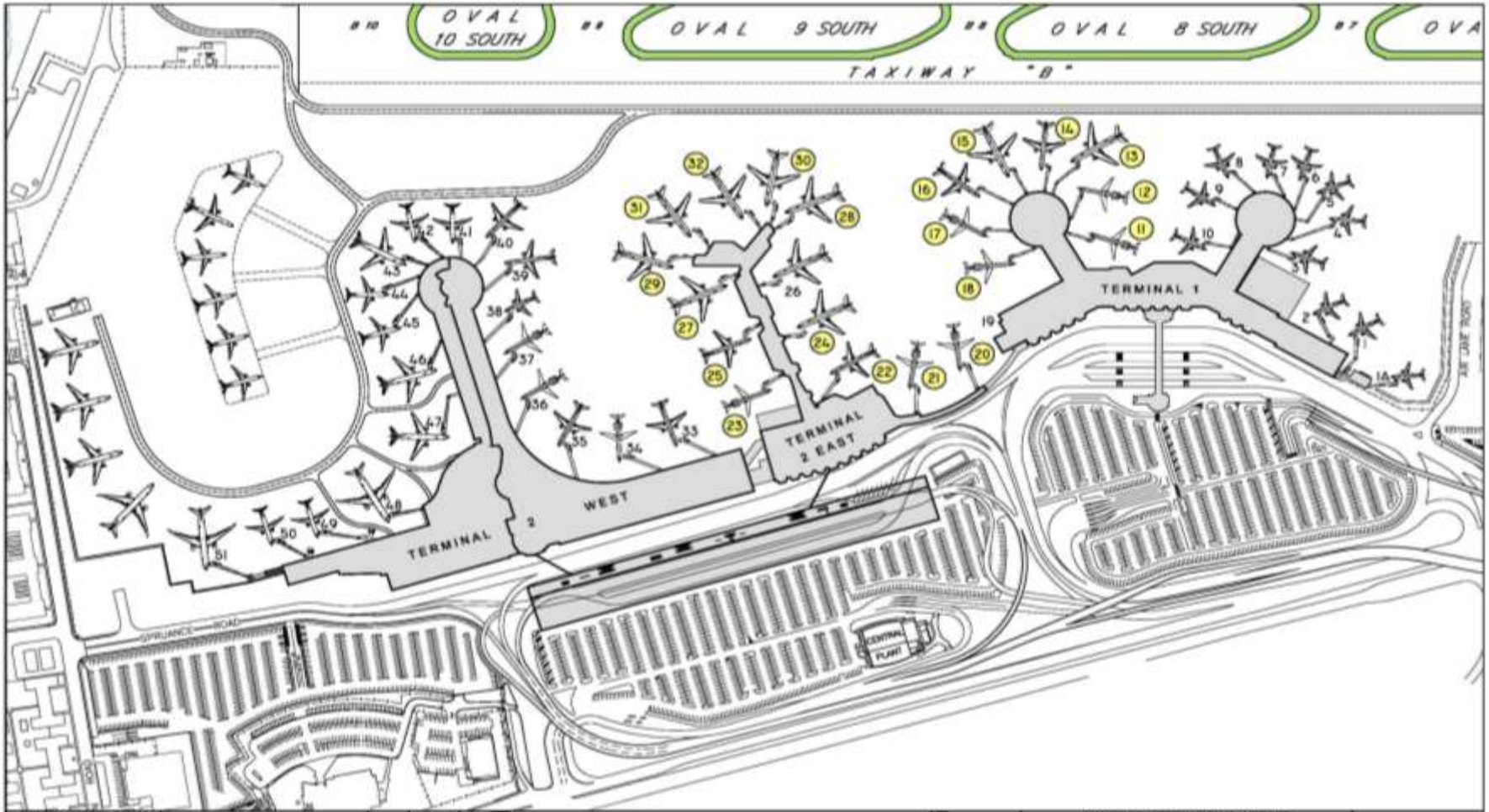
- Rehabilitate apron at south cargo terminal (approx. 17,746 sq. ft.)
- Rehabilitate apron at Terminal 1 (approx. 24,978 sq. ft.)

## Strategies:

- Customer
- Operations

Estimated Cost	Duration
\$1,169,015	22 months

# Pre-conditioned Air Installation in Terminal 1 West and Terminal 2 East



# Pre-conditioned Air Installation in Terminal 1 West and Terminal 2 East

## SCOPE:

- Install pre-conditioned air at 19 gate locations – 8 in Terminal 1 and 12 in Terminal 2 East
- Allow aircraft parked at the gates to connect to ground power sources and reduce aircraft engine use and air emissions
- Meets commitments to the AG....

## Strategies:

- Customer
- Operations

<b>Estimated Cost</b>	<b>Duration</b>
<b>\$4,800,000</b>	<b>19 months</b>



# Acquire Rental Car Center (RCC) Buses & Construct Bus Parking and Fueling Facility



# Acquire Rental Car Center (RCC) Buses & Construct Bus Parking and Fueling Facility

## SCOPE:

- Procure 25 alternative fuel Compressed Natural Gas (CNG) Buses
- Provide a fueling facility for the alternative fuel buses including:
  - High bay maintenance building with office space for 10 employees
  - Fueling stations for two buses
  - Dual bay wash rack
  - Parking for 25 CNG buses, 2 ZEV buses, and 16 employees

## Strategies:

- Financial
- Operations

Estimated Cost	Duration
\$30,600,000	26 months

# **Plan of Finance FY 2014 – FY 2018**

## Uses of Funds by Location

### Total Use of Funds by Location

Pre FY2014 - FY 2018

(in thousands)

<u>Location</u>	<u>Green Build / TDP</u>	<u>CIP</u>	<u>Total</u>
Terminal	\$ 499,951	\$ 108,250	\$ 608,201
Landside	251,063	429,554	680,617
Airside	68,986	129,865	198,851
Admin	-	11,960	11,960
Finance Costs	87,796	29,974	117,770
<b>Total</b>	<b>\$ 907,796</b>	<b>\$ 709,603</b>	<b>\$ 1,617,399</b>

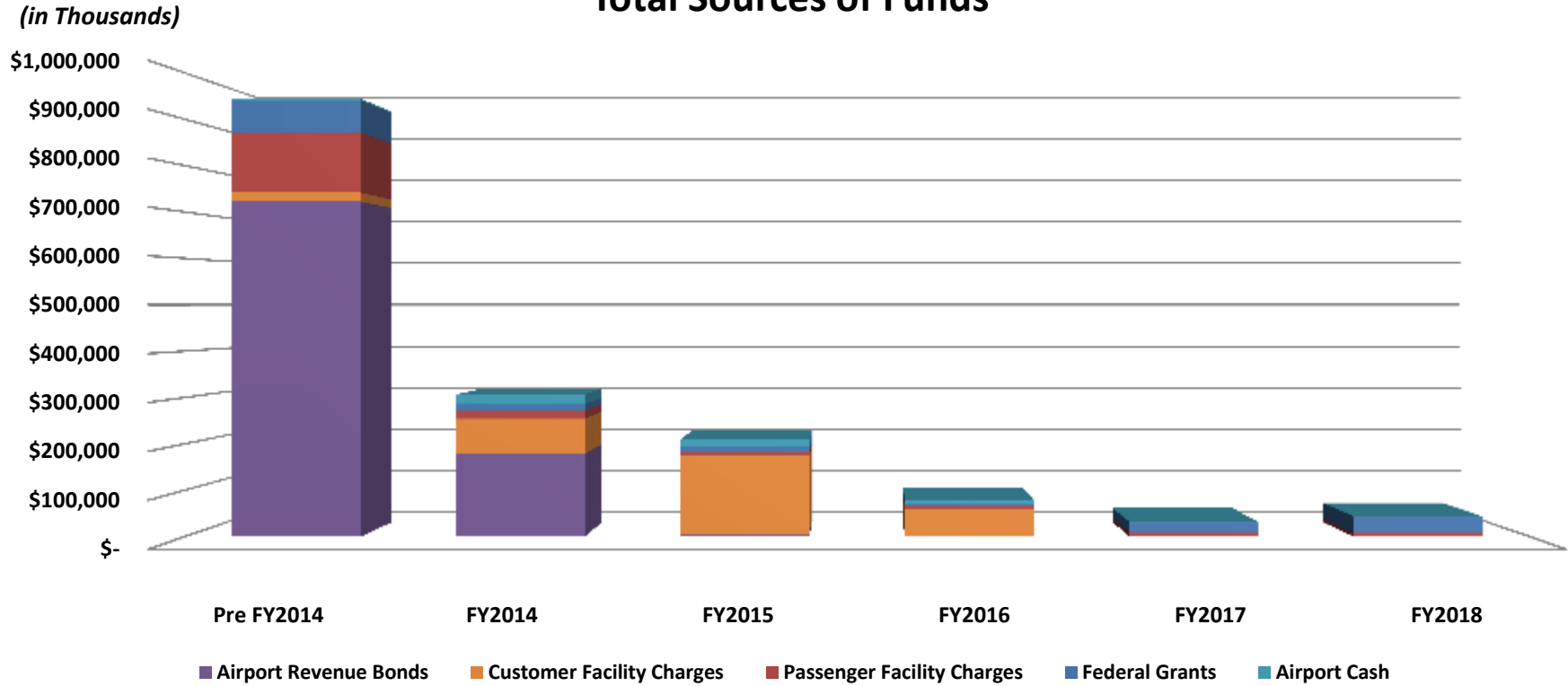


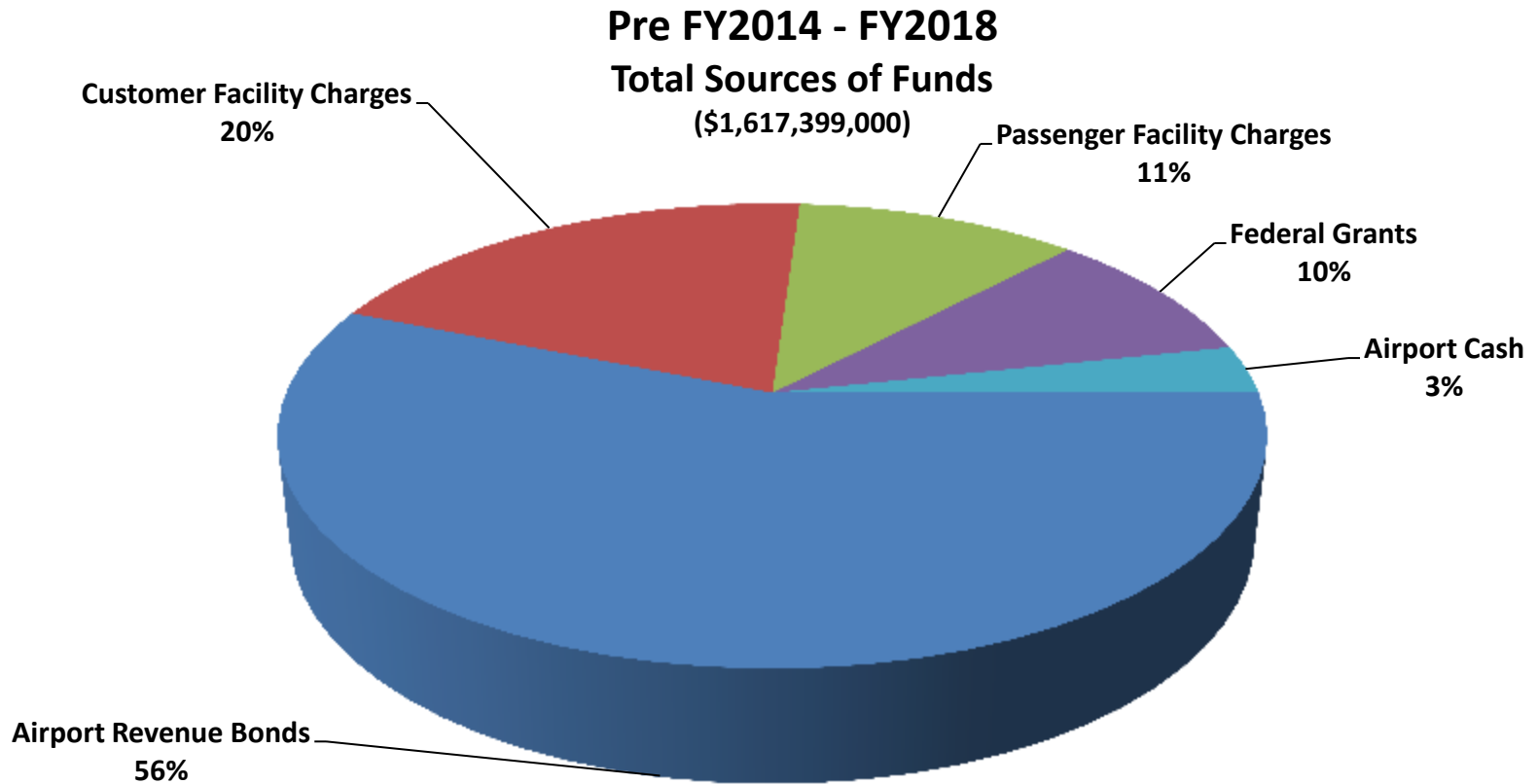
## Uses and Sources of Funds

<i>(in thousands)</i>	<u>Total Use of Funds</u>						
	Pre FY2014	FY2014	FY2015	FY2016	FY2017	FY2018	Total
Green Build / TDP	\$ 705,672	\$ 114,328	\$ -	\$ -	\$ -	\$ -	\$ 820,000
CIP	120,480	192,618	210,560	79,657	32,267	44,046	679,629
Finance Costs	117,770	-	-	-	-	-	117,770
<b>Total</b>	<b>\$ 943,923</b>	<b>\$ 306,945</b>	<b>\$ 210,560</b>	<b>\$ 79,657</b>	<b>\$ 32,267</b>	<b>\$ 44,046</b>	<b>\$ 1,617,399</b>

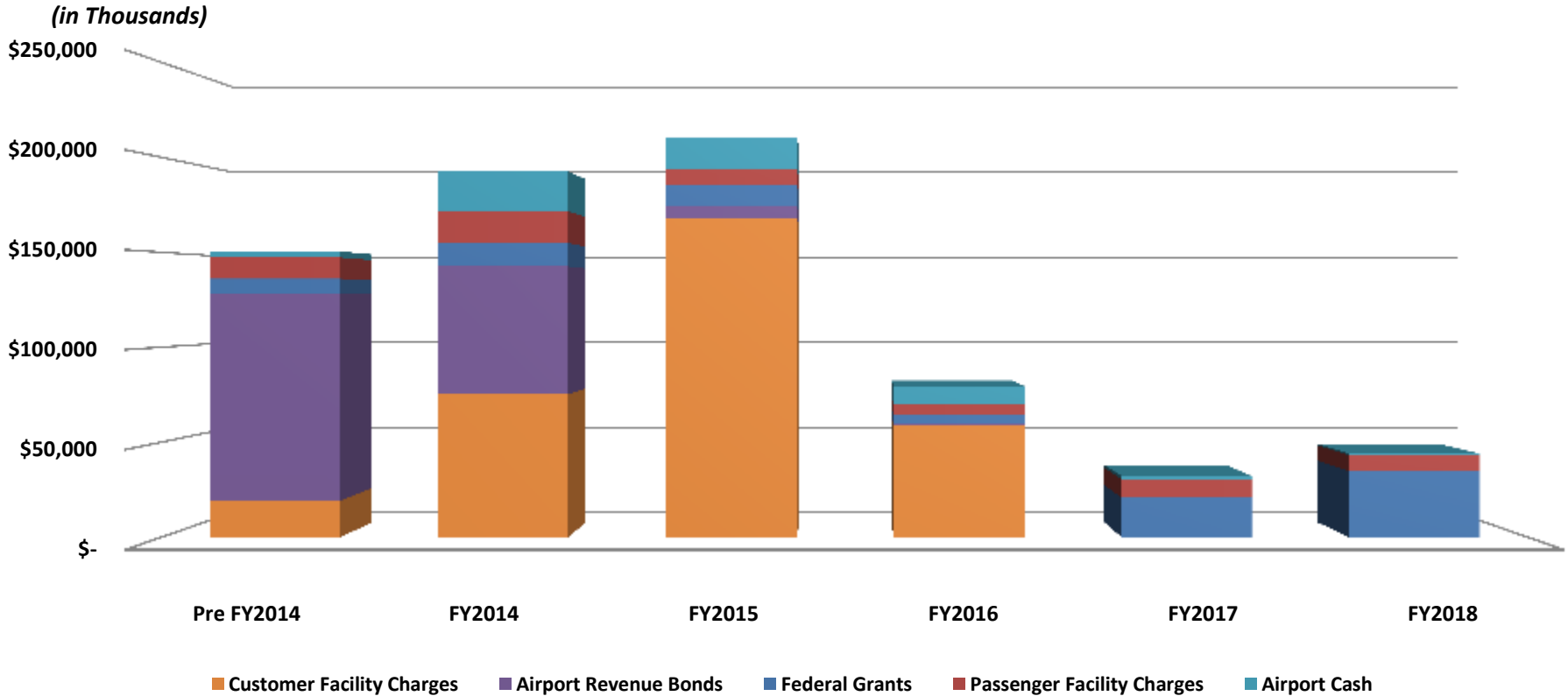
<i>(in thousands)</i>	<u>Total Sources of Funds</u>						
	Pre FY2014	FY2014	FY2015	FY2016	FY2017	FY2018	Total
Airport Revenue Bonds	722,334	179,226	6,779	502	-	-	908,840
Customer Facility Charges	19,242	75,234	167,752	59,247	-	-	321,474
Passenger Facility Charges	128,578	17,962	8,401	5,671	9,666	8,374	178,652
Federal Grants	\$ 69,355	\$ 13,108	\$ 10,615	\$ 4,992	\$ 20,876	\$ 34,770	\$ 153,717
Airport Cash	4,414	21,416	17,013	9,246	1,724	902	54,715
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 943,923</b>	<b>\$ 306,945</b>	<b>\$ 210,560</b>	<b>\$ 79,657</b>	<b>\$ 32,267</b>	<b>\$ 44,046</b>	<b>\$ 1,617,399</b>

## Total Sources of Funds

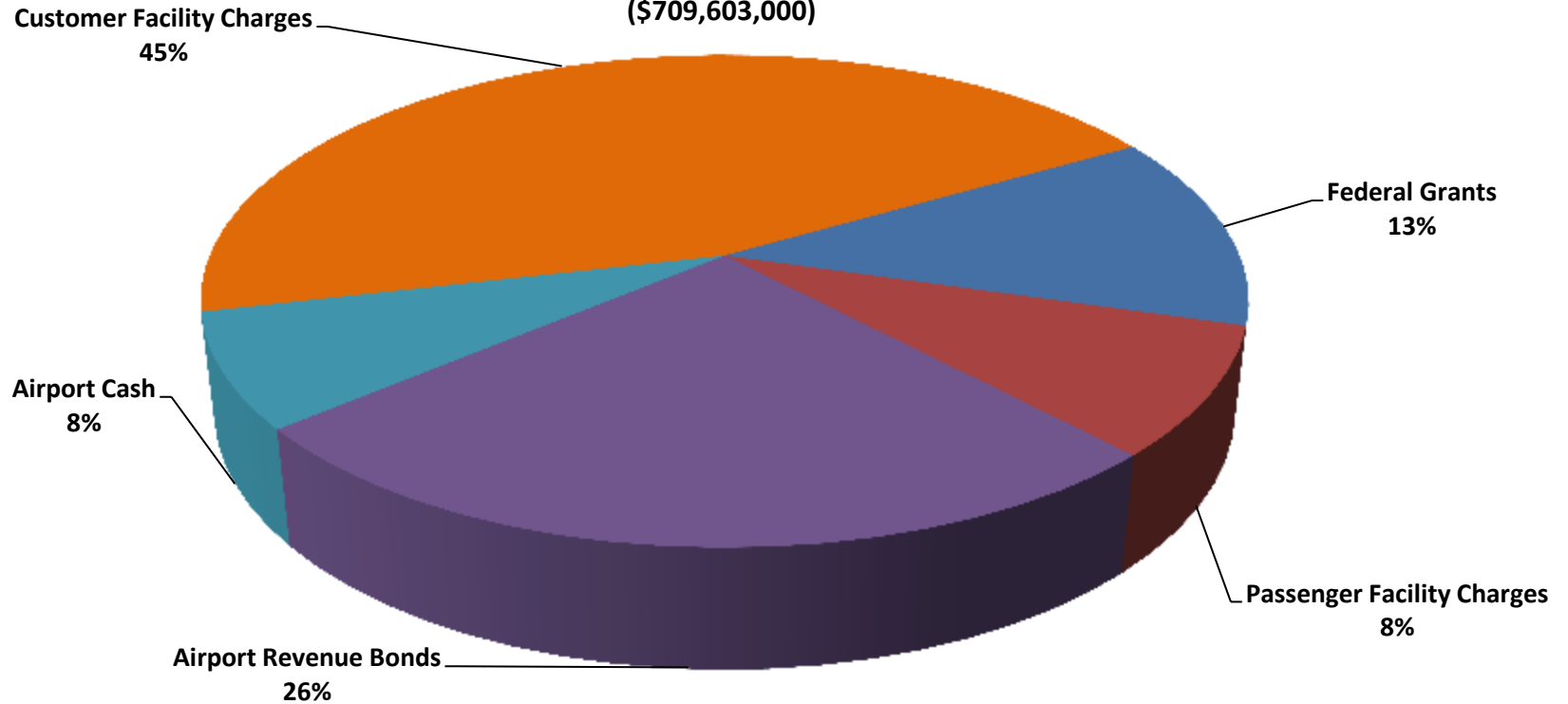




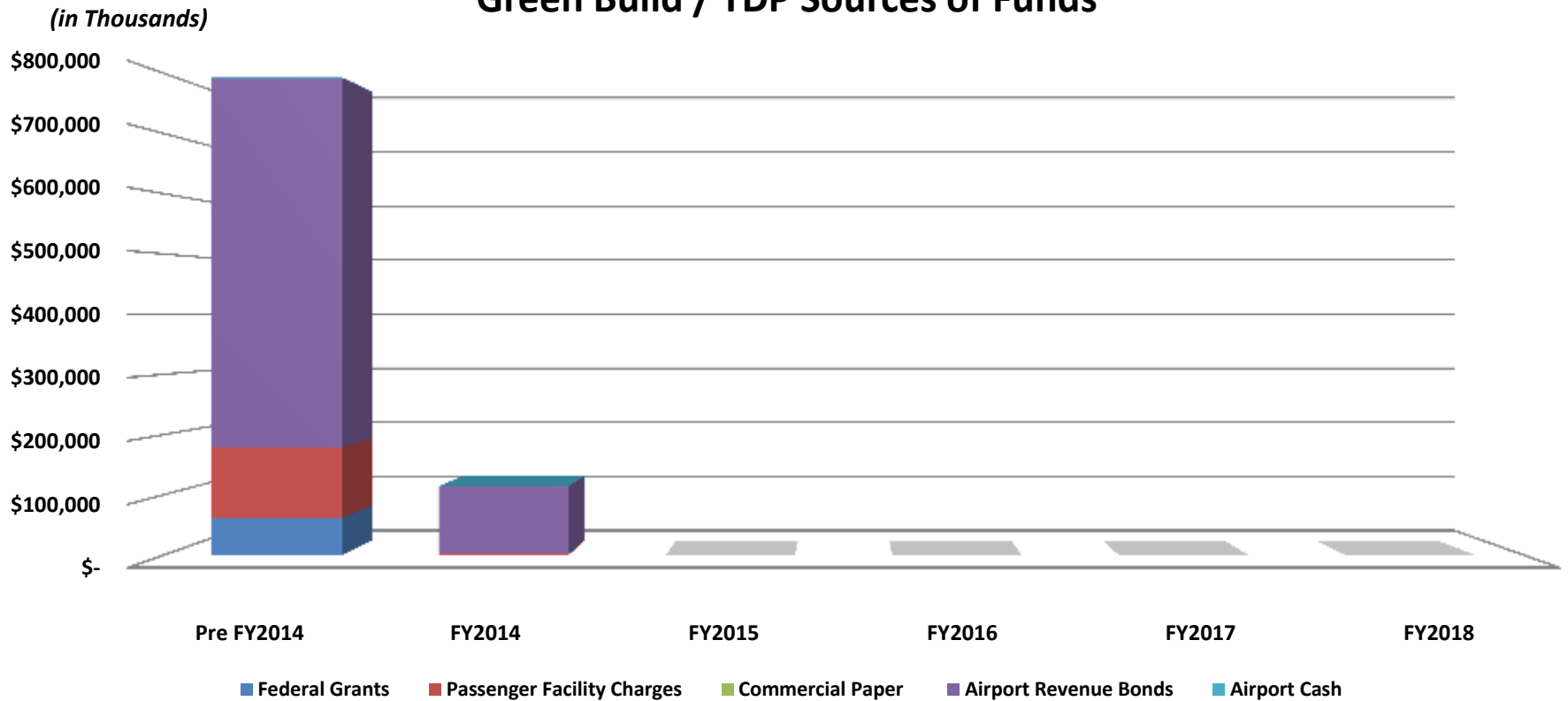
## CIP Sources of Funds



## Pre FY2014 - FY2018 CIP Sources of Funds (\$709,603,000)

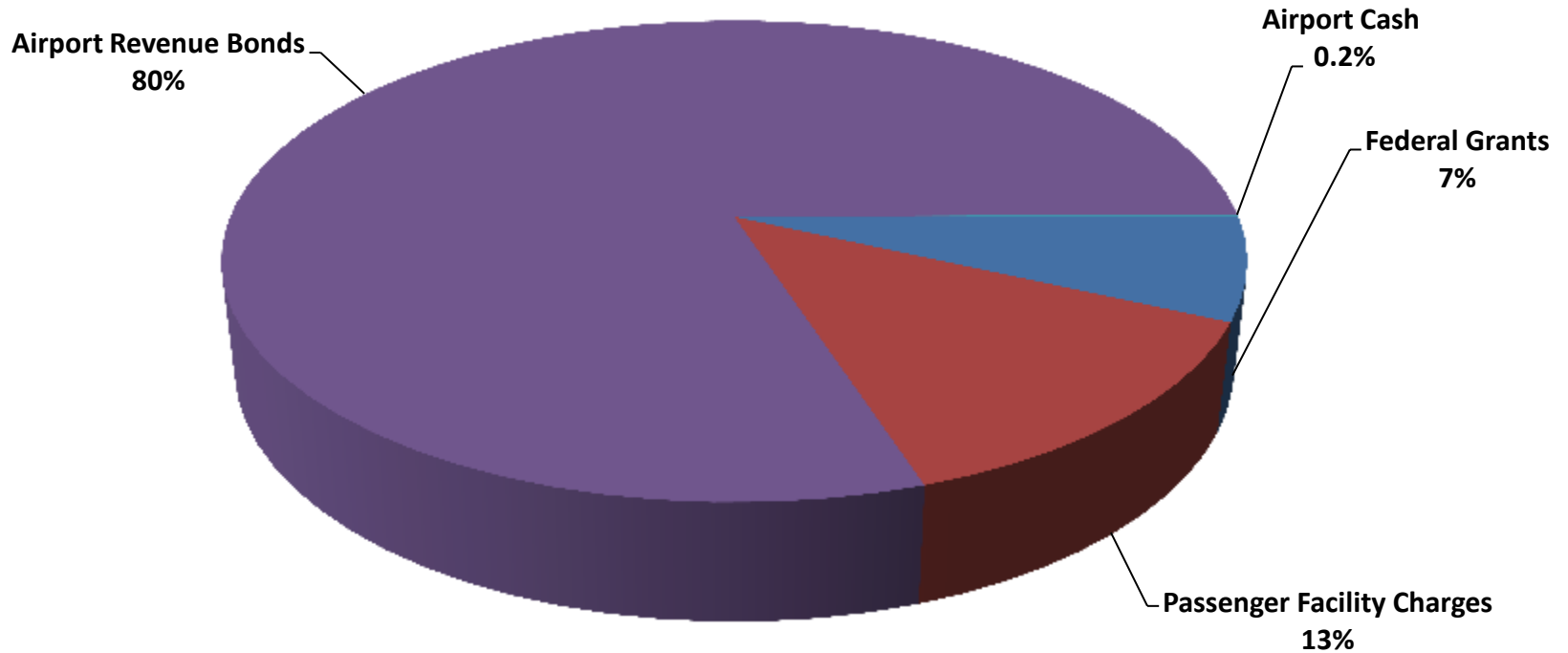


## Green Build / TDP Sources of Funds





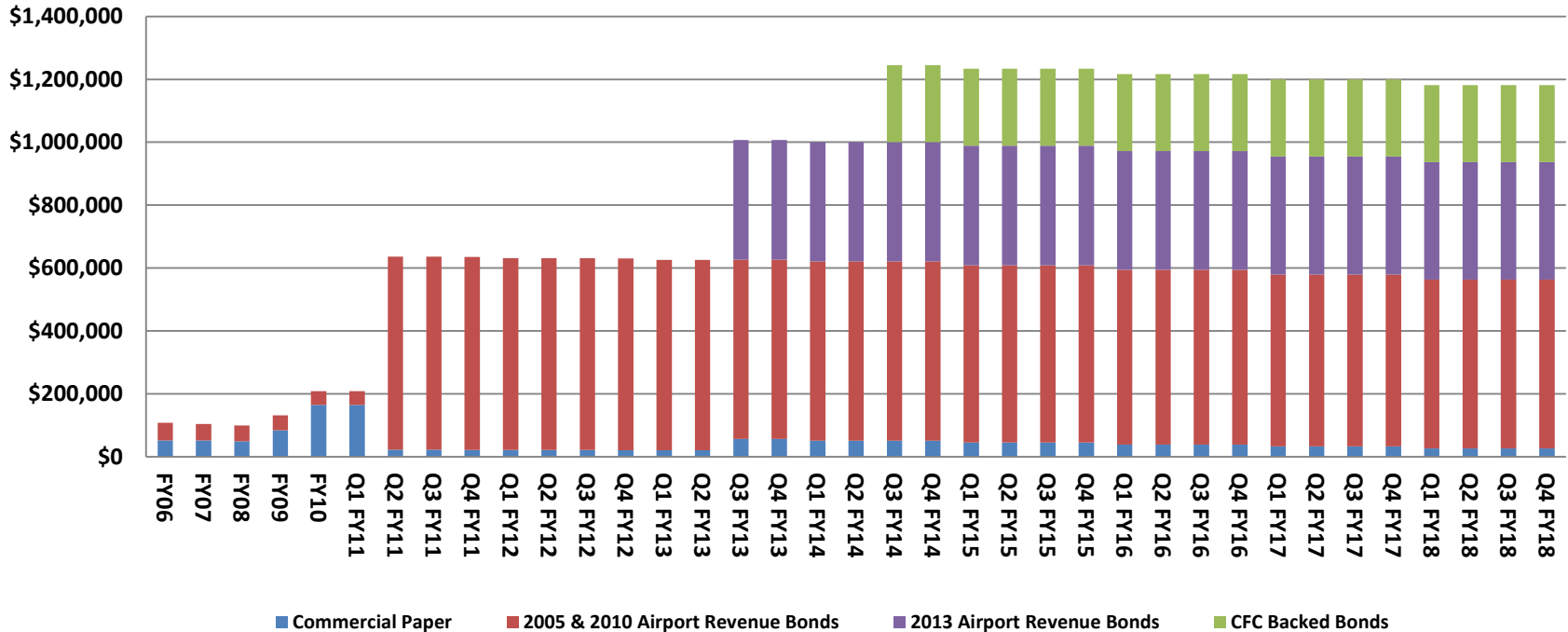
**Pre FY2014 - FY2018**  
**Green Build / TDP Sources of Funds**  
(\$907,796,000)



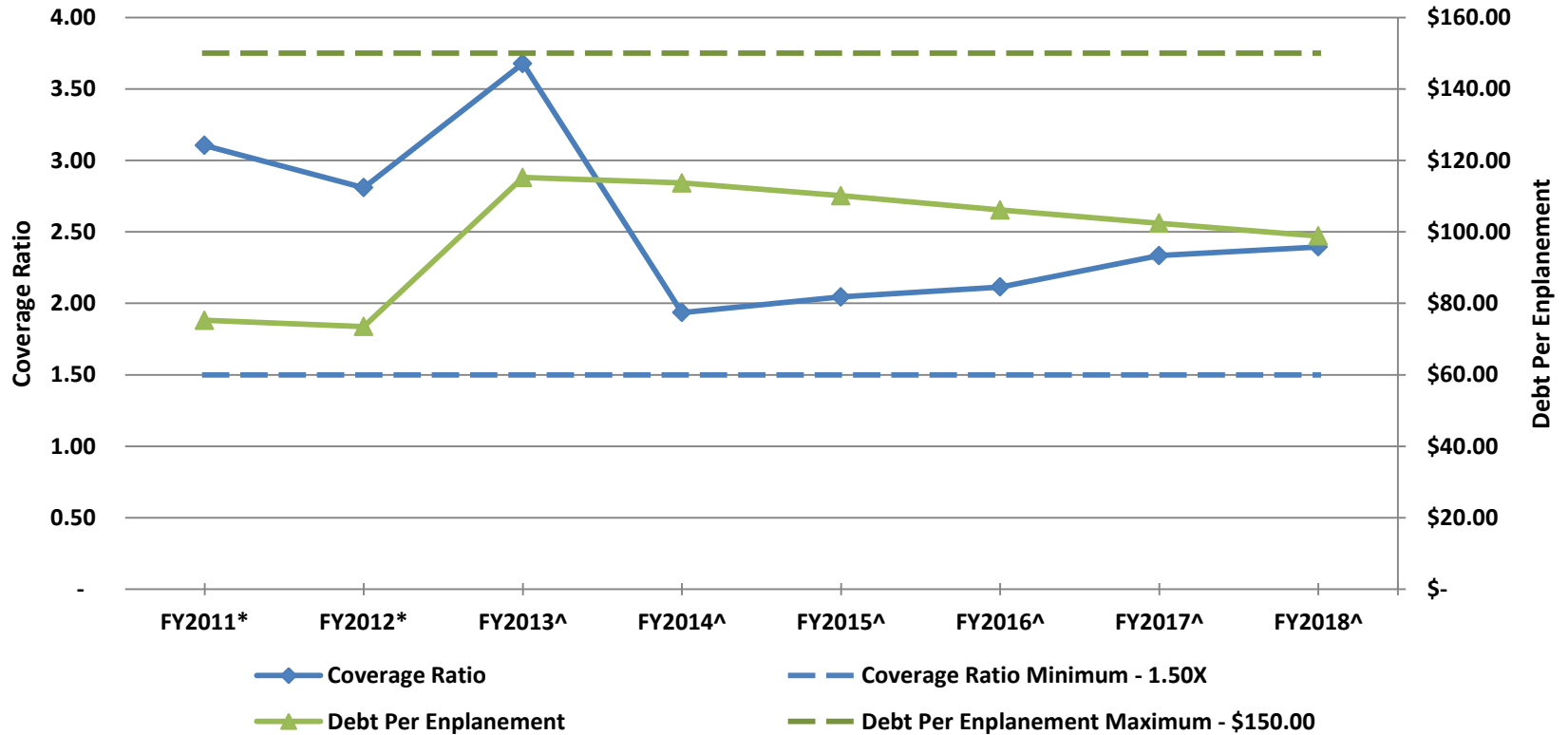
## Aggregate Debt

FY 2006 - FY2018

(in Thousands)



## Coverage Ratio & Debt Per Enplanement



\* Actuals

^ Forecast

## Debt per Enplanement and Coverage Ratio

Fiscal Year	Enplanements	Outstanding Debt	Debt per EPAX <sup>1</sup>	Debt Coverage <sup>2</sup>
<b>FY2011*</b>	8,441,120	635,298,000	75.26	3.11
<b>FY2012*</b>	8,575,475	630,538,000	73.53	2.81
<b>FY2013^</b>	8,736,000	1,006,595,572	115.22	3.72
<b>FY2014^</b>	8,800,000	1,000,423,572	113.68	1.92
<b>FY2015^</b>	8,976,000	988,573,572	110.14	2.05
<b>FY2016^</b>	9,156,000	971,729,572	106.13	2.11
<b>FY2017^</b>	9,320,000	954,540,572	102.42	2.33
<b>FY2018^</b>	9,479,000	936,827,572	98.83	2.39

<sup>1</sup>Goal per Debt Policy is no more than \$150 per enplaned passenger (excluding CFC back bonds)

<sup>2</sup>Target minimum per Debt Policy: 1.50x

\* Actuals

^ Forecast

# Conclusion

## SDCRAA FY 2014 Proposed Budget & FY 2015 Proposed Conceptual Budget

- Provides necessary resources to accomplish the Authority's Strategies & Sustainability Goals
- Continues to support expansion plans & infrastructure development
- Enhances the financial position of the Authority
- Demonstrates prudence during continued economic uncertainty
- Meets mandated airport safety and security requirements
- Honors the Authority's legislated mandates
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Addresses facility lifecycle maintenance costs
- Is supported by airport users...no local taxpayer dollars



# **Executive Division**

## Executive Division Overview

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

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

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

Compensation for all nine voting Board members is \$200 per day of service, with a maximum of eight days of service per month. The Board chair receives an additional \$500 stipend per month.

There are also three non-voting ex-officio Board members who serve without compensation.

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

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

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

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

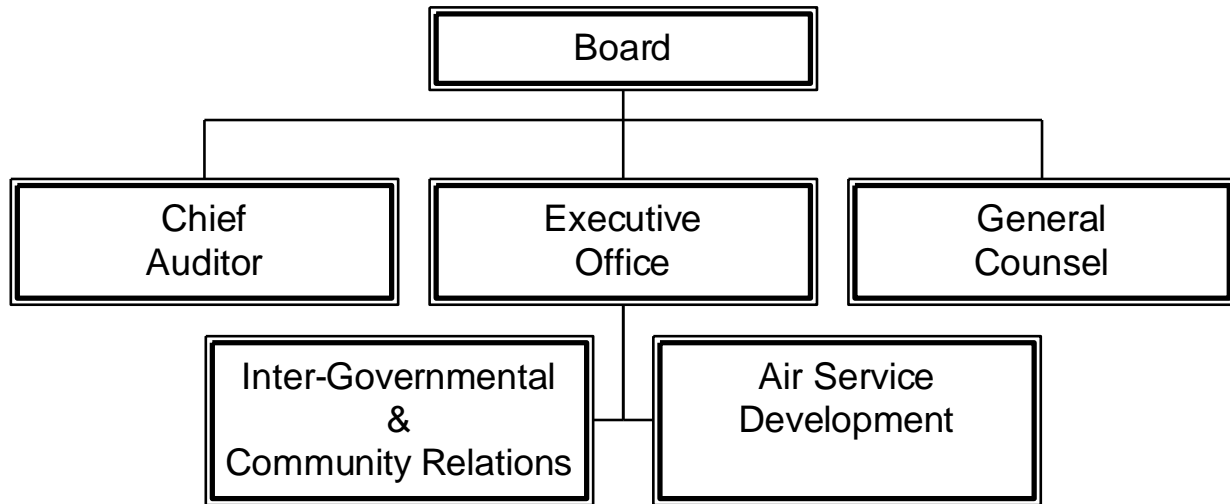
- Represents the Authority in all litigation and legal matters.
- Assists in the preparation and review of Authority leases, contracts and legal documents.
- Assists in the preparation and review of all ordinances and resolutions.
- Selects and manages all outside legal counsel.
- Advises with the objective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

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

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

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

Executive Division  
Organizational Structure



Division Personnel Summary

	FY 2012 Budget Authorized & Funded Positions	FY13 Authorized & Funded Positions	Proposed FY14 Budget Transfers	Proposed FY14 Budget New/ (Eliminated) Positions	Proposed FY14 Budget (Frozen)/ Unfrozen Positions	Proposed FY14 Budget Authorized & Funded Positions	Conceptual FY15 Budget New/ (Eliminated) Positions	Conceptual FY15 Budget (Frozen)/ Unfrozen Positions	Conceptual FY15 Budget Authorized & Funded Positions
<b>Executive Group</b>									
Authority Board	1	1	-	-	-	1	-	-	1
Air Service Development	2	2	-	-	-	2	-	-	2
Inter-governmental Relations	3	4	-	-	-	4	-	-	4
Executive Office	4	4	-	-	-	4	-	-	4
General Counsel	6	6	-	-	-	6	-	-	6
Chief Auditor	7	7	-	1	-	8	-	-	8
<b>Total</b>	<b>23</b>	<b>24</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>
Authorized and Unfunded Positions	-	-	-	-	-	-	-	-	-
<b>Total Authorized Positions</b>	<b>23</b>	<b>24</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>25</b>

# Executive Division

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 2,493,974	\$ 2,645,997	\$ 2,726,523	\$ 2,710,454	\$ 64,457	2.4%	\$ (16,070)	-0.6%	\$ 2,844,338	\$ 133,885	4.9%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	1,101,730	1,157,254	1,250,418	1,222,227	64,973	5.6%	(28,190)	-2.3%	1,311,728	89,501	7.3%
Subtotal	3,595,704	3,803,251	3,976,941	3,932,681	129,430	3.4%	(44,260)	-1.1%	4,156,067	223,386	5.7%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>3,595,704</b>	<b>3,803,251</b>	<b>3,976,941</b>	<b>3,932,681</b>	<b>129,430</b>	<b>3.4%</b>	<b>(44,260)</b>	<b>-1.1%</b>	<b>4,156,067</b>	<b>223,386</b>	<b>5.7%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,848,690	1,970,600	1,723,600	1,991,850	21,250	1.1%	268,250	15.6%	1,935,650	(56,200)	-2.8%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	237	1,000	1,000	900	(100)	-10.0%	(100)	-10.0%	950	50	5.6%
Maintenance	22	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1,528	2,850	2,600	2,700	(150)	-5.3%	100	3.8%	2,700	-	0.0%
Operating Supplies	12,064	15,275	15,275	15,575	300	2.0%	300	2.0%	15,929	354	2.3%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	138,343	165,263	162,828	176,550	11,287	6.8%	13,722	8.4%	179,000	2,450	1.4%
Business Development	680,796	1,246,797	701,502	1,295,055	48,258	3.9%	593,553	84.6%	1,038,535	(256,520)	-19.8%
Equipment Rentals & Repairs	15,785	5,850	5,850	6,450	600	10.3%	600	10.3%	6,675	225	3.5%
<b>Total Non-Personnel Expenses</b>	<b>2,697,464</b>	<b>3,407,634</b>	<b>2,612,655</b>	<b>3,489,080</b>	<b>81,446</b>	<b>2.4%</b>	<b>876,425</b>	<b>33.5%</b>	<b>3,179,439</b>	<b>(309,641)</b>	<b>-8.9%</b>
<b>Total Operating Expenses</b>	<b>6,293,169</b>	<b>7,210,886</b>	<b>6,589,596</b>	<b>7,421,761</b>	<b>210,875</b>	<b>2.9%</b>	<b>832,165</b>	<b>12.6%</b>	<b>7,335,506</b>	<b>(86,255)</b>	<b>-1.2%</b>
<b>Non-Operating Expenses:</b>											
Legal Settlements Expense	160,330	20,000	20,000	20,000	-	0.0%	-	0.0%	-	(20,000)	-100.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>160,330</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>(20,000)</b>	<b>-100.0%</b>
<b>Total Expenses</b>	<b>6,453,499</b>	<b>7,230,886</b>	<b>6,609,596</b>	<b>7,441,761</b>	<b>210,875</b>	<b>2.9%</b>	<b>832,165</b>	<b>12.6%</b>	<b>7,335,506</b>	<b>(106,255)</b>	<b>-1.4%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 6,453,499</b>	<b>\$ 7,230,886</b>	<b>\$ 6,609,596</b>	<b>\$ 7,441,761</b>	<b>\$ 210,875</b>	<b>2.9%</b>	<b>\$ 832,165</b>	<b>12.6%</b>	<b>\$ 7,335,506</b>	<b>\$ (106,255)</b>	<b>-1.4%</b>

## Executive Division

### Major Drivers of FY 2014 Proposed Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13 Budget	Inc/(Dec) FY14 vs FY14 Conceptual
<b>FY 2013 Budget / FY 2014 Conceptual Budget</b>	<b>\$ 7,230,886</b>	<b>\$ 6,609,596</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	45,707	(34,820)
Burden (benefits & employer taxes) increase for current staff	57,950	(35,213)
1 new position - Auditor, (salaries, benefits & employer taxes)	25,773	25,773
<b>Total Increase / Decrease in personnel costs</b>	<b>129,430</b>	<b>(44,260)</b>
Increase in business development travel costs	30,600	30,600
Increase in outside legal services costs	20,000	220,000
Increase in promotional activities for table sponsorships and community outreach costs	19,955	19,955
Increase in audit service costs for quality assessment review	17,000	10,000
Increase in domestic and international air service development marketing costs due to timing of expenses	-	565,000
Decrease / Increase in outside professional consultant costs	(12,500)	37,500
Other, net	6,391	(6,629)
<b>Total Increase in non-personnel costs</b>	<b>81,446</b>	<b>876,425</b>
<b>Total Increase</b>	<b>210,875</b>	<b>832,165</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 7,441,761</b>	<b>\$ 7,441,761</b>

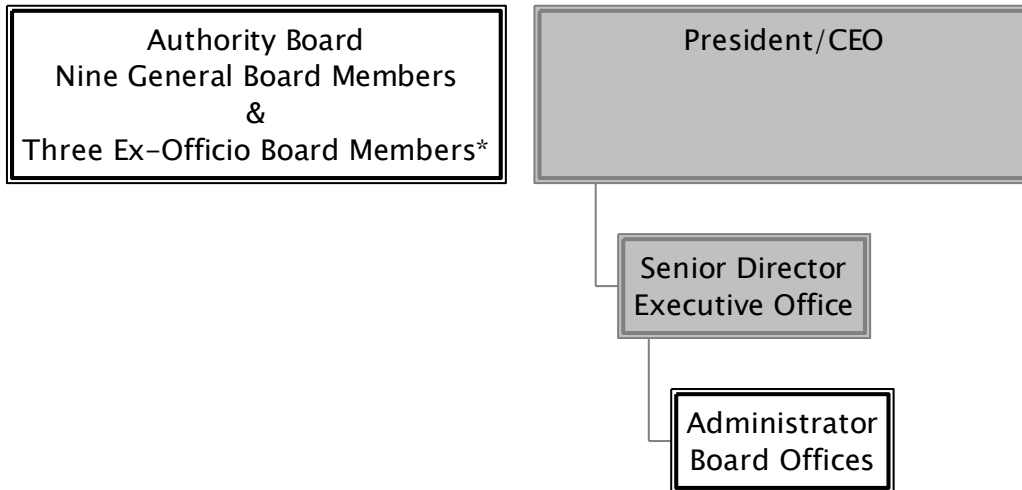


## Executive Division

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

	<b>Inc/(Dec) FY15 Conceptual vs FY14</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 7,441,761</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	133,885
Burden (benefits & employer taxes) increase for current staff	89,501
<b>Total Increase in personnel costs</b>	<b>223,386</b>
Increase in business development travel costs	10,000
Increase in promotional activities for table sponsorships and community outreach costs	500
Decrease in audit service costs for quality assessment review	(17,000)
Decrease in outside professional consultant costs	(39,500)
Decrease in domestic and international air service development marketing costs	(275,000)
Other, net	(8,640)
<b>Total Decrease in non-personnel costs</b>	<b>(329,641)</b>
<b>Total Decrease</b>	<b>(106,255)</b>
<b>FY 2015 Proposed Conceptual Budget</b>	<b>\$ 7,335,506</b>

Authority Board  
FY 2014 – FY 2015 Organizational Structure



Positions shown in grey reside in Executive Office Department and are shown for reporting structure

\* *Unpaid positions*

# Authority Board

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 80,673	\$ 83,001	\$ 85,491	\$ 84,868	\$ 1,868	2.3%	\$ (623)	-0.7%	\$ 87,414	\$ 2,546	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	39,457	43,898	46,921	47,120	3,222	7.3%	199	0.4%	50,255	3,135	6.7%
Subtotal	120,130	126,899	132,412	131,988	5,089	4.0%	(424)	-0.3%	137,670	5,681	4.3%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>120,130</b>	<b>126,899</b>	<b>132,412</b>	<b>131,988</b>	<b>5,089</b>	<b>4.0%</b>	<b>(424)</b>	<b>-0.3%</b>	<b>137,670</b>	<b>5,681</b>	<b>4.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	116,442	129,000	129,000	125,500	(3,500)	-2.7%	(3,500)	-2.7%	125,800	300	0.2%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	500	250	500	-	0.0%	250	100.0%	500	-	0.0%
Operating Supplies	954	3,075	3,075	2,675	(400)	-13.0%	(400)	-13.0%	2,675	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	11,094	13,300	13,300	17,300	4,000	30.1%	4,000	30.1%	17,300	-	0.0%
Business Development	19,577	23,800	23,450	43,900	20,100	84.5%	20,450	87.2%	43,950	50	0.1%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>148,067</b>	<b>169,675</b>	<b>169,075</b>	<b>189,875</b>	<b>20,200</b>	<b>11.9%</b>	<b>20,800</b>	<b>12.3%</b>	<b>190,225</b>	<b>350</b>	<b>0.2%</b>
<b>Total Operating Expenses</b>	<b>268,197</b>	<b>296,574</b>	<b>301,487</b>	<b>321,863</b>	<b>25,289</b>	<b>8.5%</b>	<b>20,376</b>	<b>6.8%</b>	<b>327,895</b>	<b>6,031</b>	<b>1.9%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>268,197</b>	<b>296,574</b>	<b>301,487</b>	<b>321,863</b>	<b>25,289</b>	<b>8.5%</b>	<b>20,376</b>	<b>6.8%</b>	<b>327,895</b>	<b>6,031</b>	<b>1.9%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 268,197</b>	<b>\$ 296,574</b>	<b>\$ 301,487</b>	<b>\$ 321,863</b>	<b>\$ 25,289</b>	<b>8.5%</b>	<b>\$ 20,376</b>	<b>6.8%</b>	<b>\$ 327,895</b>	<b>\$ 6,031</b>	<b>1.9%</b>

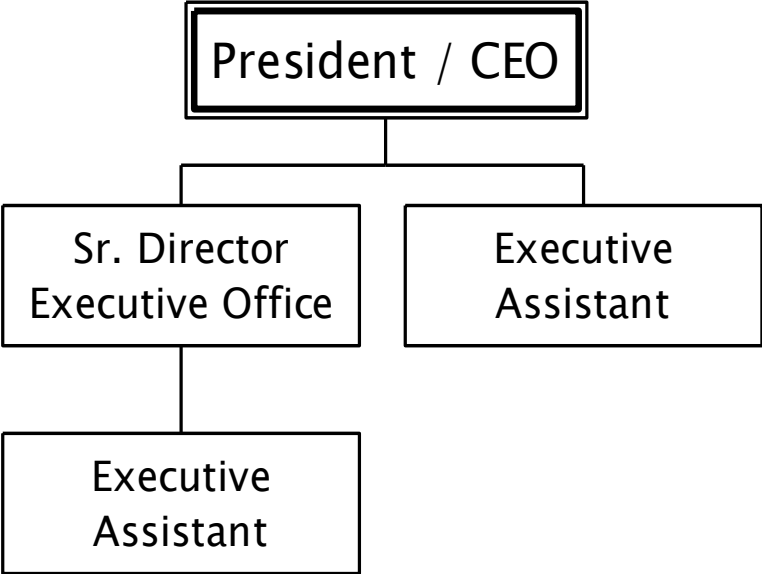
## Authority Board

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

	Inc/(Dec) FY14 vs FY13 Budget	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 296,574</b>	<b>\$ 301,487</b>	<b>\$ 321,863</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase for current staff	3,222	199	3,135
Salary adjustments and pay-for-performance	1,868	(623)	2,546
<b>Total Increase / Decrease in personnel costs</b>	<b>5,089</b>	<b>(424)</b>	<b>5,681</b>
Increase in business development travel costs	20,600	20,600	-
Other, net	(400)	200	350
<b>Total Increase in non-personnel costs</b>	<b>20,200</b>	<b>20,800</b>	<b>350</b>
<b>Total Increase</b>	<b>25,289</b>	<b>20,376</b>	<b>6,031</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 321,863</b>	<b>\$ 321,863</b>	<b>\$ 327,895</b>

Executive Office

FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

Executive Office

FY 2014 Proposed – FY 2015 Proposed Conceptual Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 494,908	\$ 519,382	\$ 535,494	\$ 543,800	\$ 24,417	4.7%	\$ 8,305	1.6%	\$ 560,453	\$ 16,654	3.1%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	240,526	219,938	228,103	226,335	6,397	2.9%	(1,768)	-0.8%	239,035	12,700	5.6%
Subtotal	735,434	739,320	763,597	770,135	30,814	4.2%	6,538	0.9%	799,489	29,354	3.8%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>735,434</b>	<b>739,320</b>	<b>763,597</b>	<b>770,135</b>	<b>30,814</b>	<b>4.2%</b>	<b>6,538</b>	<b>0.9%</b>	<b>799,489</b>	<b>29,354</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	143,812	-	-	24,000	24,000	0.0%	24,000	0.0%	24,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	78	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	509	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Operating Supplies	6,070	3,000	3,000	3,000	-	0.0%	-	0.0%	3,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	22,159	24,200	24,200	24,200	-	0.0%	-	0.0%	24,200	-	0.0%
Business Development	221,175	222,372	224,372	184,700	(37,672)	-16.9%	(39,672)	-17.7%	187,700	3,000	1.6%
Equipment Rentals & Repairs	-	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>393,801</b>	<b>250,822</b>	<b>252,822</b>	<b>237,150</b>	<b>(13,672)</b>	<b>-5.5%</b>	<b>(15,672)</b>	<b>-6.2%</b>	<b>240,150</b>	<b>3,000</b>	<b>1.3%</b>
<b>Total Operating Expenses</b>	<b>1,129,236</b>	<b>990,142</b>	<b>1,016,419</b>	<b>1,007,285</b>	<b>17,142</b>	<b>1.7%</b>	<b>(9,134)</b>	<b>-0.9%</b>	<b>1,039,639</b>	<b>32,354</b>	<b>3.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,129,236</b>	<b>990,142</b>	<b>1,016,419</b>	<b>1,007,285</b>	<b>17,142</b>	<b>1.7%</b>	<b>(9,134)</b>	<b>-0.9%</b>	<b>1,039,639</b>	<b>32,354</b>	<b>3.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,129,236</b>	<b>\$ 990,142</b>	<b>\$ 1,016,419</b>	<b>\$ 1,007,285</b>	<b>\$ 17,142</b>	<b>1.7%</b>	<b>\$ (9,134)</b>	<b>-0.9%</b>	<b>\$ 1,039,639</b>	<b>\$ 32,354</b>	<b>3.2%</b>



Executive Office

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

	Inc/(Dec) FY14 vs FY13 Budget	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 990,142</b>	<b>\$ 1,016,419</b>	<b>\$ 1,007,285</b>
<b>Personnel costs</b>			
Salary adjustments and pay-for-performance	24,417	8,305	16,654
Burden (benefits & employer taxes) increase / decrease for current staff	6,397	(1,768)	12,700
<b>Total Increase in personnel costs</b>	<b>30,814</b>	<b>6,538</b>	<b>29,354</b>
Increase in other outside professional service costs	24,000	24,000	-
Decrease / Increase in memberships & dues for professional organization costs	(38,672)	(40,672)	2,000
Other, net	1,000	1,000	1,000
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(13,672)</b>	<b>(15,672)</b>	<b>3,000</b>
<b>Total Increase / Decrease</b>	<b>17,142</b>	<b>(9,134)</b>	<b>32,354</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,007,285</b>	<b>\$ 1,007,285</b>	<b>\$ 1,039,639</b>

FY 2014 – FY 2015 Objectives

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

**Sustainability Goal:** Economic Viability

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

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

**Sustainability Goal:** Economic Viability

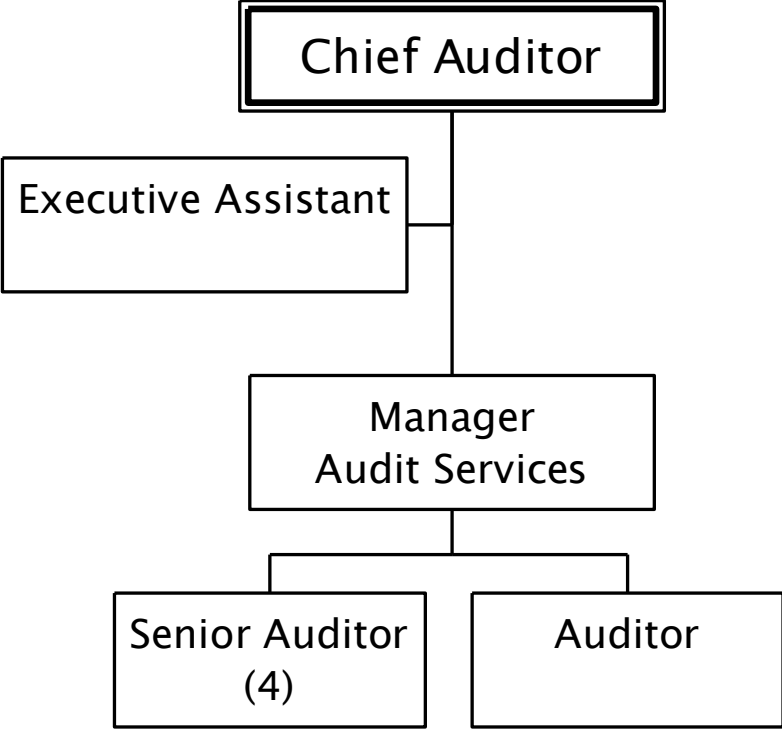
**Authority Strategy:** Strategy # 1: Enhance the financial position of the Authority.

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

**Sustainability Goal:** Economic Viability

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

Chief Auditor  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

Chief Auditor

FY 2014 Proposed – FY 2015 Proposed Conceptual Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 644,538	\$ 664,182	\$ 684,420	\$ 698,675	\$ 34,493	5.2%	\$ 14,255	2.1%	\$ 777,789	\$ 79,114	11.3%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	290,762	296,896	349,382	317,962	21,066	7.1%	(31,420)	-9.0%	355,678	37,716	11.9%
Subtotal	935,300	961,078	1,033,802	1,016,637	55,559	5.8%	(17,165)	-1.7%	1,133,466	116,829	11.5%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>935,300</b>	<b>961,078</b>	<b>1,033,802</b>	<b>1,016,637</b>	<b>55,559</b>	<b>5.8%</b>	<b>(17,165)</b>	<b>-1.7%</b>	<b>1,133,466</b>	<b>116,829</b>	<b>11.5%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	769	100	7,100	17,350	17,250	17250.0%	10,250	144.4%	350	(17,000)	-98.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	92	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	225	750	750	500	(250)	-33.3%	(250)	-33.3%	500	-	0.0%
Operating Supplies	902	2,900	2,900	2,500	(400)	-13.8%	(400)	-13.8%	2,600	100	4.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	13,793	21,350	21,650	26,400	5,050	23.7%	4,750	21.9%	27,850	1,450	5.5%
Business Development	4,010	3,275	3,275	3,525	250	7.6%	250	7.6%	3,750	225	6.4%
Equipment Rentals & Repairs	15,245	4,000	4,000	4,500	500	12.5%	500	12.5%	4,725	225	5.0%
<b>Total Non-Personnel Expenses</b>	<b>35,037</b>	<b>32,625</b>	<b>39,925</b>	<b>55,025</b>	<b>22,400</b>	<b>68.7%</b>	<b>15,100</b>	<b>37.8%</b>	<b>40,025</b>	<b>(15,000)</b>	<b>-27.3%</b>
<b>Total Operating Expenses</b>	<b>970,337</b>	<b>993,703</b>	<b>1,073,727</b>	<b>1,071,662</b>	<b>77,959</b>	<b>7.8%</b>	<b>(2,065)</b>	<b>-0.2%</b>	<b>1,173,491</b>	<b>101,829</b>	<b>9.5%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>970,337</b>	<b>993,703</b>	<b>1,073,727</b>	<b>1,071,662</b>	<b>77,959</b>	<b>7.8%</b>	<b>(2,065)</b>	<b>-0.2%</b>	<b>1,173,491</b>	<b>101,829</b>	<b>9.5%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 970,337</b>	<b>\$ 993,703</b>	<b>\$ 1,073,727</b>	<b>\$ 1,071,662</b>	<b>\$ 77,959</b>	<b>7.8%</b>	<b>\$ (2,065)</b>	<b>-0.2%</b>	<b>\$ 1,173,491</b>	<b>\$ 101,829</b>	<b>9.5%</b>

## Chief Auditor

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

	Inc/(Dec) FY14 vs FY13 Budget	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 993,703</b>	<b>\$ 1,073,727</b>	<b>\$ 1,071,662</b>
<b>Personnel costs</b>			
1 new position - Auditor, (salaries, benefits & employer taxes)	25,773	25,773	-
Salary adjustments and pay-for-performance	15,743	(4,495)	79,114
Burden (benefits & employer taxes) increase / decrease for current staff	14,043	(38,443)	37,716
<b>Total Increase / Decrease in personnel costs</b>	<b>55,559</b>	<b>(17,165)</b>	<b>116,829</b>
Increase / Decrease in audit service costs for quality assessment review	17,000	10,000	(17,000)
Other, net	5,400	5,100	2,000
<b>Total Increase / Decrease in non-personnel costs</b>	<b>22,400</b>	<b>15,100</b>	<b>(15,000)</b>
<b>Total Increase / Decrease</b>	<b>77,959</b>	<b>(2,065)</b>	<b>101,829</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,071,662</b>	<b>\$ 1,071,662</b>	<b>\$ 1,173,491</b>

## FY 2013 Progress Report

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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



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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

Chief Auditor  
Departmental Objectives

FY 2014 – FY 2015 Objectives

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

**Sustainability Goal:** Operational Excellence.

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

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

**Sustainability Goal:** Operational Excellence

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

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

**Sustainability Goal:** Operational Excellence.

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

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

**Sustainability Goal:** Operational Excellence

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

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

**Sustainability Goal:** Operational Excellence

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

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

**Sustainability Goal:** Operational Excellence

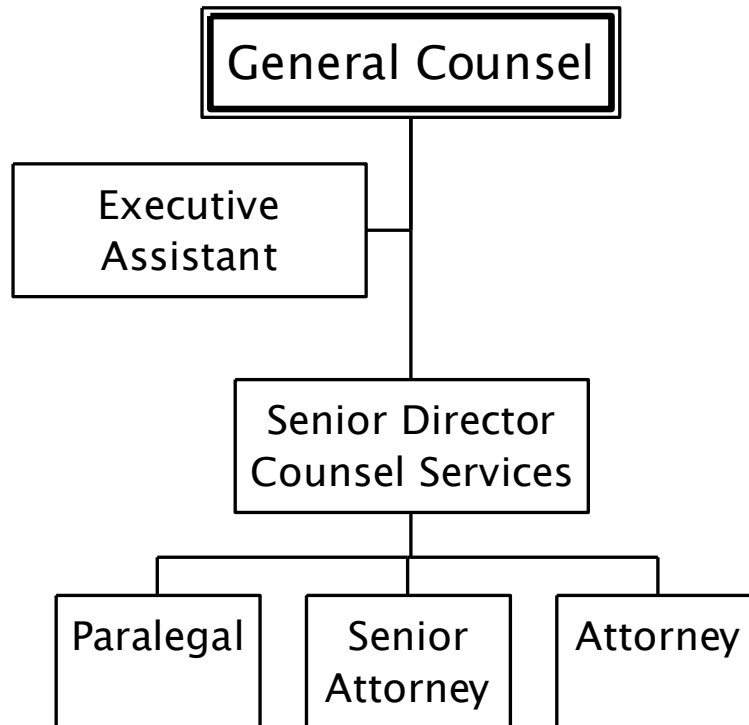
**Authority Strategy:** Strategy # 1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner

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

**Sustainability Goal:** Operational Excellence

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

General Counsel  
FY 2014 – FY 2015 Organizational Structure



No personnel changes planned for FY 2015

# General Counsel

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 834,301	\$ 852,930	\$ 878,821	\$ 841,575	\$ (11,355)	-1.3%	\$ (37,246)	-4.2%	\$ 865,844	\$ 24,269	2.9%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	330,432	349,592	363,747	362,930	13,338	3.8%	(817)	-0.2%	384,019	21,089	5.8%
Subtotal	1,164,733	1,202,522	1,242,568	1,204,505	1,983	0.2%	(38,063)	-3.1%	1,249,863	45,358	3.8%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,164,733</b>	<b>1,202,522</b>	<b>1,242,568</b>	<b>1,204,505</b>	<b>1,983</b>	<b>0.2%</b>	<b>(38,063)</b>	<b>-3.1%</b>	<b>1,249,863</b>	<b>45,358</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,086,593	1,251,000	1,051,000	1,231,000	(20,000)	-1.6%	180,000	17.1%	1,231,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	67	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	206	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	2,767	3,000	3,000	4,000	1,000	33.3%	1,000	33.3%	4,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	53,217	53,100	53,100	57,200	4,100	7.7%	4,100	7.7%	57,200	-	0.0%
Business Development	4,699	7,400	7,400	7,400	-	0.0%	-	0.0%	7,400	-	0.0%
Equipment Rentals & Repairs	540	1,100	1,100	1,100	-	0.0%	-	0.0%	1,100	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,148,089</b>	<b>1,316,850</b>	<b>1,116,850</b>	<b>1,301,950</b>	<b>(14,900)</b>	<b>-1.1%</b>	<b>185,100</b>	<b>16.6%</b>	<b>1,301,950</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>2,312,823</b>	<b>2,519,372</b>	<b>2,359,418</b>	<b>2,506,455</b>	<b>(12,917)</b>	<b>-0.5%</b>	<b>147,037</b>	<b>6.2%</b>	<b>2,551,813</b>	<b>45,358</b>	<b>1.8%</b>
<b>Non-Operating Expenses:</b>											
Legal Settlements Expense	160,330	20,000	20,000	20,000	-	0.0%	-	0.0%	-	(20,000)	-100.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>160,330</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>(20,000)</b>	<b>-100.0%</b>
<b>Total Expenses</b>	<b>2,473,153</b>	<b>2,539,372</b>	<b>2,379,418</b>	<b>2,526,455</b>	<b>(12,917)</b>	<b>-0.5%</b>	<b>147,037</b>	<b>6.2%</b>	<b>2,551,813</b>	<b>25,358</b>	<b>1.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,473,153</b>	<b>\$ 2,539,372</b>	<b>\$ 2,379,418</b>	<b>\$ 2,526,455</b>	<b>\$ (12,917)</b>	<b>-0.5%</b>	<b>\$ 147,037</b>	<b>6.2%</b>	<b>\$ 2,551,813</b>	<b>\$ 25,358</b>	<b>1.0%</b>

## General Counsel

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

	Inc/(Dec) FY14 vs FY13 Budget	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 2,539,372</b>	<b>\$ 2,379,418</b>	<b>\$ 2,526,455</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase / decrease for current staff	13,338	(817)	21,089
Salary adjustments and pay-for-performance	(11,355)	(37,246)	24,269
<b>Total Increase / Decrease in personnel costs</b>	<b>1,983</b>	<b>(38,063)</b>	<b>45,358</b>
Increase in outside legal services costs	20,000	220,000	-
Decrease in other outside professional consultant costs	(40,000)	(40,000)	-
Other, net	5,099	5,100	(20,000)
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(14,900)</b>	<b>185,100</b>	<b>(20,000)</b>
<b>Total Decrease / Increase</b>	<b>(12,917)</b>	<b>147,037</b>	<b>25,358</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,526,455</b>	<b>\$ 2,526,455</b>	<b>\$ 2,551,813</b>

FY 2013 Progress Report

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

**Progress:** on target

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** on target

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** on target

**Sustainability Goal:** Operational Excellence.

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



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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** on target

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** on target

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** on target

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** on target

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** completed

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** on target

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** on target

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** on target

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** on target

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

FY 2014 – FY 2015 Objectives

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

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

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

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

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

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

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

**Sustainability Goal:** Operational Excellence.

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

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

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1 Achieve the highest level of internal and external customer satisfaction. #2 Ensure the highest level of employee satisfaction. #3

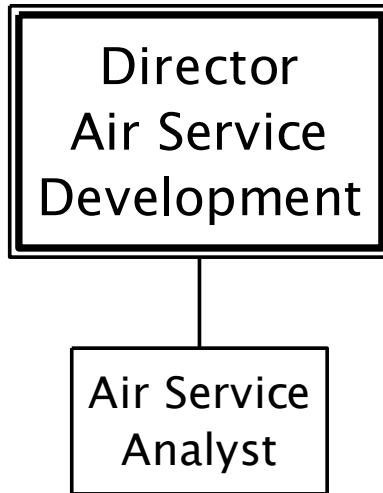
Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner. #4 Enhance the financial position of the airport authority.

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

**Sustainability Goal:** Operational Excellence.

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

Air Service Development  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Air Service Development

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 173,235	\$ 171,840	\$ 176,995	\$ 178,106	\$ 6,266	3.6%	\$ 1,111	0.6%	\$ 180,977	\$ 2,871	1.6%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	77,759	84,989	90,407	91,812	6,823	8.0%	1,405	1.6%	96,781	4,969	5.4%
Subtotal	250,994	256,829	267,402	269,918	13,089	5.1%	2,516	0.9%	277,759	7,841	2.9%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>250,994</b>	<b>256,829</b>	<b>267,402</b>	<b>269,918</b>	<b>13,089</b>	<b>5.1%</b>	<b>2,516</b>	<b>0.9%</b>	<b>277,759</b>	<b>7,841</b>	<b>2.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	218,284	294,000	240,000	294,000	-	0.0%	54,000	22.5%	244,000	(50,000)	-17.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	588	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	658	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	24,366	29,950	29,950	29,950	-	0.0%	-	0.0%	29,950	-	0.0%
Business Development	404,522	909,100	344,100	920,500	11,400	1.3%	576,400	167.5%	654,100	(266,400)	-28.9%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>648,418</b>	<b>1,234,250</b>	<b>615,250</b>	<b>1,245,650</b>	<b>11,400</b>	<b>0.9%</b>	<b>630,400</b>	<b>102.5%</b>	<b>929,250</b>	<b>(316,400)</b>	<b>-25.4%</b>
<b>Total Operating Expenses</b>	<b>899,412</b>	<b>1,491,079</b>	<b>882,652</b>	<b>1,515,568</b>	<b>24,489</b>	<b>1.6%</b>	<b>632,916</b>	<b>71.7%</b>	<b>1,207,009</b>	<b>(308,559)</b>	<b>-20.4%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>899,412</b>	<b>1,491,079</b>	<b>882,652</b>	<b>1,515,568</b>	<b>24,489</b>	<b>1.6%</b>	<b>632,916</b>	<b>71.7%</b>	<b>1,207,009</b>	<b>(308,559)</b>	<b>-20.4%</b>
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 899,412</b>	<b>\$ 1,491,079</b>	<b>\$ 882,652</b>	<b>\$ 1,515,568</b>	<b>\$ 24,489</b>	<b>1.6%</b>	<b>\$ 632,916</b>	<b>71.7%</b>	<b>\$ 1,207,009</b>	<b>\$ (308,559)</b>	<b>-20.4%</b>



## Air Service Development

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

	Inc/(Dec) FY14 vs FY13 Budget	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 1,491,079</b>	<b>\$ 882,652</b>	<b>\$ 1,515,568</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase for current staff	6,823	1,405	4,969
Salary adjustments and pay-for-performance	6,266	1,111	2,871
<b>Total Increase in personnel costs</b>	<b>13,089</b>	<b>2,516</b>	<b>7,841</b>
Increase business development travel costs to reflect actual activity to support route service development	10,000	10,000	10,000
Increase / Decrease in domestic and international air service development marketing costs due to timing of expenses	-	565,000	(275,000)
Increase / Decrease in other professional services costs for San Diego corporate outreach	-	50,000	(50,000)
Other, net	1,400	5,400	(1,400)
<b>Total Increase / Decrease in non-personnel costs</b>	<b>11,400</b>	<b>630,400</b>	<b>(316,400)</b>
<b>Total Increase / Decrease</b>	<b>24,489</b>	<b>632,916</b>	<b>(308,559)</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,515,568</b>	<b>\$ 1,515,568</b>	<b>\$ 1,207,009</b>

## Air Service Development Departmental Objectives

### FY 2013 Progress Report

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** Service to London continues

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** Launch performed well (estimated seat factor is 80%)

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** ACHIEVED

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

## Air Service Development Departmental Objectives

### FY 2014 – FY 2015 Objectives

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

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

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

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

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

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

3. **Retain Air Service to London**

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

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

4. **Retain Air Service to Tokyo**

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

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

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

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

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

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

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

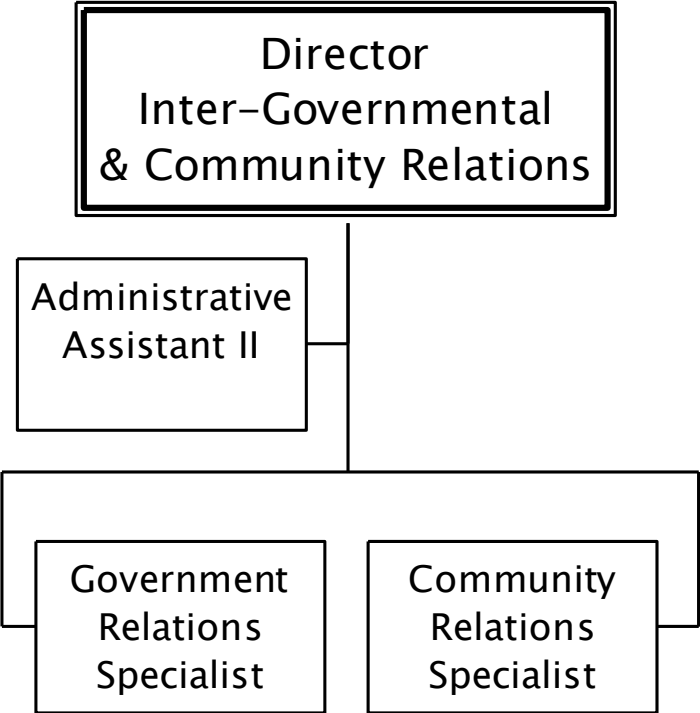
**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

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

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

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

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



No personnel changes planned for FY 2015



## Inter-Governmental & Community Relations

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 266,319	\$ 354,662	\$ 365,302	\$ 363,429	\$ 8,767	2.5%	\$ (1,872)	-0.5%	\$ 371,860	\$ 8,431	2.3%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	122,794	161,941	171,858	176,069	14,127	8.7%	4,211	2.5%	185,960	9,891	5.6%
Subtotal	389,112	516,603	537,160	539,498	22,895	4.4%	2,338	0.4%	557,820	18,322	3.4%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>389,112</b>	<b>516,603</b>	<b>537,160</b>	<b>539,498</b>	<b>22,895</b>	<b>4.4%</b>	<b>2,338</b>	<b>0.4%</b>	<b>557,820</b>	<b>18,322</b>	<b>3.4%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	282,789	296,500	296,500	300,000	3,500	1.2%	3,500	1.2%	310,500	10,500	3.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	250	250	150	(100)	-40.0%	(100)	-40.0%	200	50	33.3%
Maintenance	22	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	100	100	200	100	100.0%	100	100.0%	200	-	0.0%
Operating Supplies	713	2,100	2,100	2,200	100	4.8%	100	4.8%	2,454	254	11.5%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	13,714	23,363	20,628	21,500	(1,863)	-8.0%	872	4.2%	22,500	1,000	4.7%
Business Development	26,813	80,850	98,905	135,030	54,180	67.0%	36,125	36.5%	141,635	6,605	4.9%
Equipment Rentals & Repairs	-	250	250	350	100	40.0%	100	40.0%	350	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>324,051</b>	<b>403,413</b>	<b>418,733</b>	<b>459,430</b>	<b>56,017</b>	<b>13.9%</b>	<b>40,697</b>	<b>9.7%</b>	<b>477,839</b>	<b>18,409</b>	<b>4.0%</b>
<b>Total Operating Expenses</b>	<b>713,164</b>	<b>920,016</b>	<b>955,893</b>	<b>998,928</b>	<b>78,912</b>	<b>8.6%</b>	<b>43,035</b>	<b>4.5%</b>	<b>1,035,659</b>	<b>36,731</b>	<b>3.7%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>713,164</b>	<b>920,016</b>	<b>955,893</b>	<b>998,928</b>	<b>78,912</b>	<b>8.6%</b>	<b>43,035</b>	<b>4.5%</b>	<b>1,035,659</b>	<b>36,731</b>	<b>3.7%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 713,164</b>	<b>\$ 920,016</b>	<b>\$ 955,893</b>	<b>\$ 998,928</b>	<b>\$ 78,912</b>	<b>8.6%</b>	<b>\$ 43,035</b>	<b>4.5%</b>	<b>\$ 1,035,659</b>	<b>\$ 36,731</b>	<b>3.7%</b>

## Inter-Governmental & Community Relations

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

	Inc/(Dec) FY14 vs FY13 Budget	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 920,016</b>	<b>\$ 955,893</b>	<b>\$ 998,928</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase for current staff	14,127	4,211	9,891
Salary adjustments and pay-for-performance	8,767	(1,872)	8,431
<b>Total Increase in personnel costs</b>	<b>22,895</b>	<b>2,338</b>	<b>18,322</b>
Increase in memberships & dues for federal and community organization membership costs moved from Marketing	38,575	20,520	6,005
Increase in promotional activities for table sponsorships and community outreach costs	19,955	19,955	500
Increase in outside professional consultant service costs for federal, state, and local government relations consulting	3,500	3,500	10,500
Other, net	(6,013)	(3,278)	1,404
<b>Total Increase in non-personnel costs</b>	<b>56,017</b>	<b>40,697</b>	<b>18,409</b>
<b>Total Increase</b>	<b>78,912</b>	<b>43,035</b>	<b>36,731</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 998,928</b>	<b>\$ 998,928</b>	<b>\$ 1,035,659</b>

## Inter-Governmental & Community Relations

### Departmental Objectives

#### FY 2013 Progress Report

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** Although staff worked with Facilities Development and Finance staff to apply for federal grants for Washington Street improvements, the timing of the project resulted in the use of airport funds to finance this project.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** IGCR staff has conducted 20 individual briefings/tours with elected/appointed officials through the first six months of the fiscal year. Staff continues to schedule

briefings/tours with officials, included newly elected officials as well as identifying opportunities to enhance the Authority's representation in the community.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes (but update to "FY 2014 Transportation Appropriations Bill")

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

## Inter-Governmental & Community Relations

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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# **Finance Division**

## Finance Division Overview

The Finance Division's four departments are responsible for providing the accounting, small business participation, financial planning, budgeting, capital funding, treasury, real estate and property management, and terminal concession development.

The **Accounting Department** is responsible for maintenance, reporting, and management of all General Ledger accounts as well as providing cost accounting services in support of the Authority's financial goals and objectives. They are also responsible for:

- Timely and accurate reporting that complies with generally accepted accounting principles.
- In-depth transaction review and strict adherence to Authority policies to ensure safeguarding of Authority assets.
- Consistent, organized, and systematic recordkeeping to provide detailed support of Authority financial history.

The **Aviation & Commercial Business Department** (formerly Real Estate Management Department) functions as the landlord of San Diego International Airport and other Authority-controlled property and facilities. It serves as the Authority's representative in acquiring off-airport property rights from other parties and is responsible for developing and implementing real estate-related agreements and business opportunities, including those with air carriers, ground servicing companies, fixed base operators, and other aviation-related businesses, concessionaires, advertising and car rental companies, government entities and utility providers. Key responsibilities include:

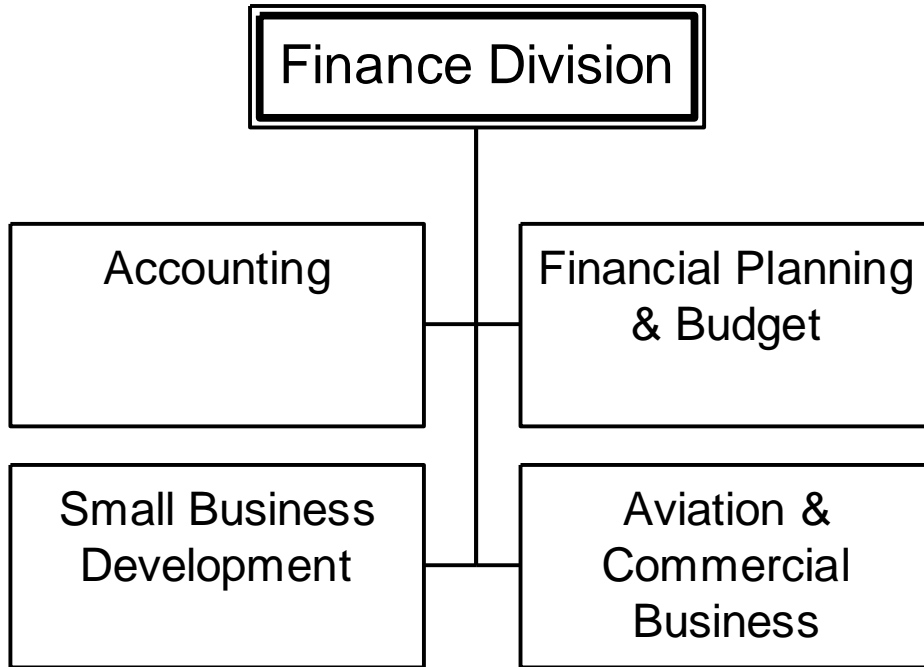
- Development and implementation of revenue enhancement strategies.
- Negotiation for the development and lease of Authority property and facilities.
- Approval and oversight of tenant development/improvement projects.
- Property management and oversight of tenant activities.

The **Financial Planning & Budget Department** is responsible for developing and administering the Operating and Capital Budgets to provide effective utilization of resources. The department is also responsible for the following:

- Revenue and expense forecasting.
- Calculation of airline rates, fees, and charges.
- Grant, Passenger Facility Charge (PFC), and Customer Facility Charge (CFC) administration.
- Treasury and investment management.
- Long-term and short-term debt issuance and management.

The **Small Business Development Department** manages the Authority's Small Business Program, including the Disadvantaged Business Enterprise (DBE) Program as required by federal regulations. The department also conducts outreach efforts to San Diego County's small business community, encouraging small business and DBE participation on Authority projects and concession opportunities.

Finance Division  
Organizational Structure



Division Personnel Summary

	FY 2012	FY13	Proposed	Proposed	Proposed	Proposed	Conceptual	Conceptual	Conceptual
	Budget	Authorized	FY14	FY14	FY14	FY14	FY15	FY15	FY15
	Authorized & Funded Positions	& Funded Positions	Budget Transfers	Budget New/ (Eliminated) Positions	Budget (Frozen)/ Unfrozen Positions	Authorized & Funded Positions	Budget New/ (Eliminated) Positions	Budget (Frozen)/ Unfrozen Positions	Budget Authorized & Funded Positions
<b>Finance</b>									
Financial Planning & Budget	11	12	-	-	-	12	-	-	12
Accounting	13	13	-	-	-	13	-	-	13
Aviation & Commercial Business	22	22	-	1	-	23	-	-	23
Small Business Development	4	5	-	(1)	-	4	-	-	4
<b>Total</b>	<b>50</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>
Authorized and Unfunded Positions	3	1	-	-	-	1	-	-	1
<b>Total Authorized Positions</b>	<b>53</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>53</b>

## Finance Division

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 3,413,679	\$ 4,496,320	\$ 4,444,645	\$ 4,395,580	\$ (100,740)	-2.2%	\$ (49,065)	-1.1%	\$ 4,717,215	\$ 321,635	7.3%
Premium Overtime	5,175	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	3,651,588	2,163,592	2,202,633	1,985,724	(177,869)	-8.2%	(216,909)	-9.8%	2,209,222	223,498	11.3%
Subtotal	7,070,442	6,659,913	6,647,278	6,381,304	(278,609)	-4.2%	(265,975)	-4.0%	6,926,436	545,132	8.5%
Less: Capitalized Labor	(86,662)	(118,545)	-	(102,717)	15,828	-13.4%	(102,717)	0.0%	(106,919)	(4,202)	4.1%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>6,983,781</b>	<b>6,541,368</b>	<b>6,647,278</b>	<b>6,278,587</b>	<b>(262,781)</b>	<b>-4.0%</b>	<b>(368,691)</b>	<b>-5.5%</b>	<b>6,819,517</b>	<b>540,930</b>	<b>8.6%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,283,614	1,787,658	2,392,450	2,559,196	771,538	43.2%	166,746	7.0%	2,522,773	(36,423)	-1.4%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	11,414,838	11,415,145	10,380,760	10,377,212	(1,037,933)	-9.1%	(3,548)	0.0%	10,323,752	(53,460)	-0.5%
Utilities	2,594	1,950	1,950	3,750	1,800	92.3%	1,800	92.3%	3,750	-	0.0%
Maintenance	18,140	18,593	19,070	18,593	-	0.0%	(477)	-2.5%	18,593	-	0.0%
Operating Equipment & Systems	27,950	12,000	4,500	5,500	(6,500)	-54.2%	1,000	22.2%	5,500	-	0.0%
Operating Supplies	22,310	30,260	26,150	28,400	(1,860)	-6.1%	2,250	8.6%	28,530	130	0.5%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	67,649	96,775	94,075	105,075	8,300	8.6%	11,000	11.7%	104,115	(960)	-0.9%
Business Development	242,994	370,700	118,200	296,500	(74,200)	-20.0%	178,300	150.8%	377,654	81,154	27.4%
Equipment Rentals & Repairs	46,375	45,392	12,500	20,500	(24,892)	-54.8%	8,000	64.0%	21,500	1,000	4.9%
Tenant Improvements	70,800	516,800	164,900	359,900	(156,900)	-30.4%	195,000	118.3%	-	(359,900)	-100.0%
<b>Total Non-Personnel Expenses</b>	<b>13,197,263</b>	<b>14,295,274</b>	<b>13,214,555</b>	<b>13,774,626</b>	<b>(520,648)</b>	<b>-3.6%</b>	<b>560,071</b>	<b>4.2%</b>	<b>13,406,167</b>	<b>(368,459)</b>	<b>-2.7%</b>
<b>Total Operating Expenses</b>	<b>20,181,044</b>	<b>20,836,642</b>	<b>19,861,833</b>	<b>20,053,213</b>	<b>(783,429)</b>	<b>-3.8%</b>	<b>191,380</b>	<b>1.0%</b>	<b>20,225,684</b>	<b>172,471</b>	<b>0.9%</b>
<b>Non-Operating Expenses:</b>											
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>20,181,044</b>	<b>20,836,642</b>	<b>19,861,833</b>	<b>20,053,213</b>	<b>(783,429)</b>	<b>-3.8%</b>	<b>191,380</b>	<b>1.0%</b>	<b>20,225,684</b>	<b>172,471</b>	<b>0.9%</b>
<b>Equipment Outlay</b>	<b>34,346</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 20,215,390</b>	<b>\$ 20,836,642</b>	<b>\$ 19,861,833</b>	<b>\$ 20,053,213</b>	<b>\$ (783,429)</b>	<b>-3.8%</b>	<b>\$ 191,380</b>	<b>1.0%</b>	<b>\$ 20,225,684</b>	<b>\$ 172,471</b>	<b>0.9%</b>

Finance Division

Major Drivers of FY 2014 Proposed Budget Increase / Decrease

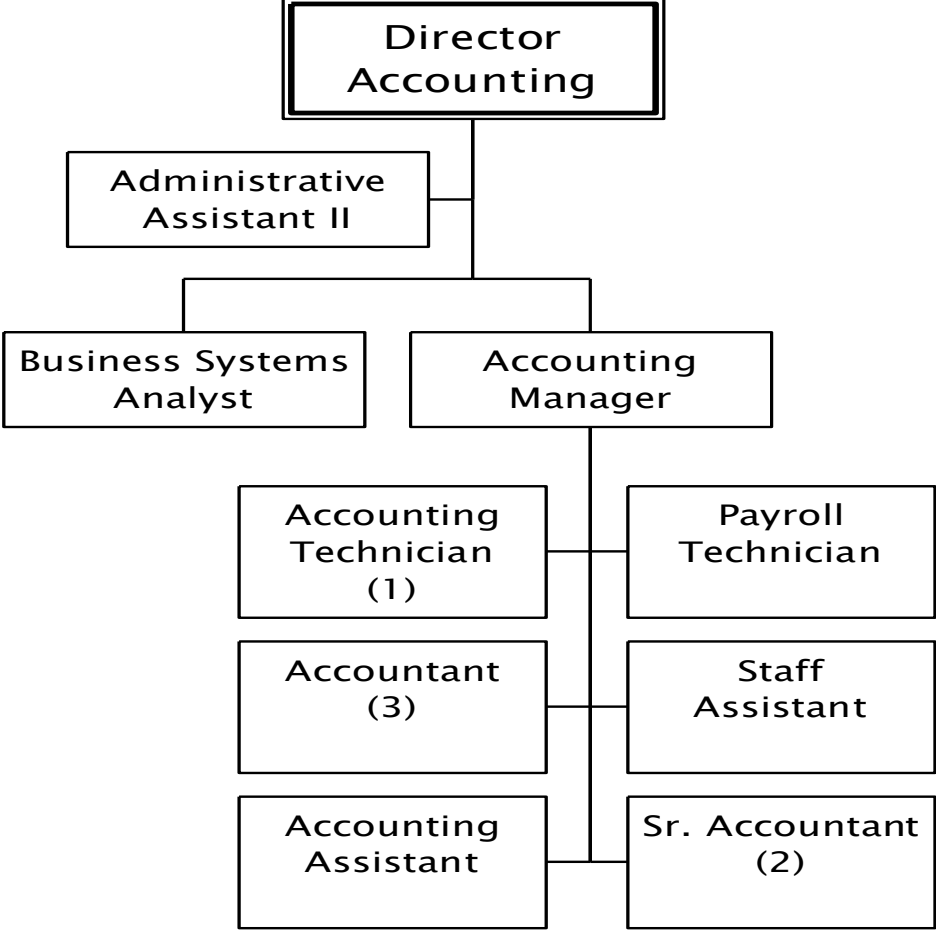
	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual
<b>FY 2013 Budget / FY 2014 Conceptual</b>	<b>\$ 20,836,642</b>	<b>\$ 19,861,833</b>
<b>Personnel costs</b>		
1 New position and 1 eliminated position (salaries, benefits & employer taxes)	84,916	103,810
Changes in capitalized labor costs	15,828	(102,717)
Salary adjustments and pay-for-performance	(153,580)	(120,800)
Burden (benefits & employer taxes) decrease for current staff	(209,945)	(248,985)
<b>Total Decrease in personnel costs</b>	<b>(262,781)</b>	<b>(368,691)</b>
Increase in Receiving & Distribution Center (RDC) operator costs	694,788	73,996
Increase in marketing materials for Concession Development Program (CDP)	164,400	164,400
Decrease / Increase in tenant improvements	(156,900)	195,000
Decrease / Increase in promotional activities costs	(234,000)	4,000
Decrease in Space rental	(1,037,933)	(3,548)
Other, net	48,998	126,223
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(520,648)</b>	<b>560,071</b>
<b>Total Decrease / Increase</b>	<b>(783,429)</b>	<b>191,380</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 20,053,213</b>	<b>\$ 20,053,213</b>

## Finance Division

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

	<b>Inc / (Dec)</b> <b>FY15 Conceptual</b> <b>vs FY14</b>
	<hr/>
<b>FY 2014 Proposed Budget</b>	<b>\$ 20,053,213</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	321,635
Burden (benefits & employer taxes) Increase for current staff	223,498
Changes in capitalized labor costs	(4,202)
<b>Total Increase in personnel costs</b>	<b>540,930</b>
Increase in marketing materials for Concession Development Program (CDP),	62,700
Increase in Receiving & Distribution Center (RDC) operator costs, AvCom	35,404
Increase in promotional activities costs	16,500
Decrease in Space rental	(53,460)
Decrease in tenant improvements, AvCom	(359,900)
Other, net	(69,703)
<b>Total Decrease in non-personnel costs</b>	<b>(368,459)</b>
<b>Total Increase</b>	<b>172,471</b>
<b>FY 2015 Proposed Conceptual Budget</b>	<b>\$ 20,225,684</b>

Accounting  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015



## Accounting

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 787,910	\$ 880,244	\$ 906,651	\$ 900,379	\$ 20,135	2.3%	\$ (6,272)	-0.7%	\$ 927,391	\$ 27,011	3.0%
Premium Overtime	4,668	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	425,399	496,134	529,960	512,767	16,633	3.4%	(17,193)	-3.2%	545,682	32,915	6.4%
Subtotal	1,217,978	1,376,378	1,436,612	1,413,146	36,768	2.7%	(23,465)	-1.6%	1,473,073	59,926	4.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,217,978</b>	<b>1,376,378</b>	<b>1,436,612</b>	<b>1,413,146</b>	<b>36,768</b>	<b>2.7%</b>	<b>(23,465)</b>	<b>-1.6%</b>	<b>1,473,073</b>	<b>59,926</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	339,407	194,000	194,000	201,500	7,500	3.9%	7,500	3.9%	197,500	(4,000)	-2.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	5,034	2,000	1,000	2,000	-	0.0%	1,000	100.0%	2,000	-	0.0%
Operating Supplies	7,873	11,860	9,500	11,500	(360)	-3.0%	2,000	21.1%	11,500	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	12,376	10,800	6,800	10,800	-	0.0%	4,000	58.8%	8,800	(2,000)	-18.5%
Business Development	44,604	29,100	19,100	29,100	-	0.0%	10,000	52.4%	29,100	-	0.0%
Equipment Rentals & Repairs	49	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>409,342</b>	<b>247,760</b>	<b>230,400</b>	<b>254,900</b>	<b>7,140</b>	<b>2.9%</b>	<b>24,500</b>	<b>10.6%</b>	<b>248,900</b>	<b>(6,000)</b>	<b>-2.4%</b>
<b>Total Operating Expenses</b>	<b>1,627,320</b>	<b>1,624,139</b>	<b>1,667,012</b>	<b>1,668,046</b>	<b>43,908</b>	<b>2.7%</b>	<b>1,035</b>	<b>0.1%</b>	<b>1,721,973</b>	<b>53,926</b>	<b>3.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,627,320</b>	<b>1,624,139</b>	<b>1,667,012</b>	<b>1,668,046</b>	<b>43,908</b>	<b>2.7%</b>	<b>1,035</b>	<b>0.1%</b>	<b>1,721,973</b>	<b>53,926</b>	<b>3.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,627,320</b>	<b>\$ 1,624,139</b>	<b>\$ 1,667,012</b>	<b>\$ 1,668,046</b>	<b>\$ 43,908</b>	<b>2.7%</b>	<b>\$ 1,035</b>	<b>0.1%</b>	<b>\$ 1,721,973</b>	<b>\$ 53,926</b>	<b>3.2%</b>

## Accounting

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 1,624,139</b>	<b>\$ 1,667,012</b>	<b>\$ 1,668,046</b>
<b>Personnel costs</b>			
Salary adjustments and pay-for-performance	20,135	(6,272)	27,011
Burden (benefits & employer taxes) increase / decrease for current staff	16,633	(17,193)	32,915
<b>Total Increase / Decrease in personnel costs</b>	<b>36,768</b>	<b>(23,465)</b>	<b>59,926</b>
Increase in audit service costs	5,000	19,000	-
Increase / Decrease in use of outside professional consultants and other services	2,000	(18,000)	(4,000)
Increase in allowances for bed debts	-	10,000	-
Other, net	140	13,500	(2,000)
<b>Total Increase / Decrease in non-personnel costs</b>	<b>7,140</b>	<b>24,500</b>	<b>(6,000)</b>
<b>Total Increase</b>	<b>43,908</b>	<b>1,035</b>	<b>53,926</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,668,046</b>	<b>\$ 1,668,046</b>	<b>\$ 1,721,973</b>

## Accounting

### Departmental Objectives

#### FY 2013 Progress Report

1. Update the format of the financial statements on the website with newer interactive technology. The purpose is to provide a more interesting look and experience in reviewing financial statements on the website. Success target is 10 hits per quarter in FY 2013.

**Progress:** Met with marketing to discuss idea.

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

2. Implement the Concession Development Program (CDP) elements planned for FY 2012–2013, including billing, collection and reporting for accounts receivable. Success will be measured by producing accurate and on-time billing and pass-through costs following launch.

**Progress:** First billing in December. Continue refinement with AvCom.

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

3. Support and accurately record and report all transactions regarding terminal development, both the Green Build and in general, to achieve zero audit findings or adjustments from external auditors. The measurement will be zero audit findings from the external auditors.

**Progress:** FY 12 audit results finalized October 2012 resulted in zero audit findings.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

4. Final implementation of the new CFC fees by autumn of 2013, in compliance with California Civil Code section 1936.

**Progress:** Completed October 2012 and filed with the state.

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No, completed

## Accounting Departmental Objectives

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. Continue to work with the managing departments responsible for CDP, Green Build, and RCC to ensure accurate financial statement reporting for fiscal years 2013 and 2014. The measurement of success will be zero audit findings.

**Sustainability Goal:** Economic viability

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

2. Present the FY 13 CAFR on the website using interactive technology. The purpose is to provide information to the public in a more interesting and engaging fashion. Success target is 10 hits a quarter starting in January, 2014.

**Sustainability Goal:** Social responsibility

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

3. Collaborate with the Rental Car Center program stakeholders to ensure correct funding sources and accounting treatment. This is to assist in the operating budgeting process and funding control. To achieve these objectives accounting will develop reporting and processes to assist in monitoring and ensure timely communication. The measurement of success will be one internal audit finding related to accounting over site.

**Sustainability Goal:** Economic viability, Operational excellence

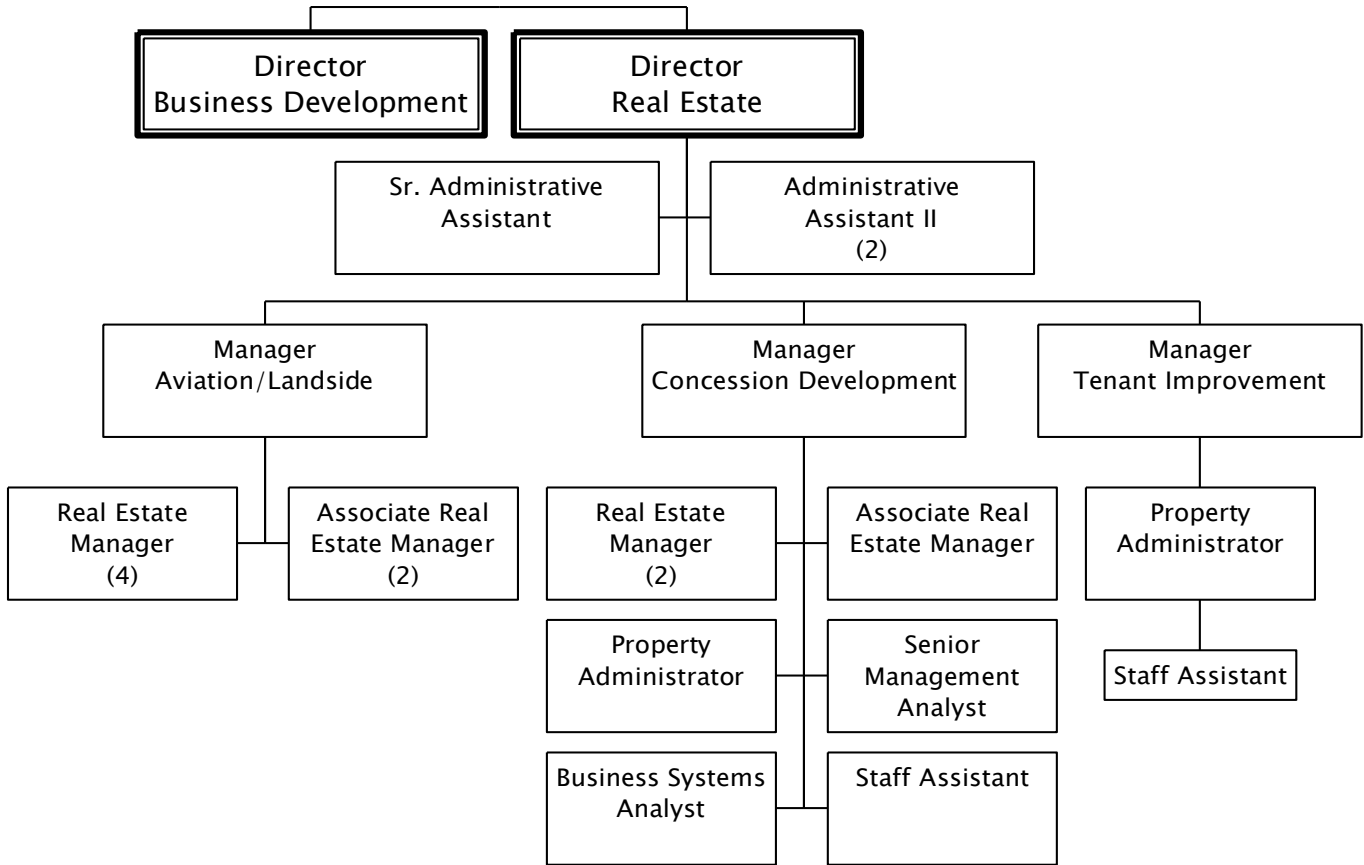
**Authority Strategy:** Strategy # 1: Enhance the financial position of the Authority.  
Strategy 32: Achieve the highest level of internal and external customer satisfaction.

4. Work as a primary team member in the first phase of implementing the ECMS. Success will be meeting the primary milestones.

**Sustainability Goal:** Operational excellence

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

Aviation & Commercial Business  
 FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Aviation & Commercial Business

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,283,609	\$ 1,939,578	\$ 1,995,112	\$ 2,027,035	\$ 87,457	4.5%	\$ 31,923	1.6%	\$ 2,086,875	\$ 59,840	3.0%
Premium Overtime	506	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	581,149	907,701	940,308	925,213	17,511	1.9%	(15,095)	-1.6%	977,239	52,027	5.6%
Subtotal	1,865,264	2,847,280	2,935,420	2,952,248	104,968	3.7%	16,828	0.6%	3,064,114	111,866	3.8%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,865,264</b>	<b>2,847,280</b>	<b>2,935,420</b>	<b>2,952,248</b>	<b>104,968</b>	<b>3.7%</b>	<b>16,828</b>	<b>0.6%</b>	<b>3,064,114</b>	<b>111,866</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	567,479	934,608	1,555,400	1,701,396	766,788	82.0%	145,996	9.4%	1,656,800	(44,596)	-2.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	11,414,838	11,415,145	10,380,760	10,377,212	(1,037,933)	-9.1%	(3,548)	0.0%	10,323,752	(53,460)	-0.5%
Utilities	2,230	1,000	1,000	3,000	2,000	200.0%	2,000	200.0%	3,000	-	0.0%
Maintenance	18,140	18,593	19,070	18,593	-	0.0%	(477)	-2.5%	18,593	-	0.0%
Operating Equipment & Systems	17,250	6,500	-	-	(6,500)	-100.0%	-	0.0%	-	-	0.0%
Operating Supplies	8,049	5,000	5,000	5,000	-	0.0%	-	0.0%	5,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	17,039	37,300	37,300	37,300	-	0.0%	-	0.0%	37,300	-	0.0%
Business Development	27,024	31,000	31,000	200,900	169,900	548.1%	169,900	548.1%	278,600	77,700	38.7%
Equipment Rentals & Repairs	34,260	32,892	-	8,000	(24,892)	-75.7%	8,000	0.0%	8,000	-	0.0%
Tenant Improvements	70,800	516,800	164,900	359,900	(156,900)	-30.4%	195,000	118.3%	-	(359,900)	-100.0%
<b>Total Non-Personnel Expenses</b>	<b>12,177,108</b>	<b>12,998,838</b>	<b>12,194,430</b>	<b>12,711,301</b>	<b>(287,537)</b>	<b>-2.2%</b>	<b>516,871</b>	<b>4.2%</b>	<b>12,331,045</b>	<b>(380,256)</b>	<b>-3.0%</b>
<b>Total Operating Expenses</b>	<b>14,042,372</b>	<b>15,846,118</b>	<b>15,129,850</b>	<b>15,663,549</b>	<b>(182,569)</b>	<b>-1.2%</b>	<b>533,699</b>	<b>3.5%</b>	<b>15,395,159</b>	<b>(268,390)</b>	<b>-1.7%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>14,042,372</b>	<b>15,846,118</b>	<b>15,129,850</b>	<b>15,663,549</b>	<b>(182,569)</b>	<b>-1.2%</b>	<b>533,699</b>	<b>3.5%</b>	<b>15,395,159</b>	<b>(268,390)</b>	<b>-1.7%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 14,042,372</b>	<b>\$ 15,846,118</b>	<b>\$ 15,129,850</b>	<b>\$ 15,663,549</b>	<b>\$ (182,569)</b>	<b>-1.2%</b>	<b>\$ 533,699</b>	<b>3.5%</b>	<b>\$ 15,395,159</b>	<b>\$ (268,390)</b>	<b>-1.7%</b>

## Aviation & Commercial Business

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 15,846,118</b>	<b>\$ 15,129,850</b>	<b>\$ 15,663,549</b>
<b>Personnel costs</b>			
1 New position - Property Administrator, (salaries, benefits & employer taxes)	103,810	103,810	-
Salary adjustments and pay-for-performance	15,722	(39,811)	59,840
Burden (benefits & employer taxes) decrease / increase for current staff	(14,565)	(47,171)	52,027
<b>Total Increase in personnel costs</b>	<b>104,968</b>	<b>16,828</b>	<b>111,866</b>
Increase in Receiving & Distribution Center (RDC) operator costs (FY13 7 months, FY14 full year)	694,788	73,996	35,404
Increase in marketing materials for Concession Development Program (CDP)	164,400	164,400	62,700
Increase / Decrease in use of outside professional consultants and other services	70,000	70,000	(50,000)
Decrease / Increase in tenant improvements	(156,900)	195,000	(359,900)
Decrease in space rental costs, (terminated lease for temp employee parking lot, etc.)	(1,037,933)	(3,548)	(53,460)
Other, net	(21,892)	17,023	(15,000)
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(287,537)</b>	<b>516,871</b>	<b>(380,256)</b>
<b>Total Decrease / Increase</b>	<b>(182,569)</b>	<b>533,699</b>	<b>(268,390)</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 15,663,549</b>	<b>\$ 15,663,549</b>	<b>\$ 15,395,159</b>



Aviation and Commercial Business (AvCom)  
Departmental Objectives

FY 2013 Progress Report

1. Continue to work on terminal development by leading project teams for the Terminal 2 East Expansion and Concession Infrastructure Upgrade in the Commuter Terminal, Terminal 1 and Terminal 2 West (existing) throughout the fiscal year to optimize non-airline revenue opportunities and enhance customer service. Continue to support the Green Build by acting as liaison to tenant stakeholders and integrating new stores as part of the Concession Development Program, gate allocation plans and airline space allocations.

**Progress:** AVCOM remains the project sponsor for these projects. Terminal 2 East South Package was completed, creating two concession shell spaces. Concession Infrastructure Upgrade has already begun with two locations completed in the Commuter Terminal and one location in Terminal 1. For the Green Build, the concession spaces are in the process of being turned over to tenants and tenant construction is anticipated to begin in February 2013.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

2. Support the successful opening of the Green Build, including:

- Negotiate for and oversee the construction of two airline lounges by August 2013; and
- Direct the relocation of airlines planned to occupy space in Terminal 2 West, ensuring that the airlines are operational by August 2013.

**Progress:** The design and plan review is in process for the two airline lounges; construction is scheduled to begin in May 2013. The planned relocation of airlines is on schedule.

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

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

**Fiscal Year:** 2013.     **Continue in 2014?:** No

**3. Implement the Concession Development Program (CDP) transition plan, completely revitalizing all food, beverage and retail concessions in all SDIA terminal facilities. Implementation includes:**

- Design and review tenant improvement build-outs of seventy-nine (79) stores as determined by the CDP phasing plan;
- Closure of fifty-five (55) existing concession units, re-opening on December 1, 2012 with thirty-three (33) temporary and seven permanent units; and
- Transition to twenty-four (24) permanent units opened by June 30, 2013.

**Progress:** CDP transition plan has been expanded to include a total of eighty-seven (87) concession units. On November 30, 2012, fifty-five (55) existing concession units were closed and overnight twenty-eight (28) temporary and three permanent units under the Concession Development Program. Twenty-three (23) permanent units are scheduled to open by June 30, 2013.

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

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

**Fiscal Year:** 2013.     **Continue in 2014?:** No

**4. Oversee SDIA North Side Development, including:**

- Complete construction of the Receiving and Distribution Center (RDC);
- Design the Rental Car Center (RCC) center by June 2013; and
- Design and permit construction of new general aviation facilities by May 2013.

**Progress:** Construction was completed for the Receiving and Distribution Center (RDC). The 30% schematic design is nearly completed for the Rental Car Center (RCC) facility and the tenants 30% design plans are under review for the new Fixed Base Operator (FBO) facility.

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

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

**Fiscal Year:** 2013.     **Continue in 2014?:** No

5. Continue to support the Green Build terminal development program, including:

- Collaborate in the design process;
- Act as liaison to tenant stakeholders;
- Provide revenue projections, tenant space and gate allocations and preferred operational models; and
- Integrate the Concession Development Program.

**Progress:** Involved in all aspects of Green Build operational planning and implementation, including but not limited to, tenant build-outs and relocations, and the Concession Development Program.

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

## Aviation and Commercial Business

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. Support the successful opening of the Green Build by: negotiating for and overseeing the construction of two airline lounges by August 2013; and directing the relocation of airlines planned to occupy space in Terminal 2 West ensuring airlines are operational by August 2013.

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

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

2. Implement the Concession Development Program (CDP), which includes the tenant improvement build-outs of 87 stores to completely revitalize all food, beverage, and retail concessions in all terminal facilities at SDIA by Q1 CY2014.

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

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

3. Support the SDIA North Side Development by: negotiating for and overseeing the leasing and construction of rental car and other tenant improvements to be completed with the Rental Car Center (RCC) opening; and the design and permitting for construction of new general aviation facilities by June 2013 with construction to be completed by May 2014.

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

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

4. Continue to support the Green Build terminal development program by collaborating in tenant construction and start-up/relocations to be completed by August 2013.

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

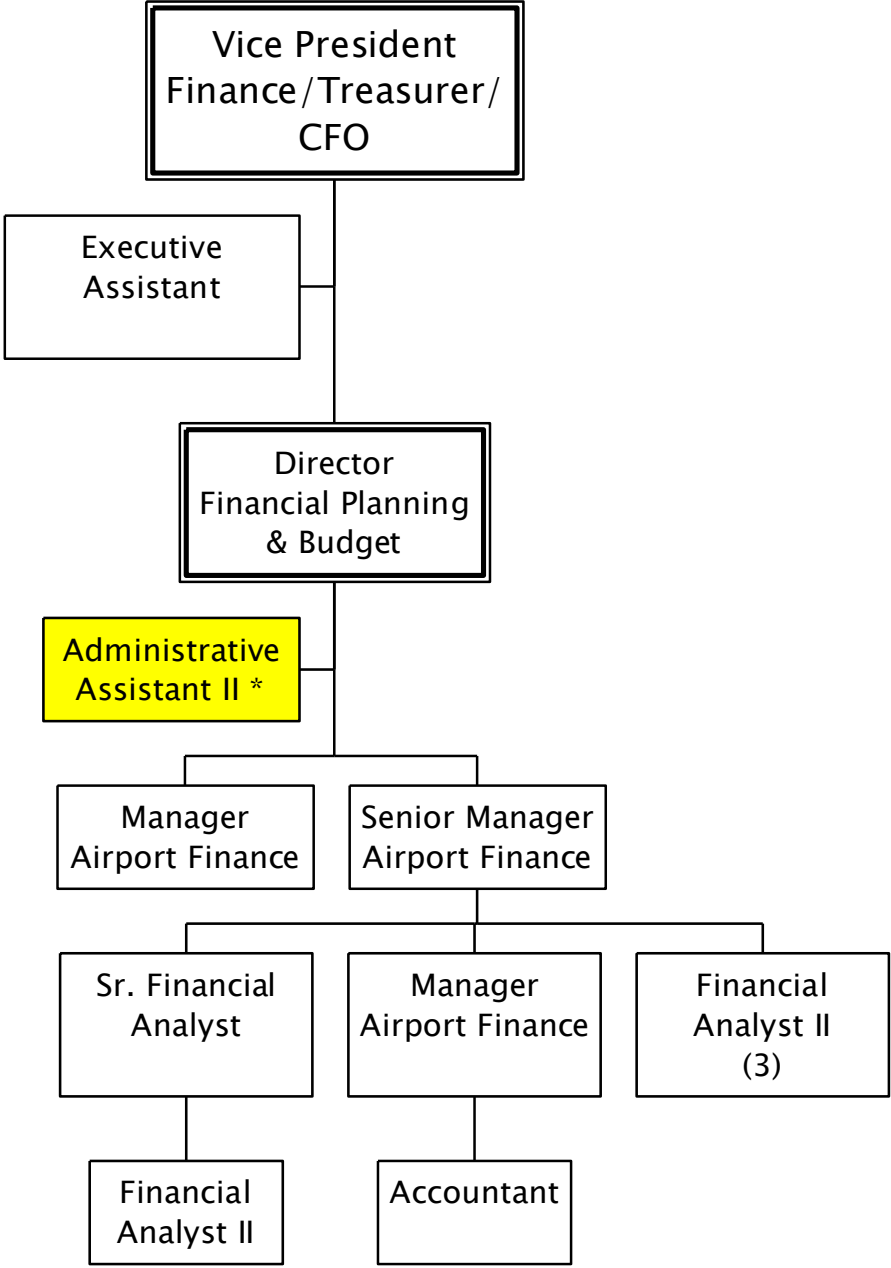
**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #1: Enhance the financial position of the Authority

5. Continue to support terminal development by leading project teams and overseeing the negotiations and construction for the leasing of tenant facilities in Terminal 2 East Expansion and Concession Infrastructure Upgrades in Commuter Terminal, Terminal 1, and Terminal 2 West (existing) throughout the fiscal year to optimize non-airline revenue opportunities and enhance customer service.

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

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

Financial Planning & Budget  
 FY 2014 - FY 2015 Organizational Structure



\*Unfunded position shown in yellow

No personnel changes planned for FY 2015

## Financial Planning & Budget

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,053,432	\$ 1,157,213	\$ 1,191,930	\$ 1,245,731	\$ 88,518	7.6%	\$ 53,802	4.5%	\$ 1,283,103	\$ 37,372	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	465,560	529,305	561,342	540,408	11,104	2.1%	(20,934)	-3.7%	573,082	32,674	6.0%
Subtotal	1,518,992	1,686,518	1,753,272	1,786,140	99,622	5.9%	32,868	1.9%	1,856,185	70,046	3.9%
<i>Less: Capitalized Labor</i>	-	(99,650)	-	(102,717)	(3,067)	3.1%	(102,717)	0.0%	(106,919)	(4,202)	4.1%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,518,992</b>	<b>1,586,868</b>	<b>1,753,272</b>	<b>1,683,423</b>	<b>96,555</b>	<b>6.1%</b>	<b>(69,849)</b>	<b>-4.0%</b>	<b>1,749,266</b>	<b>65,843</b>	<b>3.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	336,136	405,400	400,400	408,650	3,250	0.8%	8,250	2.1%	416,823	8,173	2.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	186	650	650	650	-	0.0%	-	0.0%	650	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	5,552	3,500	3,500	3,500	-	0.0%	-	0.0%	3,500	-	0.0%
Operating Supplies	4,873	9,000	9,000	9,000	-	0.0%	-	0.0%	9,180	180	2.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	27,042	30,975	30,975	33,975	3,000	9.7%	3,000	9.7%	34,215	240	0.7%
Business Development	8,880	11,200	11,200	11,200	-	0.0%	-	0.0%	11,354	154	1.4%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>382,669</b>	<b>460,725</b>	<b>455,725</b>	<b>466,975</b>	<b>6,250</b>	<b>1.4%</b>	<b>11,250</b>	<b>2.5%</b>	<b>475,722</b>	<b>8,747</b>	<b>1.9%</b>
<b>Total Operating Expenses</b>	<b>1,901,661</b>	<b>2,047,593</b>	<b>2,208,997</b>	<b>2,150,398</b>	<b>102,805</b>	<b>5.0%</b>	<b>(58,599)</b>	<b>-2.7%</b>	<b>2,224,988</b>	<b>74,590</b>	<b>3.5%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,901,661</b>	<b>2,047,593</b>	<b>2,208,997</b>	<b>2,150,398</b>	<b>102,805</b>	<b>5.0%</b>	<b>(58,599)</b>	<b>-2.7%</b>	<b>2,224,988</b>	<b>74,590</b>	<b>3.5%</b>
<b>Equipment Outlay</b>	<b>25,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,927,484</b>	<b>\$ 2,047,593</b>	<b>\$ 2,208,997</b>	<b>\$ 2,150,398</b>	<b>\$ 102,805</b>	<b>5.0%</b>	<b>\$ (58,599)</b>	<b>-2.7%</b>	<b>\$ 2,224,988</b>	<b>\$ 74,590</b>	<b>3.5%</b>

## Financial Planning & Budget

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 2,047,593</b>	<b>\$ 2,208,997</b>	<b>\$ 2,150,398</b>
<b>Personnel costs</b>			
Salary adjustments and pay-for-performance	88,518	53,802	37,372
Burden (benefits & employer taxes) increase / decrease for current staff	11,103	(20,934)	32,674
Changes in capitalized labor costs	(3,067)	(102,717)	(4,202)
<b>Total Increase / Decrease in personnel costs</b>	<b>96,555</b>	<b>(69,849)</b>	<b>65,843</b>
Increase in use of outside professional consultants and other services	6,250	11,250	6,715
Other, net	-	-	2,032
<b>Total Increase in non-personnel costs</b>	<b>6,250</b>	<b>11,250</b>	<b>8,747</b>
<b>Total Increase / Decrease</b>	<b>102,805</b>	<b>(58,599)</b>	<b>74,590</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,150,398</b>	<b>\$ 2,150,398</b>	<b>\$ 2,224,988</b>



FY 2013 Progress Report

1. By May 15, 2013 successfully execute the preparation and issuance of General Airport Revenue Bonds (GARBs) in an amount sufficient to complete necessary funding for the Green Build and relevant Capital Improvement Program (CIP) projects. The goal also includes issuance of GARBs at an interest rate that allows successful execution of the Authority's Plan of Finance.

**Progress:** GARBs were issued on January 30, 2013 to complete bond funding of Green Build and the FY 2013 - FY 2017 CIP projects. Interest rates achieved were below levels anticipated by the plan of finance.

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** No

2. Improve efficiency, analysis and reporting capabilities through enhancement of existing financial models and development of new financial models for new programs by June 30, 2012.

**Progress:** Multiple models were enhanced during FY 2013 which improved efficiency, analytical capabilities and reporting, including models for ground transportation, cost recovery, capital funding, parking revenues analysis, and concession revenues analysis.

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** No

3. Collaborate with the Green Build Program to ensure alignment of funding sources with costs and jointly develop periodic reports that provide adequate financial information and status on at least a quarterly basis.

**Progress:** Funding sources and project costs were reviewed and aligned in order to determine the sizing and tax classifications used for the 2013 bond issue. Life-to-date costs and funding source balances are jointly reported on a quarterly basis to the Capital Improvement Program Oversight Committee.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

4. Support the Authority's revenue enhancement/cost reduction business cases priority by implementing a process to complete at least four financial analyses on proposed ideas no later than May 15, 2013. The goal includes providing Executive staff with the financial information necessary for decision making.

**Progress:** The following financial analyses were completed: Terrazzo tile project, the ECM (Enterprise Content Management) project, IT's phone replacement analysis, parking garage and rental car storage revenue analysis, Pacific Highway parking space revenue analysis.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

5. Collaborate with Internal Audit and the Green Build Program to ensure execution of enhanced capital funding processes and controls that were developed in FY 2012. The goal is that, by the project completion date, all regulatory requirements are met, grant awards and PFC applications are amended or closed as needed and zero audit findings have been achieved.

**Progress:** Analysis and testing of project expenditures for effectiveness of controls and compliance with regulations is on-going. PFC amendments and grant closeouts will be prepared in FY 2014 following project completion. There have been no audit findings to date.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

6. Engage the Authority workforce planning team to perform a departmental workforce planning assessment and recommendation. Begin execution of the plan and implement all accepted FY 2013 recommendations by May 15, 2013.

**Progress:** Strategic workforce planning efforts were initiated and a number of short-term recommendations have been implemented. The effort was temporarily suspended to allow the necessary focus on a successful bond issuance. Now that the bond issuance has been successfully completed, the strategic workforce planning efforts will resume, focusing on longer-term departmental and Authority needs.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

7. Reduce variances in FY 2013 parking revenue vs. actual by at least 25 percent compared to FY 2012 through increased collaboration of stakeholders and more precise forecasting.

**Progress:** As of end of January 2013, variances were reduced by 16%.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

8. Support the Concession Development Program (CDP) financial analysis and reporting needs by taking ownership of the financial model that provides budget forecasting and monthly reporting capabilities by March 31, 2013.

**Progress:** A new monthly sales reporting model which provides forecasting capabilities was created.

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** No

## Financial Planning & Budget

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

1. By May 15, 2014 successfully execute the preparation and issuance of Customer Facility Charge (CFC) Revenue Bonds in an amount sufficient to complete necessary funding for the Rental Car Center (RCC). The goal also includes issuance of CFC Bonds at an interest rate and financing structure that allows successful execution of the RCC project and the Authority Plan of Finance.

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

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

2. Engage the Authority workforce planning team to perform a departmental workforce planning assessment and provide recommendations. Begin execution of the plan and implement all accepted FY 2014 recommendations by May 15, 2014.

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

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

3. Provide enhanced financial analysis and decision support for the Capital Program by coordinating stakeholders and project concepts, performing business case financial analyses, identifying potential funding sources and developing the plan of finance in conjunction with the annual budget process. This goal also includes providing real-time financial metrics to the Capital Improvement Committee as project additions or changes are evaluated.

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

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

4. Engage authority-wide department heads in at least a quarterly budget variance analysis and the resulting impact on organizational objectives by producing managerial reports and conducting discussions with respective directors, by May 15, 2014. The goal is to establish

an open line of communication between the departments and budget analysts during the fiscal year, resulting in improvements to the forecasting and budget processes and becoming a business partner for Authority departments.

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

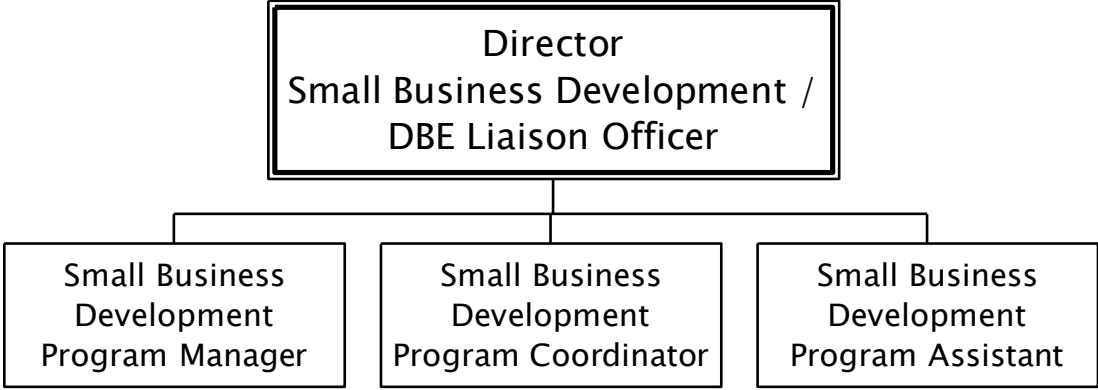
**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #4: Ensure the highest level of employee satisfaction.

5. **By November 30, 2013, enhance revenue bond tax and covenant compliance by creating and utilizing written procedures, checklists and an annual timetable.**

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

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

Small Business Development  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Small Business Development

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 288,728	\$ 316,803	\$ 312,873	\$ 307,487	\$ (9,316)	-2.9%	\$ (5,386)	-1.7%	\$ 316,712	\$ 9,225	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	144,080	163,143	166,988	161,902	(1,241)	-0.8%	(5,087)	-3.0%	171,418	9,516	5.9%
Subtotal	432,808	479,947	479,861	469,389	(10,558)	-2.2%	(10,472)	-2.2%	488,129	18,741	4.0%
Less: Capitalized Labor	(86,662)	(18,895)	-	-	18,895	-100.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>346,146</b>	<b>461,052</b>	<b>479,861</b>	<b>469,389</b>	<b>8,337</b>	<b>1.8%</b>	<b>(10,472)</b>	<b>-2.2%</b>	<b>488,129</b>	<b>18,741</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	40,592	253,650	242,650	247,650	(6,000)	-2.4%	5,000	2.1%	251,650	4,000	1.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	177	300	300	100	(200)	-66.7%	(200)	-66.7%	100	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	114	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	1,516	4,400	2,650	2,900	(1,500)	-34.1%	250	9.4%	2,850	(50)	-1.7%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	11,192	17,700	19,000	23,000	5,300	29.9%	4,000	21.1%	23,800	800	3.5%
Business Development	162,486	299,400	56,900	55,300	(244,100)	-81.5%	(1,600)	-2.8%	58,600	3,300	6.0%
Equipment Rentals & Repairs	12,067	12,500	12,500	12,500	-	0.0%	-	0.0%	13,500	1,000	8.0%
<b>Total Non-Personnel Expenses</b>	<b>228,144</b>	<b>587,950</b>	<b>334,000</b>	<b>341,450</b>	<b>(246,500)</b>	<b>-41.9%</b>	<b>7,450</b>	<b>2.2%</b>	<b>350,500</b>	<b>9,050</b>	<b>2.7%</b>
<b>Total Operating Expenses</b>	<b>574,291</b>	<b>1,049,002</b>	<b>813,861</b>	<b>810,839</b>	<b>(238,163)</b>	<b>-22.7%</b>	<b>(3,022)</b>	<b>-0.4%</b>	<b>838,629</b>	<b>27,791</b>	<b>3.4%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>574,291</b>	<b>1,049,002</b>	<b>813,861</b>	<b>810,839</b>	<b>(238,163)</b>	<b>-22.7%</b>	<b>(3,022)</b>	<b>-0.4%</b>	<b>838,629</b>	<b>27,791</b>	<b>3.4%</b>
<b>Equipment Outlay</b>	<b>8,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 582,813</b>	<b>\$ 1,049,002</b>	<b>\$ 813,861</b>	<b>\$ 810,839</b>	<b>\$ (238,163)</b>	<b>-22.7%</b>	<b>\$ (3,022)</b>	<b>-0.4%</b>	<b>\$ 838,629</b>	<b>\$ 27,791</b>	<b>3.4%</b>



## Small Business Development

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 1,049,002</b>	<b>\$ 813,861</b>	<b>\$ 810,839</b>
<b>Personnel costs</b>			
Changes in capitalized labor costs	18,895	-	-
Salary adjustments and pay-for-performance	9,578	(5,386)	9,225
Burden (benefits & employer taxes) decrease / increase for current staff	(1,241)	(5,087)	9,516
1 eliminated position of Small Business Development Program Manager-(salaries, benefits & employer taxes)	(18,895)	-	-
<b>Total Increase / Decrease in personnel costs</b>	<b>8,337</b>	<b>(10,472)</b>	<b>18,741</b>
Increase in use of outside professional consultants and other services	-	5,000	4,000
Decrease / Increase in promotional activities	(235,000)	-	1,500
Other, net	(11,500)	2,450	3,550
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(246,500)</b>	<b>7,450</b>	<b>9,050</b>
<b>Total Decrease / Increase</b>	<b>(238,163)</b>	<b>(3,022)</b>	<b>27,791</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 810,839</b>	<b>\$ 810,839</b>	<b>\$ 838,629</b>

## Small Business Development Departmental Objectives

### FY 2013 Progress Report

1. Continue active implementation of remedies to address bonding issues and fostering relationships with prime contractors, which were two barriers to small business participation in SDCRAA contracts, by June 30, 2013.

**Progress:** Bonding and Contract Financing Assistance Program and Authority Outreach practices fully implemented.

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

2. Continue to enhance local awareness of Authority contracting opportunities by hosting at least twelve business opportunity outreach events and education programs targeting small businesses in order to maximize opportunity awareness efforts by June 30, 2013.

**Progress:** On target to exceed 12 events.

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

3. Oversee the planning, marketing and implementation of the 29<sup>th</sup> Annual Airport Business Diversity Conference, with more than 1,000 attendees, in June 2013.

**Progress:** On target to meet goal.

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** No

## Small Business Development Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Continue active implementation of remedies to address bonding issues and foster relationships with prime contractors, two barriers to small business participation in SDCRAA contracts, by June 30, 2014.

**Sustainability Goal:** Social Responsibility

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

2. Continue to enhance local awareness of Authority contracting opportunities by hosting at least twelve opportunity awareness events and education programs targeting small businesses in order to maximize efforts by June 30, 2014.

**Sustainability Goal:** Social Responsibility

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

3. Enhance communications with key stakeholders by reaching out to the small business community using conventional and social media tools to inform on major projects, workshops and other business enhancement opportunities.

**Sustainability Goal:** Social Responsibility

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

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# **Administration Division**

## Administration Division Overview

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

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

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

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

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

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

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

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

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

The **Marketing & Public Relations Department** develops, implements, and manages marketing initiatives that result in increased air service and revenues and provides media and public relations, strategic counsel, social media, community outreach, corporate and internal communications, crisis communications and art services for the Authority.

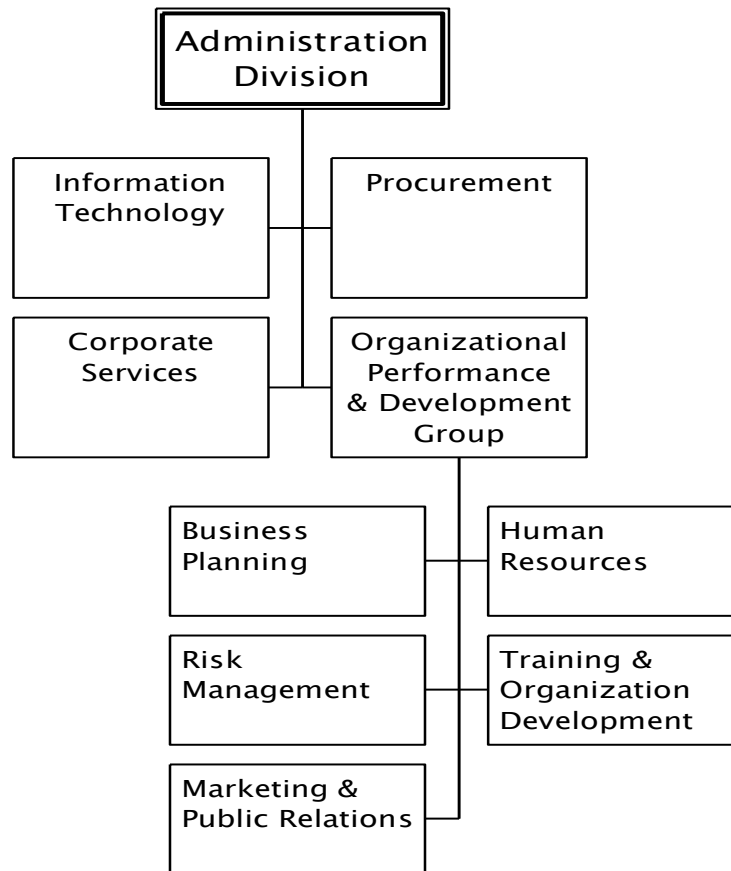
**Marketing** activities include:

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

**Public Relations** activities include:

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

## Administration Division Organizational Structure



## Division Personnel Summary

	FY 2012 Budget Authorized & Funded Positions	FY13 Authorized & Funded Positions	Proposed FY14 Budget Transfers	Proposed FY14 Budget New/ (Eliminated) Positions	Proposed FY14 Budget (Frozen)/ Unfrozen Positions	Proposed FY14 Budget Authorized & Funded Positions	Conceptual FY15 Budget New/ (Eliminated) Positions	Conceptual FY15 Budget (Frozen)/ Unfrozen Positions	Conceptual FY15 Budget Authorized & Funded Positions
<b>Administration</b>									
Business Planning	4	4	-	-	-	4	-	-	4
Information Technology	22	23	1	-	-	24	-	-	24
Human Resources	10	11	-	-	-	11	-	-	11
Procurement	12	13	-	-	-	13	-	-	13
Risk Management	6	6	-	-	-	6	-	-	6
T&O Development	3	3	-	-	-	3	-	-	3
Marketing & Public Relations	17	14	(1)	1	-	14	-	-	14
Corporate Services	7	7	-	-	-	7	-	-	7
<b>Total</b>	<b>81</b>	<b>81</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>82</b>
Authorized and Unfunded Positions	4	2	-	-	-	2	-	-	2
<b>Total Authorized Positions</b>	<b>85</b>	<b>83</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>84</b>



## Administration Division

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 6,039,738	\$ 6,442,963	\$ 6,700,822	\$ 6,623,602	\$ 180,639	2.8%	\$ (77,221)	-1.2%	\$ 6,792,206	\$ 168,604	2.5%
Premium Overtime	177,549	153,500	153,500	202,400	48,900	31.9%	48,900	31.9%	150,400	(52,000)	-25.7%
Employee Benefits	2,792,140	3,282,700	3,512,285	3,440,213	157,512	4.8%	(72,072)	-2.1%	3,651,951	211,738	6.2%
Subtotal	9,009,427	9,879,163	10,366,607	10,266,214	387,051	3.9%	(100,393)	-1.0%	10,594,557	328,343	3.2%
<i>Less: Capitalized Labor</i>	-	-	-	(74,193)	(74,193)	0.0%	(74,193)	0.0%	(77,306)	(3,114)	4.2%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>9,009,427</b>	<b>9,879,163</b>	<b>10,366,607</b>	<b>10,192,022</b>	<b>312,859</b>	<b>3.2%</b>	<b>(174,585)</b>	<b>-1.7%</b>	<b>10,517,251</b>	<b>325,229</b>	<b>3.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	3,223,042	3,174,620	2,905,620	3,439,620	265,000	8.3%	534,000	18.4%	3,361,150	(78,470)	-2.3%
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	362,435	398,625	493,625	485,500	86,875	21.8%	(8,125)	-1.6%	488,500	3,000	0.6%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	284,997	276,750	277,150	322,850	46,100	16.7%	45,700	16.5%	329,000	6,150	1.9%
Operating Supplies	35,953	50,950	66,600	67,500	16,550	32.5%	900	1.4%	68,000	500	0.7%
Insurance	764,193	872,318	1,237,234	1,253,579	381,261	43.7%	16,345	1.3%	1,546,084	292,505	23.3%
Employee Programs	422,356	529,492	538,650	553,965	24,473	4.6%	15,315	2.8%	559,488	5,523	1.0%
Business Development	1,010,779	1,687,525	1,054,945	1,058,790	(628,735)	-37.3%	3,845	0.4%	1,140,160	81,370	7.7%
Equipment Rentals & Repairs	909,526	1,410,081	1,585,890	2,077,216	667,135	47.3%	491,326	31.0%	2,166,817	89,601	4.3%
<b>Total Non-Personnel Expenses</b>	<b>7,013,280</b>	<b>8,401,561</b>	<b>8,160,914</b>	<b>9,260,220</b>	<b>858,659</b>	<b>10.2%</b>	<b>1,099,306</b>	<b>13.5%</b>	<b>9,660,399</b>	<b>400,179</b>	<b>4.3%</b>
<b>Total Operating Expenses</b>	<b>16,022,707</b>	<b>18,280,724</b>	<b>18,527,521</b>	<b>19,452,242</b>	<b>1,171,518</b>	<b>6.4%</b>	<b>924,721</b>	<b>5.0%</b>	<b>20,177,650</b>	<b>725,408</b>	<b>3.7%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>16,022,707</b>	<b>18,280,724</b>	<b>18,527,521</b>	<b>19,452,242</b>	<b>1,171,518</b>	<b>6.4%</b>	<b>924,721</b>	<b>5.0%</b>	<b>20,177,650</b>	<b>725,408</b>	<b>3.7%</b>
<b>Equipment Outlay</b>	<b>6,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 16,028,787</b>	<b>\$ 18,280,724</b>	<b>\$ 18,527,521</b>	<b>\$ 19,452,242</b>	<b>\$ 1,171,518</b>	<b>6.4%</b>	<b>\$ 924,721</b>	<b>5.0%</b>	<b>\$ 20,177,650</b>	<b>\$ 725,408</b>	<b>3.7%</b>

## Administration Division

### Major Drivers of FY 2014 Proposed Budget Increase / Decrease

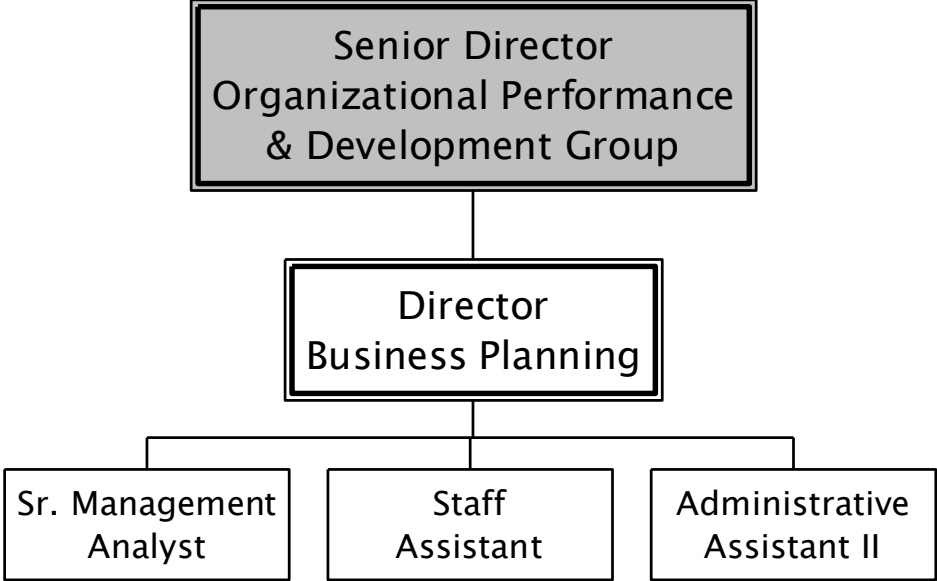
	Inc / (Dec) FY14 vs FY13 Budget	Inc / Dec FY14 vs FY14 Conceptual
<b>FY 2013 Budget / FY 2014 Conceptual Budget</b>	<b>\$ 18,280,724</b>	<b>\$ 18,527,521</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	213,991	(43,868)
Burden (benefits & employer taxes) increase / decrease for current staff	98,868	(130,717)
1 New position - Airport Art Coordinator I, (salaries, benefits & employer taxes)	74,193	74,193
Changes in capitalized labor	(74,193)	(74,193)
<b>Total Increase / Decrease in personnel costs</b>	<b>312,859</b>	<b>(174,585)</b>
Increase in Common Use Passenger Processing Systems (CUPPS) costs	1,096,900	1,011,900
Increase in insurance costs	381,261	16,345
Increase in Network Switches & VoIP due to Green Build	144,895	144,895
Decrease in marketing, promotional activities and materials costs	(615,980)	-
Decrease in outside consultant costs	(228,500)	-
Other, net	80,083	(73,834)
<b>Total Increase in non-personnel costs</b>	<b>858,659</b>	<b>1,099,306</b>
<b>Total Increase</b>	<b>1,171,518</b>	<b>924,721</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 19,452,242</b>	<b>\$ 19,452,242</b>

## Administration Division

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

	<b>Inc / (Dec) FY15 Conceptual vs FY14</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 19,452,242</b>
<b>Personnel costs</b>	
Burden (benefits & employer taxes) increase for current staff	211,738
Salary adjustments and pay-for-performance	116,604
Changes in capitalized labor	(3,114)
<b>Total Increase in personnel costs</b>	<b>325,229</b>
Increase in insurance costs	292,505
Increase in marketing costs	99,000
Increase in promotional materials costs	48,800
Decrease in other professional services	(49,470)
Decrease in promotional activities costs	(72,500)
Other, net	81,844
<b>Total Increase in non-personnel costs</b>	<b>400,179</b>
<b>Total Increase</b>	<b>725,408</b>
<b>FY 2015 Proposed Conceptual Budget</b>	<b>\$ 20,177,650</b>

**Business Planning**  
**FY 2014 – FY 2015 Organizational Structure**



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

## Business Planning

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 289,368	\$ 295,352	\$ 304,213	\$ 301,444	\$ 6,092	2.1%	\$ (2,769)	-0.9%	\$ 310,488	\$ 9,043	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	141,640	157,872	168,115	172,351	14,479	9.2%	4,236	2.5%	183,320	10,970	6.4%
Subtotal	431,008	453,224	472,328	473,795	20,571	4.5%	1,467	0.3%	493,808	20,013	4.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>431,008</b>	<b>453,224</b>	<b>472,328</b>	<b>473,795</b>	<b>20,571</b>	<b>4.5%</b>	<b>1,467</b>	<b>0.3%</b>	<b>493,808</b>	<b>20,013</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	112	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	21	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	485	2,000	2,200	2,000	-	0.0%	(200)	-9.1%	2,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	6,514	13,500	13,000	13,500	-	0.0%	500	3.8%	13,500	-	0.0%
Business Development	1,225	2,750	2,750	2,750	-	0.0%	-	0.0%	2,750	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>8,356</b>	<b>20,250</b>	<b>19,950</b>	<b>20,250</b>	<b>-</b>	<b>0.0%</b>	<b>300</b>	<b>1.5%</b>	<b>20,250</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>439,364</b>	<b>473,474</b>	<b>492,278</b>	<b>494,045</b>	<b>20,571</b>	<b>4.3%</b>	<b>1,767</b>	<b>0.4%</b>	<b>514,058</b>	<b>20,013</b>	<b>4.1%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>439,364</b>	<b>473,474</b>	<b>492,278</b>	<b>494,045</b>	<b>20,571</b>	<b>4.3%</b>	<b>1,767</b>	<b>0.4%</b>	<b>514,058</b>	<b>20,013</b>	<b>4.1%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 439,364</b>	<b>\$ 473,474</b>	<b>\$ 492,278</b>	<b>\$ 494,045</b>	<b>\$ 20,571</b>	<b>4.3%</b>	<b>\$ 1,767</b>	<b>0.4%</b>	<b>\$ 514,058</b>	<b>\$ 20,013</b>	<b>4.1%</b>

## Business Planning

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

	Inc / (Dec) FY14 vs FY13 Budget	Inc / Dec FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 473,474</b>	<b>\$ 492,278</b>	<b>\$ 494,045</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase for current staff	14,479	4,236	10,970
Salary adjustments and pay-for-performance	6,092	(2,769)	9,043
<b>Total Increase in personnel costs</b>	<b>20,571</b>	<b>1,467</b>	<b>20,013</b>
Other, net	-	300	-
<b>Total change in-non-personnel costs</b>	<b>-</b>	<b>300</b>	<b>-</b>
<b>Total Increase</b>	<b>20,571</b>	<b>1,767</b>	<b>20,013</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 494,045</b>	<b>\$ 494,045</b>	<b>\$ 514,058</b>

FY 2013 Progress Report

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** Either as discrete business process improvement efforts or as part of a larger organizational change initiative e.g. strategic workforce planning, five (5) projects have been completed or are scheduled to be completed in this fiscal year. These projects ranging from functional improvements to knowledge transfer reflect the efforts to improve workflows and employee productivity with documented, analyzed and improved work processes, enhanced customer satisfaction and/or improved overall quality.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes



FY 2014 – FY 2015 Objectives

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

Success will be measured by:

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

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

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

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

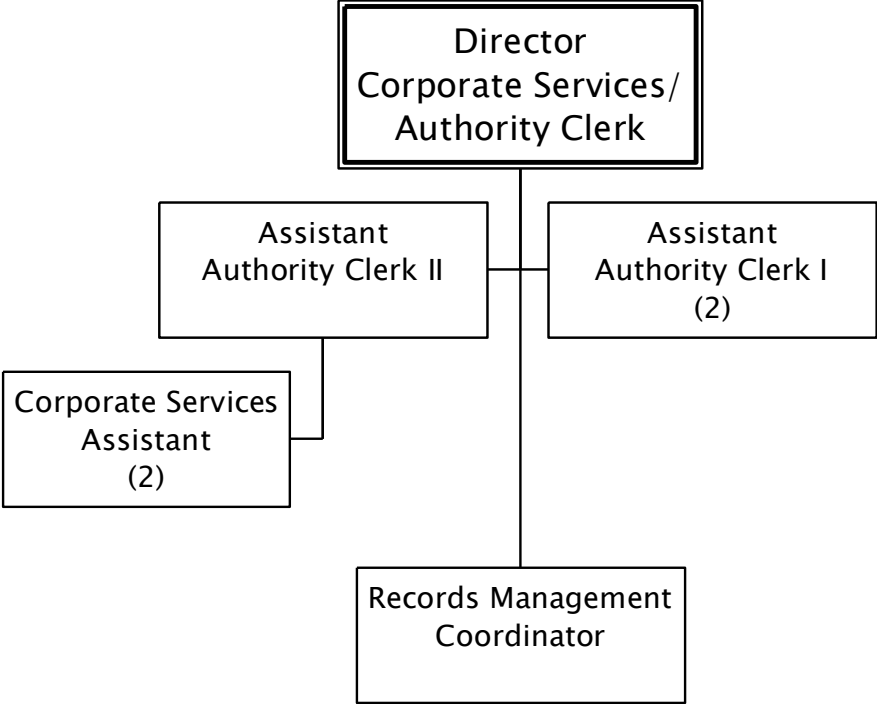
Success will be measured by:

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

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

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

Corporate Services  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Corporate Services

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 406,537	\$ 465,957	\$ 479,936	\$ 473,886	\$ 7,928	1.7%	\$ (6,051)	-1.3%	\$ 488,102	\$ 14,217	3.0%
Premium Overtime	1,592	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	198,095	250,348	266,897	260,157	9,809	3.9%	(6,740)	-2.5%	276,420	16,263	6.3%
Subtotal	606,223	716,305	746,833	734,042	17,737	2.5%	(12,791)	-1.7%	764,522	30,480	4.2%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>606,223</b>	<b>716,305</b>	<b>746,833</b>	<b>734,042</b>	<b>17,737</b>	<b>2.5%</b>	<b>(12,791)</b>	<b>-1.7%</b>	<b>764,522</b>	<b>30,480</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	27,527	16,400	16,400	39,400	23,000	140.2%	23,000	140.2%	10,000	(29,400)	-74.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	5	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	429	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	4,362	5,000	5,000	5,000	-	0.0%	-	0.0%	5,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	12,227	13,230	13,230	14,230	1,000	7.6%	1,000	7.6%	13,230	(1,000)	-7.0%
Business Development	23,126	21,500	18,600	26,600	5,100	23.7%	8,000	43.0%	27,600	1,000	3.8%
Equipment Rentals & Repairs	21,387	21,452	21,452	28,000	6,548	30.5%	6,548	30.5%	29,000	1,000	3.6%
<b>Total Non-Personnel Expenses</b>	<b>89,063</b>	<b>77,582</b>	<b>74,682</b>	<b>113,230</b>	<b>35,648</b>	<b>45.9%</b>	<b>38,548</b>	<b>51.6%</b>	<b>84,830</b>	<b>(28,400)</b>	<b>-25.1%</b>
<b>Total Operating Expenses</b>	<b>695,287</b>	<b>793,887</b>	<b>821,515</b>	<b>847,272</b>	<b>53,385</b>	<b>6.7%</b>	<b>25,757</b>	<b>3.1%</b>	<b>849,352</b>	<b>2,080</b>	<b>0.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>695,287</b>	<b>793,887</b>	<b>821,515</b>	<b>847,272</b>	<b>53,385</b>	<b>6.7%</b>	<b>25,757</b>	<b>3.1%</b>	<b>849,352</b>	<b>2,080</b>	<b>0.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 695,287</b>	<b>\$ 793,887</b>	<b>\$ 821,515</b>	<b>\$ 847,272</b>	<b>\$ 53,385</b>	<b>6.7%</b>	<b>\$ 25,757</b>	<b>3.1%</b>	<b>\$ 849,352</b>	<b>\$ 2,080</b>	<b>0.2%</b>

## Corporate Services

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

	Inc / (Dec) FY14 vs FY13 Budget	Inc / Dec FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 793,887</b>	<b>\$ 821,515</b>	<b>\$ 847,272</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase / decrease for current staff	9,809	(6,740)	16,263
Salary adjustments and pay-for-performance	7,928	(6,051)	14,217
<b>Total Increase / Decrease in personnel costs</b>	<b>17,737</b>	<b>(12,791)</b>	<b>30,480</b>
Increase / Decrease in use of outside professional services	23,000	23,000	(29,400)
Increase in computer licenses & agreements	6,000	6,000	-
Other, net	6,648	9,548	1,000
<b>Total Increase / Decrease in non-personnel costs</b>	<b>35,648</b>	<b>38,548</b>	<b>(28,400)</b>
<b>Total Increase</b>	<b>53,385</b>	<b>25,757</b>	<b>2,080</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 847,272</b>	<b>\$ 847,272</b>	<b>\$ 849,352</b>

FY 2013 Progress Report

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

**Progress:** Goal Attained

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** Goal Attained

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** Incomplete. Still ongoing

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** Goal Attained

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.     **Continue in 2014?:** Yes

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

**Progress:**     Goal Attained

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.     **Continue in 2014?:** Yes

Corporate Services  
Departmental Objectives

FY 2014 – FY 2015 Objectives

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

**Sustainability Goal:** Social Responsibility

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

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

**Sustainability Goal:** Operational Excellence

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

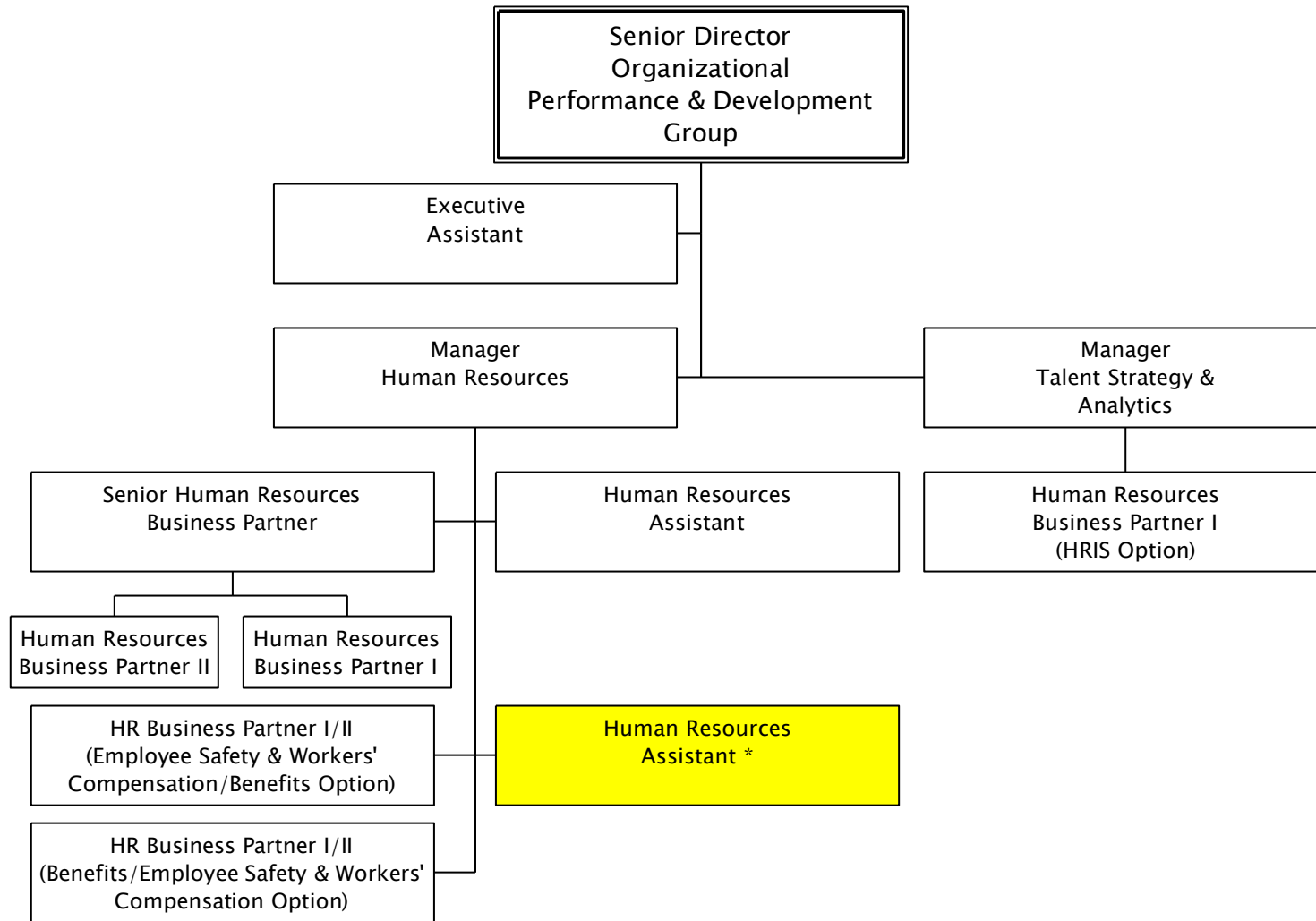
3. Ensure that official postings and the distribution of regular and special Board and Committee meeting notices and information are completed 100 percent of the time in accordance with Authority Policies and the Brown Act.

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

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

# Human Resources

## FY 2014 - FY 2015 Organizational Structure



\* Unfunded position shown in yellow

No personnel changes planned for FY 2015



## Human Resources

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 744,443	\$ 932,942	\$ 960,618	\$ 962,523	\$ 29,580	3.2%	\$ 1,904	0.2%	\$ 991,398	\$ 28,876	3.0%
Premium Overtime	521	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	367,903	434,676	461,315	471,402	36,726	8.4%	10,087	2.2%	499,498	28,095	6.0%
Subtotal	1,112,868	1,367,619	1,421,933	1,433,925	66,306	4.8%	11,992	0.8%	1,490,896	56,971	4.0%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,112,868</b>	<b>1,367,619</b>	<b>1,421,933</b>	<b>1,433,925</b>	<b>66,306</b>	<b>4.8%</b>	<b>11,992</b>	<b>0.8%</b>	<b>1,490,896</b>	<b>56,971</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	589,329	699,720	486,220	512,220	(187,500)	-26.8%	26,000	5.3%	508,950	(3,270)	-0.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	32	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	570	2,500	2,400	2,400	(100)	-4.0%	-	0.0%	2,500	100	4.2%
Operating Supplies	3,923	6,000	5,700	5,300	(700)	-11.7%	(400)	-7.0%	5,300	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	212,512	253,825	256,200	254,200	375	0.1%	(2,000)	-0.8%	252,200	(2,000)	-0.8%
Business Development	26,640	62,745	40,345	38,290	(24,455)	-39.0%	(2,055)	-5.1%	38,090	(200)	-0.5%
Equipment Rentals & Repairs	5,415	5,500	5,000	5,000	(500)	-9.1%	-	0.0%	5,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>838,421</b>	<b>1,030,290</b>	<b>795,865</b>	<b>817,410</b>	<b>(212,880)</b>	<b>-20.7%</b>	<b>21,545</b>	<b>2.7%</b>	<b>812,040</b>	<b>(5,370)</b>	<b>-0.7%</b>
<b>Total Operating Expenses</b>	<b>1,951,289</b>	<b>2,397,909</b>	<b>2,217,798</b>	<b>2,251,335</b>	<b>(146,574)</b>	<b>-6.1%</b>	<b>33,537</b>	<b>1.5%</b>	<b>2,302,936</b>	<b>51,601</b>	<b>2.3%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,951,289</b>	<b>2,397,909</b>	<b>2,217,798</b>	<b>2,251,335</b>	<b>(146,574)</b>	<b>-6.1%</b>	<b>33,537</b>	<b>1.5%</b>	<b>2,302,936</b>	<b>51,601</b>	<b>2.3%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,951,289</b>	<b>\$ 2,397,909</b>	<b>\$ 2,217,798</b>	<b>\$ 2,251,335</b>	<b>\$ (146,574)</b>	<b>-6.1%</b>	<b>\$ 33,537</b>	<b>1.5%</b>	<b>\$ 2,302,936</b>	<b>\$ 51,601</b>	<b>2.3%</b>

## Human Resources

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

	Inc / (Dec) FY14 vs FY13 Budget	Inc / Dec FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 2,397,909</b>	<b>\$ 2,217,798</b>	<b>\$ 2,251,335</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase for current staff	36,726	10,087	28,095
Salary adjustments and pay-for-performance	29,581	1,904	28,876
<b>Total Increase in personnel costs</b>	<b>66,306</b>	<b>11,992</b>	<b>56,971</b>
Decrease / Increase in promotional activities	(20,805)	295	-
Decrease / Increase in use of outside professional services	(185,500)	26,000	(3,270)
Other, net	(6,575)	(4,750)	(2,100)
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(212,880)</b>	<b>21,545</b>	<b>(5,370)</b>
<b>Total Decrease / Increase</b>	<b>(146,574)</b>	<b>33,537</b>	<b>51,601</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,251,335</b>	<b>\$ 2,251,335</b>	<b>\$ 2,302,936</b>

FY 2013 Progress Report

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

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

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** On track

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

**Progress:** On track

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

FY 2014 – FY 2015 Objectives

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

**Success equals:**

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

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

**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction; Operations – Operate or airport in a safe, secure and environmentally sound, effective and efficient manner; Financial – Enhance the financial position of the Authority.

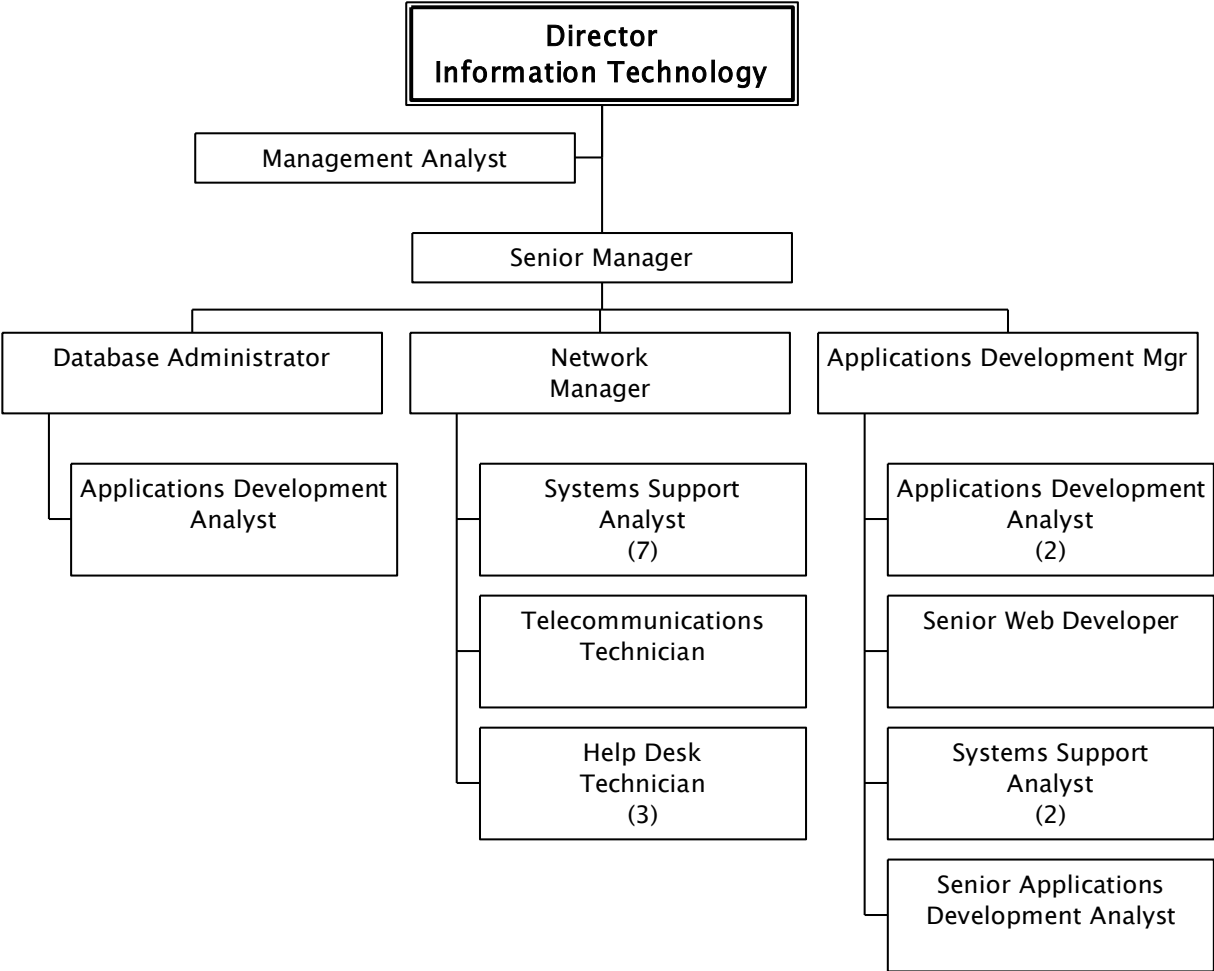
2. **Develop and implement a multi-platform engagement strategy to leverage the ROI of safety and wellness programs and minimize/mitigate the increasing cost of employee health and safety programs in FY 2014.**

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

**Sustainability Goal:** economic viability; social responsibility

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority; Employee – Ensure the highest level of employee satisfaction.

Information Technology  
 FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

# Information Technology

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,657,970	\$ 1,764,279	\$ 1,879,495	\$ 1,971,628	\$ 207,348	11.8%	\$ 92,132	4.9%	\$ 2,030,776	\$ 59,149	3.0%
Premium Overtime	171,176	152,000	152,000	202,000	50,000	32.9%	50,000	32.9%	150,000	(52,000)	-25.7%
Employee Benefits	802,402	957,977	1,044,714	1,041,145	83,167	8.7%	(3,570)	-0.3%	1,106,870	65,725	6.3%
Subtotal	2,631,548	2,874,257	3,076,210	3,214,772	340,516	11.8%	138,562	4.5%	3,287,646	72,874	2.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>2,631,548</b>	<b>2,874,257</b>	<b>3,076,210</b>	<b>3,214,772</b>	<b>340,516</b>	<b>11.8%</b>	<b>138,562</b>	<b>4.5%</b>	<b>3,287,646</b>	<b>72,874</b>	<b>2.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	475,056	470,000	490,000	975,000	505,000	107.4%	485,000	99.0%	975,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	362,218	397,125	492,125	484,000	86,875	21.9%	(8,125)	-1.7%	487,000	3,000	0.6%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	268,660	261,500	261,500	307,700	46,200	17.7%	46,200	17.7%	313,000	5,300	1.7%
Operating Supplies	11,090	13,300	26,300	23,300	10,000	75.2%	(3,000)	-11.4%	23,800	500	2.1%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	39,108	52,000	52,000	71,400	19,400	37.3%	19,400	37.3%	73,900	2,500	3.5%
Business Development	4,267	7,100	7,100	8,100	1,000	14.1%	1,000	14.1%	8,100	-	0.0%
Equipment Rentals & Repairs	859,900	1,316,129	1,488,438	1,980,466	664,337	50.5%	492,028	33.1%	2,067,067	86,601	4.4%
<b>Total Non-Personnel Expenses</b>	<b>2,020,298</b>	<b>2,517,154</b>	<b>2,817,463</b>	<b>3,849,966</b>	<b>1,332,812</b>	<b>52.9%</b>	<b>1,032,503</b>	<b>36.6%</b>	<b>3,947,867</b>	<b>97,901</b>	<b>2.5%</b>
<b>Total Operating Expenses</b>	<b>4,651,846</b>	<b>5,391,411</b>	<b>5,893,673</b>	<b>7,064,738</b>	<b>1,673,328</b>	<b>31.0%</b>	<b>1,171,065</b>	<b>19.9%</b>	<b>7,235,513</b>	<b>170,775</b>	<b>2.4%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>4,651,846</b>	<b>5,391,411</b>	<b>5,893,673</b>	<b>7,064,738</b>	<b>1,673,328</b>	<b>31.0%</b>	<b>1,171,065</b>	<b>19.9%</b>	<b>7,235,513</b>	<b>170,775</b>	<b>2.4%</b>
<b>Equipment Outlay</b>	<b>6,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 4,657,925</b>	<b>\$ 5,391,411</b>	<b>\$ 5,893,673</b>	<b>\$ 7,064,738</b>	<b>\$ 1,673,328</b>	<b>31.0%</b>	<b>\$ 1,171,065</b>	<b>19.9%</b>	<b>\$ 7,235,513</b>	<b>\$ 170,775</b>	<b>2.4%</b>

## Information Technology

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

	Inc / (Dec) FY14 vs FY13 Budget	Inc / Dec FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 5,391,411</b>	<b>\$ 5,893,673</b>	<b>\$ 7,064,738</b>
<b>Personnel costs</b>			
1 position transferred from Marketing & Public Relations (salaries, benefits & employer	151,994	151,994	-
Salary adjustments and pay-for-performance	141,717	26,501	7,149
Burden (benefits & employer taxes) increase / decrease for current staff	46,805	(39,932)	65,725
<b>Total Increase in personnel costs</b>	<b>340,516</b>	<b>138,562</b>	<b>72,874</b>
Increase in Common Use Passenger Processing Systems (CUPPS) costs	1,096,900	1,011,900	-
Increase in Network Switches & VoIP due to Green Build	144,895	144,895	7,245
Increase in equipment and systems costs	46,200	46,200	35,300
Increase / Decrease in equipment & rental/leasing costs	20,000	(10,000)	-
Other, net	24,817	(160,492)	55,356
<b>Total Increase in non-personnel costs</b>	<b>1,332,811</b>	<b>1,032,503</b>	<b>97,901</b>
<b>Total Increase</b>	<b>1,673,327</b>	<b>1,171,065</b>	<b>170,775</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 7,064,738</b>	<b>\$ 7,064,738</b>	<b>\$ 7,235,513</b>



## Information Technology Departmental Objectives

### FY 2013 Progress Report

1. Provide technical training for IT personnel to ensure that they have the appropriate skills to troubleshoot and maintain Authority server, network and software systems without requiring excessive outside technical support. Includes:

- Provide training for network personnel on the latest equipment and software;
- Ensure server personnel receiving training on server and desktop operating systems, maintenance and operation of InfoShare and LiveMeeting; and
- Ensure that software support personnel receive training on the variety of software systems they are responsible for maintaining.

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

2. Achieve 99.5% availability of computer and network systems, excluding scheduled maintenance downtimes, from July 2012 through June 2013. Success will be measured by:

- Critical application servers (e-mail, network files) maintaining 99.5% uptime; and
- Critical core switches (main computer room, not edge of network switches) maintaining 99.5% uptime.

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

3. Work with the Green Build construction team to ensure that the existing Authority network and the new Green Build network become a fully integrated system by May 2013. Success will be measured by:

- Ensure that Security access control systems will be fully operational, including existing locations and newly installed Green Build systems;
- Provide access anywhere on the merged network to all Administrative network users, including old network locations and newly installed Green Build systems; and
- Manage the old network systems and newly installed Green Build systems from one central location.

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

## Information Technology Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Work with the RCC team to ensure successful opening of the RCC facility in FY16, with all necessary Authority technology systems operating properly, while continuing to support the successful opening of the Green Build facility in August 2014.
  - a. Ensure that RCC technology plans allow the RCC to be fully integrated into the Authority network, to deliver Authority telecommunications services to the RCC, by June 2014.
  - b. Continue integration of the existing Authority network with the Green Build network, so that Authority personnel are managing 100% of the merged network by June 2014.

**Sustainability Goal:** Operational Excellence

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

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

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

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

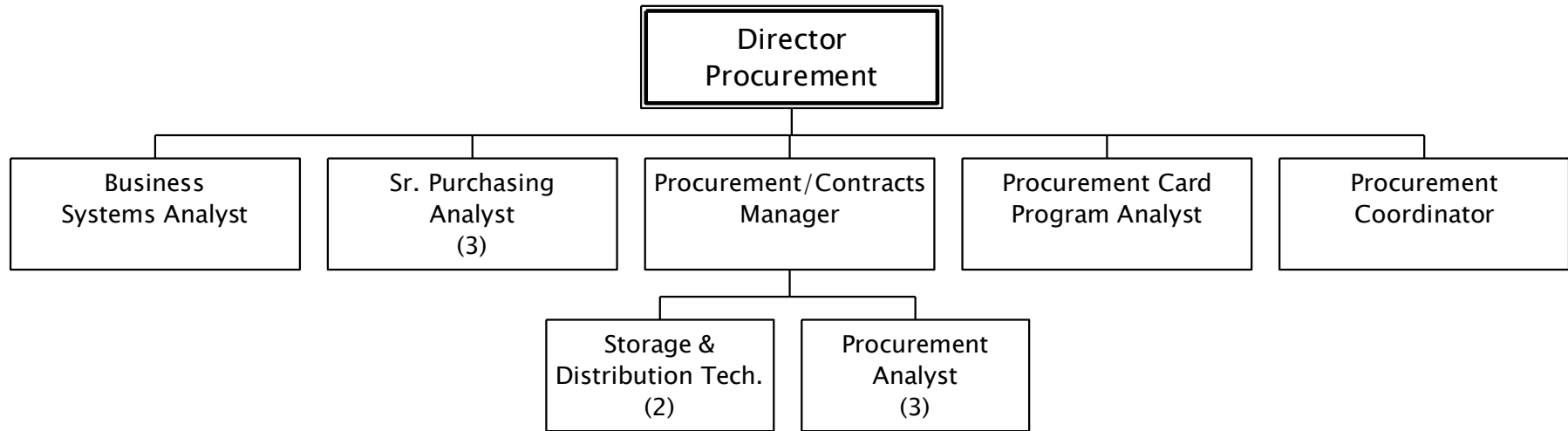
3. Implement the Enterprise Content Management system, in conjunction with the Corporate Services department, by October 2013.

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

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

## Procurement

### FY 2013 - FY 2014 Organizational Structure



No personnel changes planned for FY 2015

# Procurement

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 772,864	\$ 862,173	\$ 888,039	\$ 886,183	\$ 24,010	2.8%	\$ (1,855)	-0.2%	\$ 912,769	\$ 26,586	3.0%
Premium Overtime	56	1,000	1,000	400	(600)	-60.0%	(600)	-60.0%	400	-	0.0%
Employee Benefits	383,014	473,169	504,691	502,737	29,568	6.2%	(1,955)	-0.4%	535,350	32,613	6.5%
Subtotal	1,155,934	1,336,342	1,393,730	1,389,320	52,978	4.0%	(4,410)	-0.3%	1,448,519	59,199	4.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,155,934</b>	<b>1,336,342</b>	<b>1,393,730</b>	<b>1,389,320</b>	<b>52,978</b>	<b>4.0%</b>	<b>(4,410)</b>	<b>-0.3%</b>	<b>1,448,519</b>	<b>59,199</b>	<b>4.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	14,093	21,000	21,500	20,500	(500)	-2.4%	(1,000)	-4.7%	20,500	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	5,907	4,500	-	-	(4,500)	-100.0%	-	0.0%	-	-	0.0%
Operating Supplies	2,124	7,200	7,200	7,200	-	0.0%	-	0.0%	7,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	11,682	18,350	17,850	17,350	(1,000)	-5.4%	(500)	-2.8%	18,350	1,000	5.8%
Business Development	3,884	8,150	8,150	7,950	(200)	-2.5%	(200)	-2.5%	7,550	(400)	-5.0%
Equipment Rentals & Repairs	12,940	36,000	37,500	35,500	(500)	-1.4%	(2,000)	-5.3%	37,500	2,000	5.6%
<b>Total Non-Personnel Expenses</b>	<b>50,631</b>	<b>95,200</b>	<b>92,200</b>	<b>88,500</b>	<b>(6,700)</b>	<b>-7.0%</b>	<b>(3,700)</b>	<b>-4.0%</b>	<b>91,100</b>	<b>2,600</b>	<b>2.9%</b>
<b>Total Operating Expenses</b>	<b>1,206,565</b>	<b>1,431,542</b>	<b>1,485,930</b>	<b>1,477,820</b>	<b>46,278</b>	<b>3.2%</b>	<b>(8,110)</b>	<b>-0.5%</b>	<b>1,539,619</b>	<b>61,799</b>	<b>4.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,206,565</b>	<b>1,431,542</b>	<b>1,485,930</b>	<b>1,477,820</b>	<b>46,278</b>	<b>3.2%</b>	<b>(8,110)</b>	<b>-0.5%</b>	<b>1,539,619</b>	<b>61,799</b>	<b>4.2%</b>
Equipment Outlay	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,206,565</b>	<b>\$ 1,431,542</b>	<b>\$ 1,485,930</b>	<b>\$ 1,477,820</b>	<b>\$ 46,278</b>	<b>3.2%</b>	<b>\$ (8,110)</b>	<b>-0.5%</b>	<b>\$ 1,539,619</b>	<b>\$ 61,799</b>	<b>4.2%</b>

## Procurement

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

	Inc / (Dec) FY14 vs FY13 Budget	Inc / Dec FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 1,431,542</b>	<b>\$ 1,485,930</b>	<b>\$ 1,477,820</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase / decrease for current staff	29,568	(1,955)	32,613
Salary adjustments and pay-for-performance	23,410	(2,455)	26,586
<b>Total Increase / Decrease in personnel costs</b>	<b>52,978</b>	<b>(4,410)</b>	<b>59,199</b>
Decrease in use of outside professional services	-	(2,000)	-
Decrease / Increase in computer licenses and agreements (Bid Management System)	-	(1,500)	2,000
Decrease in equipment and systems	(4,500)	-	-
Other, net	(2,200)	(200)	600
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(6,700)</b>	<b>(3,700)</b>	<b>2,600</b>
<b>Total Increase / Decrease</b>	<b>46,278</b>	<b>(8,110)</b>	<b>61,799</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 1,477,820</b>	<b>\$ 1,477,820</b>	<b>\$ 1,539,619</b>

FY 2013 Progress Report

1. Participate in ongoing professional education activities and benchmarked best practices for Procurement. Success equals:

- Receive the Achievement of Excellence in Procurement Award for FY 2012; and
- 80% of Procurement Staff and 100% of Procurement Analysts will receive a minimum of two Continued Educational Units and share the knowledge learned in FY 2012.

**Progress:** The Procurement Department is on track for meeting the best practices and standards required to submit for the Achievement of Excellence in Procurement Award for FY2013. Procurement staff continues to receive training and instruction specifically related to trends and best practices in Procurement and Contract Services.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

2. Promote a sustainable procurement process. Success equals:

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

**Progress:** 65% of the solicitations processed in FY2013 by the Procurement Department allowed for the acceptance of electronic submissions. 50% of the total solicitations processed in FY2013 by Procurement were conducted by accepting 100% electronic submission only.

Procurement has successfully implemented a new (upgraded) bid management system which allows for the electronic submissions of public work construction projects.

Procurement staff continues to work with relevant stakeholders on utilizing additional functions and capabilities of the new system.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

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

During the first 2 quarters of FY2013, 1442 vendors have actively participated by downloading contract opportunities; 22.7% are certified small business enterprises (SBEs) 41.7% are self-claimed local business enterprises (LBEs), 4.9% are certified disadvantaged



business enterprises (DBEs), and 2.1% are certified disabled veterans business enterprises (DVBs). A total of 449 new vendors registered in the Authority's Vendor database from 7/1/2012 - 12/31/2012 as a result of outreach by Procurement, Small Business Development and Authority contract owners.

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

**Sustainability Goal:** Social responsibility.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

Procurement  
Departmental Objectives

FY 2014 – FY 2015 Objectives

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

**Sustainability Goal:** Economic Viability

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

2. Improve customer service to the business community through transparency, increased contract opportunities outreach. Success equals:

- a. Develop project-specific outreach plans for 90% of the open, competitive solicitations issued through procurement in FY2014.
- b. Document small and local business participation achieved in FY2014 through an open, competitive solicitation process.
- c. Conduct one vendor training workshop and participate in two vendor outreach events in FY2014.

**Sustainability Goal:** Social Responsibility

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

3. Promote a sustainable procurement process. Success equals:

- a. Increase the number of solicitations accepting electronic submission above 50% in FY2014, which results in reducing the Authority's carbon footprint in addition to saving the business community time and money.
- b. Update Procurement's sustainability statement and resource guide in FY2014.

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

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

4. Continue to develop staff and promote best practices in Procurement. Success equals:

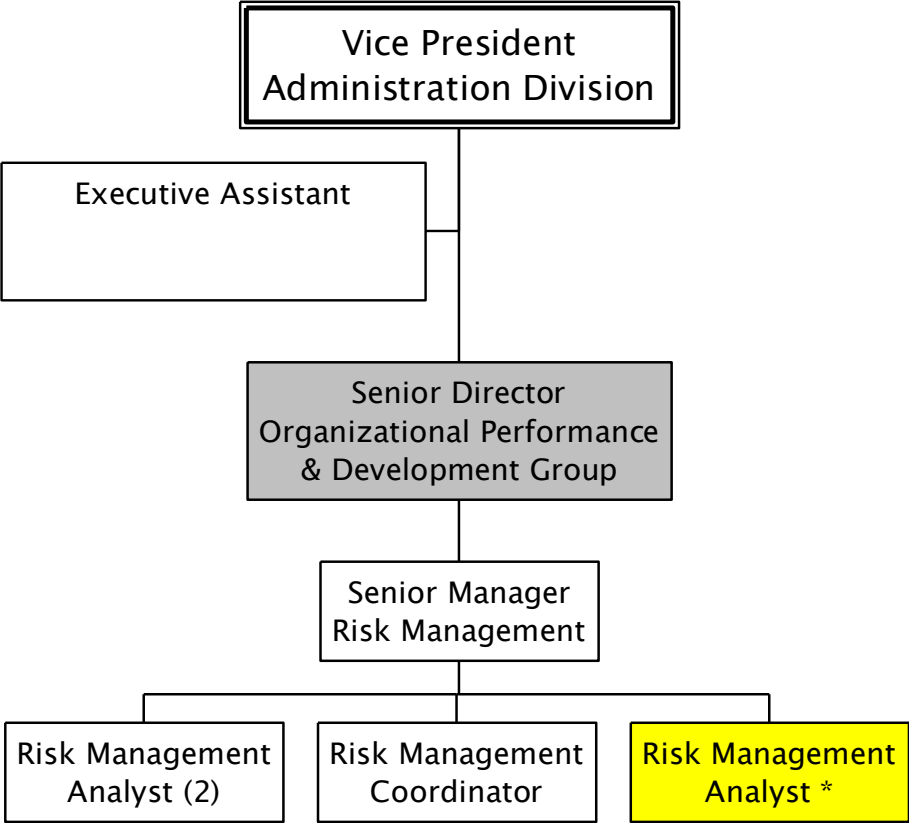
- a. Receive the Achievement of Excellence in Procurement Award for FY2013 by obtaining a high score based on standardized criteria designed to measure

innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function.

**Sustainability Goal:** Operational Excellence

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

Risk Management  
FY 2014 - FY 2015 Organizational Structure



\* Unfunded position shown in yellow

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

## Risk Management

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 490,254	\$ 558,118	\$ 577,816	\$ 641,792	\$ 83,674	15.0%	\$ 63,975	11.1%	\$ 631,691	\$ (10,101)	-1.6%
Premium Overtime	-	500	500	-	(500)	-100.0%	(500)	-100.0%	-	-	0.0%
Employee Benefits	228,377	273,225	290,662	296,302	23,077	8.4%	5,640	1.9%	312,007	15,705	5.3%
Subtotal	718,631	831,843	868,978	938,094	106,251	12.8%	69,116	8.0%	943,698	5,603	0.6%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>718,631</b>	<b>831,843</b>	<b>868,978</b>	<b>938,094</b>	<b>106,251</b>	<b>12.8%</b>	<b>69,116</b>	<b>8.0%</b>	<b>943,698</b>	<b>5,603</b>	<b>0.6%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	400,462	307,250	281,250	284,250	(23,000)	-7.5%	3,000	1.1%	284,450	200	0.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	765	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Operating Supplies	2,642	5,000	5,000	5,000	-	0.0%	-	0.0%	5,000	-	0.0%
Insurance	764,193	872,318	1,237,234	1,253,579	381,261	43.7%	16,345	1.3%	1,546,084	292,505	23.3%
Employee Programs	18,247	43,450	43,450	39,250	(4,200)	-9.7%	(4,200)	-9.7%	39,650	400	1.0%
Business Development	5,685	13,555	13,555	13,380	(175)	-1.3%	(175)	-1.3%	13,575	195	1.5%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,191,994</b>	<b>1,241,823</b>	<b>1,580,739</b>	<b>1,595,709</b>	<b>353,886</b>	<b>28.5%</b>	<b>14,970</b>	<b>0.9%</b>	<b>1,889,009</b>	<b>293,300</b>	<b>18.4%</b>
<b>Total Operating Expenses</b>	<b>1,910,625</b>	<b>2,073,666</b>	<b>2,449,717</b>	<b>2,533,803</b>	<b>460,137</b>	<b>22.2%</b>	<b>84,086</b>	<b>3.4%</b>	<b>2,832,706</b>	<b>298,903</b>	<b>11.8%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,910,625</b>	<b>2,073,666</b>	<b>2,449,717</b>	<b>2,533,803</b>	<b>460,137</b>	<b>22.2%</b>	<b>84,086</b>	<b>3.4%</b>	<b>2,832,706</b>	<b>298,903</b>	<b>11.8%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,910,625</b>	<b>\$ 2,073,666</b>	<b>\$ 2,449,717</b>	<b>\$ 2,533,803</b>	<b>\$ 460,137</b>	<b>22.2%</b>	<b>\$ 84,086</b>	<b>3.4%</b>	<b>\$ 2,832,706</b>	<b>\$ 298,903</b>	<b>11.8%</b>

## Risk Management

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

	Inc / (Dec) FY14 vs FY13 Budget	Inc / Dec FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 2,073,666</b>	<b>\$ 2,449,717</b>	<b>\$ 2,533,803</b>
<b>Personnel costs</b>			
Salary adjustments and pay-for-performance	83,174	63,475	(10,101)
Burden (benefits & employer taxes) increase for current staff	23,077	5,640	15,705
<b>Total Increase in personnel costs</b>	<b>106,251</b>	<b>69,116</b>	<b>5,603</b>
Increase in insurance costs	381,261	16,345	292,505
Decrease / Increase in use of outside professional services	(23,000)	3,000	200
Other, net	(4,375)	(4,375)	595
<b>Total Increase in non-personnel costs</b>	<b>353,886</b>	<b>14,970</b>	<b>293,300</b>
<b>Total Increase</b>	<b>460,137</b>	<b>84,086</b>	<b>298,903</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,533,803</b>	<b>\$ 2,533,803</b>	<b>\$ 2,832,706</b>

FY 2013 Progress Report

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

**Progress:** In Progress

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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

**Progress:** In Progress

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

Risk Management  
Departmental Objectives

FY 2014 – FY 2015 Objectives

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

**Sustainability Goal:** Economic Viability

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

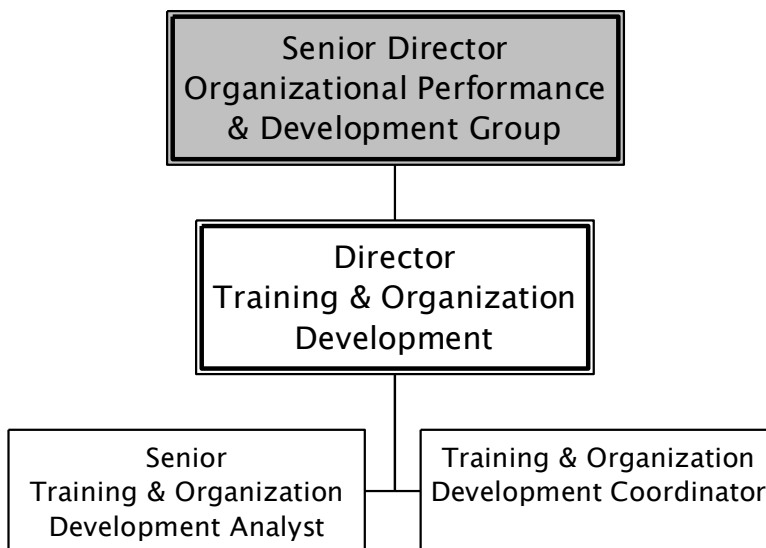
2. Educate each project lead stakeholder in the use of applicable risk assessment tool(s) in their decision making process for Authority projects as identified by the Business Planning function. To be successful, the embedding of the risk assessment decision making process will be offered to the project lead for each project identified by the Business Planning department initiated throughout FY14 and FY15.

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

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



Training & Organization Development  
FY 2013 - FY 2014 Organizational Structure



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

## Training & Organization Development

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 252,531	\$ 258,855	\$ 266,621	\$ 267,756	\$ 8,901	3.4%	\$ 1,135	0.4%	\$ 275,789	\$ 8,033	3.0%
Premium Overtime	291	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	112,749	118,866	125,926	127,651	8,784	7.4%	1,725	1.4%	135,006	7,355	5.8%
Subtotal	365,571	377,722	392,547	395,407	17,685	4.7%	2,860	0.7%	410,795	15,388	3.9%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>365,571</b>	<b>377,722</b>	<b>392,547</b>	<b>395,407</b>	<b>17,685</b>	<b>4.7%</b>	<b>2,860</b>	<b>0.7%</b>	<b>410,795</b>	<b>15,388</b>	<b>3.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	41,019	97,000	88,000	86,000	(11,000)	-11.3%	(2,000)	-2.3%	96,000	10,000	11.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	962	500	500	-	(500)	-100.0%	(500)	-100.0%	-	-	0.0%
Operating Supplies	1,382	2,000	3,000	3,000	1,000	50.0%	-	0.0%	3,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	72,550	74,000	75,550	78,550	4,550	6.1%	3,000	4.0%	78,550	-	0.0%
Business Development	8,774	7,250	9,575	9,050	1,800	24.8%	(525)	-5.5%	9,575	525	5.8%
Equipment Rentals & Repairs	7,000	7,500	10,000	7,250	(250)	-3.3%	(2,750)	-27.5%	7,250	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>131,688</b>	<b>188,250</b>	<b>186,625</b>	<b>183,850</b>	<b>(4,400)</b>	<b>-2.3%</b>	<b>(2,775)</b>	<b>-1.5%</b>	<b>194,375</b>	<b>10,525</b>	<b>5.7%</b>
<b>Total Operating Expenses</b>	<b>497,259</b>	<b>565,972</b>	<b>579,172</b>	<b>579,257</b>	<b>13,285</b>	<b>2.3%</b>	<b>85</b>	<b>0.0%</b>	<b>605,170</b>	<b>25,913</b>	<b>4.5%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>497,259</b>	<b>565,972</b>	<b>579,172</b>	<b>579,257</b>	<b>13,285</b>	<b>2.3%</b>	<b>85</b>	<b>0.0%</b>	<b>605,170</b>	<b>25,913</b>	<b>4.5%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 497,259</b>	<b>\$ 565,972</b>	<b>\$ 579,172</b>	<b>\$ 579,257</b>	<b>\$ 13,285</b>	<b>2.3%</b>	<b>\$ 85</b>	<b>0.0%</b>	<b>\$ 605,170</b>	<b>\$ 25,913</b>	<b>4.5%</b>

## Training & Organization Development

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

	<u>Inc / (Dec) FY14 vs FY13 Budget</u>	<u>Inc / Dec FY14 vs FY14 Conceptual</u>	<u>Inc / (Dec) FY15 Conceptual vs FY14</u>
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 565,972</b>	<b>\$ 579,172</b>	<b>\$ 579,257</b>
<b>Personnel costs</b>			
Salary adjustments and pay-for-performance	8,901	1,135	8,033
Burden (benefits & employer taxes) increase for current staff	8,784	1,725	7,355
<b>Total Increase in personnel costs</b>	<b>17,685</b>	<b>2,860</b>	<b>15,388</b>
Decrease / Increase in use of outside professional services (employee opinion survey)	(11,000)	(1,000)	9,000
Other, net	6,600	(1,775)	1,525
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(4,400)</b>	<b>(2,775)</b>	<b>10,525</b>
<b>Total Increase</b>	<b>13,285</b>	<b>85</b>	<b>25,913</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 579,257</b>	<b>\$ 579,257</b>	<b>\$ 605,170</b>

## Training & Organization Development Departmental Objectives

### FY 2013 Progress Report

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013 **Continue in 2014?:** No

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

## Training & Organization Development

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

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

**Sustainability Goal:** Operational Excellence

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

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

**Sustainability Goal:** Operational Excellence

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

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

**Sustainability Goal:** Operational Excellence.

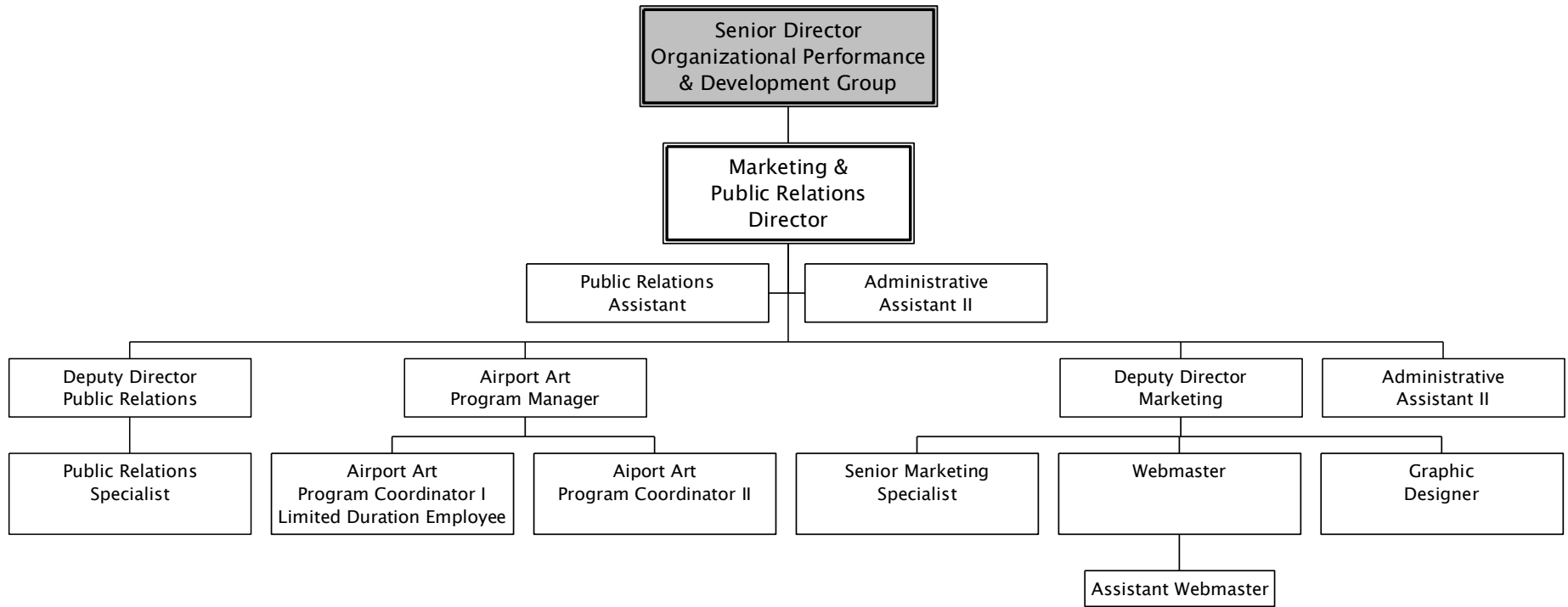
**Authority Strategy:** Strategy #4: Ensure the highest level of employee satisfaction.

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

**Sustainability Goal:** Operational Excellence.

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

Marketing & Public Relations  
 FY 2014 - FY 2015 Organizational Structure



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

## Marketing & Public Relations

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 691,251	\$ 1,305,285	\$ 1,344,083	\$ 1,118,390	\$ (186,895)	-14.3%	\$ (225,693)	-16.8%	\$ 1,151,193	\$ 32,803	2.9%
Premium Overtime	18	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	296,189	616,567	649,964	568,468	(48,098)	-7.8%	(81,496)	-12.5%	603,480	35,012	6.2%
Subtotal	987,458	1,921,852	1,994,048	1,686,859	(234,993)	-12.2%	(307,189)	-15.4%	1,754,674	67,815	4.0%
Less: Capitalized Labor	-	-	-	(74,193)	(74,193)	0.0%	(74,193)	0.0%	(77,306)	(3,114)	4.2%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>987,458</b>	<b>1,921,852</b>	<b>1,994,048</b>	<b>1,612,666</b>	<b>(309,185)</b>	<b>-16.1%</b>	<b>(381,382)</b>	<b>-19.1%</b>	<b>1,677,368</b>	<b>64,701</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,250,630	1,563,250	1,522,250	1,522,250	(41,000)	-2.6%	-	0.0%	1,466,250	(56,000)	-3.7%
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	33	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	6,919	6,500	11,500	11,500	5,000	76.9%	-	0.0%	12,250	750	6.5%
Operating Supplies	5,639	10,450	12,200	16,700	6,250	59.8%	4,500	36.9%	16,700	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	31,647	61,137	67,370	65,485	4,348	7.1%	(1,885)	-2.8%	70,108	4,623	7.1%
Business Development	174,506	1,564,475	954,870	952,670	(611,805)	-39.1%	(2,200)	-0.2%	1,032,920	80,250	8.4%
Equipment Rentals & Repairs	-	23,500	23,500	21,000	(2,500)	-10.6%	(2,500)	-10.6%	21,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,469,373</b>	<b>3,231,012</b>	<b>2,593,390</b>	<b>2,591,305</b>	<b>(639,707)</b>	<b>-19.8%</b>	<b>(2,085)</b>	<b>-0.1%</b>	<b>2,620,928</b>	<b>29,623</b>	<b>1.1%</b>
<b>Total Operating Expenses</b>	<b>2,456,831</b>	<b>5,152,864</b>	<b>4,587,438</b>	<b>4,203,971</b>	<b>(948,892)</b>	<b>-18.4%</b>	<b>(383,467)</b>	<b>-8.4%</b>	<b>4,298,296</b>	<b>94,324</b>	<b>2.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,456,831</b>	<b>5,152,864</b>	<b>4,587,438</b>	<b>4,203,971</b>	<b>(948,892)</b>	<b>-18.4%</b>	<b>(383,467)</b>	<b>-8.4%</b>	<b>4,298,296</b>	<b>94,324</b>	<b>2.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,456,831</b>	<b>\$ 5,152,864</b>	<b>\$ 4,587,438</b>	<b>\$ 4,203,971</b>	<b>\$ (948,892)</b>	<b>-18.4%</b>	<b>\$ (383,467)</b>	<b>-8.4%</b>	<b>\$ 4,298,296</b>	<b>\$ 94,324</b>	<b>2.2%</b>



## Marketing & Public Relations

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

	Inc / (Dec) FY14 vs FY13 Budget	Inc / Dec FY14 vs FY14 Conceptual	Inc / (Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual Budget / FY 2014 Budget</b>	<b>\$ 5,152,864</b>	<b>\$ 4,587,438</b>	<b>\$ 4,203,971</b>
<b>Personnel costs</b>			
1 New position - Airport Art Coordinator I (salaries, benefits & employer taxes)	74,193	74,193	-
Salary adjustments and pay-for-performance	(59,709)	(98,508)	32,803
Burden (benefits & employer taxes) decrease / increase for current staff	(70,380)	(103,778)	35,012
Changes in capitalized labor	(74,193)	(74,193)	(3,114)
1 Position transferred to Information Technology department, (salaries, benefits & employer taxes)	(179,096)	(179,096)	
<b>Total Decrease / Increase in personnel costs</b>	<b>(309,185)</b>	<b>(381,382)</b>	<b>64,701</b>
Decrease in use of outside professional services	(41,000)	-	(56,000)
Decrease / Increase in promotional materials costs	(51,000)	-	50,000
Decrease / Increase in marketing costs	(245,000)	-	99,000
Decrease in promotional activities costs	(295,000)	-	(73,000)
Other, net	(7,707)	(2,085)	9,623
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(639,707)</b>	<b>(2,085)</b>	<b>29,623</b>
<b>Total Decrease / Increase</b>	<b>(948,892)</b>	<b>(383,467)</b>	<b>94,324</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 4,203,971</b>	<b>\$ 4,203,971</b>	<b>\$ 4,298,296</b>

## Marketing & Public Relations Departmental Objectives

### FY 2013 Progress Report

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

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

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

**Progress:** Complete

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

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

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

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

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

Marketing & Public Relations  
Departmental Objectives

FY 2014 – FY 2015 Objectives

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

**Measurement:** OT – 10% rating

CES – 9% or lower rating

**Sustainability Goal:** Social Responsibility

**Authority Strategy:** Community

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

**Measurement:** OT – Execute symposium

CES – Establish baseline rating of art symposium effectiveness via an on-line survey of participants

**Sustainability Goal:** Social Responsibility

**Authority Strategy:** Community

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

**Measurement:** OT – Provide digital content

CES – Establish baseline number of customers using the incentive program

**Sustainability Goal:** Economic Viability

**Authority Strategy:** Financial

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# Development Division



## Development Division Overview

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

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

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

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

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

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

Monitoring and enforcing compliance with Airport Use Regulations.

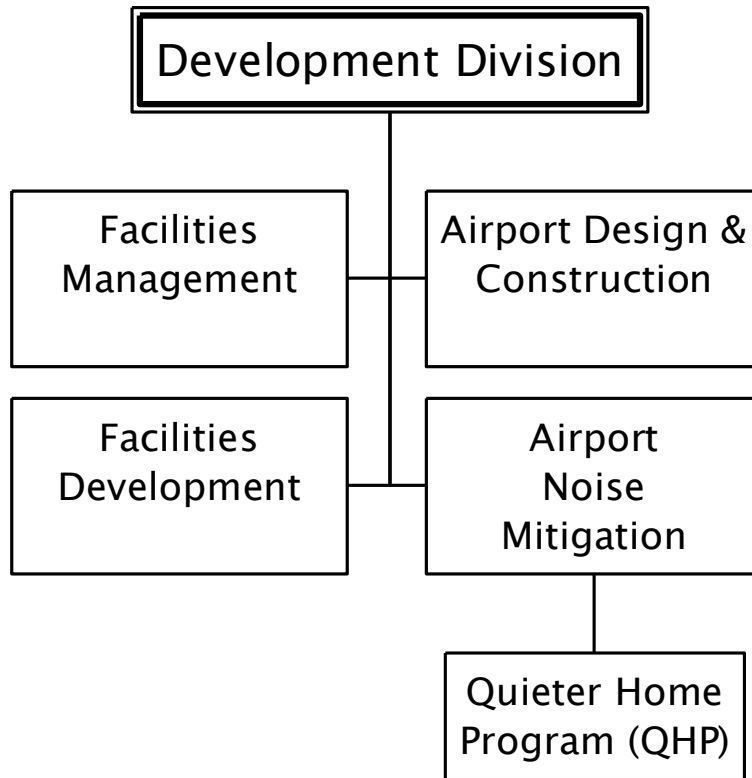
Oversight of the Residential Sound Attenuation (“Quieter Home”) Program.

Leading the Community Noise Information and Education Program.

Staff support to the Authority Board’s community noise advisory committee.

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

Development Division  
Organizational Structure



Division Personnel Summary

	FY 2012 Budget Authorized & Funded Positions	FY13 Authorized & Funded Positions	Proposed FY14 Budget Transfers	Proposed FY14 Budget New/ (Eliminated) Positions	Proposed FY14 Budget (Frozen)/ Unfrozen Positions	Proposed FY14 Budget Authorized & Funded Positions	Conceptual FY15 Budget New/ (Eliminated) Positions	Conceptual FY15 Budget (Frozen)/ Unfrozen Positions	Conceptual FY15 Budget Authorized & Funded Positions
<b>Development</b>									
Facilities Development	30	30	-	2	4	36	1	-	37
Terminal Development Program	12	9	-	5	-	14	-	-	14
Facilities Management	70	77	-	6	-	83	-	-	83
Noise Mitigation	4	4	-	-	-	4	-	-	4
Quieter Home Program	7	7	-	-	-	7	-	-	7
<b>Total</b>	<b>123</b>	<b>127</b>	<b>-</b>	<b>13</b>	<b>4</b>	<b>144</b>	<b>1</b>	<b>-</b>	<b>145</b>
Authorized and Unfunded Positions	9	4	-	-	-	-	-	-	-
<b>Total Authorized Positions</b>	<b>132</b>	<b>131</b>	<b>-</b>	<b>13</b>	<b>4</b>	<b>144</b>	<b>1</b>	<b>-</b>	<b>145</b>

## Development Division

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 8,248,771	\$ 8,671,275	\$ 9,415,537	\$ 10,040,895	\$ 1,369,620	15.8%	\$ 625,358	6.6%	\$ 10,948,834	\$ 907,939	9.0%
Premium Overtime	504,189	460,000	460,000	450,000	(10,000)	-2.2%	(10,000)	-2.2%	500,000	50,000	11.1%
Employee Benefits	4,029,914	4,777,258	5,308,839	5,435,014	657,755	13.8%	126,174	2.4%	6,007,872	572,859	10.5%
Subtotal	12,782,875	13,908,534	15,184,376	15,925,909	2,017,375	14.5%	741,532	4.9%	17,456,706	1,530,798	9.6%
Less: Capitalized Labor	(4,310,701)	(4,465,578)	(4,605,767)	(5,572,107)	(1,106,530)	24.8%	(966,340)	21.0%	(5,996,297)	(424,190)	7.6%
Less: QHP - Labor/Burden/Labor Overhead	(793,309)	(708,766)	(748,501)	(703,804)	4,962	-0.7%	44,697	-6.0%	(732,944)	(29,140)	4.1%
<b>Total Personnel Expenses</b>	<b>7,678,865</b>	<b>8,734,190</b>	<b>9,830,109</b>	<b>9,649,997</b>	<b>915,807</b>	<b>10.5%</b>	<b>(180,112)</b>	<b>-1.8%</b>	<b>10,727,466</b>	<b>1,077,468</b>	<b>11.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	547,534	836,183	1,052,709	1,163,700	327,516	39.2%	110,991	10.5%	1,155,636	(8,063)	-0.7%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	6,306,091	7,350,000	8,145,000	8,075,000	725,000	9.9%	(70,000)	-0.9%	8,449,050	374,050	4.6%
Maintenance	7,171,253	7,030,600	7,430,600	10,000,204	2,969,604	42.2%	2,569,604	34.6%	10,249,100	248,896	2.5%
Operating Equipment & Systems	21,970	26,048	25,119	20,729	(5,319)	-20.4%	(4,390)	-17.5%	20,268	(461)	-2.2%
Operating Supplies	77,869	78,037	75,216	84,277	6,240	8.0%	9,061	12.0%	90,265	5,988	7.1%
Insurance	47	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	76,986	127,359	133,485	136,583	9,224	7.2%	3,098	2.3%	139,450	2,867	2.1%
Business Development	57,940	96,316	92,941	87,248	(9,068)	-9.4%	(5,693)	-6.1%	86,948	(300)	-0.3%
Equipment Rentals & Repairs	253,892	241,027	246,948	241,151	125	0.1%	(5,797)	-2.3%	256,629	15,477	6.4%
<b>Total Non-Personnel Expenses</b>	<b>14,513,582</b>	<b>15,785,570</b>	<b>17,202,017</b>	<b>19,808,891</b>	<b>4,023,322</b>	<b>25.5%</b>	<b>2,606,875</b>	<b>15.2%</b>	<b>20,447,345</b>	<b>638,454</b>	<b>3.2%</b>
<b>Total Operating Expenses</b>	<b>22,192,447</b>	<b>24,519,760</b>	<b>27,032,126</b>	<b>29,458,889</b>	<b>4,939,129</b>	<b>20.1%</b>	<b>2,426,763</b>	<b>9.0%</b>	<b>31,174,811</b>	<b>1,715,922</b>	<b>5.8%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	14,617,463	15,181,596	15,182,096	17,402,324	2,220,728	14.6%	2,220,228	14.6%	15,176,621	(2,225,703)	-12.8%
<b>Total Non-Operating Expenses</b>	<b>14,617,463</b>	<b>15,181,596</b>	<b>15,182,096</b>	<b>17,402,324</b>	<b>2,220,728</b>	<b>14.6%</b>	<b>2,220,228</b>	<b>14.6%</b>	<b>15,176,621</b>	<b>(2,225,703)</b>	<b>-12.8%</b>
<b>Total Expenses</b>	<b>36,809,910</b>	<b>39,701,356</b>	<b>42,214,222</b>	<b>46,861,213</b>	<b>7,159,856</b>	<b>18.0%</b>	<b>4,646,991</b>	<b>11.0%</b>	<b>46,351,432</b>	<b>(509,781)</b>	<b>-1.1%</b>
Equipment Outlay	143,290	220,000	110,000	10,000	(210,000)	-95.5%	(100,000)	-90.9%	170,000	160,000	1600.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 36,953,200</b>	<b>\$ 39,921,356</b>	<b>\$ 42,324,222</b>	<b>\$ 46,871,213</b>	<b>\$ 6,949,856</b>	<b>17.4%</b>	<b>\$ 4,546,991</b>	<b>10.7%</b>	<b>\$ 46,521,432</b>	<b>\$ (349,781)</b>	<b>-0.7%</b>

## Development Division

### Major Drivers of FY 2014 Proposed Budget Increase / Decrease

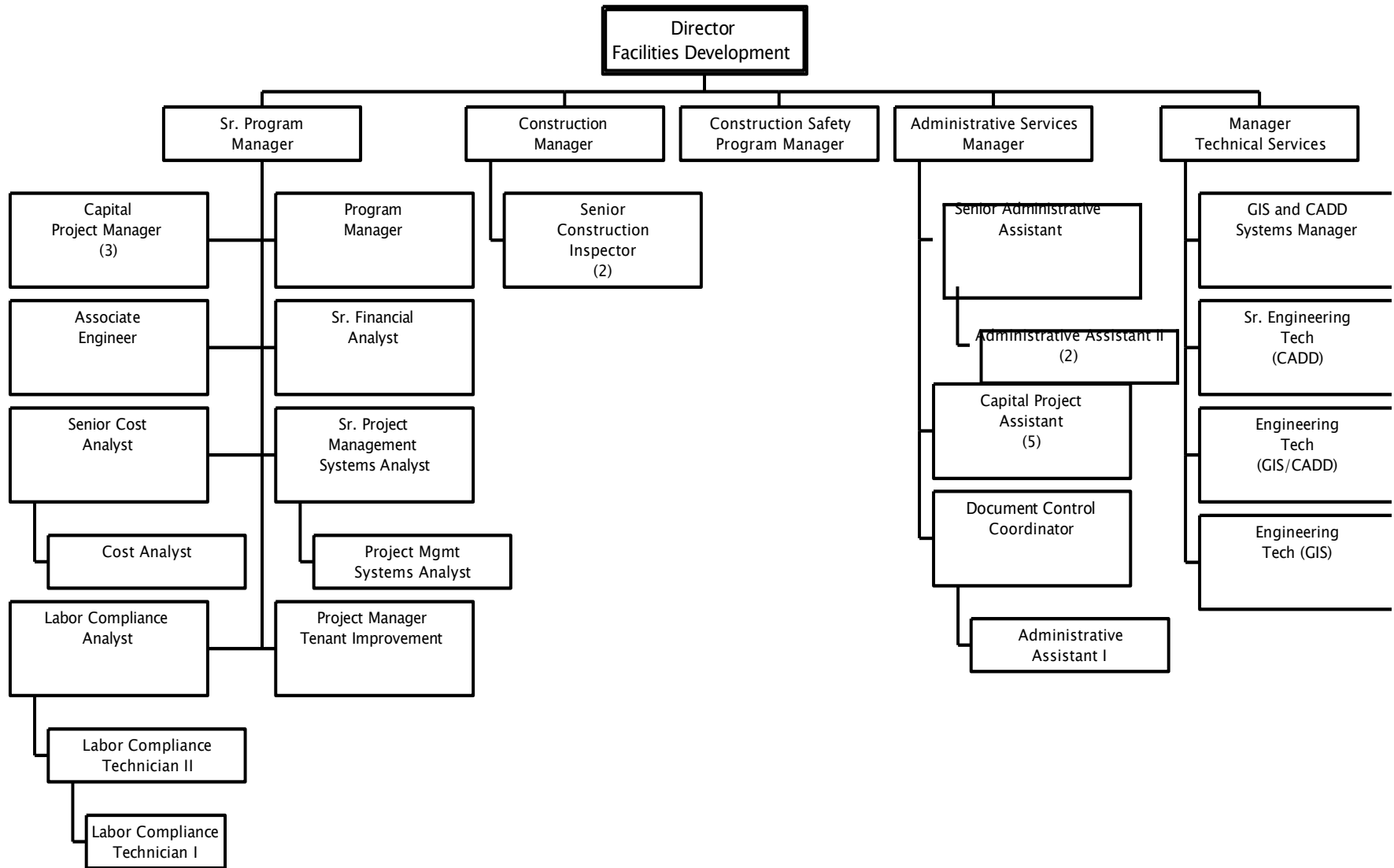
	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual
<b>FY 2013 Budget / FY 2014 Conceptual</b>	<b>\$ 39,921,356</b>	<b>\$ 42,324,222</b>
<b>Personnel costs</b>		
13 New positions (salaries, benefits & employer taxes)	912,396	643,579
Salary adjustments,contracted wage increases and pay-for-performance	495,825	(64,015)
Burden (benefits & employer taxes) increase/ decrease for current staff	346,862	(100,324)
4 Unfrozen positions (salaries, benefits & employer taxes)	262,292	262,292
Changes in capitalized labor costs	(1,101,568)	(921,644)
<b>Total Increase/ Decrease in personnel costs</b>	<b>915,807</b>	<b>(180,112)</b>
Increase in Quieter Home Program project costs	2,220,728	2,220,228
Baggage Handling System (BHS)	1,349,104	1,349,104
Increase in special maintenance costs	825,000	825,000
Increase / Decrease in utilities	725,000	(70,000)
Increase in other annual repair and service contracts	607,000	120,000
Increase in tenant improvement oversight costs	200,000	-
Increase in major maintenance costs	100,000	150,000
Electrical switch gear maintenance costs	100,000	110,000
Decrease in equipment outlay	(210,000)	(100,000)
Other, net	117,218	122,771
<b>Total Increase in non-personnel costs</b>	<b>6,034,049</b>	<b>4,727,103</b>
<b>Total Increase</b>	<b>6,949,856</b>	<b>4,546,991</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 46,871,213</b>	<b>\$ 46,871,213</b>

## Development Division

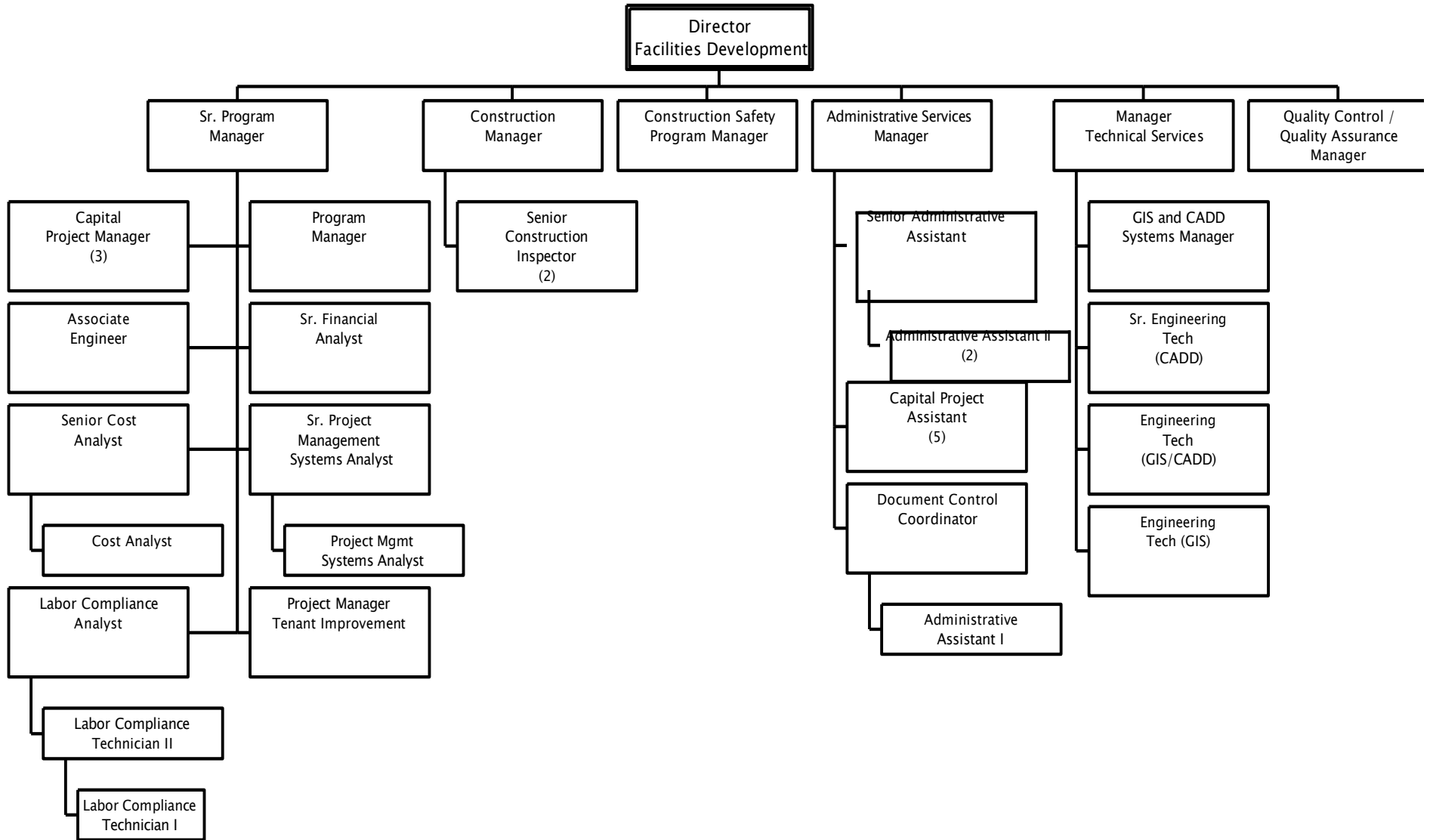
### Major Drivers of FY 2015 Proposed Conceptual Budget Increase / Decrease

	<b>Inc/(Dec) FY15 Conceptual vs FY14</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 46,521,213</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	860,189
Burden (benefits & employer taxes) increase for current staff	538,618
1 New position of Quality Assurance Manager (salaries, benefits & employer taxes)	131,990
Changes in capitilized labor costs	(453,329)
<b>Total Increase in personnel costs</b>	<b>1,077,468</b>
Increase in other annual repair and service contracts	1,647,000
Increase in utilities	374,050
Increase in equipment outlay	160,000
Decrease in Baggage Handling System (BHS) costs	(1,349,104)
Decrease in Quieter Home Program project costs	(2,225,703)
Other, net	(33,492)
<b>Total Decrease in non-personnel costs</b>	<b>(1,427,249)</b>
<b>Total Increase</b>	<b>(349,781)</b>
<b>FY 2015 Proposed Conceptual Budget</b>	<b>\$ 46,521,432</b>

Facilities Development  
 FY 2014 Organizational Structure



Facilities Development  
 FY 2015 Organizational Structure





# Facilities Development

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	Inc/(Dec) FY14 Conceptual Budget vs FY13 Budget	% Change	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>													
<b>Personnel Expenses</b>													
Salaries and Wages	\$ 2,155,102	\$ 2,300,746	\$ 2,369,020	\$ 68,274	3.0%	\$ 2,562,167	\$ 261,421	11.4%	\$ 193,147	8.2%	\$ 3,027,622	\$ 465,455	18.2%
Premium Overtime	10,718	10,000	10,000	-	0.0%	-	(10,000)	-100.0%	(10,000)	-100.0%	-	-	0.0%
Employee Benefits	952,032	1,144,482	1,218,468	73,986	6.5%	1,279,249	134,767	11.8%	60,781	5.0%	1,489,505	210,256	16.4%
Subtotal	3,117,851	3,455,229	3,597,488	142,260	4.1%	3,841,416	386,188	11.2%	243,928	6.8%	4,517,128	675,711	17.6%
Less: Capitalized Labor	(3,029,908)	(2,760,095)	(2,849,238)	(89,142)	3.2%	(3,176,373)	(416,278)	15.1%	(327,135)	11.5%	(3,671,936)	(495,563)	15.6%
Less: QHP - Labor/Burden/Labor Overhead	(75,485)	-	-	-	0.0%	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>12,458</b>	<b>695,133</b>	<b>748,251</b>	<b>53,117</b>	<b>7.6%</b>	<b>665,043</b>	<b>(30,090)</b>	<b>-4.3%</b>	<b>(83,208)</b>	<b>-11.1%</b>	<b>845,191</b>	<b>180,148</b>	<b>27.1%</b>
<b>Non-Personnel Expenses</b>													
Contractual Services	393,900	763,183	976,709	213,526	28.0%	1,111,700	348,516	45.7%	134,991	13.8%	1,103,636	(8,063)	-0.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	36	-	-	-	0.0%	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	8,175	200,000	110,000	(90,000)	-45.0%	110,000	(90,000)	-45.0%	-	0.0%	110,000	-	0.0%
Operating Equipment & Systems	6,925	5,548	6,619	1,071	19.3%	5,729	181	3.3%	(890)	-13.4%	5,268	(461)	-8.0%
Operating Supplies	10,141	5,137	5,516	378	7.4%	8,327	3,190	62.1%	2,811	51.0%	8,665	338	4.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	5,423	3,701	4,944	1,243	33.6%	7,392	3,691	99.7%	2,448	49.5%	7,623	231	3.1%
Business Development	10,540	23,620	23,620	-	0.0%	23,277	(343)	-1.5%	(343)	-1.5%	22,377	(900)	-3.9%
Equipment Rentals & Repairs	53,942	30,145	33,998	3,853	12.8%	56,509	26,365	87.5%	22,511	66.2%	69,519	13,009	23.0%
<b>Total Non-Personnel Expenses</b>	<b>489,082</b>	<b>1,031,334</b>	<b>1,161,405</b>	<b>130,071</b>	<b>12.6%</b>	<b>1,322,933</b>	<b>291,600</b>	<b>28.3%</b>	<b>161,529</b>	<b>13.9%</b>	<b>1,327,087</b>	<b>4,154</b>	<b>0.3%</b>
<b>Total Operating Expenses</b>	<b>501,540</b>	<b>1,726,467</b>	<b>1,909,655</b>	<b>183,189</b>	<b>10.6%</b>	<b>1,987,976</b>	<b>261,510</b>	<b>15.1%</b>	<b>78,321</b>	<b>4.1%</b>	<b>2,172,278</b>	<b>184,302</b>	<b>9.3%</b>
<b>Non-Operating Expenses:</b>													
Joint Studies/Sound Attenuation	72,835	200,000	200,000	-	0.0%	200,000	-	0.0%	-	0.0%	200,000	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>72,835</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>0.0%</b>	<b>200,000</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>200,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>574,375</b>	<b>1,926,467</b>	<b>2,109,655</b>	<b>183,189</b>	<b>9.5%</b>	<b>2,187,976</b>	<b>261,510</b>	<b>13.6%</b>	<b>78,321</b>	<b>3.7%</b>	<b>2,372,278</b>	<b>184,302</b>	<b>8.4%</b>
<b>Equipment Outlay</b>	<b>73,930</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>0.0%</b>	<b>10,000</b>	<b>(10,000)</b>	<b>-50.0%</b>	<b>(10,000)</b>	<b>-50.0%</b>	<b>20,000</b>	<b>10,000</b>	<b>100.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 648,305</b>	<b>\$ 1,946,467</b>	<b>\$ 2,129,655</b>	<b>\$ 183,189</b>	<b>9.4%</b>	<b>\$ 2,197,976</b>	<b>\$ 251,510</b>	<b>12.9%</b>	<b>\$ 68,321</b>	<b>3.2%</b>	<b>\$ 2,392,278</b>	<b>\$ 194,302</b>	<b>8.8%</b>

## Facilities Development

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 1,946,467</b>	<b>\$ 2,129,655</b>	<b>\$ 2,197,976</b>
<b>Personnel costs</b>			
4 Unfrozen positions (salaries, benefits & employer taxes)	262,292	262,292	-
Burden (benefits & employer taxes) increase/ decrease for current staff	59,315	(14,671)	176,016
2 New positions in FY2014 and 1 new position in FY15 (salaries, benefits & employer taxes)	35,247	35,247	131,990
Salary adjustments and pay-for-performance	29,333	(38,940)	367,705
Change in capitalized labor costs	(416,278)	(327,135)	(495,563)
<b>Total Decrease/ Increase in personnel costs</b>	<b>(30,090)</b>	<b>(83,208)</b>	<b>180,148</b>
Increase in Tenant Improvement oversight costs	200,000	-	-
Increase/ Decrease in Facilities Development consultant costs	136,016	122,491	(9,063)
Decrease in major maintenance costs	(90,000)	-	-
Other, net	35,583	29,038	23,217
<b>Total Increase in non-personnel costs</b>	<b>281,600</b>	<b>151,529</b>	<b>14,154</b>
<b>Total Increase</b>	<b>251,510</b>	<b>68,321</b>	<b>194,302</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,197,976</b>	<b>\$ 2,197,976</b>	<b>\$ 2,392,278</b>

## Facilities Development Departmental Objectives

### FY 2013 Progress Report

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

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

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

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

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

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** No

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

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

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** No

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

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

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

## Facilities Development Departmental Objectives

### FY 2014 – FY 2015 Objectives

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

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

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

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

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

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

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

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

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

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

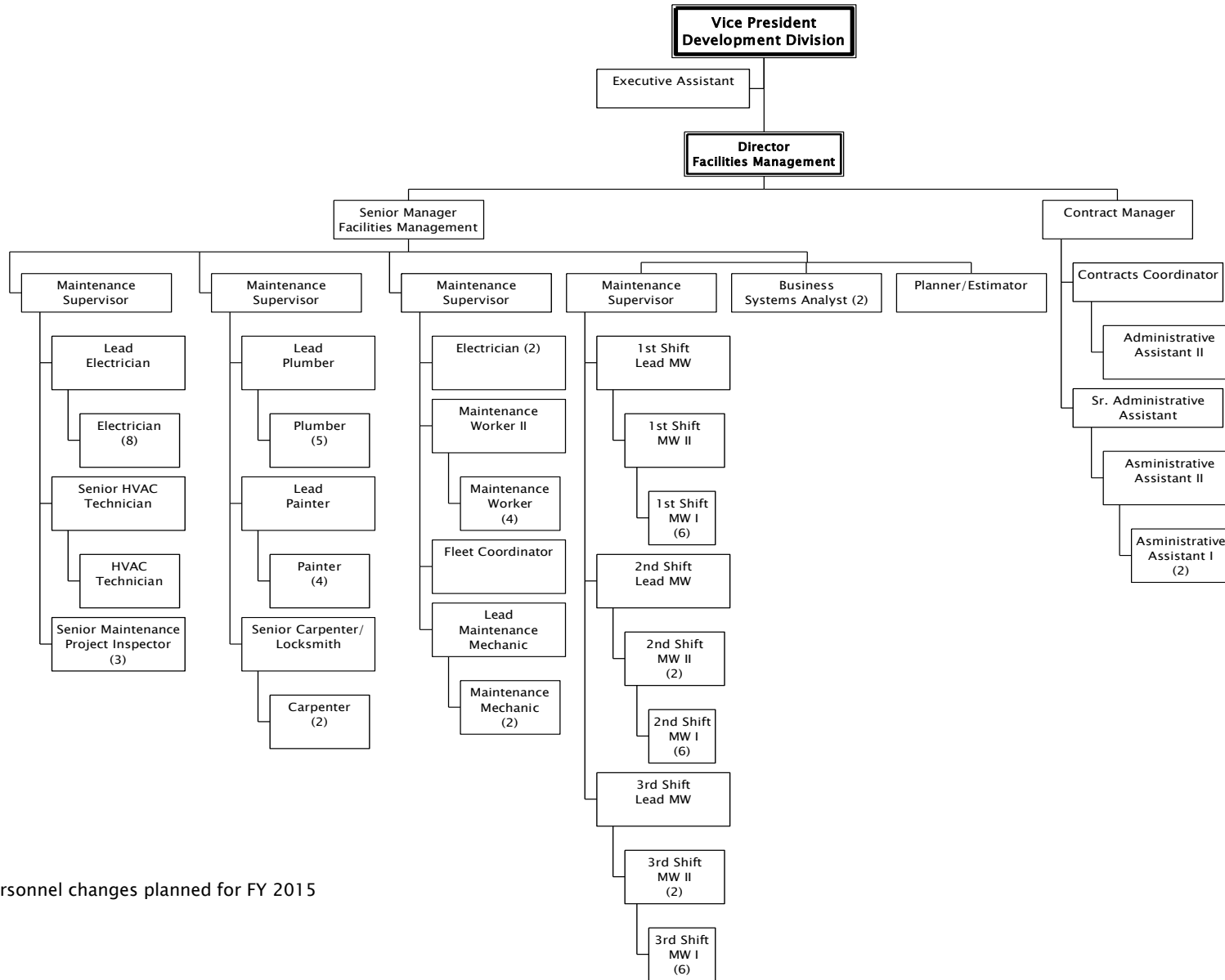
**Authority Strategy:** Strategy # 1: Enhance the financial position of the Authority.

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

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

# Facilities Management

## FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

# Facilities Management

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 4,575,341	\$ 4,779,348	\$ 5,407,601	\$ 5,427,592	\$ 648,243	13.6%	\$ 19,991	0.4%	\$ 5,808,542	\$ 380,950	7.0%
Premium Overtime	493,275	450,000	450,000	450,000	-	0.0%	-	0.0%	500,000	50,000	11.1%
Employee Benefits	2,402,748	2,833,307	3,230,441	3,170,192	336,885	11.9%	(60,249)	-1.9%	3,469,198	299,006	9.4%
Subtotal	7,471,364	8,062,655	9,088,042	9,047,784	985,129	12.2%	(40,258)	-0.4%	9,777,740	729,956	8.1%
Less: Capitalized Labor	(192,882)	(550,125)	(552,308)	(500,000)	50,125	-9.1%	52,308	-9.5%	(350,000)	150,000	-30.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>7,278,482</b>	<b>7,512,530</b>	<b>8,535,734</b>	<b>8,547,784</b>	<b>1,035,253</b>	<b>13.8%</b>	<b>12,050</b>	<b>0.1%</b>	<b>9,427,740</b>	<b>879,956</b>	<b>10.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	141,659	63,000	66,000	42,000	(21,000)	-33.3%	(24,000)	-36.4%	42,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	6,306,037	7,350,000	8,145,000	8,075,000	725,000	9.9%	(70,000)	-0.9%	8,449,050	374,050	4.6%
Maintenance	7,163,078	6,830,600	7,320,600	9,890,204	3,059,604	44.8%	2,569,604	35.1%	10,139,100	248,896	2.5%
Operating Equipment & Systems	11,153	17,500	15,500	15,000	(2,500)	-14.3%	(500)	-3.2%	15,000	-	0.0%
Operating Supplies	56,761	66,050	62,850	65,350	(700)	-1.1%	2,500	4.0%	71,000	5,650	8.6%
Insurance	47	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	47,100	75,800	80,300	79,910	4,110	5.4%	(390)	-0.5%	81,710	1,800	2.3%
Business Development	13,634	17,100	13,250	4,325	(12,775)	-74.7%	(8,925)	-67.4%	3,925	(400)	-9.2%
Equipment Rentals & Repairs	4,608	11,250	11,250	12,000	750	6.7%	750	6.7%	12,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>13,744,077</b>	<b>14,431,300</b>	<b>15,714,750</b>	<b>18,183,789</b>	<b>3,752,489</b>	<b>26.0%</b>	<b>2,469,039</b>	<b>15.7%</b>	<b>18,813,785</b>	<b>629,996</b>	<b>3.5%</b>
<b>Total Operating Expenses</b>	<b>21,022,560</b>	<b>21,943,830</b>	<b>24,250,484</b>	<b>26,731,573</b>	<b>4,787,742</b>	<b>21.8%</b>	<b>2,481,089</b>	<b>10.2%</b>	<b>28,241,525</b>	<b>1,509,952</b>	<b>5.6%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>21,022,560</b>	<b>21,943,830</b>	<b>24,250,484</b>	<b>26,731,573</b>	<b>4,787,742</b>	<b>21.8%</b>	<b>2,481,089</b>	<b>10.2%</b>	<b>28,241,525</b>	<b>1,509,952</b>	<b>5.6%</b>
Equipment Outlay	69,361	200,000	90,000	-	(200,000)	-100.0%	(90,000)	-100.0%	150,000	150,000	0.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 21,091,920</b>	<b>\$ 22,143,830</b>	<b>\$ 24,340,484</b>	<b>\$ 26,731,573</b>	<b>\$ 4,587,742</b>	<b>20.7%</b>	<b>\$ 2,391,089</b>	<b>9.8%</b>	<b>\$ 28,391,525</b>	<b>\$ 1,659,952</b>	<b>6.2%</b>

## Facilities Management

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 22,143,830</b>	<b>\$ 24,340,484</b>	<b>\$ 26,381,573</b>
<b>Personnel costs</b>			
6 New positions in FY14 (salaries, benefits & employer taxes)	249,004	(19,813)	-
Burden (benefits & employer taxes) increase/ decrease for current staff	259,424	(53,314)	299,006
Salary adjustments,contracted wage increases and pay-for-performance	476,701	32,870	430,950
Changes in capitolized labor costs	50,125	52,308	150,000
<b>Total Increase in personnel costs</b>	<b>1,035,253</b>	<b>12,050</b>	<b>879,956</b>
Baggage Handling System (BHS)	1,349,104	1,349,104	(1,349,104)
Increase in special maintenance costs	825,000	825,000	-
Increase / Decrease in utilities	725,000	(70,000)	374,050
Increase in other annual repair and service contracts	607,000	120,000	1,647,000
Increase in major maintenance costs	100,000	150,000	-
Electrical switch gear maintenance	100,000	110,000	(100,000)
Decrease/ Increase in equipment outlay	(200,000)	(90,000)	150,000
Other, net	46,385	(15,065)	58,050
<b>Total Increase in non-personnel costs</b>	<b>3,552,489</b>	<b>2,379,039</b>	<b>779,996</b>
<b>Total Increase</b>	<b>4,587,742</b>	<b>2,391,089</b>	<b>1,659,952</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 26,731,573</b>	<b>\$ 26,731,573</b>	<b>\$ 28,391,525</b>



FY 2013 Progress Report

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

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes. However, baseline will be re-evaluated.

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

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

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

3. Design and implement a fully operational Building Management System to support the activation and operation of the Green Build Project by June 30, 2013.

**Progress:** Target turn-over date by Green Build contractor is June 30, 2013.

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

4. By June 2012, develop and implement an operational procedure that will identify existing facility issues and ensure that they are incorporated into development programs. They also will identify upcoming impacts to facilities that will allow for more closely coordinated projects. Overall procedure to incorporate a facility condition index system to indicate the current facility condition and allow for projections of condition based on projects.

**Progress:** Completed.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** No

5. Establish a professional development program for the Maintenance Supervisors and Lead Technicians to encompass finance, procurement, airport operations and other aspects of the aviation industry. Program began in 2010 and continued to June 2012. Elements include: management team building, supervisory leadership, program management development, and lead tradesmen skill development in the areas of job planning, job estimating and crew leadership.

**Progress:** Completed.

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** No

Facilities Management  
Departmental Objectives

FY 2014 – FY 2015 Objectives

1. **By June 2014, develop and implement procedures for maintenance service agreements and on-call maintenance construction agreements to ensure consistent and uniform contract administration.**

**Sustainability Goal:** Operational Excellence

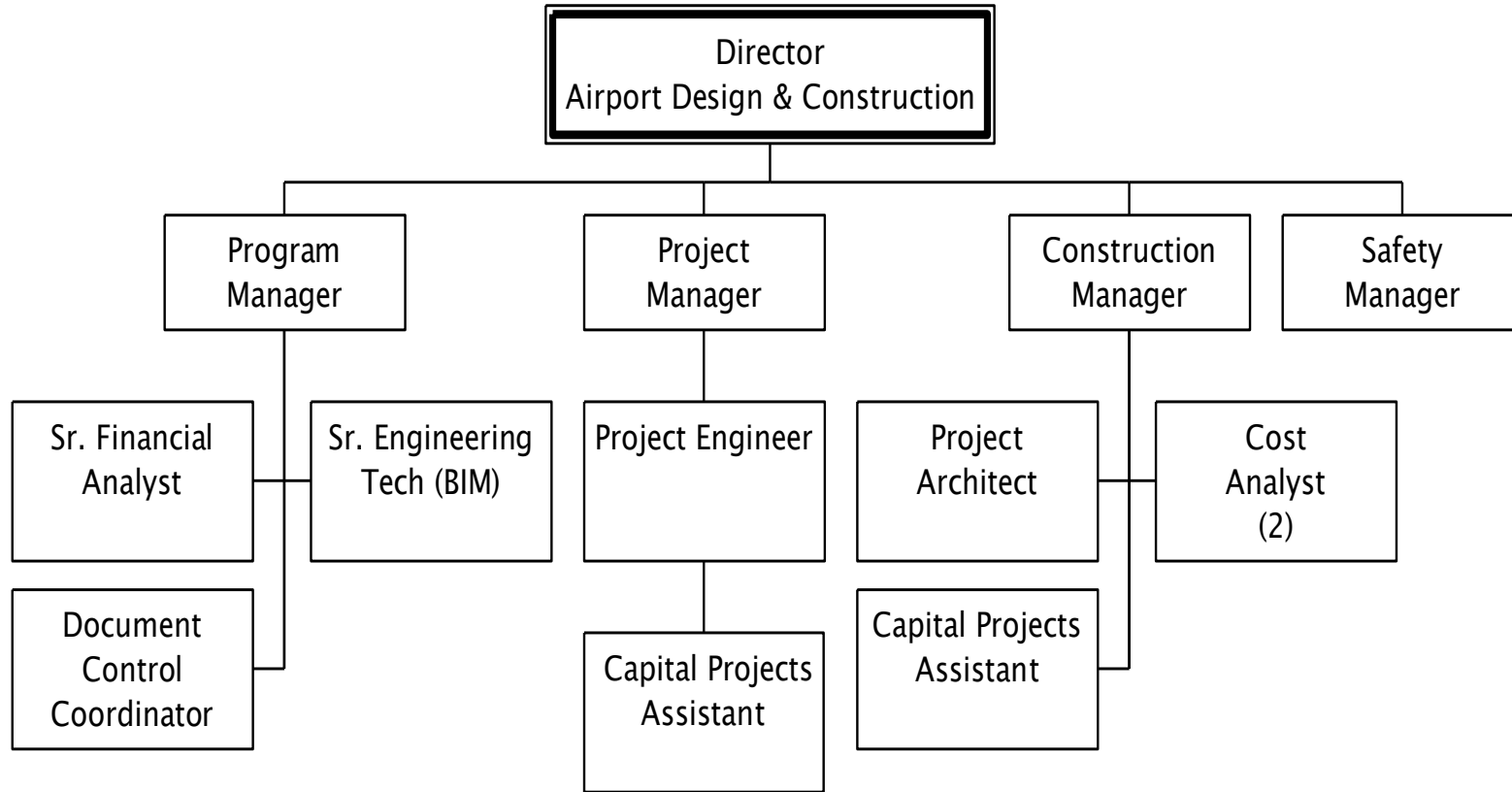
**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally-sound, effective, and efficient manner

2. **Develop and administer training to department contract owners on established contract administration procedures for service and on-call maintenance construction agreements by June 2014.**

**Sustainability Goal:** Operational Excellence

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

Airport Design & Construction  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Airport Design & Construction

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 756,797	\$ 818,761	\$ 843,323	\$ 1,314,016	\$ 495,255	60.5%	\$ 470,692	55.8%	\$ 1,353,436	\$ 39,420	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	339,966	394,211	420,024	581,718	187,507	47.6%	161,694	38.5%	620,924	39,206	6.7%
Subtotal	1,096,762	1,212,972	1,263,348	1,895,734	682,762	56.3%	632,386	50.1%	1,974,361	78,627	4.1%
<i>Less: Capitalized Labor</i>	<i>(1,087,911)</i>	<i>(1,155,358)</i>	<i>(1,204,221)</i>	<i>(1,895,734)</i>	<i>(740,376)</i>	<i>64.1%</i>	<i>(691,513)</i>	<i>57.4%</i>	<i>(1,974,361)</i>	<i>(78,627)</i>	<i>4.1%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>8,851</b>	<b>57,614</b>	<b>59,127</b>	<b>-</b>	<b>(57,614)</b>	<b>-100.0%</b>	<b>(59,127)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	95	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	7,088	22,605	22,605	22,795	190	0.8%	190	0.8%	23,631	836	3.7%
Business Development	12,457	15,517	15,517	18,517	3,000	19.3%	3,000	19.3%	18,517	-	0.0%
Equipment Rentals & Repairs	487	-	-	500	500	0.0%	500	0.0%	500	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>20,127</b>	<b>38,122</b>	<b>38,122</b>	<b>41,812</b>	<b>3,690</b>	<b>9.7%</b>	<b>3,690</b>	<b>9.7%</b>	<b>42,648</b>	<b>836</b>	<b>2.0%</b>
<b>Total Operating Expenses</b>	<b>28,978</b>	<b>95,736</b>	<b>97,249</b>	<b>41,812</b>	<b>(53,924)</b>	<b>-56.3%</b>	<b>(55,437)</b>	<b>-57.0%</b>	<b>42,648</b>	<b>836</b>	<b>2.0%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>28,978</b>	<b>95,736</b>	<b>97,249</b>	<b>41,812</b>	<b>(53,924)</b>	<b>-56.3%</b>	<b>(55,437)</b>	<b>-57.0%</b>	<b>42,648</b>	<b>836</b>	<b>2.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 28,978</b>	<b>\$ 95,736</b>	<b>\$ 97,249</b>	<b>\$ 41,812</b>	<b>\$ (53,924)</b>	<b>-56.3%</b>	<b>\$ (55,437)</b>	<b>-57.0%</b>	<b>\$ 42,648</b>	<b>\$ 836</b>	<b>2.0%</b>

## Airport Design & Construction

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 95,736</b>	<b>\$ 97,249</b>	<b>\$ 41,812</b>
<b>Personnel costs</b>			
5 New positions (salaries, benefits & employer taxes)	628,145	628,145	-
Burden (benefits & employer taxes) increase for current staff	29,526	3,713	39,206
Salary adjustments and pay-for-performance	25,091	528	39,420
Change in capitalized labor costs	(740,376)	(691,513)	(78,627)
<b>Total Decrease in personnel costs</b>	<b>(57,614)</b>	<b>(59,127)</b>	<b>-</b>
Other, net	3,690	3,690	836
<b>Total Increase in non-personnel costs</b>	<b>3,690</b>	<b>3,690</b>	<b>836</b>
<b>Total Decrease/ Increase</b>	<b>(53,924)</b>	<b>(55,437)</b>	<b>836</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 41,812</b>	<b>\$ 41,812</b>	<b>\$ 42,648</b>

## Airport Design & Construction

### Departmental Objectives

#### FY 2013 Progress Report

1. Maintain the 1,350 short-term temporary parking spaces that existed as of April 18, 2011 and work with the Landside contractor to create a plan to open 700 short-term parking spaces in front of Terminal 2, as measured by opening sooner than the scheduled October 2012 date.

**Progress:** This objective was completed two months ahead of schedule.

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

2. Partner with ACB to create a temporary concessions program by December 2012 to maintain the existing concession revenue during Green Build construction (Terminal 2 West), as measured by total sales per EPAX.

**Progress:** This objective was completed.

**Sustainability Goal:** Economic Viability.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Continue temporary concessions program through second quarter of FY 2014.

3. Throughout FY 2013–2014 forecast a final cost for the Green Build Program within or better than the approved budget of \$864.6 million, as measured by providing a quarterly forecast at completion report that demonstrates the Green Build Program is trending on budget. TDP will manage costs to provide end-of-program savings by achieving one of the following:

- Manage Green Build scope creep by proactively limiting additional scope to 30 percent (30%) below the total Program Reserve Fund;
- Reduce the amount of additional bonds that the airport will need to sell in 2013 by rigorously monitoring and managing the use of contract contingency funds so that the two design–build contracts close out at five percent (5%) below the guaranteed maximum prices (GMP)
- Maintain a lean, cost–effective staff that will result in a \$1.0 million staff budget and end–of–program savings.

**Progress:** Collectively managing scope creep, GMP spending, and program management staff cost resulting in a Green Build program budget reduction of \$45M, which reduced the 2013 bond sale.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #5: Be a trusted and highly responsive regional agency.

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

4. Throughout FY 2013–2014, forecast a final completion date for the Green Build Program within or better than the GMP Baseline schedule, as measured by providing a quarterly forecast at completion report that demonstrates that the Green Build Program is trending on schedule for the GMP Baseline to open all areas of the new Terminal 2 West (T2W) Expansion program to the traveling public by August 2013. TDP will work with the design–builder to successfully implement a plan that would permit the phased opening of the T2W Expansion Program so key elements of work (e.g., security checkpoint, baggage screening/sorting, and ticket counters) are open to the public between April 15, 2013 and August 1, 2013.

**Progress:** The phased completion of the Green Build program is on schedule.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes



5. Ensure Robust Communications for TDP (internal/external) and enhance the community's (public, professional and tenant) understanding of the program, as measured by completing the following activities:

- Provide quarterly reports and briefings to the Board and senior management;
- Present briefings as needed to stakeholders and the Marketing & Public Relations Department;
- Deliver monthly construction updates;
- Give quarterly Program updates (Aviation Matters);
- Conduct weekly jobsite tours for internal and external stakeholders;
- Lead bi-monthly TDP "All Hands" meetings with staff;
- Activation planning and engagement for TDP staff; and
- Develop staff to help present Green Build updates to the public.

**Progress:** All elements of this goal have been accomplished.

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

6. Enhance stakeholders' satisfaction with the Terminal Development Program (TDP) by continuing to engage the stakeholders during the design, construction and activation of the Green Build. Support activities include:

- Carry on with the weekly Green Build Activation Team meetings;
- Provide quarterly updates to the Board (TDP Committee);
- Provide budget and schedule updates to the Executive Steering Committee

**Progress:** Continuing

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

7. **Develop the Green Build Activation Plan. The Activation Plan will be derived from meetings with stakeholders to gain their input and support. The goal will be to create a plan for the startup/commissioning of key program elements while training staff.**

**Progress:** Plan was developed and implemented.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No, the Activation plan has been developed and turned over to Ops for implementation.

8. **Facilitate the implementation of the Green Build Activation Plan. Once the plan is developed, the GBOC will be responsible for working with the TDP to implement it.**

**Progress:** Complete (see objective 7).

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

9. **Provide opportunities for TDP staff to participate with the Green Build Activation Plan.**

**Progress:** Ongoing activity until grand opening.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

## Airport Design & Construction

### Departmental Objectives

#### FY 2014 – FY 2015 Objectives

##### 1. Revenue Enhancements

Partner with ACB to continue temporary concessions program through second quarter of FY 2014, maintaining the temporary concession revenue during Green Build construction (Terminal 2 West), as measured by total sales per EPAX.

**Sustainability Goal:** Economic Viability.

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

##### 2. Program Budget Performance

Throughout FY13–14 forecast a final cost for the Green Build Program within or better than the approved budget of \$864.6 million, as measured by providing a (quarterly) forecast at completion report that demonstrates the Green Build program is trending “on-budget” at \$864.6 million. TDP will manage costs to provide end-of-program savings by achieving one of the following:

- Over the course of the Green Build, proactively manage scope creep by limiting additional scope to 50% below the total Program Reserve Fund.
- Maintain a lean, cost effective staff that will result in a \$4.0 million staff budget end-of-program savings.

**Sustainability Goal:** Economic Viability.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Airport Authority. Strategy #5: Be a trusted and highly responsive regional agency.

##### 3. Program Schedule Performance

Throughout FY13–14, forecast a final completion date for the Green Build program within or better than the “GMP Baseline” schedule, as measured by providing a quarterly forecast at completion report that demonstrates the Green Build program is trending “on-schedule” for the “GMP Baseline” to open all areas of the new T2W Expansion program to the traveling public by August 2013. TDP will Work with the design-builder to successfully implement a plan that would permit the phased opening of the T2W Expansion program so key elements of work (e.g. the security checkpoint, baggage screening/sortation and the ticket counters) are opened to the public between April 15, 2013 and August 1, 2013.

4. Throughout FY 2014, break ground on RCC by November 2013, negotiate RCC GMP and complete 100% design and construction documents by February 2014.

**Sustainability Goal:** Operational Excellence.

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

5. **Program Communication Performance**

Ensure Robust Communications for TDP (internal/external) and enhance the community's (public, professional, and tenants) understanding of the program, by, as measured by completing the following activities:

- Quarterly reports and briefings to the Board and Senior Management
- As needed briefings to Stakeholders, Marketing, and Public Relations
- Monthly Construction Updates
- Quarterly Program Update [Aviation Matters]
- Weekly Jobsite tours for internal/external Stakeholders
- Bi-Monthly TDP "All-Hands" Meeting with staff
- Activation planning and engagement for TDP staff
- Develop staff to help publically present Green Build updates

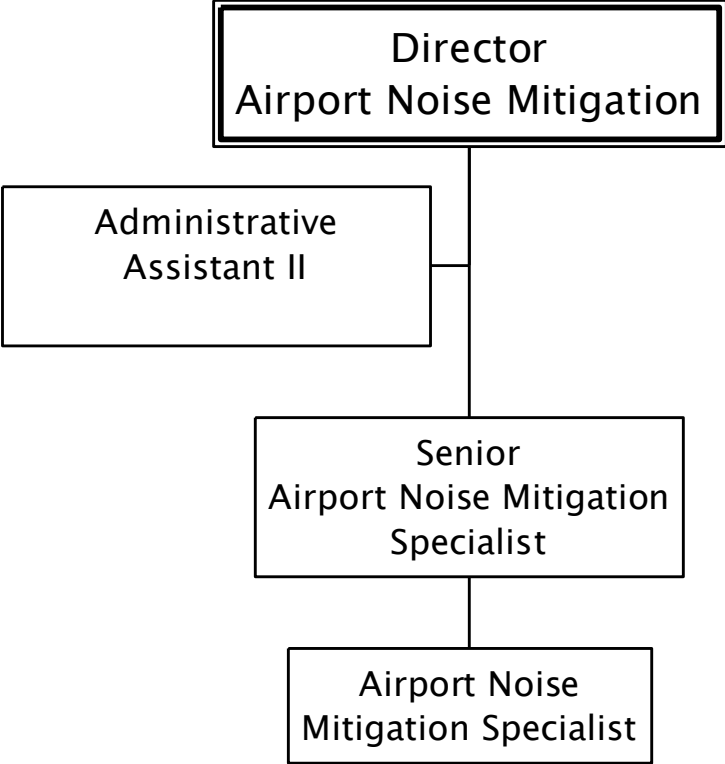
6. Enhance stakeholders' satisfaction with the Terminal Development Program (TDP) by continuing to engage the stakeholders during the design, construction and activation of the Green Build. Support activities include:

- Carry on with the weekly Green Build Activation Team meetings
- Provide quarterly updates to the Board (TDP Committee)
- Provide budget and schedule updates to the Executive Steering Committee

**Sustainability Goal:** Social Responsibility.

**Authority Strategy:** Strategy # 1: Be a trusted and highly responsive regional agency.  
Strategy #2: Achieve the highest level of internal and external customer satisfaction.  
Strategy #3: Ensure the highest level of employee satisfaction.

Airport Noise Mitigation  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Airport Noise Mitigation

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 282,639	\$ 285,500	\$ 294,065	\$ 291,891	\$ 6,391	2.2%	\$ (2,174)	-0.7%	\$ 300,647	\$ 8,757	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	96,232	139,404	147,691	148,609	9,204	6.6%	918	0.6%	157,316	8,707	5.9%
Subtotal	378,871	424,904	441,756	440,500	15,595	3.7%	(1,256)	-0.3%	457,964	17,464	4.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>378,871</b>	<b>424,904</b>	<b>441,756</b>	<b>440,500</b>	<b>15,595</b>	<b>3.7%</b>	<b>(1,256)</b>	<b>-0.3%</b>	<b>457,964</b>	<b>17,464</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	11,833	10,000	10,000	10,000	-	0.0%	-	0.0%	10,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	126	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	1,538	1,850	1,850	1,100	(750)	-40.5%	(750)	-40.5%	1,100	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	13,368	19,853	20,236	19,736	(117)	-0.6%	(500)	-2.5%	19,736	-	0.0%
Business Development	16,252	35,075	36,050	34,000	(1,075)	-3.1%	(2,050)	-5.7%	35,000	1,000	2.9%
Equipment Rentals & Repairs	194,855	199,632	201,700	172,142	(27,490)	-13.8%	(29,558)	-14.7%	174,610	2,468	1.4%
<b>Total Non-Personnel Expenses</b>	<b>237,972</b>	<b>266,410</b>	<b>269,836</b>	<b>236,978</b>	<b>(29,432)</b>	<b>-11.0%</b>	<b>(32,858)</b>	<b>-12.2%</b>	<b>240,446</b>	<b>3,468</b>	<b>1.5%</b>
<b>Total Operating Expenses</b>	<b>616,843</b>	<b>691,314</b>	<b>711,592</b>	<b>677,478</b>	<b>(13,837)</b>	<b>-2.0%</b>	<b>(34,114)</b>	<b>-4.8%</b>	<b>698,410</b>	<b>20,932</b>	<b>3.1%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>616,843</b>	<b>691,314</b>	<b>711,592</b>	<b>677,478</b>	<b>(13,837)</b>	<b>-2.0%</b>	<b>(34,114)</b>	<b>-4.8%</b>	<b>698,410</b>	<b>20,932</b>	<b>3.1%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 616,843</b>	<b>\$ 691,314</b>	<b>\$ 711,592</b>	<b>\$ 677,478</b>	<b>\$ (13,837)</b>	<b>-2.0%</b>	<b>\$ (34,114)</b>	<b>-4.8%</b>	<b>\$ 698,410</b>	<b>\$ 20,932</b>	<b>3.1%</b>

## Airport Noise Mitigation

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 691,314</b>	<b>\$ 711,592</b>	<b>\$ 677,478</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase for current staff	9,204	918	8,707
Salary adjustments and pay-for-performance	6,391	(2,174)	8,757
<b>Total Increase/ Decrease in personnel costs</b>	<b>15,595</b>	<b>(1,256)</b>	<b>17,464</b>
Decrease in web-based flight tracking system costs	(8,400)	(8,400)	-
Decrease in flight performance & public display costs	(21,000)	(21,000)	-
Other, net	(32)	(3,458)	3,468
<b>Total Decrease/ Increase in non-personnel costs</b>	<b>(29,432)</b>	<b>(32,858)</b>	<b>3,468</b>
<b>Total Decrease/ Increase</b>	<b>(13,837)</b>	<b>(34,114)</b>	<b>20,932</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 677,478</b>	<b>\$ 677,478</b>	<b>\$ 698,410</b>

## Airport Noise Mitigation Departmental Objectives

### FY 2013 Progress Report

1. Establish a Memorandum of Agreement (MOA) with the Federal Aviation Administration (FAA) to provide timely, accurate and reliable flight tracking data for the Authority's Web-based flight tracking system. Success equals FAA approval and Authority integration by June 30, 2013.

**Progress:** Completed Nov 2012

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

2. Coordinate further (3-year) variance to the California Noise Standards (California Code of Regulations, Title 21, Section 5000) with CA Department of Transportation (DOT) as required by regulation and to demonstrate the Authority's continuing commitment to mitigate aircraft noise to the maximum extent possible. Success equals DOT acceptance by June 30, 2013.

**Progress:** Completed Jul 2012

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

3. Implement approved elements of the FAA Noise Compatibility Program (FAR Part 150). Success equals budget authority to implement approved elements by June 30, 2013.

**Progress:** Continue in 2014

**Sustainability Goal:** Social Responsibility.



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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

4. **Enhance the Air Carrier Recognition Program to publicly evaluate and rate tenant air carrier and transient operations at SDIA and benchmark against a standardized scale.**

**Progress:** Continue in 2014

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

5. **Maintain the Quieter Home Program (residential sound insulation) acceleration and spending level. Success equals at least the same number of parcels attenuated as FY 2012.**

**Progress:** Continue in 2014

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

6. **Conduct preventative upgrade of the twelve remaining Remote Noise Monitoring Terminal (RMT) poles. Success equals:**

- **Approval by the City of San Diego to upgrade RMTs in place by end of FY 2013;**
- **Budget authority to implement the project; and**
- **Successful completion of all elements by FY 2015.**

**Progress:** CIP- approved project Jan 2013; continue in 2014

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

## Airport Noise Mitigation Department Objectives

### FY 2014 – FY 2015 Objectives

1. **Maintain the Quieter Home Program (residential sound insulation) acceleration and spending level. Success equals at least the same number of parcels attenuated as in FY 2013.**

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

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

2. **Conduct upgrade of the twelve remaining Remote Noise Monitoring Terminal (RMT) poles. Success equals project completion by June 30, 2014.**

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

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

3. **Execute 100% of Department projects on time and with no addition to the overall budget. Success equals project completion on time and on budget.**

**Sustainability Goal:** Operational Excellence

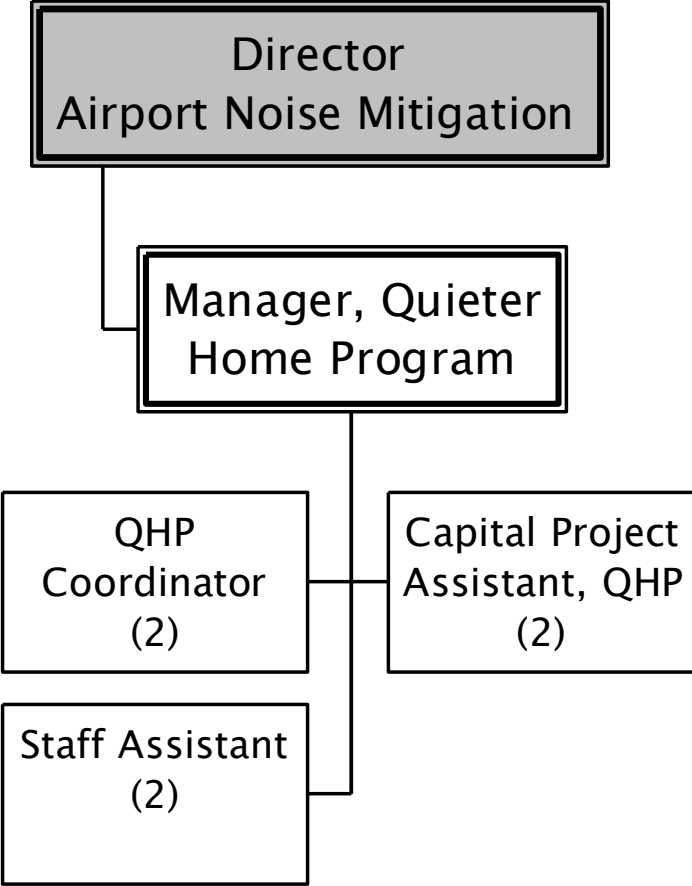
**Authority Strategy:** Strategy # 2: Achieve the highest level of internal and external customer satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

4. **Have no significant audit findings for any project or contract. Success equals a spotless internal and external audit.**

**Sustainability Goal:** Operational Excellence

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

Quieter Home Program  
FY 2014 - FY 2015 Organizational Structure



Position shown in grey resides in the Airport Noise Mitigation department and is shown for reporting structure

No personnel changes planned for FY 2015

# Quieter Home Program

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 478,893	\$ 486,920	\$ 501,528	\$ 445,229	\$ (41,691)	-8.6%	\$ (56,299)	-11.2%	\$ 458,586	\$ 13,357	3.0%
Premium Overtime	196	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	238,937	265,854	292,215	255,246	(10,608)	-4.0%	(36,969)	-12.7%	270,929	15,683	6.1%
Subtotal	718,026	752,774	793,743	700,475	(52,299)	-6.9%	(93,268)	-11.8%	729,515	29,040	4.1%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	(717,824)	(708,766)	(748,501)	(703,804)	4,962	-0.7%	44,697	-6.0%	(732,944)	(29,140)	4.1%
<b>Total Personnel Expenses</b>	<b>202</b>	<b>44,008</b>	<b>45,242</b>	<b>(3,329)</b>	<b>(47,337)</b>	<b>-107.6%</b>	<b>(48,571)</b>	<b>-107.4%</b>	<b>(3,429)</b>	<b>(100)</b>	<b>3.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	47	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	18	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	3,765	3,000	3,000	-	(3,000)	-100.0%	(3,000)	-100.0%	-	-	0.0%
Operating Supplies	9,429	5,000	5,000	9,500	4,500	90.0%	4,500	90.0%	9,500	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	4,007	5,400	5,400	6,750	1,350	25.0%	1,350	25.0%	6,750	-	0.0%
Business Development	5,057	5,004	4,504	7,129	2,125	42.5%	2,625	58.3%	7,129	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>22,324</b>	<b>18,404</b>	<b>17,904</b>	<b>23,379</b>	<b>4,975</b>	<b>27.0%</b>	<b>5,475</b>	<b>30.6%</b>	<b>23,379</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>22,526</b>	<b>62,412</b>	<b>63,146</b>	<b>20,050</b>	<b>(42,362)</b>	<b>-67.9%</b>	<b>(43,096)</b>	<b>-68.2%</b>	<b>19,950</b>	<b>(100)</b>	<b>-0.5%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	14,544,628	14,981,596	14,982,096	17,202,324	2,220,728	14.8%	2,220,228	14.8%	14,976,621	(2,225,703)	-12.9%
<b>Total Non-Operating Expenses</b>	<b>14,544,628</b>	<b>14,981,596</b>	<b>14,982,096</b>	<b>17,202,324</b>	<b>2,220,728</b>	<b>14.8%</b>	<b>2,220,228</b>	<b>14.8%</b>	<b>14,976,621</b>	<b>(2,225,703)</b>	<b>-12.9%</b>
<b>Total Expenses</b>	<b>14,567,154</b>	<b>15,044,008</b>	<b>15,045,242</b>	<b>17,222,374</b>	<b>2,178,365</b>	<b>14.5%</b>	<b>2,177,132</b>	<b>14.5%</b>	<b>14,996,571</b>	<b>(2,225,803)</b>	<b>-12.9%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 14,567,154</b>	<b>\$ 15,044,008</b>	<b>\$ 15,045,242</b>	<b>\$ 17,222,374</b>	<b>\$ 2,178,365</b>	<b>14.5%</b>	<b>\$ 2,177,132</b>	<b>14.5%</b>	<b>\$ 14,996,571</b>	<b>\$ (2,225,803)</b>	<b>-12.9%</b>

## Quieter Homes Program

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 15,044,008</b>	<b>\$ 15,045,242</b>	<b>\$ 17,222,374</b>
<b>Personnel costs</b>			
Change in capitalized labor costs	4,962	44,697	(29,140)
Burden (benefits & employer taxes) decrease/ increase for current staff	(10,608)	(36,969)	15,683
Salary adjustments and pay-for-performance	(41,691)	(56,299)	13,357
<b>Total Decrease in personnel costs</b>	<b>(47,337)</b>	<b>(48,571)</b>	<b>(100)</b>
Increase/ Decrease in Quieter Home Program project costs	2,220,728	2,220,228	(2,225,703)
Other, net	4,975	5,475	-
<b>Total Increase/ Decrease in non-personnel costs</b>	<b>2,225,703</b>	<b>2,225,703</b>	<b>(2,225,703)</b>
<b>Total Increase/ Decrease</b>	<b>2,178,365</b>	<b>2,177,132</b>	<b>(2,225,803)</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 17,222,374</b>	<b>\$ 17,222,374</b>	<b>\$ 14,996,571</b>

## Quieter Home Program Departmental Objectives

### FY 2013 Progress Report

1. **Develop and maintain partnering relationships with the stakeholders in the Quieter Home Program by conducting nine (9) interactive tours of the Program offices and field activities by June 30, 2013.**

**Progress:** The QHP Team conducted several tours and informational sessions with stakeholders, including a Realtor's Open House, High Tech High School interns, other SDCRAA Departments, Contractors interested in the Program, and citizens interested in learning more about the program. Approximately 15 tours were conducted.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

2. **Improve processes and procedures to continue utilization of new electronic software programs (Note Vault, Quiet Link, ePM, DocuShare), to help streamline and automate the Quieter Home Program's efforts by reducing paperwork and increasing productivity, by June 30, 2013.**

**Progress:** The QHP Team further refined the usage of electronic systems to automate and streamline business procedures. This past year all closeout documentation (warranty packages, final completion notices and shop drawings) went electronic and are submitted via ePM.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

3. **Provide sound insulation treatments to at least 300 homes, by identifying opportunities to decrease costs and increase productivity, by June 30, 2013.**

**Progress:** During FY 2013 it is anticipated the program will complete 359 homes.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

**4. Incorporate different contracting and/or construction delivery methods to increase opportunities to utilize small, local, and minority businesses and increase contractor involvement, by June 30, 2013.**

**Progress:** The QHP Team worked with the Small Business Department mentoring several contractors that were involved in the Bond Surety Program. Special attention for training and assistance was given to these contractors that had no experience in airport sound insulation programs.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

**5. On an annual basis, continue the involvement of the Team Building Team, made up of Program staff, to organize monthly team building events to foster inter-office relationships and prevent staff burnout.**

**Progress:** A team of five QHP members coordinated over 14 events to celebrate holidays, achievements, and special occasions. The team also started and continues to organize a monthly volunteer activity to feed the homeless downtown San Diego.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

## Quieter Home Program Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. **Maintain the Quieter Home Program (residential sound insulation) acceleration and spending level. Success equals at least the same number of parcels attenuated as in FY 2013.**

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

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

2. **Conduct upgrade of the twelve remaining Remote Noise Monitoring Terminal (RMT) poles. Success equals project completion by June 30, 2014.**

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

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

3. **Execute 100% of Department projects on time and with no addition to the overall budget. Success equals project completion on time and on budget.**

**Sustainability Goal:** Operational Excellence

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

4. **Have no significant audit findings for any project or contract. Success equals a spotless internal and external audits.**

**Sustainability Goal:** Operational Excellence

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



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# Planning & Operations Division

## Planning & Operations Division Overview

The Planning & Operations Division is responsible for complying with legislative mandates for San Diego International Airport and the Airport Authority. These include compliance with local, state, and federal environmental laws, state and federal aviation security rules and regulations, and support for the Authority Board in reviewing land use decisions in the areas surrounding the region's airports. The division frequently coordinates with regulatory agencies and regional transportation partners to accomplish the Authority's goals. The division is also responsible for meeting the safety and operational needs of the traveling public, both landside and airside. The division consists of five departments with distinctly different goals and responsibilities.

The **Airport Planning Department** is responsible for all short- and long-term planning for SDIA and the Airport Authority. It is also responsible for supporting the Authority Board in its role as the Airport Land Use Commission, as well as in the development of the comprehensive land use plans for all public airports in San Diego County (including military airfields). The Department also:

- Provides technical support in the Authority's efforts to meet the regional air transportation needs of San Diego County.
- Prepares and updates the Airport Development Plan, including Development Plan Amendments.
- Ensures compliance with environmental laws governing development at the Airport, including the California Environmental Quality Act, the National Environmental Policy Act, and the California Coastal Act.

The **Airside Operations Department** oversees the myriad of daily activities occurring on the airfield and is responsible for maintaining a safe, secure environment in which the Airport's tenants can operate. The department manages these activities in accordance with Federal and State regulations, local ordinances and the Airport's Rules and Regulations. Trained Duty Managers monitor conditions on the airfield and in the terminals around the clock; direct remedial action to repair inoperative systems; and summon fire, police, and life safety responders to urgent situations or potential emergencies. The department also:

- Develops, administers, and implements the Airport Certification Manual (ACM).

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

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

The **Environmental Affairs Department** manages environmental-related programs, including regulatory compliance, water and air quality, site remediation, hazardous material handling and natural resources protection. The department interfaces with other Authority departments to assess potential environmental impacts of all proposed projects. The department is also involved with long-range airport facility planning related to environmental and sustainability opportunities and initiatives.

The various programs administered by Environmental Affairs are as follows:

- Storm Water Management.
- Hazardous Materials and Waste Management.
- Air Quality Management.
- Site Assessment and Remediation.
- Waste Reduction and Recycling.
- Industrial Hygiene.
- Wildlife Preservation.
- Airport Sustainability.

The **Ground Transportation Operations and Compliance Departments** are responsible for operations from the terminal curb and roadways to the parking lots. There are two on-airport and four off-airport parking lots that require shuttle bus services. Additionally, the three terminals at SDIA are serviced by the Airport Loop shuttle bus. The department regulates the Airport's commercial transportation service providers, including, taxicabs, shuttles, limousines and courtesy vehicles. The department also:

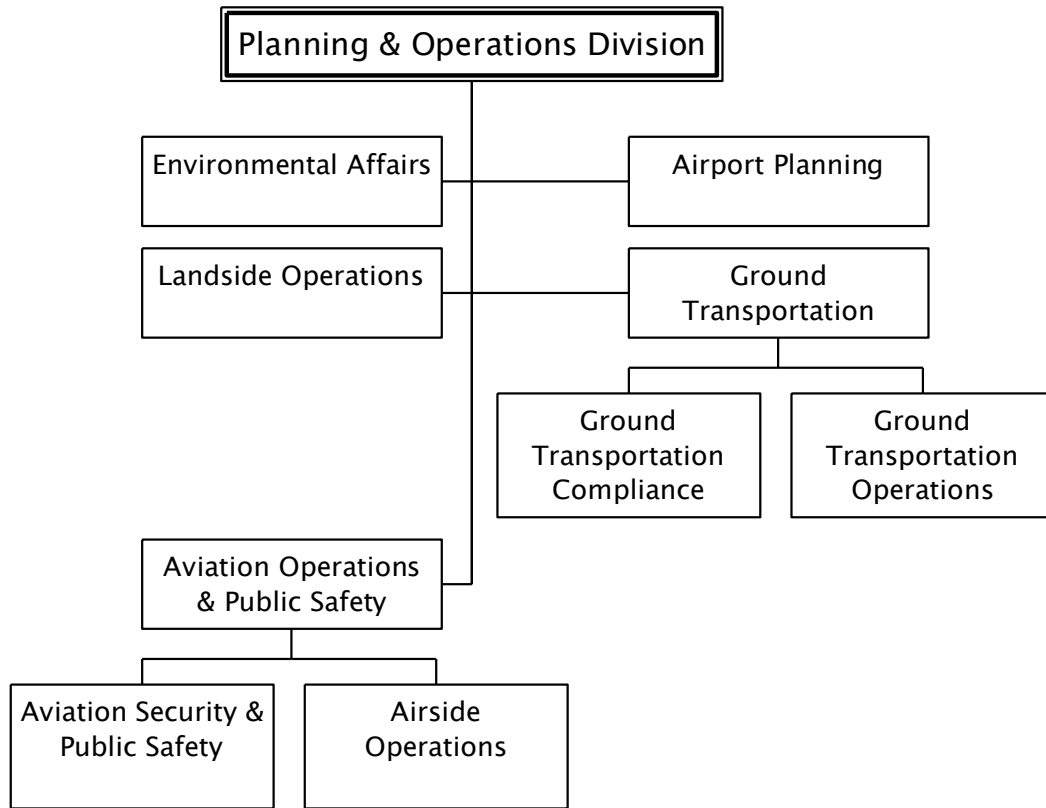
- Manages Transportation Islands at Terminal 1 and Terminal 2 for travelers.
- Issues permits for all ground transportation service provider vehicles.
- Permits and completes security checks for taxicab and shuttle drivers.
- Manages airport parking card program for external and internal stakeholders.
- Manages employee parking lots and employee shuttles

The **Landside Operations Department** oversees the airport terminal buildings and other facilities. Participates in the inspection of landside facilities (air carrier, federal inspection service, concessionaires, etc.) to identify any maintenance and safety deficiencies to ensure operating standards are being met; ensures the prompt resolution of any deficiencies identified; oversees the administration of contracts for custodial and waste collection services to ensure contract requirements are met.

- Oversees the Authorities traffic enforcement functions; manages traffic enforcement operations around airport terminal buildings, ensuring compliance with FAA, TSA, state and local law and regulations; oversees the issuance and processing of traffic and parking citations and hearings regarding disputed violations.
- Oversees customer service activities and services for both tenants and the traveling public; manages and directs the development and administration of service programs focused on travelers and other consumers; oversees and participates in the resolution of complaints involving terminal operations from customers and tenants.

- Oversees the airport lost and found facility to ensure reasonable best efforts are attempted for returning lost property to their rightful owners.

## Planning & Operations Division Organizational Structure



## Division Personnel Summary

	FY 2012 Budget Authorized & Funded Positions	FY13 Authorized & Funded Positions	Proposed FY14 Budget Transfers	Proposed FY14 Budget New/ (Eliminated) Positions	Proposed FY14 Budget (Frozen)/ Unfrozen Positions	Proposed FY14 Budget Authorized & Funded Positions	Conceptual FY15 Budget New/ (Eliminated) Positions	Conceptual FY15 Budget (Frozen)/ Unfrozen Positions	Conceptual FY15 Budget Authorized & Funded Positions
<b>Planning &amp; Operations</b>									
Airport Planning	10	10	-	-	-	10	-	-	10
Landside Operations	54	55	(49)	-	-	6	-	-	6
Environmental Affairs	6	6	-	-	1	7	-	-	7
Aviation Security & Public Safety	11	11	-	-	-	11	-	-	11
Airside Operations	16	16	-	-	-	16	-	1	17
Ground Transportation Compliance			49	4	-	53	-	-	53
Ground Transportation	5	6	-	1	-	7	-	-	7
<b>Total</b>	<b>102</b>	<b>104</b>	<b>-</b>	<b>5</b>	<b>1</b>	<b>110</b>	<b>-</b>	<b>1</b>	<b>111</b>
Authorized and Unfunded Positions	3	4	-	-	-	3	-	-	2
<b>Total Authorized Positions</b>	<b>105</b>	<b>108</b>	<b>-</b>	<b>5</b>	<b>1</b>	<b>113</b>	<b>-</b>	<b>1</b>	<b>113</b>

Planning & Operations Division  
 FY 2014 Proposed – FY 2015 Proposed Conceptual Budget Expense Summary

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 6,692,222	\$ 6,808,575	\$ 7,206,395	\$ 7,399,653	\$ 591,078	8.7%	\$ 193,258	2.7%	\$ 7,701,448	\$ 301,795	4.1%
Premium Overtime	256,610	205,000	155,000	215,000	10,000	4.9%	60,000	38.7%	215,300	300	0.1%
Employee Benefits	3,359,699	3,817,397	4,171,333	4,236,336	418,939	11.0%	65,002	1.6%	4,520,940	284,604	6.7%
Subtotal	10,308,532	10,830,971	11,532,728	11,850,988	1,020,017	9.4%	318,260	2.8%	12,437,687	586,699	5.0%
Less: Capitalized Labor	(339,797)	(374,318)	-	-	374,318	-100.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>9,968,735</b>	<b>10,456,653</b>	<b>11,532,728</b>	<b>11,850,988</b>	<b>1,394,335</b>	<b>13.3%</b>	<b>318,260</b>	<b>2.8%</b>	<b>12,437,687</b>	<b>586,699</b>	<b>5.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	20,002,637	21,596,179	23,016,542	24,124,768	2,528,588	11.7%	1,108,226	4.8%	25,077,402	952,634	3.9%
Safety and Security	22,625,169	22,408,160	23,445,356	24,975,465	2,567,305	11.5%	1,530,109	6.5%	27,111,790	2,136,326	8.6%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	3,067	1,500	1,500	1,500	-	0.0%	-	0.0%	1,500	-	0.0%
Maintenance	1,307,173	1,185,550	1,552,550	1,642,550	457,000	38.5%	90,000	5.8%	1,750,000	107,450	6.5%
Operating Equipment & Systems	66,824	141,400	103,800	105,000	(36,400)	-25.7%	1,200	1.2%	143,000	38,000	36.2%
Operating Supplies	156,237	175,200	162,500	178,600	3,400	1.9%	16,100	9.9%	228,720	50,120	28.1%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	210,861	267,575	250,575	287,425	19,850	7.4%	36,850	14.7%	443,160	155,735	54.2%
Business Development	100,656	183,595	179,945	206,160	22,565	12.3%	26,215	14.6%	216,748	10,588	5.1%
Equipment Rentals & Repairs	38,479	42,500	134,600	85,900	43,400	102.1%	(48,700)	-36.2%	117,950	32,050	37.3%
<b>Total Non-Personnel Expenses</b>	<b>44,511,103</b>	<b>46,001,659</b>	<b>48,847,368</b>	<b>51,607,368</b>	<b>5,605,708</b>	<b>12.2%</b>	<b>2,760,000</b>	<b>5.7%</b>	<b>55,090,271</b>	<b>3,482,903</b>	<b>6.7%</b>
<b>Total Operating Expenses</b>	<b>54,479,838</b>	<b>56,458,313</b>	<b>60,380,096</b>	<b>63,458,356</b>	<b>7,000,043</b>	<b>12.4%</b>	<b>3,078,260</b>	<b>5.1%</b>	<b>67,527,958</b>	<b>4,069,602</b>	<b>6.4%</b>
<b>Non-Operating Expenses:</b>											
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>54,479,838</b>	<b>56,458,313</b>	<b>60,380,096</b>	<b>63,458,356</b>	<b>7,000,043</b>	<b>12.4%</b>	<b>3,078,260</b>	<b>5.1%</b>	<b>67,527,958</b>	<b>4,069,602</b>	<b>6.4%</b>
<b>Equipment Outlay</b>	<b>505,421</b>	<b>1,162,000</b>	<b>-</b>	<b>-</b>	<b>(1,162,000)</b>	<b>-100.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 54,985,259</b>	<b>\$ 57,620,313</b>	<b>\$ 60,380,096</b>	<b>\$ 63,458,356</b>	<b>\$ 5,838,043</b>	<b>10.1%</b>	<b>\$ 3,078,260</b>	<b>5.1%</b>	<b>\$ 67,527,958</b>	<b>\$ 4,069,602</b>	<b>6.4%</b>

## Planning & Operations Division

### Major Drivers of FY 2014 Proposed Budget Increase / Decrease

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual
<b>FY 2013 Budget / FY 2014 Conceptual</b>	<b>\$ 57,620,313</b>	<b>\$ 60,380,096</b>
<b>Personnel costs</b>		
Change in capitalized labor	374,318	-
4 New Airport Traffic Officer (ATO) positions (salaries, benefits & employer taxes)	263,956	-
Burden (benefits & employer taxes) increase for current staff	257,795	29,405
Salary adjustments,contracted wage increases and pay-for-performance	276,425	67,015
1 New position of Ground Transportation Manager (salaries, benefits & employer taxes)	117,927	117,927
Unfrozen position of Senior Environmental Specialist (salaries, benefits & employer taxes)	103,913	103,913
<b>Total Increase in personnel costs</b>	<b>1,394,335</b>	<b>318,260</b>
Increase in law enforcement costs - Harbor Police Department	1,992,133	1,604,733
Increase in shuttle operations	1,187,825	830,000
Increase in Airport custodial contract (Green Build, Concession Development Program and general activity)	1,122,279	245,909
Increase in Ramp Control Facility professional services	534,400	111,037
Increase in security guard services	472,100	-
Increase in access control system maintenance	417,000	-
Increase in Stormwater Management Program costs	200,000	132,000
Increase in Water Quality/San Diego Bay Sediment Quality Objectives costs	199,500	627,000
Increase in ARFF contract costs	155,197	-
Increase/ Decrease in parking operations	81,534	(175,000)
Increase in other outside professional services	8,300	140,000
Decrease in USDA Wildlife Assessment	(100,000)	-
Decrease in Airport Land Use Compatibility Plans (ALUCPs) costs	(800,000)	(900,000)
Decrease in equipment outlay	(1,162,000)	-
Other, net	135,441	144,321
<b>Total Increase in non-personnel costs</b>	<b>4,443,708</b>	<b>2,760,000</b>
<b>Total Increase</b>	<b>5,838,043</b>	<b>3,078,260</b>
<b>FY 2014 Proposed Budget</b>	<b>\$ 63,458,356</b>	<b>\$ 63,458,356</b>

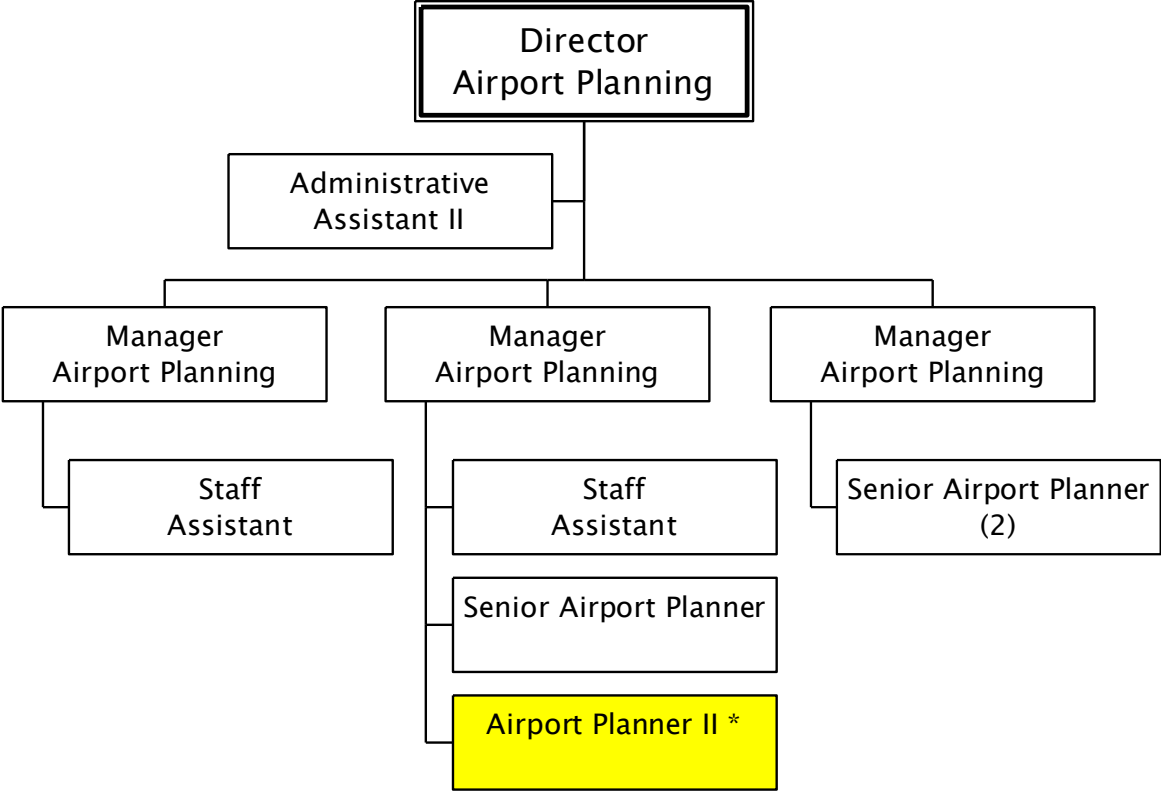
**Planning & Operations Division**

**Major Drivers of FY 2015 Proposed Conceptual Budget Increase / Decrease**

	<b>Inc/(Dec)</b>
	<b>FY15 Conceptual</b>
	<b>vs FY14</b>
	<hr/>
<b>FY 2014 Proposed Budget</b>	<b>\$ 63,458,356</b>
<b>Personnel costs</b>	
Salary adjustments,contracted wage increases and pay-for-performance	259,101
Burden (benefits & employer taxes) increase for current staff	258,945
Unfrozen position of Airport Operations Assistant (salaries, benefits & employer taxes)	68,652
<b>Total Increase in personnel costs</b>	<hr/> <b>586,699</b>
Increase in law enforcement costs - Harbor Police Department	1,823,329
Increase in Airport Land Use Compatibility Plans (ALUCPs) costs	650,000
Increase in shuttle operations	212,127
Increase in ARFF contract costs	159,854
Rental Car Center training	155,000
Increase in security guard services	125,000
Increase in Airport custodial contract (Green Build, Concession Development Program and general activity)	122,844
Increase in USDA Wildlife Assessment	100,000
Increase in Water Quality/San Diego Bay Sediment Quality Objectives	100,000
Increase in Stormwater Management Program costs	100,000
Decrease in Alternative Fuel Vehicle incentive costs	(145,000)
Other, net	79,749
<b>Total Increase in non-personnel costs</b>	<hr/> <b>3,482,903</b>
<b>Total Increase</b>	<hr/> <b>4,069,602</b>
<b>FY 2015 Proposed Conceptual Budget</b>	<hr/> <b>\$ 67,527,958</b> <hr/>



Airport Planning  
FY 2014 - FY 2015 Organizational Structure



\* Unfunded position shown in yellow

No personnel changes planned for FY 2015

# Airport Planning

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 865,425	\$ 870,219	\$ 896,146	\$ 876,840	\$ 6,621	0.8%	\$ (19,305)	-2.2%	\$ 903,146	\$ 26,305	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	373,699	408,150	433,488	431,306	23,156	5.7%	(2,183)	-0.5%	455,358	24,053	5.6%
Subtotal	1,239,124	1,278,369	1,329,634	1,308,146	29,777	2.3%	(21,488)	-1.6%	1,358,504	50,358	3.8%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,239,124</b>	<b>1,278,369</b>	<b>1,329,634</b>	<b>1,308,146</b>	<b>29,777</b>	<b>2.3%</b>	<b>(21,488)</b>	<b>-1.6%</b>	<b>1,358,504</b>	<b>50,358</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,638,143	2,110,000	2,110,000	1,257,000	(853,000)	-40.4%	(853,000)	-40.4%	1,907,000	650,000	51.7%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	427	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	276	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	4,514	5,000	5,000	4,000	(1,000)	-20.0%	(1,000)	-20.0%	4,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	35,537	41,000	41,000	29,500	(11,500)	-28.0%	(11,500)	-28.0%	29,500	-	0.0%
Business Development	8,614	7,800	7,800	33,800	26,000	333.3%	26,000	333.3%	19,300	(14,500)	-42.9%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,687,512</b>	<b>2,165,300</b>	<b>2,165,300</b>	<b>1,325,800</b>	<b>(839,500)</b>	<b>-38.8%</b>	<b>(839,500)</b>	<b>-38.8%</b>	<b>1,961,300</b>	<b>635,500</b>	<b>47.9%</b>
<b>Total Operating Expenses</b>	<b>2,926,636</b>	<b>3,443,669</b>	<b>3,494,934</b>	<b>2,633,946</b>	<b>(809,723)</b>	<b>-23.5%</b>	<b>(860,988)</b>	<b>-24.6%</b>	<b>3,319,804</b>	<b>685,858</b>	<b>26.0%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,926,636</b>	<b>3,443,669</b>	<b>3,494,934</b>	<b>2,633,946</b>	<b>(809,723)</b>	<b>-23.5%</b>	<b>(860,988)</b>	<b>-24.6%</b>	<b>3,319,804</b>	<b>685,858</b>	<b>26.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,926,636</b>	<b>\$ 3,443,669</b>	<b>\$ 3,494,934</b>	<b>\$ 2,633,946</b>	<b>\$ (809,723)</b>	<b>-23.5%</b>	<b>\$ (860,988)</b>	<b>-24.6%</b>	<b>\$ 3,319,804</b>	<b>\$ 685,858</b>	<b>26.0%</b>

## Airport Planning

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 3,443,669</b>	<b>\$ 3,494,934</b>	<b>\$ 2,633,946</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase/decrease for current staff	23,156	(2,183)	24,053
Salary adjustments and pay-for-performance	6,621	(19,305)	26,305
<b>Total Increase / Decrease in personnel costs</b>	<b>29,777</b>	<b>(21,488)</b>	<b>50,358</b>
Decrease / Increase in other outside professional services Airport Planning	(50,000)	50,000	-
Decrease / Increase in SDIA Airport Land Use Compatibility Plans (ALUCPs) costs	(300,000)	500,000	(500,000)
Decrease / Increase in North Island Beach Airport Land Use Compatibility Plans (ALUCPs) costs	(500,000)	(1,000,000)	750,000
Decrease / Increase in update Rural / USMC Airport Land Use Compatibility Plans (ALUCPs) costs	-	(400,000)	400,000
Other, net	10,500	10,500	(14,500)
<b>Total Decrease / Increase in non-personnel costs</b>	<b>(839,500)</b>	<b>(839,500)</b>	<b>635,500</b>
<b>Total Decrease / Increase</b>	<b>(809,723)</b>	<b>(860,988)</b>	<b>685,858</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 2,633,946</b>	<b>\$ 2,633,946</b>	<b>\$ 3,319,804</b>

## Airport Planning

### Departmental Objectives

#### FY 2013 Progress Report

1. The Airport Development Plan (ADP) will define future airport facilities through the year 2035. Provided that timely and adequate funding is available, the following ADP tasks will be completed by May 31, 2013:

- Those tasks listed in the Scope of Work as Task 1, which include initial workshops, operational assessments and defining the current state of the airport; and
- Task 2, which is to define the airport's facility requirements.

**Progress:** By May 31, 2013, anticipate that all tasks listed in the Scope of Work as Tasks 1 and 2 will be completed.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

2. Employee engagement opportunities will be provided in the Airport Development Plan (ADP) by preparing at least three educational resources (e.g., e-mail blasts, information meetings) for all Authority employees by May 31, 2013.

**Progress:** More than three ADP educational resources will be provided for all Authority employees by May 31, 2013.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

3. The Airport Planning Department will continue to improve individual passengers' experiences at SDIA by becoming highly educated regarding the Green Build projects and their upcoming openings and by increasing community awareness of airport projects and programs. To that end, by May 31, 2013, every member of the Airport Planning Department will spend a minimum of four hours in the terminals assisting in any approved activities such as:

- Experience SAN (through Customer Service);

- Staffing an inaugural flight or other Marketing & Public Relations Department event;
- Conducting TSA line management;
- Assisting during any of the busy holiday periods;
- Leading an educational or public airport tour; or
- Assisting the Landside Operations or Aviation & Commercial Business departments in an approved way.

**Progress:** Every Airport Planning employee has spent a minimum of four hours in the terminals assisting in approved activities.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

4. Greenhouse gas (GHG) emission reduction measures will be integrated into Airport Planning programs consistent with the California Attorney General (AG) Memorandum of Understanding (MOU) by preparing quarterly reports that summarize all GHG emission reduction measures for the adopted Airport Master Plan and Green Build Program, including mitigation measures identified in the certified Final Programmatic EIR, coastal development permit and the adopted Air Quality Management Plan by May 31, 2013.

**Progress:** Quarterly reports have been consistently prepared, per the AG MOU.

**Sustainability Goal:** Social Responsibility.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

5. The draft Airport Land Use Compatibility Plan (ALUCP) for SDIA, which will help guide future land use in the vicinity of the airport, and associated environmental documents will be completed by May 31, 2013.

**Progress:** The ALUCP for SDIA is on track to be completed by May 31, 2013.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

FY 2014 – FY 2015 Objectives

1. The Airport Development Plan (ADP) will define the future airport facilities through the year 2035. By May 31, 2014, all alternatives will be presented to the Airport Authority Board for consideration of a possible preferred alternative, and the environmental analyses will have begun.

**Sustainability Goal:** Operational Excellence

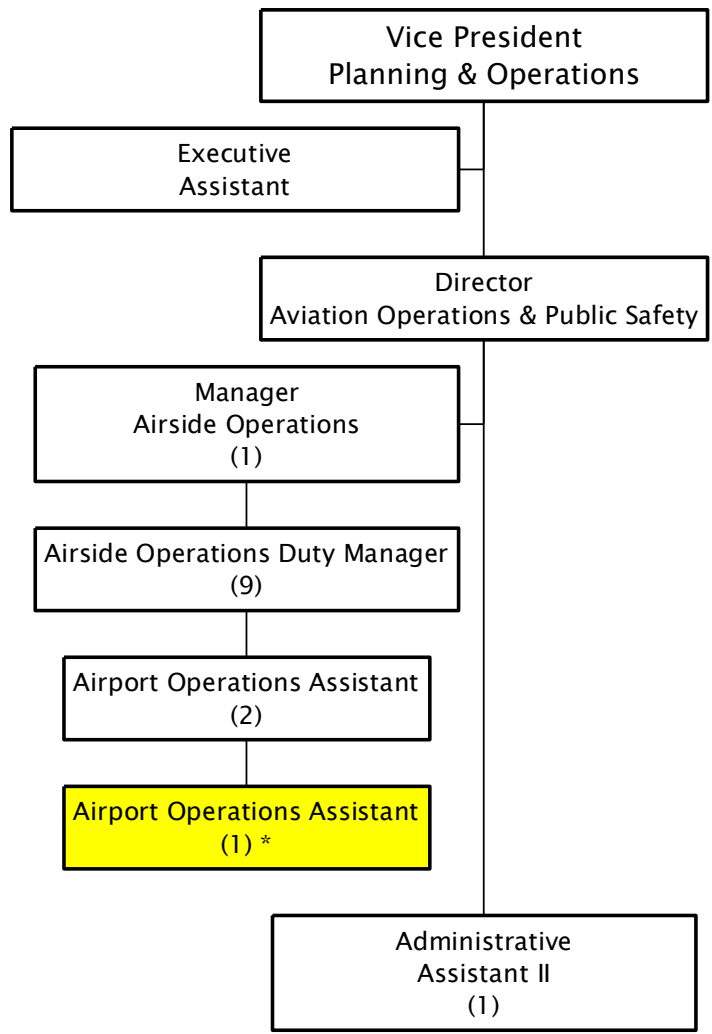
**Authority Strategy:** Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner

2. The final Airport Land Use Compatibility Plan (ALUCP) for SDIA, which will help guide future land use in the vicinity of the airport, and associated environmental documents, will be completed by May 31, 2014.

**Sustainability Goal:** Operational Excellence

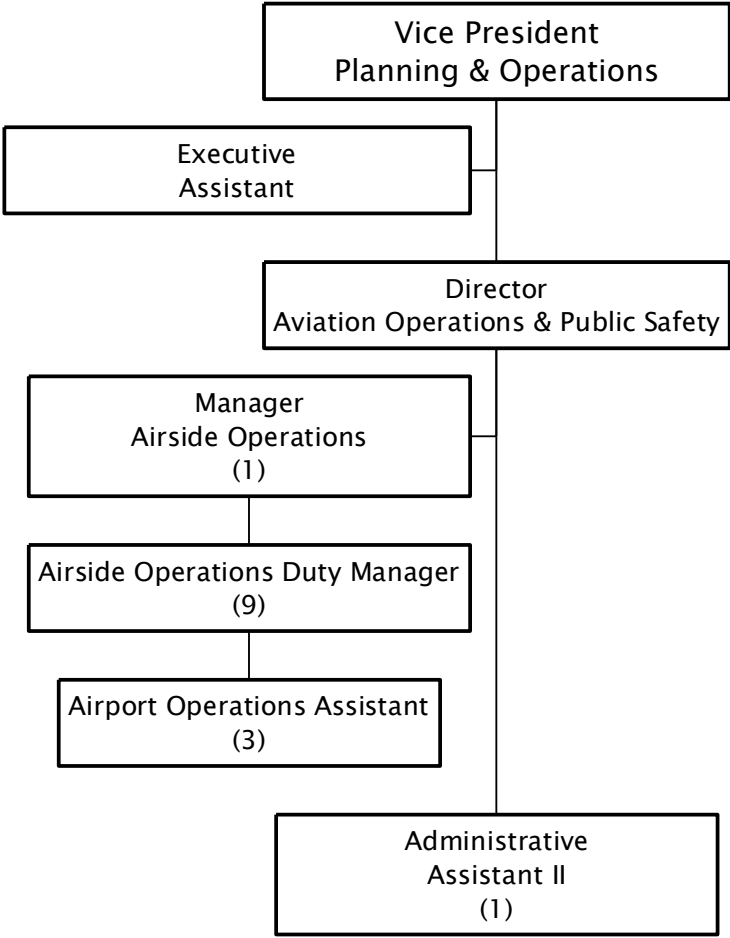
**Authority Strategy:** Strategy #1: Be a trusted and highly responsive regional agency

Airside Operations  
FY 2014 Organizational Structure



\* Unfunded position shown in yellow

Airside Operations  
FY 2015 Organizational Structure





## Airside Operations

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,381,049	\$ 1,349,451	\$ 1,389,934	\$ 1,371,359	\$ 21,908	1.6%	\$ (18,575)	-1.3%	\$ 1,455,493	\$ 84,134	6.1%
Premium Overtime	17,946	15,000	15,000	15,000	-	0.0%	-	0.0%	15,300	300	2.0%
Employee Benefits	665,911	691,743	738,995	744,931	53,188	7.7%	5,936	0.8%	815,995	71,064	9.5%
Subtotal	2,064,906	2,056,193	2,143,929	2,131,289	75,096	3.7%	(12,640)	-0.6%	2,286,788	155,499	7.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>2,064,906</b>	<b>2,056,193</b>	<b>2,143,929</b>	<b>2,131,289</b>	<b>75,096</b>	<b>3.7%</b>	<b>(12,640)</b>	<b>-0.6%</b>	<b>2,286,788</b>	<b>155,499</b>	<b>7.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	583	345,600	668,963	780,000	434,400	125.7%	111,037	16.6%	900,000	120,000	15.4%
Safety and Security	4,829,884	5,173,278	5,328,475	5,328,475	155,197	3.0%	-	0.0%	5,488,329	159,854	3.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	8,091	21,200	10,000	11,200	(10,000)	-47.2%	1,200	12.0%	31,200	20,000	178.6%
Operating Supplies	5,198	7,800	7,800	7,800	-	0.0%	-	0.0%	7,920	120	1.5%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	21,314	37,025	22,025	36,725	(300)	-0.8%	14,700	66.7%	37,320	595	1.6%
Business Development	8,395	8,600	8,600	10,100	1,500	17.4%	1,500	17.4%	10,188	88	0.9%
Equipment Rentals & Repairs	15,115	20,700	112,800	53,700	33,000	159.4%	(59,100)	-52.4%	85,750	32,050	59.7%
<b>Total Non-Personnel Expenses</b>	<b>4,888,581</b>	<b>5,614,203</b>	<b>6,158,663</b>	<b>6,228,000</b>	<b>613,797</b>	<b>10.9%</b>	<b>69,337</b>	<b>1.1%</b>	<b>6,560,707</b>	<b>332,707</b>	<b>5.3%</b>
<b>Total Operating Expenses</b>	<b>6,953,487</b>	<b>7,670,396</b>	<b>8,302,592</b>	<b>8,359,289</b>	<b>688,893</b>	<b>9.0%</b>	<b>56,697</b>	<b>0.7%</b>	<b>8,847,495</b>	<b>488,206</b>	<b>5.8%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>6,953,487</b>	<b>7,670,396</b>	<b>8,302,592</b>	<b>8,359,289</b>	<b>688,893</b>	<b>9.0%</b>	<b>56,697</b>	<b>0.7%</b>	<b>8,847,495</b>	<b>488,206</b>	<b>5.8%</b>
<b>Equipment Outlay</b>	<b>117,388</b>	<b>470,000</b>	<b>-</b>	<b>-</b>	<b>(470,000)</b>	<b>-100.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 7,070,875</b>	<b>\$ 8,140,396</b>	<b>\$ 8,302,592</b>	<b>\$ 8,359,289</b>	<b>\$ 218,893</b>	<b>2.7%</b>	<b>\$ 56,697</b>	<b>0.7%</b>	<b>\$ 8,847,495</b>	<b>\$ 488,206</b>	<b>5.8%</b>

## Airside Operations

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 8,140,396</b>	<b>\$ 8,302,592</b>	<b>\$ 8,359,289</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase for current staff	53,188	5,936	45,406
Unfrozen position of Airport Operations Assistant (salaries, benefits & employer taxes)	-	-	68,652
Salary adjustments and pay-for-performance	21,908	(18,575)	41,441
<b>Total Increase / Decrease in personnel costs</b>	<b>75,096</b>	<b>(12,640)</b>	<b>155,499</b>
Increase in Ramp Control Facility professional services	534,400	111,037	20,000
Increase in ARFF contract costs	155,197	-	159,854
Decrease/ Increase in USDA Wildlife Assessment	(100,000)	-	100,000
Decrease in equipment outlay	(470,000)	-	-
Other, net	24,200	(41,700)	52,853
<b>Total Increase in non-personnel costs</b>	<b>143,797</b>	<b>69,337</b>	<b>332,707</b>
<b>Total Increase</b>	<b>218,893</b>	<b>56,697</b>	<b>488,206</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 8,359,289</b>	<b>\$ 8,359,289</b>	<b>\$ 8,847,495</b>

FY 2013 Progress Report

1. Sponsor airfield capital projects to enhance airfield safety and efficiency. Projects include the Runway 09 ILS/displaced threshold project. Sponsorship will include participation in project planning and design as well as operational and safety oversight during construction. Planning, design and construction began in FY 2011 and will continue into FY 2014.

**Progress:** Ongoing.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

2. Ensure that SDIA is operated and maintained in compliance with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of achieving no discrepancies. Completion date is September 30, 2012.

**Progress:** During the annual 2012 FAA Certification Inspection the Airside Dept received one discrepancy regarding ARFF training documentation. Since then there have been several meeting with the ARFF Training staff to re-format training records in accordance with FAA guidelines.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

3. Work with the FAA to develop operating procedures in support of the new ramp control facility that promote the safe and expeditious flow of ramp aircraft traffic from gates 32–51 to the movement area. Completion date is January 30, 2013.

**Progress:** Through a series of meetings with the FAA in the spring/summer of 2012 Airside Operations developed a draft Letter of Agreement regarding operating procedures for the ramp control facility. Serco Inc. was selected to providing staffing and assist in the finalization of ramp control procedures by March 15, 2013. Between March 15<sup>th</sup> and April 1<sup>st</sup>

a series of meeting with the Airlines and Chief Pilots will occur during which these procedures will be disseminated.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** No

4. **Work with internal and external stakeholders to safely facilitate numerous upcoming airfield construction projects while minimizing negative impacts to our tenants and ATC operations. These projects include the storm drain rehabilitation project, forced main installation project, North Side development, relocation of DHL and the Runway 09 ILS/displaced threshold project. Success will be measured by ensuring detailed coordination among stakeholders that result in no runway or taxiway incursions during the above projects.**

**Progress:**

- Runway 9 ILS/Displaced Threshold: In support of this project, Airside Operations has worked with FDD, Planning and the FAA's Western Flight Procedures office to mitigate obstructions that impact the 3.1 degree instrument landing system glide slope which needs to be cleared prior to the additional displacement of the Runway 9 threshold. Nearly all of the obstructions have been mitigated in support of this project.
- The storm drain rehabilitation project is expected to be completed by February 28<sup>th</sup>.
- The DHL relocation was completed in April 2012.
- The North side development project coordination continues. Planning review meetings with the impacted stakeholders (FDD, FAA, Planning) are currently in progress.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

5. **Work with Planning and the Facilities Development Department (FDD) to develop design improvements to Taxiway Bravo associated with the removal of the TDY buildings that meet with FAA approval and minimize the Airside escorting requirements associated with Group V aircraft. Planning and design may continue into FY 2014. Success will be measured by approval of design plans that minimize airside escort requirements for Group V aircraft.**

**Progress:** Airside Operations is currently working with FDD on Taxiway design and processes to maintain safe operations in compliance with applicable Federal Aviation Regulations while Taxiway Bravo improvements are made.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

Airside Operation  
Departmental Objectives

FY 2014 – FY 2015 Objectives

1. Ensure that SDIA is in compliance with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of no more than one discrepancy. Completion date is August 31, 2013.

**Sustainability Goal:** Operational Excellence and Social Responsibility

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

2. Sponsor airfield capital improvement projects to enhance safety and efficiency. Projects include the airfield service road repaving and relocation, installation of a blast fence at the southwest corner of the commuter terminal ramp and the Runway 09/ILS displaced threshold project. Sponsorship will include participation in project planning and design, as well as operational and safety oversight during construction. Planning, design and construction will take place throughout FY2014 and continue into FY 2015.

**Sustainability Goal:** Operational excellence

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

3. Update the Airport Certification Manual to ensure that the content is current and in compliance with FAR Part 139 requirements. The updated manual will be submitted to the FAA Office of Airport Safety for review and approval. Success will be measured by FAA approval. Completion date is September 31, 2013.

**Sustainability Goal:** Operational excellence

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

4. Work with Planning and Facilities Development to develop design improvements and aircraft gate restrictions in order to relocate the vehicle service road along the terminals further south in order to increase the taxiway object free area clearances. This will provide greater separation between the vehicle service road and Taxiway Bravo between Twy B6 and B10. Completion date is September 31, 2013.

**Sustainability Goal:** Operational excellence

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

Aviation Security & Public Safety  
 FY 2014 - FY 2015 Organizational Structure



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

## Aviation Security & Public Safety

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 778,179	\$ 764,927	\$ 787,875	\$ 788,042	\$ 23,115	3.0%	\$ 167	0.0%	\$ 811,683	\$ 23,641	3.0%
Premium Overtime	46,392	40,000	40,000	40,000	-	0.0%	-	0.0%	40,000	-	0.0%
Employee Benefits	389,287	419,145	446,240	450,019	30,874	7.4%	3,779	0.8%	478,126	28,108	6.2%
Subtotal	1,213,857	1,224,072	1,274,115	1,278,060	53,989	4.4%	3,946	0.3%	1,329,809	51,749	4.0%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,213,857</b>	<b>1,224,072</b>	<b>1,274,115</b>	<b>1,278,060</b>	<b>53,989</b>	<b>4.4%</b>	<b>3,946</b>	<b>0.3%</b>	<b>1,329,809</b>	<b>51,749</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	367,736	367,855	381,155	444,000	76,145	20.7%	62,845	16.5%	454,000	10,000	2.3%
Safety and Security	17,795,286	17,234,882	18,116,881	19,646,990	2,412,108	14.0%	1,530,109	8.4%	21,623,461	1,976,472	10.1%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	864,636	725,550	1,142,550	1,142,550	417,000	57.5%	-	0.0%	1,200,000	57,450	5.0%
Operating Equipment & Systems	6,441	32,200	32,200	32,200	-	0.0%	-	0.0%	35,200	3,000	9.3%
Operating Supplies	92,427	105,800	95,100	106,200	400	0.4%	11,100	11.7%	156,200	50,000	47.1%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	11,468	15,400	15,400	23,150	7,750	50.3%	7,750	50.3%	23,350	200	0.9%
Business Development	26,606	11,250	7,700	11,250	-	0.0%	3,550	46.1%	36,250	25,000	222.2%
Equipment Rentals & Repairs	6,041	17,100	17,100	27,000	9,900	57.9%	9,900	57.9%	27,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>19,170,640</b>	<b>18,510,037</b>	<b>19,808,086</b>	<b>21,433,340</b>	<b>2,923,303</b>	<b>15.8%</b>	<b>1,625,254</b>	<b>8.2%</b>	<b>23,555,461</b>	<b>2,122,122</b>	<b>9.9%</b>
<b>Total Operating Expenses</b>	<b>20,384,497</b>	<b>19,734,109</b>	<b>21,082,201</b>	<b>22,711,400</b>	<b>2,977,291</b>	<b>15.1%</b>	<b>1,629,199</b>	<b>7.7%</b>	<b>24,885,271</b>	<b>2,173,870</b>	<b>9.6%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>20,384,497</b>	<b>19,734,109</b>	<b>21,082,201</b>	<b>22,711,400</b>	<b>2,977,291</b>	<b>15.1%</b>	<b>1,629,199</b>	<b>7.7%</b>	<b>24,885,271</b>	<b>2,173,870</b>	<b>9.6%</b>
<b>Equipment Outlay</b>	<b>388,033</b>	<b>422,000</b>	<b>-</b>	<b>-</b>	<b>(422,000)</b>	<b>-100.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 20,772,530</b>	<b>\$ 20,156,109</b>	<b>\$ 21,082,201</b>	<b>\$ 22,711,400</b>	<b>\$ 2,555,291</b>	<b>12.7%</b>	<b>\$ 1,629,199</b>	<b>7.7%</b>	<b>\$ 24,885,271</b>	<b>\$ 2,173,870</b>	<b>9.6%</b>



## Aviation Security & Public Safety

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 20,156,109</b>	<b>\$ 21,082,201</b>	<b>\$ 22,711,400</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase for current staff	30,874	3,779	28,108
Salary adjustments and pay-for-performance	23,115	167	23,641
<b>Total Increase in personnel costs</b>	<b>53,989</b>	<b>3,946</b>	<b>51,749</b>
Increase in law enforcement costs - Harbor Police Department	1,992,133	1,604,733	1,823,329
Increase in security guard services	472,100	-	125,000
Increase in access control system maintenance	417,000	-	57,450
Increase in services other	72,845	62,845	-
Decrease/ Increase in safety equipment & supplies	(20,000)	-	50,000
Decrease in equipment outlay	(422,000)	-	-
Other, net	(10,775)	(42,324)	66,343
<b>Total Increase in non-personnel costs</b>	<b>2,501,303</b>	<b>1,625,254</b>	<b>2,122,122</b>
<b>Total Increase</b>	<b>2,555,291</b>	<b>1,629,199</b>	<b>2,173,870</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 22,711,400</b>	<b>\$ 22,711,400</b>	<b>\$ 24,885,271</b>

## Aviation Security & Public Safety Departmental Objectives

### FY 2013 Progress Report

#### 1. Enhance our regional partnership with the County of San Diego's Office of Emergency Services (OES) with the following initiatives:

- Improve the Authority's ability to track regional events that affect SDIA by making necessary upgrades to the Emergency Operations Center (EOC) during FY 2013 and FY 2014; and
- Establish a cache of emergency supplies to ensure that the Authority can sustain itself during the critical days of a region-wide emergency during FY 2013 and FY 2014.

**Progress:** The Aviation Security and Public Safety Department entered into an RFP Process to select a company to install the necessary upgrades to the EOC. That company has been selected and work will commence soon. The Aviation Security and Public Safety Department procured emergency supplies for phase 1 and is in the process of procuring supplies for phase 2 of our emergency supply plan.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

#### 2. Design, develop and implement a comprehensive transition program to update Access Control System (ACS) technology campus-wide. This will enhance AVSEC/PS operational capabilities and provide enhanced support to law enforcement, TSA and other federal agencies. Additionally, this upgrade will prepare the facility for implementation of a smart card/biometric-based system of credentialing and access.

**Progress:** Through its incorporation into the Green Build, the department has begun the transition to a "smart card" based ACS. It is expected the complete transition will occur within 6 months of Green Build completion. Additionally, all Sterile Badge holders will be transitioned into a biometric-based identification system.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

**3. Continue to provide opportunities for professional development and personal growth for all department staff as well as operational Authority staff through public safety-oriented programs (e.g., CPR, First Aid) and operations-specific training.**

**Progress:** The Department has offered continuous professional development and growth opportunities to Authority through its ongoing CPR and First Aid training efforts. In addition, numerous personnel within the Division have attended enhanced security awareness training offered by AVSEC/PS.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

**4. Enhance Emergency/Disaster Preparedness training of Authority staff, airport tenants and appropriate agencies by conducting the following training initiatives during FY 2013 and FY 2014:**

- Active Shooter Training/Exercise for Authority staff, to be completed by the fourth quarter of FY 2013;
- Tabletop exercise for the Traffic Plan – Harbor Drive Closures, to be completed by the fourth quarter of FY 2013;
- Joint BCP/EOC Functional Exercise, to be completed by the fourth quarter of FY 2013; and
- Initiate Fire Alarm/Terminal Evacuation training sessions at tenant staff meetings, to be conducted during FY 2013 and FY 2014.

Success will be measured by the completion of these exercises and training initiatives, the completion of any necessary After Action Reports for lessons learned and the completion of any necessary revisions of Plans and Procedures.

**Progress:** Active Shooter Training took place for all Authority Staff during the summer of 2012. Planning for an Active Shooter Exercise has begun with the exercise to take place in August 2013. The Joint BCP/EOC Functional Exercise took place on October 11, 2012 and an After Action Report was prepared. Fire Alarm and Terminal Evacuation Training has been conducted throughout the fiscal year at Tenant Safety Meetings, PREP Meetings, and Department staff meetings. Roundtable discussions have taken place regarding the Traffic Plan – Harbor Drive Closures and appropriate revisions have been made due to construction activities.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

5. Participate in the Green Build Activation Team (GBAT) to ensure that all Security Special Systems are planned, designed and implemented. This will include all hardware and software as well as the maintenance and management of the Access Control System (ACS).

**Progress:** The Department continues to work with the GBAT and Technical Roundtable Teams to ensure that all systems are implemented as-designed. To date, these systems have included: the consolidated network, ACS, CCTV, breach management, FLIR systems, and fire alarm systems.

**Sustainability Goal:** Operational Excellence.

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

6. Work with the Harbor Police Department (HPD) to develop a Law Enforcement staffing model for the Green Build infrastructure. The staffing model will focus on meeting or exceeding all required TSA response times while ensuring police officer and public safety. Model planning will include new opportunities for HPD staff to use bicycles and other personal transport equipment to respond inside Terminal buildings.

**Progress:** The Department has completed work with HPD to create a staffing model incorporating the Green Build that does not require any additional staffing resources.

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

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

**Fiscal Year:** 2013.      **Continue in 2014?:** Yes

## Aviation Security & Public Safety Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Ensure that SDIA continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness, and Airport Certification by planning and conducting a Tabletop Exercise in compliance with FAR Part 139.325(g)(4) by second quarter FY 2014 (November 2013); and conducting a full-scale mass-casualty field exercise in compliance with FAR Part 139.325(h) by second quarter FY 2015 (November 2014).

**Sustainability Goal:** Operational Excellence

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

2. Maintain a cache of emergency supplies with the intention of ensuring that the Authority can sustain itself during the critical initial days of a region-wide emergency, during FY 2014 & FY 2015, by providing water and heater meals for 1200 people for three days.

**Sustainability Goal:** Operational Excellence

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

3. Ensure that AVSEC/PS, in cooperation with its contract providers, delivers mandated security services in a fiscally responsible manner. Continue to work with contract providers to maintain sustainable staffing levels by investigating and utilizing operational enhancements such as alternative forms of transportation (i.e., Segways, electric carts, etc.) Provide an EOY report documenting all cost-savings measures gained by modifying procedures, staffing plans and technology.

**Sustainability Goal:** Operational Excellence

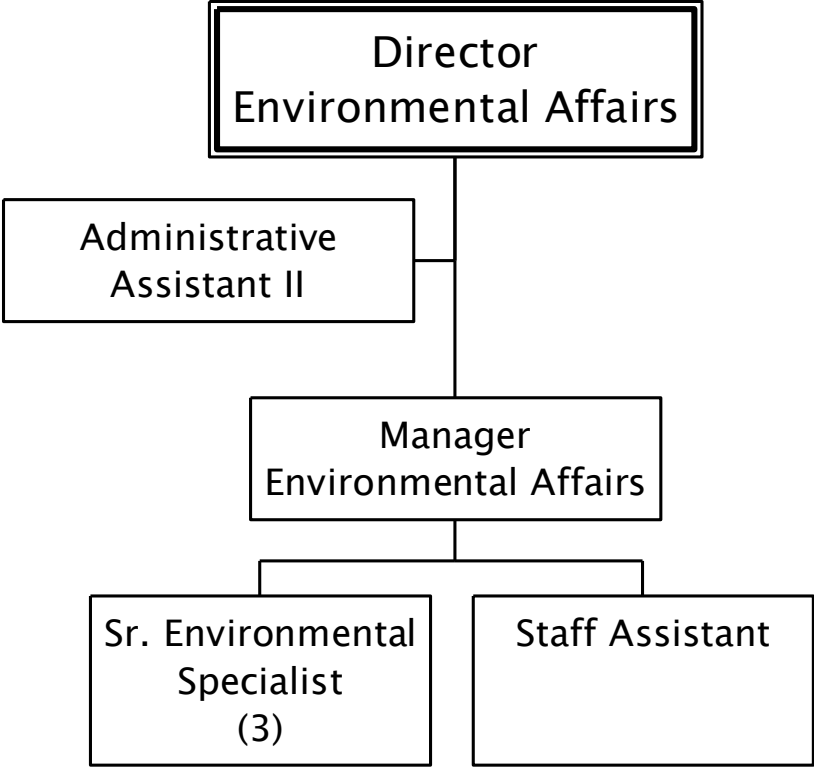
**Authority Strategy:** Strategy #3 Operations Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Strategy #1 Finance Strategy: Enhance the Financial position of the Authority.

4. Continue to provide opportunities for professional development and personal growth for all department staff, as well as, operational Authority staff through public safety-oriented programs (e.g., CPR, first aid, etc.) and operational specific training. Document opportunities provided to staff and development training completed by staff.

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

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

Environmental Affairs  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015



## Environmental Affairs

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 522,928	\$ 522,521	\$ 538,017	\$ 629,084	\$ 106,563	20.4%	\$ 91,067	16.9%	\$ 647,208	\$ 18,124	2.9%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	202,902	267,358	285,046	321,355	53,996	20.2%	36,308	12.7%	342,144	20,790	6.5%
Subtotal	725,830	789,879	823,063	950,439	160,559	20.3%	127,376	15.5%	989,352	38,914	4.1%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>725,830</b>	<b>789,879</b>	<b>823,063</b>	<b>950,439</b>	<b>160,559</b>	<b>20.3%</b>	<b>127,376</b>	<b>15.5%</b>	<b>989,352</b>	<b>38,914</b>	<b>4.1%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,081,964	991,500	632,000	1,516,000	524,500	52.9%	884,000	139.9%	1,616,000	100,000	6.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	292	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Maintenance	442,537	460,000	410,000	500,000	40,000	8.7%	90,000	22.0%	550,000	50,000	10.0%
Operating Equipment & Systems	286	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	2,779	4,000	4,000	4,000	-	0.0%	-	0.0%	4,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	96,919	101,200	101,200	125,600	24,400	24.1%	24,400	24.1%	125,600	-	0.0%
Business Development	29,301	33,900	33,900	38,900	5,000	14.7%	5,000	14.7%	38,900	-	0.0%
Equipment Rentals & Repairs	-	1,500	1,500	2,000	500	33.3%	500	33.3%	2,000	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,654,076</b>	<b>1,594,100</b>	<b>1,184,600</b>	<b>2,188,500</b>	<b>594,400</b>	<b>37.3%</b>	<b>1,003,900</b>	<b>84.7%</b>	<b>2,338,500</b>	<b>150,000</b>	<b>6.9%</b>
<b>Total Operating Expenses</b>	<b>2,379,906</b>	<b>2,383,979</b>	<b>2,007,663</b>	<b>3,138,939</b>	<b>754,959</b>	<b>31.7%</b>	<b>1,131,276</b>	<b>56.3%</b>	<b>3,327,852</b>	<b>188,914</b>	<b>6.0%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,379,906</b>	<b>2,383,979</b>	<b>2,007,663</b>	<b>3,138,939</b>	<b>754,959</b>	<b>31.7%</b>	<b>1,131,276</b>	<b>56.3%</b>	<b>3,327,852</b>	<b>188,914</b>	<b>6.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,379,906</b>	<b>\$ 2,383,979</b>	<b>\$ 2,007,663</b>	<b>\$ 3,138,939</b>	<b>\$ 754,959</b>	<b>31.7%</b>	<b>\$ 1,131,276</b>	<b>56.3%</b>	<b>\$ 3,327,852</b>	<b>\$ 188,914</b>	<b>6.0%</b>

## Environmental Affairs

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 2,383,979</b>	<b>\$ 2,007,663</b>	<b>\$ 3,138,939</b>
<b>Personnel costs</b>			
Unfrozen position of Senior Environmental Specialist (salaries, benefits & employer taxes)	103,913	103,913	-
Salary adjustments and pay-for-performance	30,581	15,086	18,124
Burden (benefits & employer taxes) increase for current staff	26,065	8,376	20,790
<b>Total Increase in personnel costs</b>	<b>160,559</b>	<b>127,376</b>	<b>38,914</b>
Increase in Stormwater Management Program costs	200,000	132,000	100,000
Increase in Water Quality/San Diego Bay Sediment Quality Objectives	199,500	627,000	100,000
Increase/ Decrease in other outside professional services	125,000	125,000	(100,000)
Increase in refuse and hazardous waste disposal	40,000	90,000	50,000
Other, net	29,900	29,900	-
<b>Total Increase in non-personnel costs</b>	<b>594,400</b>	<b>1,003,900</b>	<b>150,000</b>
<b>Total Increase</b>	<b>754,959</b>	<b>1,131,276</b>	<b>188,914</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 3,138,939</b>	<b>\$ 3,138,939</b>	<b>\$ 3,327,852</b>

FY 2013 Progress Report

1. Develop a strategic plan to convert all airside Ground Service Equipment (GSE) and airside service vehicles to electric or alternative clean fuels. The plan is to be ready for implementation by June 30, 2013.

**Progress:** Draft language has been developed for Airlines Operators Agreement (AOA) with provisions for the conversion of GSE with electric or alternative fuel vehicles at the end of the useful life, along with a GSE tracking and identification system. Plan implementation is now anticipated for December 2013 in concert with Airside Operations.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

2. Update air emissions inventory for calendar year 2012, track Greenhouse Gas (GHG) reductions and provide recommendations to enhance emission reduction opportunities. Findings are to be published in an updated Air Quality Management Plan (AQMP) by June 30, 2013.

**Progress:** 2012 updates to GHG emissions inventory and AQMP are on track for completion by June 30, 2013.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

3. By June 30, 2013 expand the use of the fully implemented online storm water inspection database, to incorporate tracking compliance of the construction portion of the Authority's Storm Water Management Plan

**Progress:** Our consultant is currently developing the construction inspection module of the database. This will include the ability to log and track construction projects at the airport and the

associated inspection data. Database will also have ability to document information communicated at pre-bid, pre-con and progress meetings. This module will be accessible from a mobile device for access in the field. Completion is anticipated in March 2013.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

FY 2014 – FY 2015 Objectives

1. **Develop a strategic plan to convert all airside Ground Service Equipment (GSE) and airside service vehicles to electric or alternative clean fuels. The plan is to be ready for implementation by December 31, 2013.**

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

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

2. **Revise and update Environmental Management System (EMS) Plan and implement new plan by June 31, 2014**

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

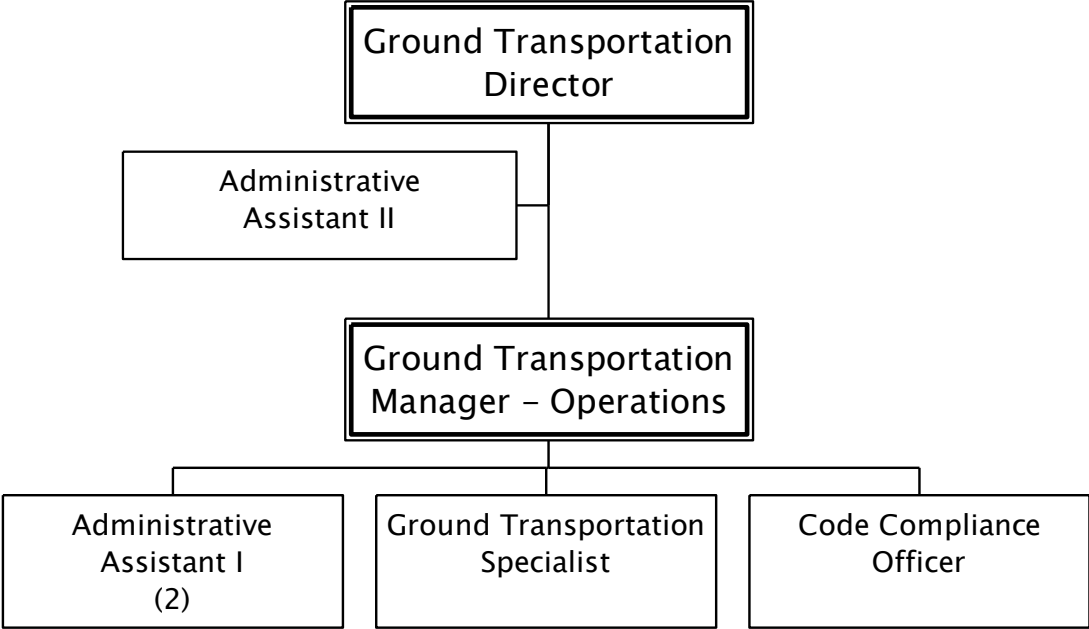
**Authority Strategy:** Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

3. **Perform a water use assessment study for the airport, which evaluates current water usage and identifies opportunities for rainwater capture and reuse for non-potable applications, with results published by June 31, 2014.**

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

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

Ground Transportation Operations  
FY 2014 - FY 2015 Organizational Structure



No personnel changes planned for FY 2015

## Ground Transportation Operations

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 272,467	\$ 332,299	\$ 345,677	\$ 458,135	\$ 125,836	37.9%	\$ 112,458	32.5%	\$ 474,982	\$ 16,847	3.7%
Premium Overtime	33,704	-	-	10,000	10,000	0.0%	10,000	0.0%	10,000	-	0.0%
Employee Benefits	165,804	190,392	204,525	230,190	39,798	20.9%	25,664	12.5%	233,428	3,238	1.4%
Subtotal	471,975	522,690	550,202	698,324	175,634	33.6%	148,122	26.9%	718,410	20,085	2.9%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>471,975</b>	<b>522,690</b>	<b>550,202</b>	<b>698,324</b>	<b>175,634</b>	<b>33.6%</b>	<b>148,122</b>	<b>26.9%</b>	<b>718,410</b>	<b>20,085</b>	<b>2.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	12,680,899	12,010,170	12,627,000	13,245,435	1,235,265	10.3%	618,435	4.9%	13,240,225	(5,210)	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	4	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	389	800	800	800	-	0.0%	-	0.0%	800	-	0.0%
Operating Supplies	11,569	12,000	12,000	12,000	-	0.0%	-	0.0%	12,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	8,149	5,250	5,250	7,750	2,500	47.6%	2,500	47.6%	162,750	155,000	2000.0%
Business Development	7,488	13,000	13,000	10,000	(3,000)	-23.1%	(3,000)	-23.1%	10,000	-	0.0%
Equipment Rentals & Repairs	419	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>12,708,918</b>	<b>12,041,220</b>	<b>12,658,050</b>	<b>13,275,985</b>	<b>1,234,765</b>	<b>10.3%</b>	<b>617,935</b>	<b>4.9%</b>	<b>13,425,775</b>	<b>149,790</b>	<b>1.1%</b>
<b>Total Operating Expenses</b>	<b>13,180,893</b>	<b>12,563,911</b>	<b>13,208,252</b>	<b>13,974,309</b>	<b>1,410,398</b>	<b>11.2%</b>	<b>766,057</b>	<b>5.8%</b>	<b>14,144,185</b>	<b>169,875</b>	<b>1.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>13,180,893</b>	<b>12,563,911</b>	<b>13,208,252</b>	<b>13,974,309</b>	<b>1,410,398</b>	<b>11.2%</b>	<b>766,057</b>	<b>5.8%</b>	<b>14,144,185</b>	<b>169,875</b>	<b>1.2%</b>
Equipment Outlay	-	270,000	-	-	(270,000)	-100.0%	-	0.0%	-	-	0.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 13,180,893</b>	<b>\$ 12,833,911</b>	<b>\$ 13,208,252</b>	<b>\$ 13,974,309</b>	<b>\$ 1,140,398</b>	<b>8.9%</b>	<b>\$ 766,057</b>	<b>5.8%</b>	<b>\$ 14,144,185</b>	<b>\$ 169,875</b>	<b>1.2%</b>

## Ground Transportation Operations

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 12,833,911</b>	<b>\$ 13,208,252</b>	<b>\$ 13,974,309</b>
<b>Personnel costs</b>			
1 New Manager position (salaries, benefits & employer taxes)	117,927	117,927	-
Salary adjustments and pay-for-performance	55,607	42,229	16,847
Burden (benefits & employer taxes) increase/ decrease for current staff	2,100	(12,034)	3,238
<b>Total Increase in personnel costs</b>	<b>175,634</b>	<b>148,122</b>	<b>20,085</b>
Increase in shuttle operations	1,187,825	830,000	212,127
Increase/ Decrease in parking operations	81,534	(175,000)	(72,337)
Increase/ Decrease in Alternative Fuel Vehicle incentive costs	20,906	(16,565)	(145,000)
Rental Car Center training	-	-	155,000
Decrease in equipment outlay	(270,000)	-	-
Other, net	(55,500)	(20,500)	-
<b>Total Increase in non-personnel costs</b>	<b>964,765</b>	<b>617,935</b>	<b>149,790</b>
<b>Total Increase</b>	<b>1,140,397</b>	<b>766,057</b>	<b>169,875</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 13,974,309</b>	<b>\$ 13,974,309</b>	<b>\$ 14,144,185</b>



## Ground Transportation Operations Departmental Objectives

### FY 2013 Progress Report

1. **Minimize wait times for taxicabs and implement Taxicab/VFH Memorandums of Agreement with industry associations. Success is measured by average wait times of less than one-half hour by September 1, 2012.**

**Progress:** Taxicab wait times were measured through June 30, 2012 and the average wait times were less than one-half hour.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

2. **Conduct monthly meetings with taxicab and vehicle for hire association leadership, present data from vehicle inspections and continue to monitor compliance with rules and regulations through code compliance officers.**

**Progress:** From July 2012 through March 2013, monthly meetings were conducted with taxicab and vehicle for hire association leaders. During this period vehicle inspections were routinely conducted at the taxi/shuttle hold lot and the terminal transportation islands, and the results were shared at the meetings. A Code Compliance Officer was assigned to monitor the taxi/shuttle hold lot and the terminal transportation islands.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

**3. Conduct four vehicle (taxicabs and vehicles for hire) inspections by June 30, 2013. Benchmark results to ensure vehicles and drivers meet known standards and expectations.**

**Progress:** The Ground Transportation department conducted two taxi cab and two vehicle for hire inspections between July 1, 2012 and October 31, 2012. The department plans to conduct two more inspections prior to June 30, 2013.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

**4. Monitor financial expenses of parking and shuttle operators to ensure actual expenses are +/- five percent (5%) of budgeted expenses.**

**Progress:** Financial expenses for both parking and shuttle operations are monitored on an ongoing basis. As of February 1, 2013 actual expenses are +/- five percent (5%) of budgeted expenses.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

**5. Retire and replace certain shuttles from the SDIA courtesy shuttle fleet by January 1, 2013.**

**Progress:** As of February 15, 2013 the Authority has taken delivery of six new shuttles and anticipates replacing another twelve vehicles by May 1, 2013. The new eighteen vehicles will be powered with propane.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

## Ground Transportation Operations Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Conduct quarterly meetings with taxicab and vehicle for hire association leadership, present data from vehicle inspections and continue to monitor compliance with rules and regulations through code compliance officers.

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

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

2. Complete the implementation of the Ground Transportation Strategic Workforce Plan by January 1, 2014. This implementation includes updated organizational charts, all available positions filled, updated job descriptions and finalized roles and responsibilities.

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

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

3. Manage the Ace Parking Management Inc. contracts for parking and shuttle services to ensure actual expenses do not exceed budgeted amounts.

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

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

4. Implement updates to Ground Transportation systems by May 1, 2014. The system updates include installation of software upgrades for Gatekeeper System Inc. for the Automatic Vehicle Identification (AVI) system and Commercial Vehicle Management system, Airport-wide upgrades of hardware for the AVI system, installation of the

automated trip fee collection system for Airport permitted taxicab vehicles and drivers and installation of the automated taxicab dispatch system.

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

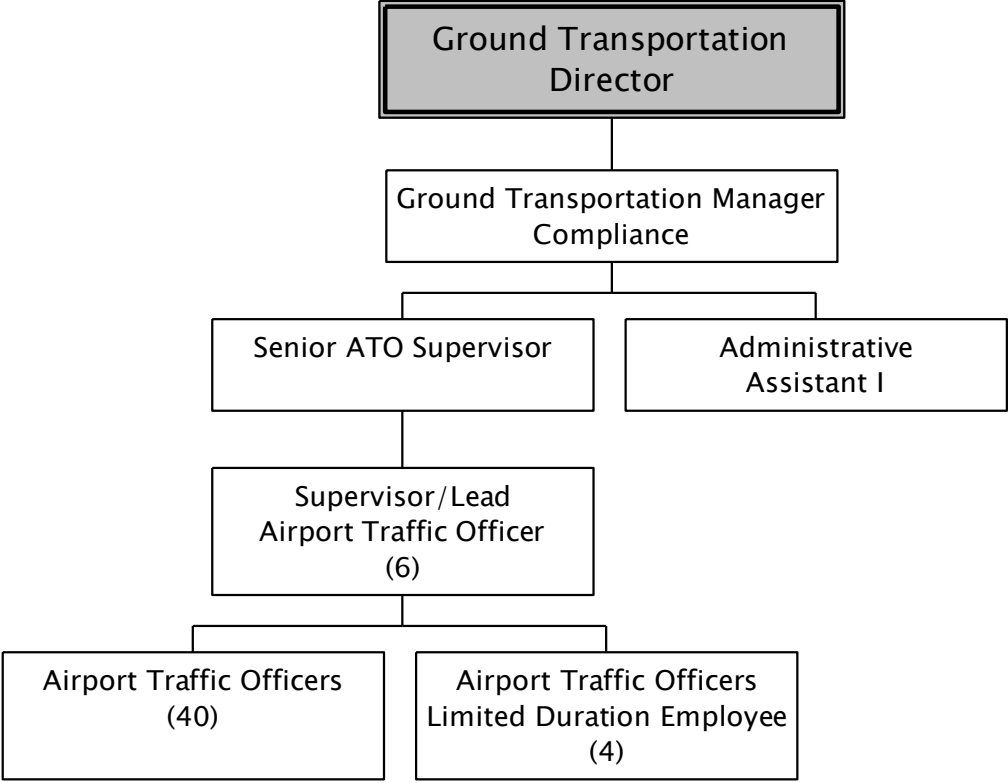
**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

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

Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective

and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Ground Transportation Compliance  
FY 2014 - FY 2015 Organizational Structure



Position shown in grey resides in the Ground Transportation Operations department and is shown for reporting structure  
No personnel changes planned for FY 2015

## Ground Transportation Compliance\*

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ -	\$ -	\$ -	\$ 2,837,176	\$ 2,837,176	0.0%	\$ 2,837,176	0.0%	\$ 2,956,749	\$ 119,573	4.2%
Premium Overtime	-	-	-	148,000	148,000	0.0%	148,000	0.0%	148,000	-	0.0%
Employee Benefits	-	-	-	1,813,518	1,813,518	0.0%	1,813,518	0.0%	1,935,556	122,038	6.7%
Subtotal	-	-	-	4,798,694	4,798,694	0.0%	4,798,694	0.0%	5,040,305	241,611	5.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	-	-	-	<b>4,798,694</b>	<b>4,798,694</b>	<b>0.0%</b>	<b>4,798,694</b>	<b>0.0%</b>	<b>5,040,305</b>	<b>241,611</b>	<b>5.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	-	-	-	46,000	46,000	0.0%	46,000	0.0%	1,000	(45,000)	-97.8%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	1,100	1,100	0.0%	1,100	0.0%	1,100	-	0.0%
Operating Supplies	-	-	-	38,300	38,300	0.0%	38,300	0.0%	38,300	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	-	-	-	50,000	50,000	0.0%	50,000	0.0%	49,740	(260)	-0.5%
Business Development	-	-	-	40,800	40,800	0.0%	40,800	0.0%	40,800	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	-	-	-	<b>176,200</b>	<b>176,200</b>	<b>0.0%</b>	<b>176,200</b>	<b>0.0%</b>	<b>130,940</b>	<b>(45,260)</b>	<b>-25.7%</b>
<b>Total Operating Expenses</b>	-	-	-	<b>4,974,894</b>	<b>4,974,894</b>	<b>0.0%</b>	<b>4,974,894</b>	<b>0.0%</b>	<b>5,171,245</b>	<b>196,351</b>	<b>3.9%</b>
<b>Total Non-Operating Expenses</b>	-	-	-	-	-	<b>0.0%</b>	-	<b>0.0%</b>	-	-	<b>0.0%</b>
<b>Total Expenses</b>	-	-	-	<b>4,974,894</b>	<b>4,974,894</b>	<b>0.0%</b>	<b>4,974,894</b>	<b>0.0%</b>	<b>5,171,245</b>	<b>196,351</b>	<b>3.9%</b>
<b>Equipment Outlay</b>	-	-	-	-	-	<b>0.0%</b>	-	<b>0.0%</b>	-	-	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,974,894</b>	<b>\$ 4,974,894</b>	<b>0.0%</b>	<b>\$ 4,974,894</b>	<b>0.0%</b>	<b>\$ 5,171,245</b>	<b>\$ 196,351</b>	<b>3.9%</b>

## Ground Transportation Compliance

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	\$ -	\$ -	\$ 4,974,894
<b>Personnel costs</b>			
Transfer of 49 positions from Landside department	3,932,673	3,932,673	-
Change in capitalized labor	374,318	-	-
4 New Airport Traffic Officer (ATO) positions (salaries, benefits & employer taxes)	263,956	-	-
Salary adjustments,contracted wage increases and pay-for-performance	122,638	562,914	119,573
Burden (benefits & employer taxes) increase for current staff	105,110	303,108	122,038
<b>Total Increase in personnel costs</b>	<b>4,798,694</b>	<b>4,798,694</b>	<b>241,611</b>
Transfer of Airport Traffic Officers (ATO) non-personnel costs from Landside department	176,200	176,200	-
Decrease in ticketman maintenance/warranty costs	-	-	(44,000)
Other, net	-	-	(1,260)
<b>Total Increase/ Decrease in non-personnel costs</b>	<b>176,200</b>	<b>176,200</b>	<b>(45,260)</b>
<b>Total Increase</b>	<b>4,974,894</b>	<b>4,974,894</b>	<b>196,351</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 4,974,894</b>	<b>\$ 4,974,894</b>	<b>\$ 5,171,245</b>

## Ground Transportation Compliance Departmental Objectives

### FY 2013 Progress Report

1. **Minimize wait times for taxicabs and implement Taxicab/VFH Memorandums of Agreement with industry associations. Success is measured by average wait times of less than one-half hour by September 1, 2012.**

**Progress:** Taxicab wait times were measured through June 30, 2012 and the average wait times were less than one-half hour.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

2. **Conduct monthly meetings with taxicab and vehicle for hire association leadership, present data from vehicle inspections and continue to monitor compliance with rules and regulations through code compliance officers.**

**Progress:** From July 2012 through March 2013, monthly meetings were conducted with taxicab and vehicle for hire association leaders. During this period vehicle inspections were routinely conducted at the taxi/shuttle hold lot and the terminal transportation islands, and the results were shared at the meetings. A Code Compliance Officer was assigned to monitor the taxi/shuttle hold lot and the terminal transportation islands.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes



**3. Conduct four vehicle (taxicabs and vehicles for hire) inspections by June 30, 2013. Benchmark results to ensure vehicles and drivers meet known standards and expectations.**

**Progress:** The Ground Transportation department conducted two taxi cab and two vehicle for hire inspections between July 1, 2012 and October 31, 2012. The department plans to conduct two more inspections prior to June 30, 2013.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

**4. Monitor financial expenses of parking and shuttle operators to ensure actual expenses are +/- five percent (5%) of budgeted expenses.**

**Progress:** Financial expenses for both parking and shuttle operations are monitored on an ongoing basis. As of February 1, 2013 actual expenses are +/- five percent (5%) of budgeted expenses.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** Yes

**5. Retire and replace certain shuttles from the SDIA courtesy shuttle fleet by January 1, 2013.**

**Progress:** As of February 15, 2013 the Authority has taken delivery of six new shuttles and anticipates replacing another twelve vehicles by May 1, 2013. The new eighteen vehicles will be powered with propane.

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

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

**Fiscal Year:** 2013. **Continue in 2014?:** No

## Ground Transportation Compliance Departmental Objectives

### FY 2014 – FY 2015 Objectives

1. Conduct quarterly meetings with taxicab and vehicle for hire association leadership, present data from vehicle inspections and continue to monitor compliance with rules and regulations through code compliance officers.

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

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

2. Complete the implementation of the Ground Transportation Strategic Workforce Plan by January 1, 2014. This implementation includes updated organizational charts, all available positions filled, updated job descriptions and finalized roles and responsibilities.

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

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

3. Manage the Ace Parking Management Inc. contracts for parking and shuttle services to ensure actual expenses do not exceed budgeted amounts.

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

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

4. Implement updates to Ground Transportation systems by May 1, 2014. The system updates include installation of software upgrades for Gatekeeper System Inc. for the Automatic Vehicle Identification (AVI) system and Commercial Vehicle Management system, Airport-wide upgrades of hardware for the AVI system, installation of the automated trip fee collection system for Airport permitted taxicab vehicles and drivers and installation of the automated taxicab dispatch system.

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

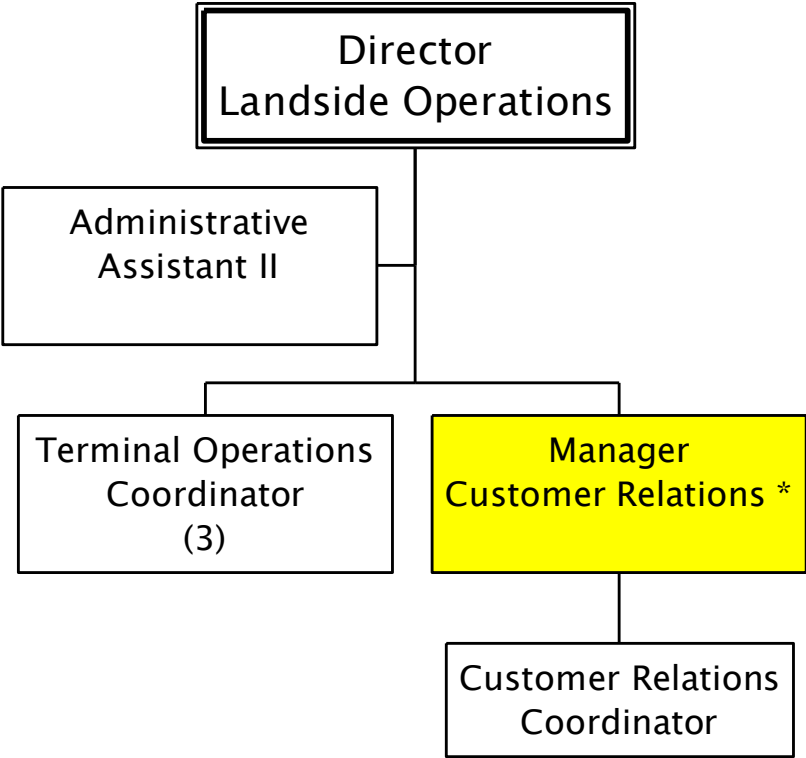
**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority.

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

Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective

and efficient manner. Strategy #5: Be a trusted and highly responsive regional agency.

Landside Operations  
FY 2014 - FY 2015 Organizational Structure



\* Unfunded positions shown in yellow

No personnel changes planned for FY 2015

## Landside Operations\*

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

	FY 2012 Actuals	FY 2013 Budget	FY 2014 Conceptual Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	Inc/(Dec) FY14 Proposed vs FY14 Conceptual	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 2,872,174	\$ 2,969,158	\$ 3,248,747	\$ 439,017	\$ (2,530,141)	-85.2%	\$ (2,809,730)	-86.5%	\$ 452,187	\$ 13,171	3.0%
Premium Overtime	158,569	150,000	100,000	2,000	(148,000)	-98.7%	(98,000)	-98.0%	2,000	-	0.0%
Employee Benefits	1,562,096	1,840,609	2,063,038	245,018	(1,595,591)	-86.7%	(1,818,020)	-88.1%	260,332	15,313	6.2%
Subtotal	4,592,839	4,959,767	5,411,785	686,035	(4,273,732)	-86.2%	(4,725,750)	-87.3%	714,519	28,484	4.2%
Less: Capitalized Labor	(339,797)	(374,318)	-	-	374,318	-100.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>4,253,043</b>	<b>4,585,449</b>	<b>5,411,785</b>	<b>686,035</b>	<b>(3,899,414)</b>	<b>-85.0%</b>	<b>(4,725,750)</b>	<b>-87.3%</b>	<b>714,519</b>	<b>28,484</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	4,233,312	5,771,054	6,597,424	6,836,333	1,065,279	18.5%	238,909	3.6%	6,959,177	122,844	1.8%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	2,345	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	51,341	85,200	58,800	57,700	(27,500)	-32.3%	(1,100)	-1.9%	72,700	15,000	26.0%
Operating Supplies	39,749	40,600	38,600	6,300	(34,300)	-84.5%	(32,300)	-83.7%	6,300	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	37,473	67,700	65,700	14,700	(53,000)	-78.3%	(51,000)	-77.6%	14,900	200	1.4%
Business Development	20,253	109,045	108,945	61,310	(47,735)	-43.8%	(47,635)	-43.7%	61,310	-	0.0%
Equipment Rentals & Repairs	16,904	3,200	3,200	3,200	-	0.0%	-	0.0%	3,200	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>4,401,376</b>	<b>6,076,799</b>	<b>6,872,669</b>	<b>6,979,543</b>	<b>902,744</b>	<b>14.9%</b>	<b>106,874</b>	<b>1.6%</b>	<b>7,117,587</b>	<b>138,044</b>	<b>2.0%</b>
<b>Total Operating Expenses</b>	<b>8,654,419</b>	<b>10,662,248</b>	<b>12,284,454</b>	<b>7,665,578</b>	<b>(2,996,670)</b>	<b>-28.1%</b>	<b>(4,618,876)</b>	<b>-37.6%</b>	<b>7,832,106</b>	<b>166,528</b>	<b>2.2%</b>
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>8,654,419</b>	<b>10,662,248</b>	<b>12,284,454</b>	<b>7,665,578</b>	<b>(2,996,670)</b>	<b>-28.1%</b>	<b>(4,618,876)</b>	<b>-37.6%</b>	<b>7,832,106</b>	<b>166,528</b>	<b>2.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 8,654,419</b>	<b>\$ 10,662,248</b>	<b>\$ 12,284,454</b>	<b>\$ 7,665,578</b>	<b>\$ (2,996,670)</b>	<b>-28.1%</b>	<b>\$ (4,618,876)</b>	<b>-37.6%</b>	<b>\$ 7,832,106</b>	<b>\$ 166,528</b>	<b>2.2%</b>

## Landside Operations

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

	Inc/(Dec) FY14 vs FY13	Inc/(Dec) FY14 vs FY14 Conceptual	Inc/(Dec) FY15 Conceptual vs FY14
<b>FY 2013 Budget / FY 2014 Conceptual / FY 2014 Budget</b>	<b>\$ 10,662,248</b>	<b>\$ 12,284,454</b>	<b>\$ 7,665,578</b>
<b>Personnel costs</b>			
Burden (benefits & employer taxes) increase/decrease for current staff	17,304	(277,577)	15,313
Salary adjustments and pay-for-performance	15,955	(515,500)	13,171
Transfer of 49 positions to Ground Transportation Compliance department	(3,932,673)	(3,932,673)	-
<b>Total Decrease/ Increase in personnel costs</b>	<b>(3,899,414)</b>	<b>(4,725,750)</b>	<b>28,484</b>
Increase in Airport custodial contract (Green Build, Concession Development Program and general activity)	1,122,279	245,909	122,844
Transfer of Airport Traffic Officers (ATO) non-personnel costs to Ground Transportation Compliance department	(176,200)	(176,200)	-
Other, net	(43,335)	37,165	15,200
<b>Total Increase in non-personnel costs</b>	<b>902,744</b>	<b>106,874</b>	<b>138,044</b>
<b>Total Decrease/ Increase</b>	<b>(2,996,670)</b>	<b>(4,618,876)</b>	<b>166,528</b>
<b>FY 2014 Budget / FY 2015 Conceptual Budget</b>	<b>\$ 7,665,578</b>	<b>\$ 7,665,578</b>	<b>\$ 7,832,106</b>

## Landside Operations

### Departmental Objectives

#### FY 2013 Progress Report

1. Ensure that SDIA maintains code compliance with state and federal ADA laws. Success will be measured through quarterly self audits in anticipation of state and federal inspections to be conducted during the year.

**Progress:** The ADA oversight audits by Landside Operations were shifted over to the planning department mid last year. The most recent audit produced valuable information with corrective action planning underway.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

2. Establish stricter oversight of our recycling by coordinating efforts with our waste management partner, REM concession program, and the airport janitorial staff. Oversight of the recycling program will ensure tenant compliance, with an expected 15 percent increase in overall recycling efforts. Success will be measured using monthly waste management statistics that are included with the billing.

**Progress:** With the acquisition of a cardboard bailer and agreements with the janitorial staff, we have increased our recycling to the expected 15% and potential to exceed this by an additional 5%.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

3. Activate a new and remodeled facility from the state of static completion to normal operations and mitigate surprises on opening day. Success will be measured through:

- A comprehensive training and familiarization program suitable to specific user needs;
- Collaboration;
- A transparent process for all stakeholders; and
- Focus on the passenger experience as well as scope, budget and schedule reviews.

**Progress:** Although the success of this goal won't be fully measured until completion of the Green Build, the activation planning thus far has met every stakeholders concern through continued communication, weekly meetings, familiarization tours, planning involvement and meeting budget constraints. All Stakeholders are actively involved with training and hands-on experience as we enter into the Checkpoint/BHS and CUPPS areas in the coming weeks.

**Sustainability Goal:** Operational Excellence.

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.

**Fiscal Year:** 2013.      **Continue in 2014:** Yes

4. Partner with the air carrier station managers, contractors, janitorial and TSA to maintain efficient and safe passenger flow throughout the terminals during the Green Build construction. Success will be measured through daily interaction, monthly meetings and passenger comments received through various media connections and comment cards.

**Progress:** Constant communication with the various stakeholders has continued throughout this past year. In many cases the stakeholders input has greatly enhanced the successful changes necessary while construction impacted the terminals/roadways. Case in point was the Traffic Officers input throughout the many roadway diversions. Their input was invaluable and without it we would have had many more operational issues.

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

**Authority Strategy:** Strategy #1: Enhance the financial position of the Authority. Strategy #2: Achieve the highest level of internal and external customer satisfaction. Strategy #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. Strategy #4: Ensure the highest level of employee satisfaction. Strategy #5: Be a trusted and highly responsive regional agency.



**Fiscal Year:** 2013.    **Continue in 2014:** Yes

5. **Maximize customer service training for Airport Traffic Officers (ATOs). The current customer service ranking for the ATOs maintains a consistent average of 90 percent. With the additional responsibility of the lost and found function, our department has an opportunity to increase this percentage to the mid-nineties.**

**Progress:** Our customer service focus continues through regular scheduled training and daily line-ups. Even with the Green Build construction causing numerous roadway challenges the ATO's continue to maintain their consistent 90% customer service ranking.

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

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

**Fiscal Year:** 2013.    **Continue in 2014:** Yes

6. **Maximize operational efficiency by decreasing average passenger time to 15 minutes in security checkpoint lines.**

**Progress:** Our data provided by the TSA and our own data collection provides consistent data to support the 15 mins or less average passenger waiting times.

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

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

**Fiscal Year:** 2013.    **Continue in 2014:** Yes

7. **Install one liquid collection container at each security checkpoint. Eliminating liquid filled containers reduces substantial waste weight and increases container recyclability. A 10,000 to 15,000 pound monthly waste weight decrease is expected.**

**Progress:** The overall terminal construction and concession changes has placed this project on hold. Minimal space caused by construction walls etc. did not afford us the opportunity to take up anymore space taken away by the concession/construction changes.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

8. Hold monthly meetings with air carrier station managers, contractors, janitorial, & TSA coordinators to maintain efficient and safe passenger flow throughout the terminals as we move into the Green Build project.

**Progress:** Lindbergh Airline Manager Council (LAMC) meetings are conducted the third Wednesday of every month.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

9. Maintain fiscal responsibility by implementing safe work practices to achieve workers compensation cost containment measures. Success equals maintaining the loss rate per \$80 per payroll at or better than the FY 2010 rate for the ATOs.

**Progress:** The oversight of this program is maintained and controlled through our HR safety program. This safe work practices program was implemented by the safety department and should be moved to their oversight responsibility.

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

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

**Fiscal Year:** 2013. **Continue in 2014:** Yes

10. Install 20 new outdoor waste containers to enhance our outdoor recycling efforts. These containers would supplement existing indoor recycling efforts and help to maintain a more than 15 percent increase in overall recycling efforts.

**Progress:** This project was placed on hold due to the many construction projects that impact the curbside operation. We plan to add the containers once the construction is complete and permanent spaces can be established.

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

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

**Fiscal Year:** 2013.      **Continue in 2014:** Yes

FY 2014 – FY 2015 Objectives

1. Establish stricter oversight of our recycling by coordinating efforts with our waste management partner, Tenants, AvCom concession program, and Flagship janitorial management. Oversight of the recycling program will ensure tenant compliance, with an expected 30% increase in overall recycling efforts. Success will be measured using monthly waste management statistics that are included with the monthly billing.

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

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

2. Partner with the air carrier Station Managers, contract vendors, janitorial and TSA to maintain efficient and safe passenger flow throughout the terminals. Success will be measured through daily interaction i.e. managing by walking around (MBWA), Airport Ambassador meetings, monthly LAMC meetings and passenger comments received through various media connections and comment letters.

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

**Authority Strategy:** Strategy #1: Enhance the final position of the Authority. #2: Achieve the highest level of internal customer satisfaction. #3: Operate our airport in a safe, secure, environmentally sound, effective and efficient manner. #4: Ensure the highest level of employee satisfaction. #5: Be a trusted and highly responsive regional agency.

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