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**San Diego County Regional Airport Authority**  
**FY 2013 Proposed Budget & FY 2014 Proposed Conceptual Budget**  
Finance Division  
Financial Planning and Budget

- Organizational Strategies, Sustainability Goals, & Priorities
- Economic and Industry Overview
- Guiding Principles & Budget Challenges
- Budget Assumptions
- Revenue Budget Overview
- Expense Budget Overview
- Division Expense Budgets
- Proposed Capital Improvement Program FY 2013 - FY 2017
- Plan of Finance FY 2013 - FY 2017
- Conclusion



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# Organizational Strategies





# Organizational Strategies

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

- ▶ Revenue Enhancement
- ▶ Green Build
- ▶ Concessions Development Program (CDP)
- ▶ Consolidated Rental Car Facility (CONRAC)
- ▶ Strategic Engagement
- ▶ Airport Development Plan
- ▶ Ground Transportation

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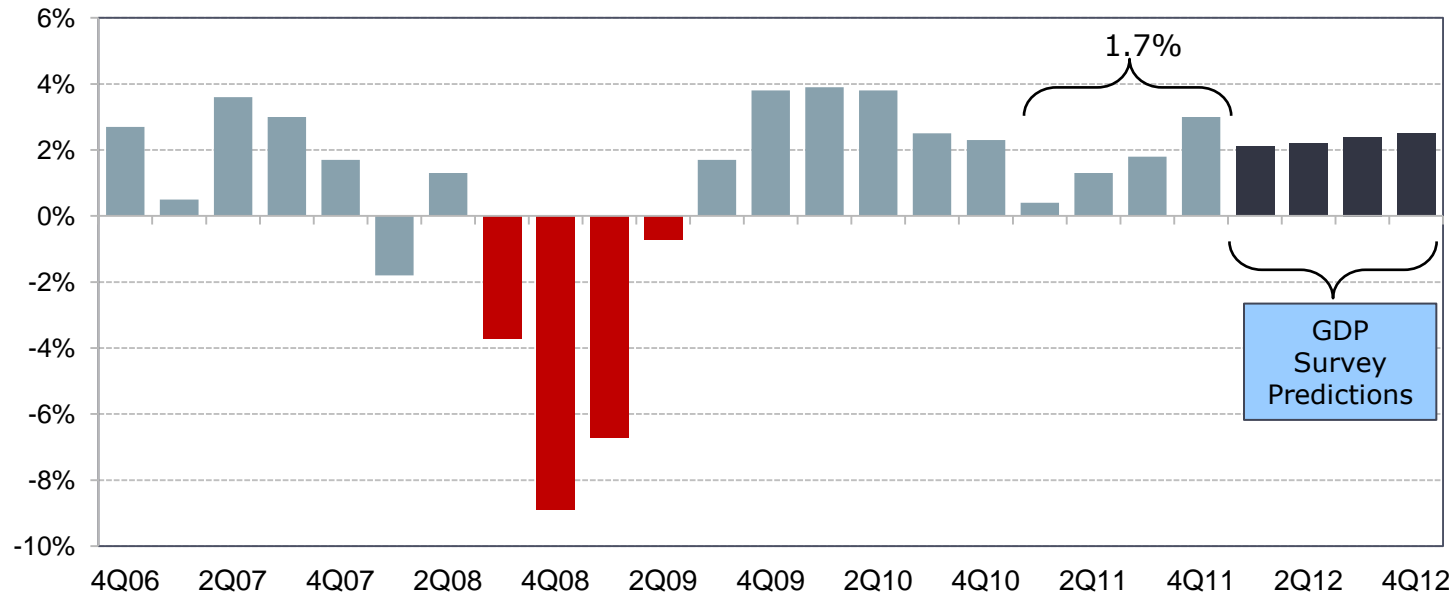
# Economic & Industry Overview



## Key Economic Data Reflects Emergence from Recession

- GDP increased 1.7% year over year in 2011 and has had ten consecutive quarters of growth since Q3 2009
- GDP increased by 3% in Q4 2011

**Gross Domestic Product (Quarter on Quarter)**  
Fourth Quarter 2006 – Fourth Quarter 2012

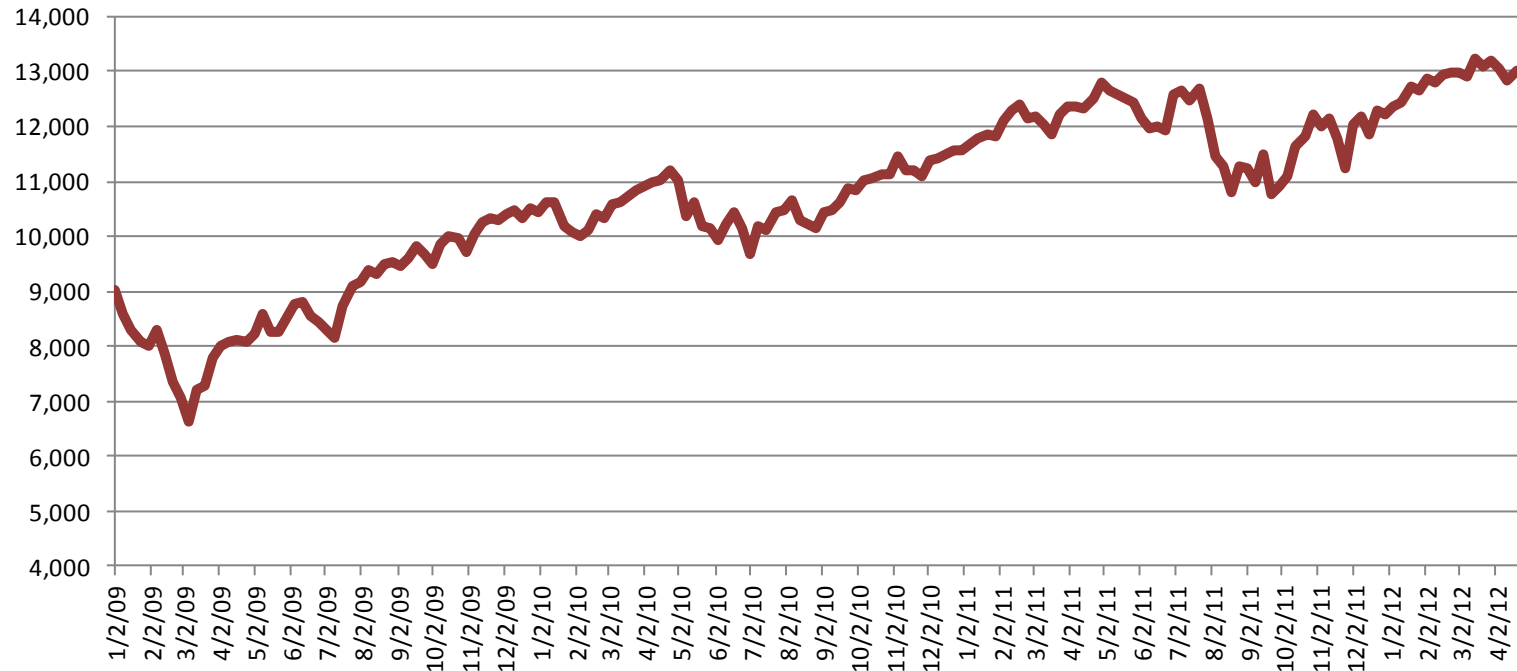


Gross Domestic Product (GDP) is a measure of the United States' production over the quarter, often shown as quarter on quarter change. GDP includes consumption, government spending, investment, and net exports. It is the measure of economic activity in the United States.

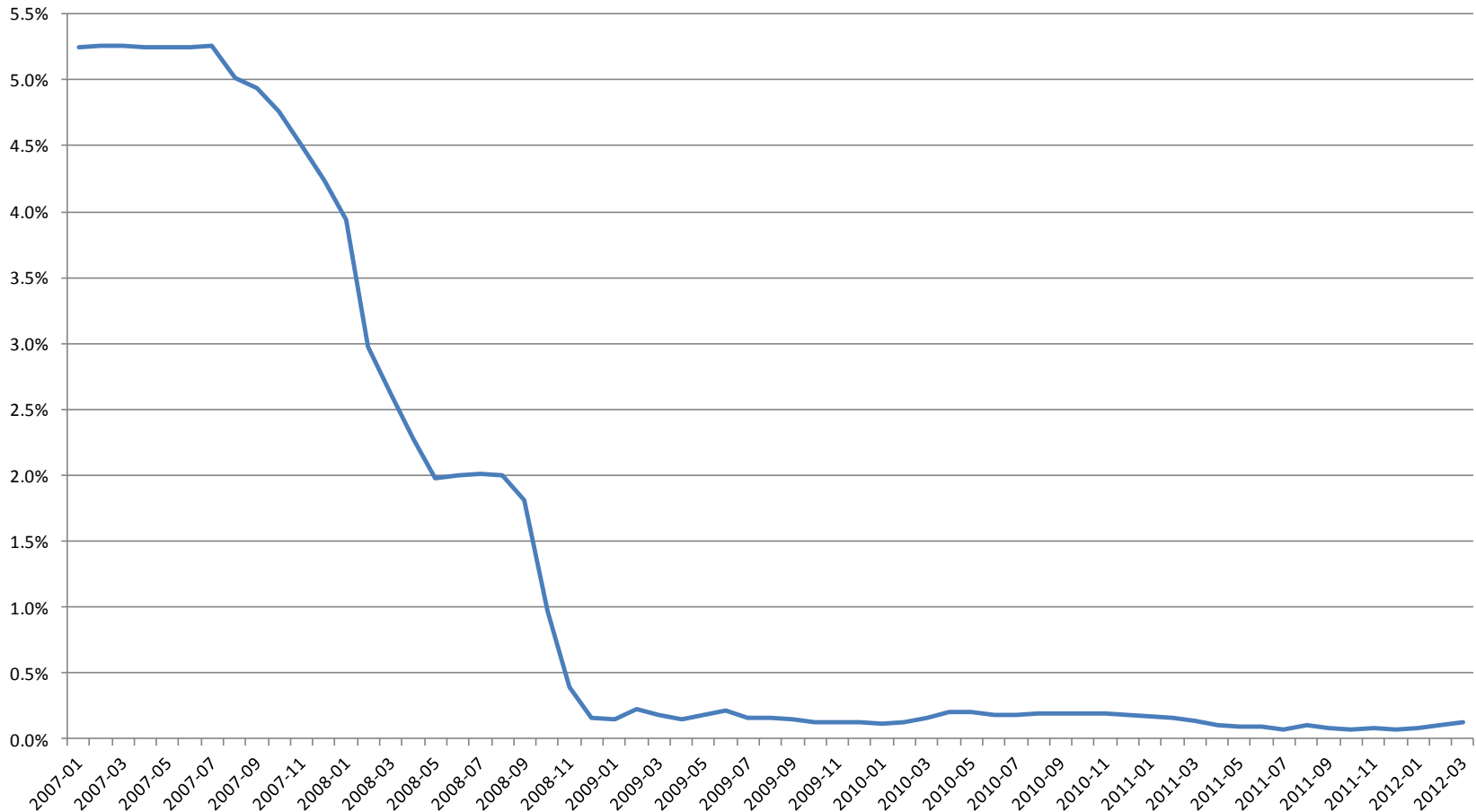


- The DJIA broke 13000 since March 2012 and has continued to hover at that level
- Since its low in March 2009 it has increased 97%

**Dow Jones Industrial Average (1/09-4/12)**

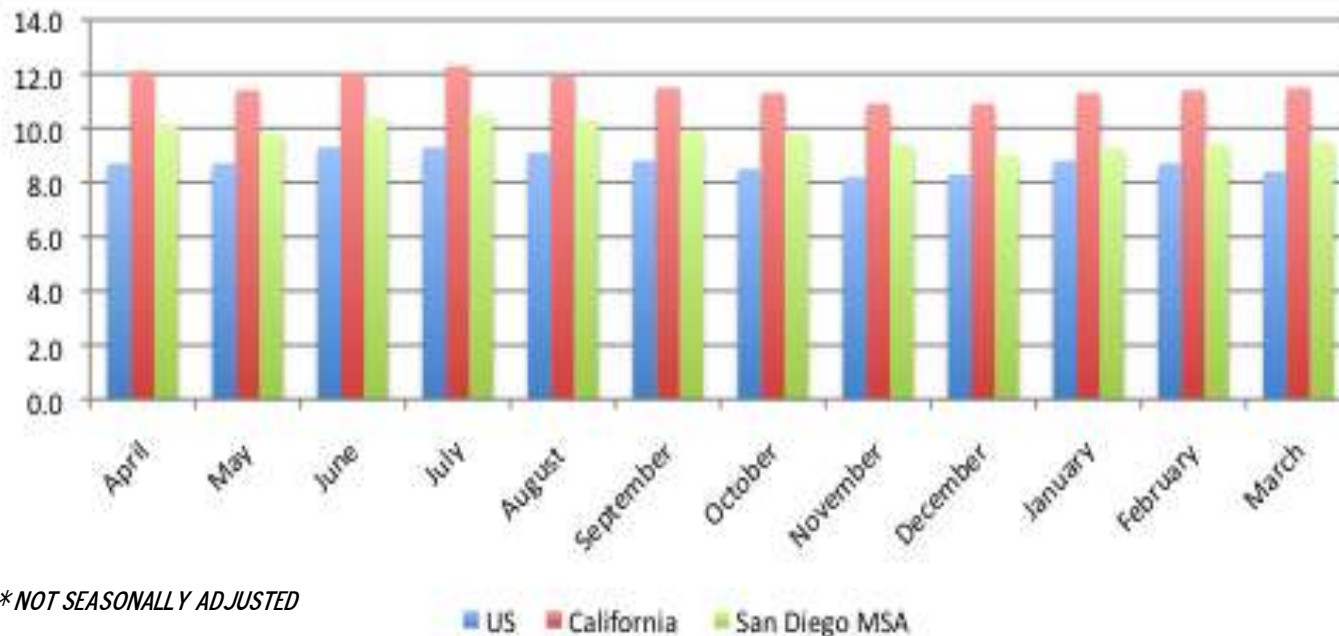


- Interest rates remain near historical lows
- Federal Funds interest has been at 0–0.25% since December 2008



- The US unemployment rate decreased to 8.4% for the month of March 2012.
- The California and San Diego County unemployment rates increased for the third consecutive month in March 2012 to 11.5% and 9.5% respectively, both continuing to be higher than the national average.

## Monthly Unemployment Rates\* April 2011 – March 2012



\*NOT SEASONALLY ADJUSTED

SOURCE: US DEPT OF LABOR, CA EDD

## Consumer Confidence Trending Up

- Consumer confidence had reached 69.2 in April.
- Overall, consumers are more upbeat about the state of the economy, but they remain cautiously optimistic.

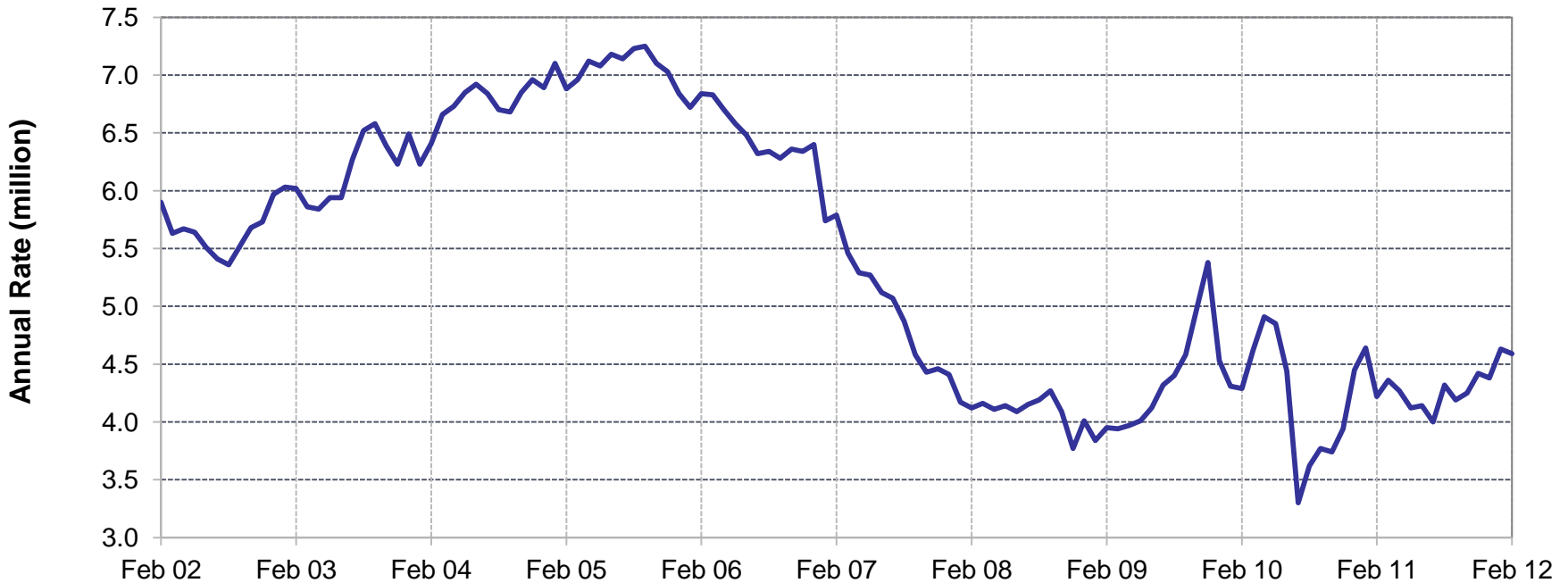
**Consumer Confidence Index**  
March 2007 – March 2012



## Existing Home Sales Trending Upward

- Existing home sales have been trending upward since July 2011.
- Despite very low mortgage rates, a recovery in the housing market remains constrained by an oversupply of unsold homes, falling prices and high unemployment.

**Existing Home Sales**  
February 2002 – February 2012

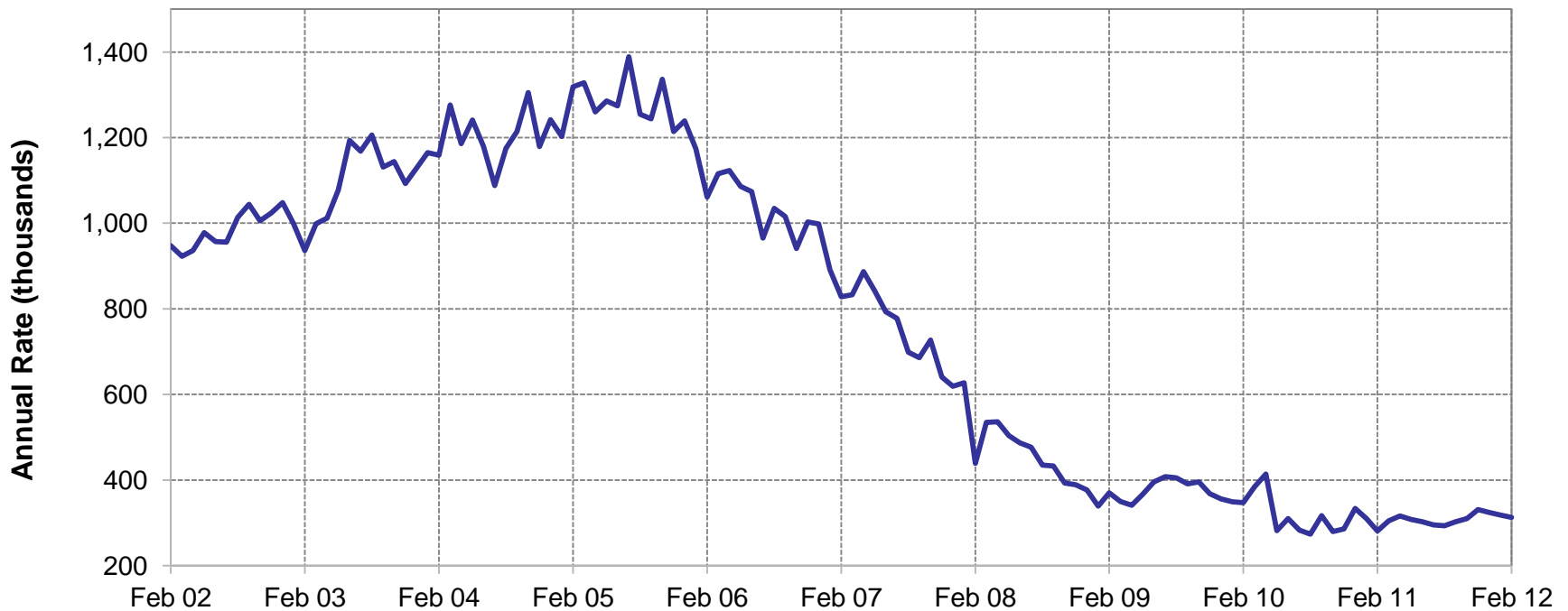




## New Home Sales Decline

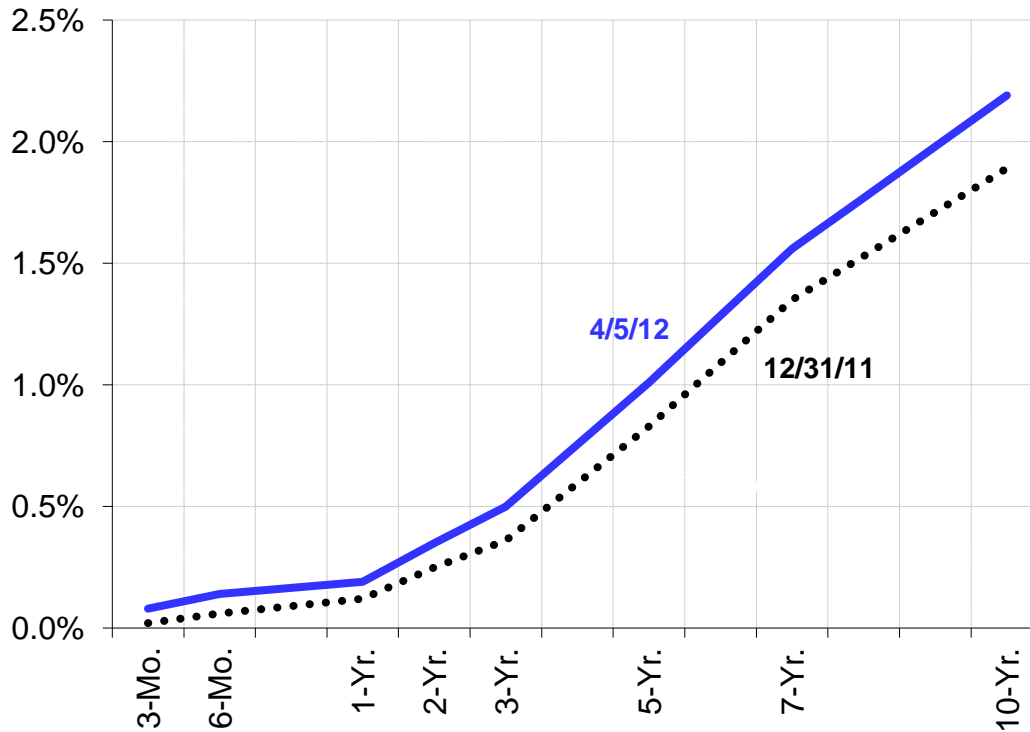
- Despite very low mortgage rates, a recovery in the housing market remains constrained by an oversupply of unsold homes, falling prices and high unemployment.

**New Home Sales**  
February 2002 – February 2012



## Yield Curve Flattens

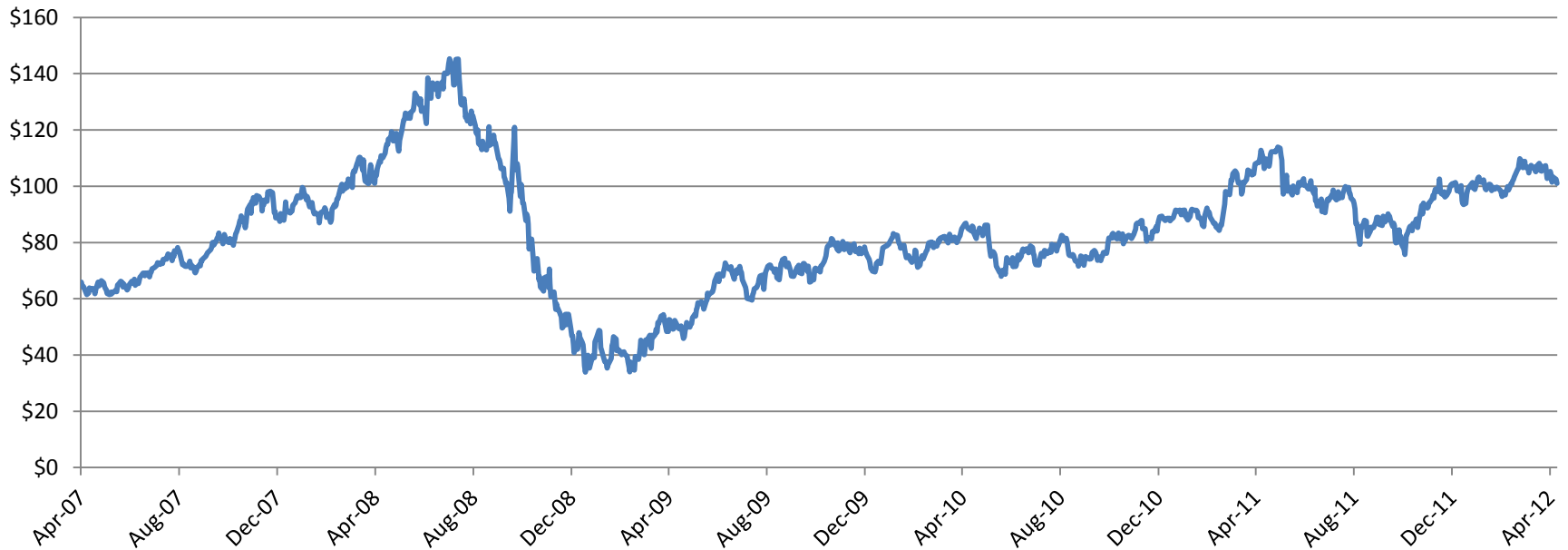
**U.S. Treasury Yield Curve**  
December 31, 2011 vs. April 5, 2012



	12/31/11	4/5/12	Change
<b>3-Mo.</b>	0.02%	0.08%	0.06%
<b>6-Mo.</b>	0.06%	0.14%	0.08%
<b>1-Yr.</b>	0.12%	0.19%	0.07%
<b>2-Yr.</b>	0.25%	0.35%	0.10%
<b>3-Yr.</b>	0.36%	0.50%	0.14%
<b>5-Yr.</b>	0.83%	1.01%	0.18%
<b>10-Yr.</b>	1.89%	2.19%	0.30%

- Oil prices have been trading in a band between \$80 and \$120 per barrel since late 2010 but have trended upward since October 2011 due to global economic recovery and expansion in developing markets.

### Oil Price Per Barrel (WTI Spot)

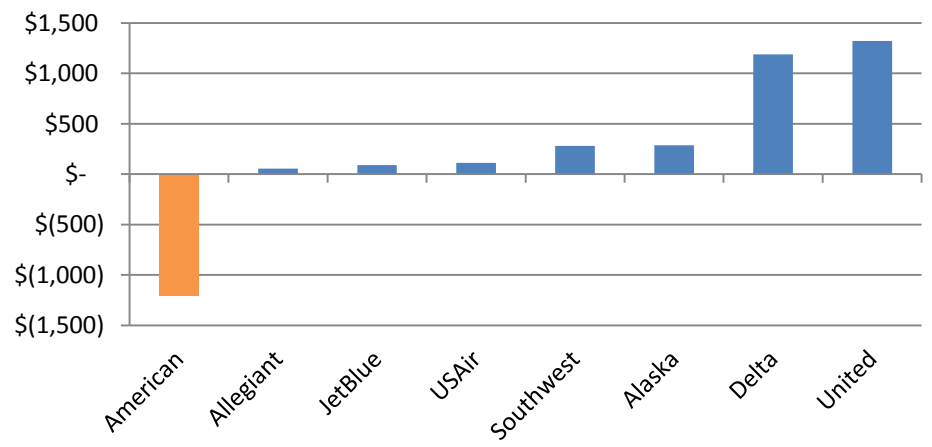


Source: U.S. Energy Information Association

## Key Industry Challenges Require Budget Conservatism

- ▶ The U.S. airline industry as a whole realized modest profits (approx. \$2.5B excluding special items) in 2011, as a combination of prudent capacity management, rising airfare, cost-cutting measures, and the divestiture of services from base fares to generate ancillary revenue were barely able to overcome newly surging oil prices.

**2011 U.S. Airline Net Profits (ex. special items)**  
(in millions)



- ▶ Fares have continued increasing into 2012 as fuel costs remain high.
- ▶ American's bankruptcy filing in November 2011 has added more fuel to the fire for speculation on further consolidation in the industry, with all of the remaining Big 4 airlines having been cited as potential suitors for a merger/takeover.
  - ▶ Contentious negotiations with American Airlines labor have been taken to presiding bankruptcy court. USAirways identified \$1.2B in synergies and signed agreements for contract terms with American Airline's three largest unions.

## Moody's US Airports Outlook Another Difficult Year Ahead

- ▶ Outlook for US airport sector is negative
- ▶ Declining enplanements
  - ▶ Expect enplanement growth to be in the +1% to -4% range (FAA projects 1.9%)
- ▶ Economic conditions do not favor growth
- ▶ Airport financials have weakened



## Senate Passes Final FAA Bill

House passed \$63B FAA bill on Feb. 3, 2012

- ▶ President signed the bill into law on February 14, 2012
- ▶ Bill will fund FAA through September 30, 2015

Keeps the federal cap on local PFCs to \$4.50

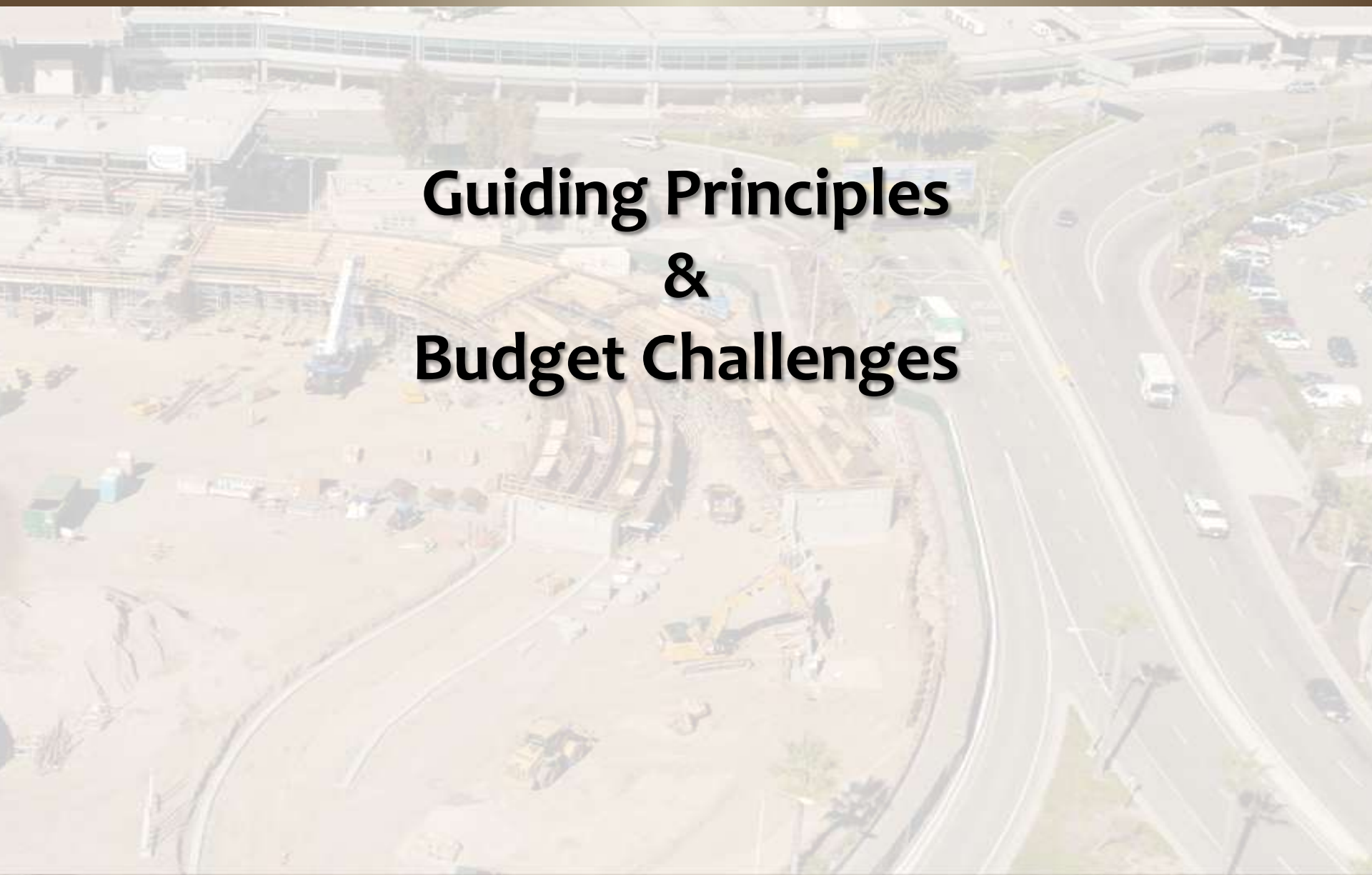
Authorizes \$3.35 billion annually for AIP through Fiscal Year 2015  
(a decrease from the prior \$3.5 billion)

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# Guiding Principles & Budget Challenges



## Budget Objectives

- ▶ Contain Costs by Reducing Expenses
- ▶ Maintain Current Bond Rating (A+)
- ▶ Ensure Optimal Green Build and North Side Development Support
- ▶ Ensure Adequate Funding for Safety & Security
- ▶ Address Regulatory, Legal, & Contractual Requirements
- ▶ Address Facility Lifecycle Maintenance Needs
- ▶ Continue to Serve the Region with a High Level of Customer Service
- ▶ Enhance Staff Performance, Capacity, and Efficiency Through Training Development and Best Business Practices
- ▶ Promote New Domestic and International Air Service

## Budget Guidelines

- ▶ The Budget guidelines incorporate the Authority's:
  - ▶ Five Organizational Strategies
  - ▶ Sustainability Goals
  - ▶ Seven Priorities
  
- ▶ FY13 Proposed Budget: Operating expenses not to exceed 7% over FY 2012 Budget
  - ▶ Any new positions & changes from unfunded to funded must be justified
  - ▶ Include anticipated O&M increases due to capital projects being placed into service
  
- ▶ FY14 Proposed Conceptual Budget: Operating expenses not to exceed 4% over FY 2013 Proposed Budget
  
- ▶ Provide / Develop new or enhanced revenues



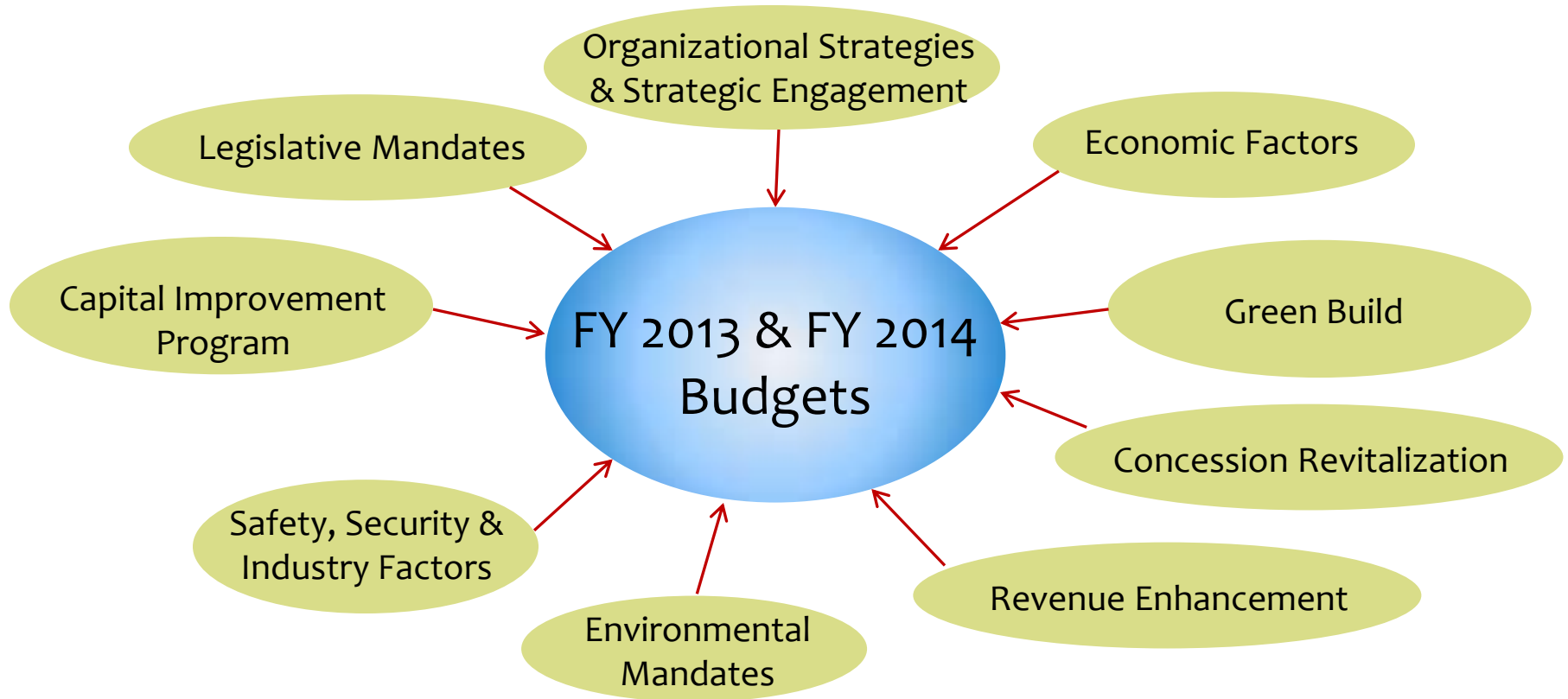
## Budget Challenges

- ▶ Revised Enplanements
- ▶ Green Build Phasing – Operating Costs Accelerated into FY 2013
- ▶ Harbor Police Cost Increase
- ▶ Utilities Cost Increase Due to Green Build & CIP
- ▶ Increased Staffing Needs Due to Green Build

## Budget Challenges

- ▶ Maintaining Concession Revenue Through Concessions Development Program (CDP) Transition
- ▶ Managing Parking Revenue Through Construction
- ▶ Managing Increasing Debt
- ▶ Identifying New Revenue Opportunities
- ▶ Providing Pay-for-Performance Funding

**FY 2013 Proposed & FY 2014 Proposed Conceptual Budgets Reflect Major Programs, Economic Uncertainty, and Operational Challenges**



***To meet these challenges, we developed fiscally responsible budgets.***



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An aerial photograph of a large, circular building under construction at an airport. The building has a prominent circular roof structure with a central dome-like section. The surrounding area is a mix of dirt, construction equipment, and other airport infrastructure. The image is overlaid with a semi-transparent white box containing the title text.

# **FY 2013 Proposed – FY 2014 Proposed Conceptual Budget Assumptions**

## **FY 2013 Proposed Budget**

### ***FY 2013 Enplanements - 8.6 M***

- Flat to FY12 Budget

### ***FY 2013 Landed Weight (per 1000 lbs) – 11.0 M***

- 3.5% growth to FY12 Budget

### ***Contracted Wage Increases***

#### ***Represented Employees***

- Step Increase 5%
- October General Wage Increase (to be negotiated)

### ***Pay-for-performance***

#### ***Non-Represented Employees***

- 3% Pool

## **FY 2014 Proposed Conceptual Budget**

### ***FY 2014 Enplanements – 8.7 M***

- 1.0% growth to FY13 Proposed Budget

### ***FY 2013 Landed Weight (per 1000 lbs) – 11.1 M***

- 0.6% growth to FY13 Proposed Budget

### ***Contracted Wage Increases***

#### ***Represented Employees***

- Step Increase 5%
- October General Wage Increase (to be negotiated)

### ***Pay-for-performance***

#### ***Non-Represented Employees***

- 3% Pool

# Budget Assumptions

## FY 2013 Proposed Budget

### *Health Insurance*

- ▶ 5.9% Average Rate Increase vs. FY12 Budget

### *Dental Insurance*

- ▶ 5.6% Average Rate Increase vs. FY12 Budget

### *Retirement*

- ▶ Actuarial Rate Decrease from 15.06% to 10.91%

### *Ground Transportation*

- ▶ Increase of cost recovery from 50% to 75%
- ▶ 75 taxi cab alternative fuel vehicle conversions

## FY 2014 Proposed Conceptual Budget

### *Health Insurance*

- ▶ 10.0% Renewal Rate

### *Dental Insurance*

- ▶ 6% Renewal Rate

### *Retirement*

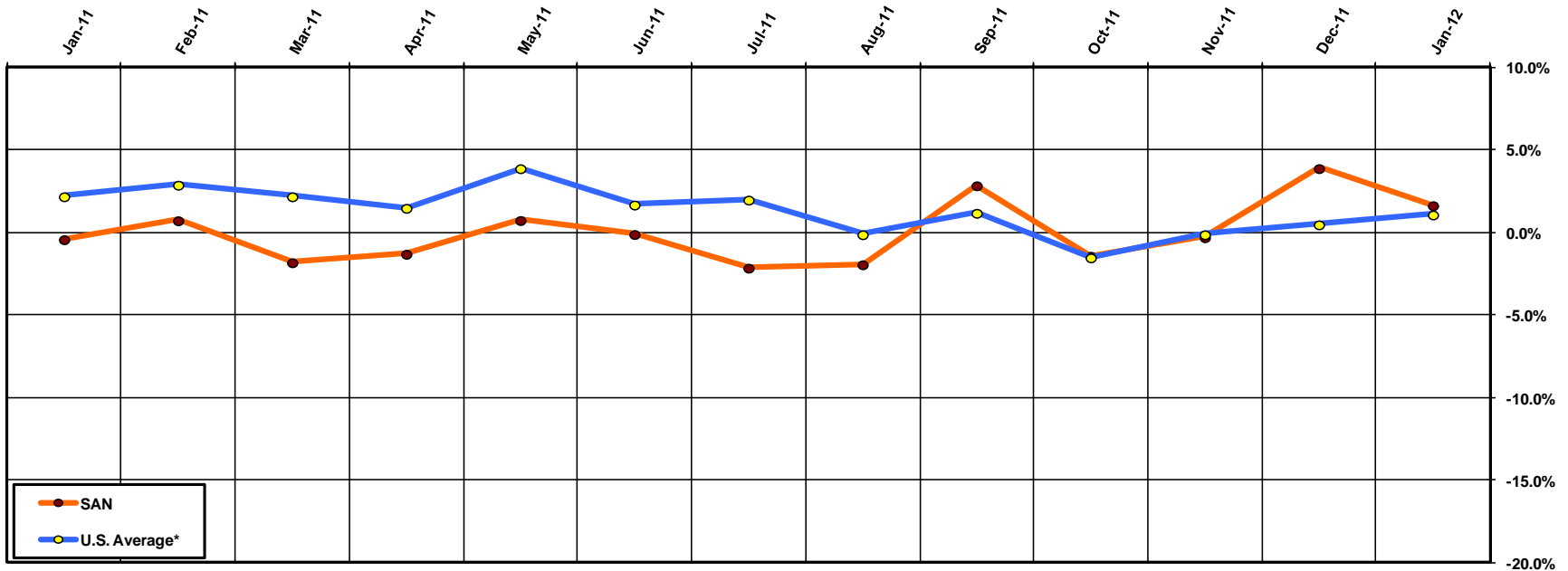
- ▶ Actuarial Rate Increase from 10.91% to 11.50%

### *Ground Transportation*

- ▶ Increase of cost recovery from 75% to 100%
- ▶ 115 taxi cab alternative fuel vehicle conversions

- SDIA traffic growth has matched or exceeded national averages in recent months

TOTAL EPAX - % CHANGE OVER PRIOR YEAR



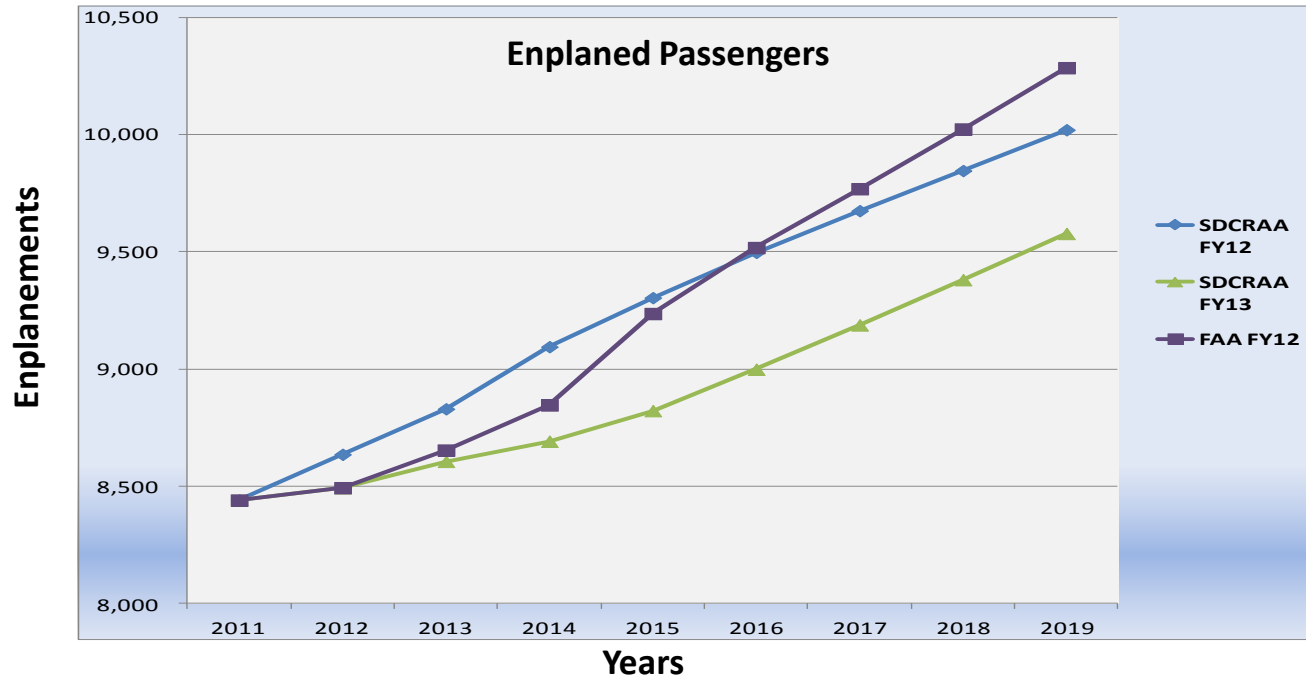
\*U.S. Average is based on T-100 Market Reporting Data from the DOT Bureau of Transportation Statistics.

### Enplanement Projections

Fiscal Year	FY2012 -2013 Budget Enplanements (000's)	Growth Rate
2012	8,636	
2013	8,830	2.2%
2014	9,095	3.0%
2015	9,304	2.3%
2016	9,497	2.1%
2017	9,675	1.9%
2018	9,846	1.8%
2019	10,020	1.8%

FY2013 -2014 Budget Enplanements (000's)	Growth Rate
8,494	
8,606	1.3%
8,692	1.0%
8,822	1.5%
8,999	2.0%
9,188	2.1%
9,381	2.1%
9,578	2.1%

FY2012 FAA Forecast (000's)	Growth Rate
8,494	
8,654	1.9%
8,847	2.2%
9,236	4.4%
9,518	3.0%
9,769	2.6%
10,023	2.6%
10,285	2.6%

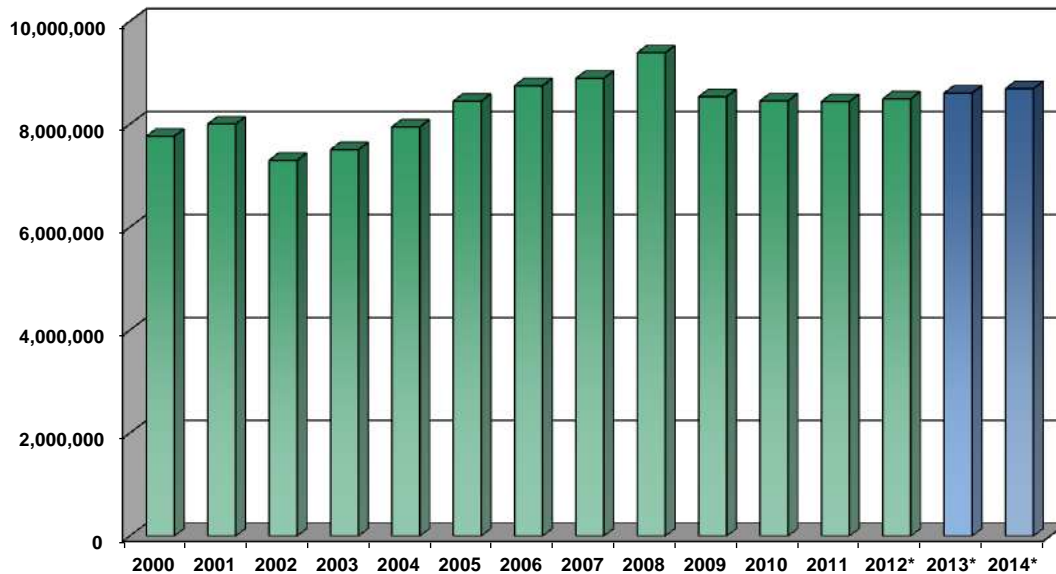




## SDIA Passenger Traffic

FY 2013 Proposed Budget is flat to FY 2012 Budget and a 1.3% increase over FY 2012 Forecast  
 FY 2014 Proposed Conceptual Budget is a 1.0% increase over FY 2013 Budget

Enplaned Passengers



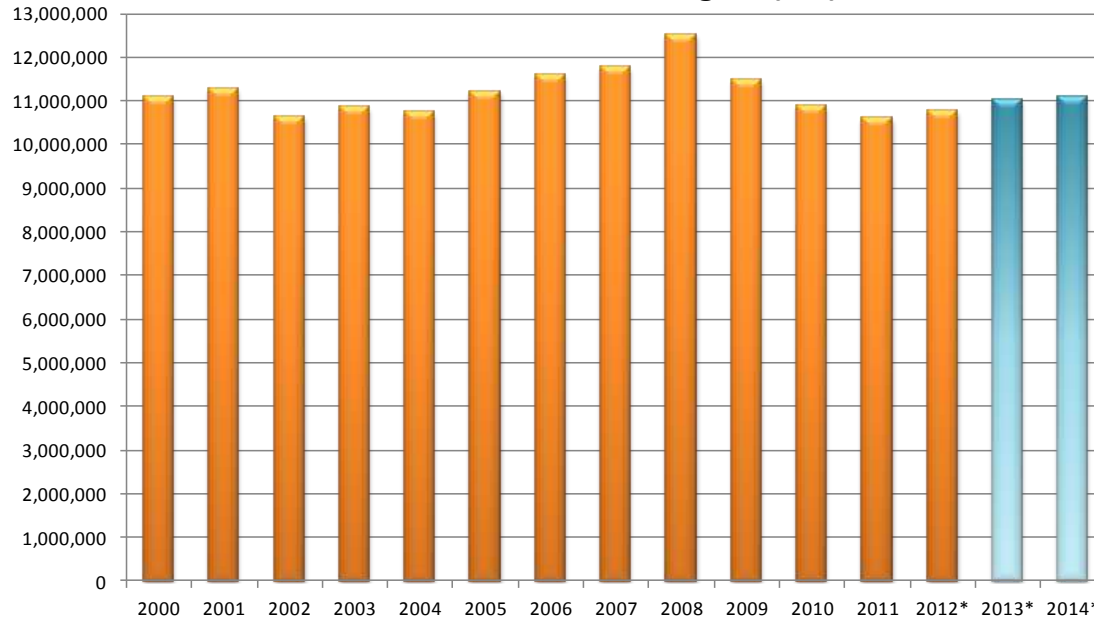
\* Projected FY 2012 and Budgeted FY 2013 & FY 2014

Fiscal Year	Enplaned Passengers	% Change
2000	7,768,050	2.8%
2001	8,004,178	3.0%
2002	7,299,511	-8.8%
2003	7,505,705	2.8%
2004	7,947,440	5.9%
2005	8,449,107	6.3%
2006	8,749,734	3.6%
2007	8,892,069	1.6%
2008	9,389,327	5.6%
2009	8,535,774	-9.1%
2010	8,453,886	-1.0%
2011	8,441,120	-0.2%
2012*	8,493,683	0.6%
2013*	8,606,000	1.3%
2014*	8,692,060	1.0%

### SDIA Landed Weight

FY 2013 Proposed Budget is a 3.5% increase over FY 2012 Budget and a 2.3% increase over FY 2012 Forecast  
 FY 2014 Proposed Conceptual Budget is a 0.6% increase over FY 2013 Budget

**Aircraft Landed Weights (lbs)**



Fiscal Year	Aircraft Landed Weight (lbs)	% Change
2000	11,106,313	1.8%
2001	11,275,236	1.5%
2002	10,626,416	-5.8%
2003	10,841,140	2.0%
2004	10,748,648	-0.9%
2005	11,200,204	4.2%
2006	11,604,873	3.6%
2007	11,773,957	1.5%
2008	12,501,491	6.2%
2009	11,496,758	-8.0%
2010	10,892,867	-5.3%
2011	10,606,160	-2.6%
2012*	10,786,253	1.7%
2013*	11,034,350	2.3%
2014*	11,097,810	0.6%

\* Projected FY 2012 and Budgeted FY 2013 & 2014

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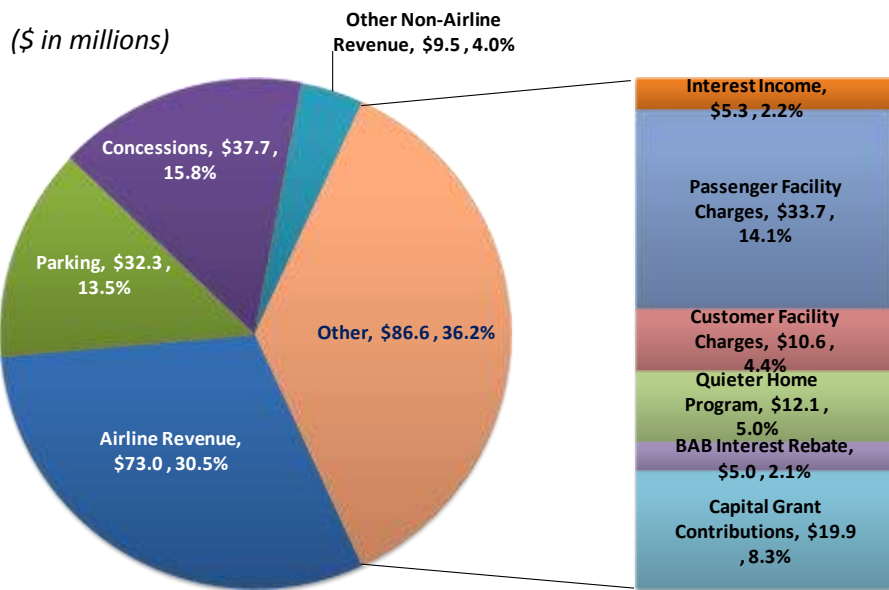
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# Revenue Budget Overview

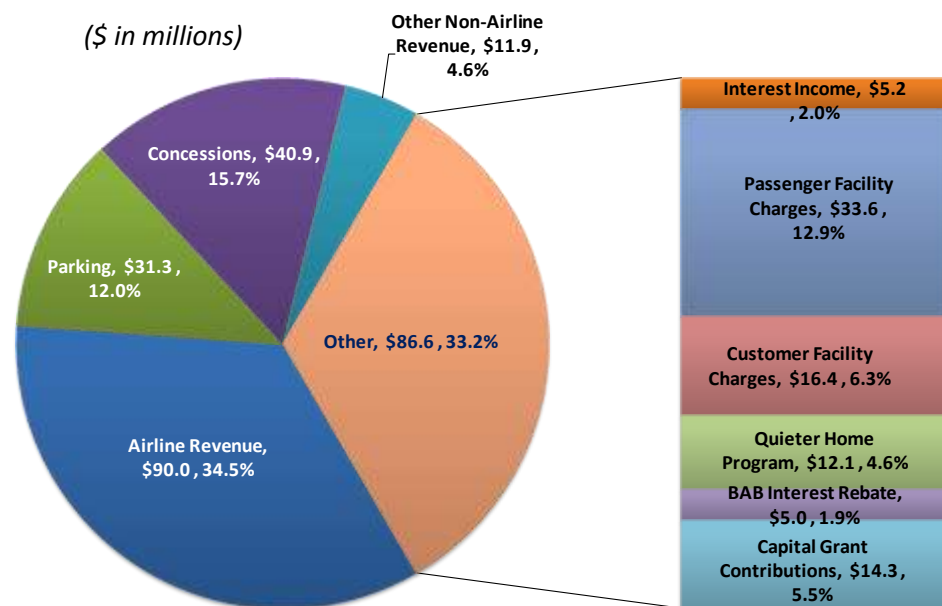


## FY 2013 Revenue Overview

Total revenue for FY 2013 Proposed Budget is an increase of \$21.5M [9.0%] vs. FY 2012 Budget



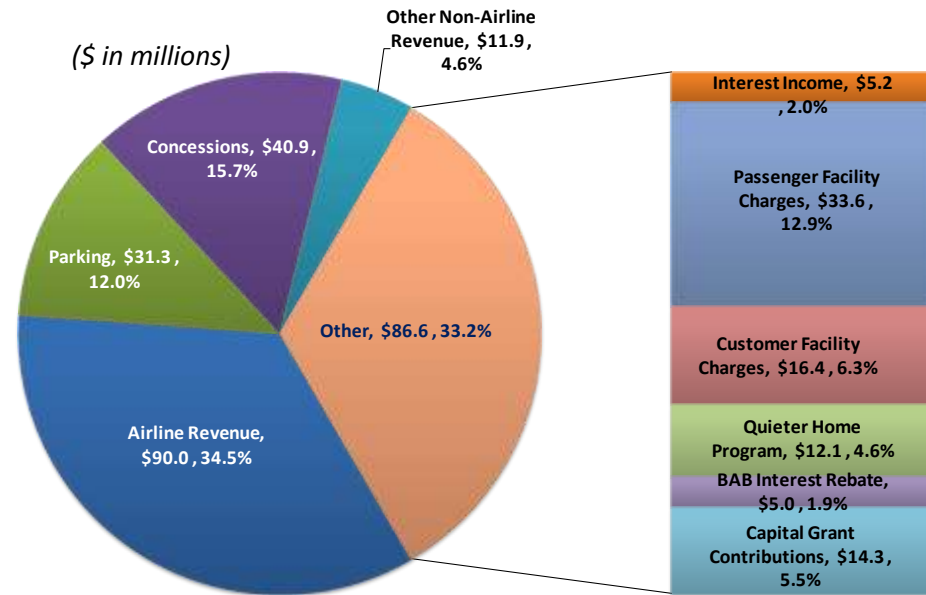
FY 2012 Budget  
Total = \$239.2M



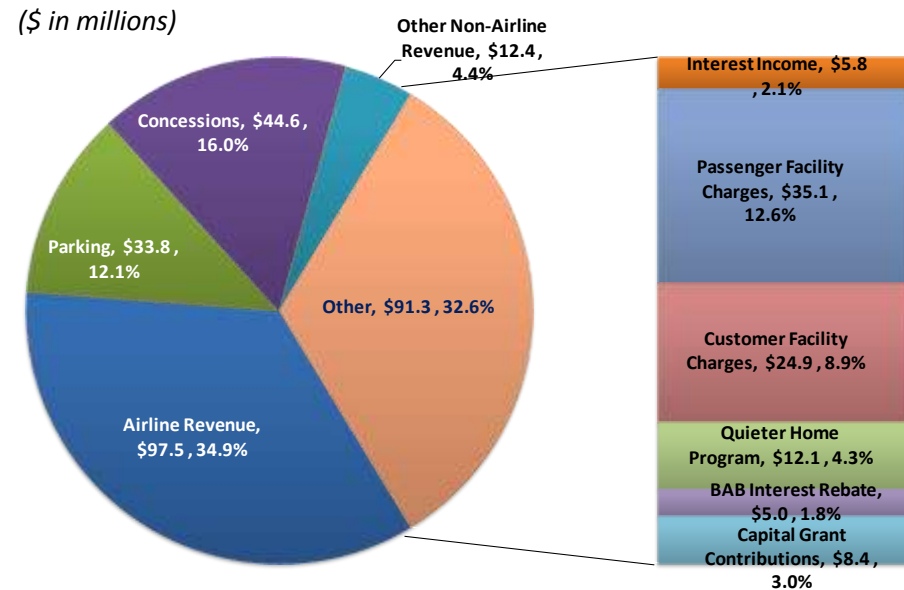
FY 2013 Proposed Budget  
Total = \$260.7M

## FY 2014 Revenue Overview

Total revenue for FY 2014 Proposed Conceptual Budget is an increase of \$18.9M [7.2%]  
vs. FY 2013 Proposed Budget



FY 2013 Proposed Budget  
Total = \$260.7M



FY 2014 Proposed Conceptual Budget  
Total = \$279.6M



# Revenue Budget Overview

## Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	%	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	%	FY2014 Proposed Conceptual	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	%
<b>Operating Revenue:</b>											
<b>Airline Revenue</b>											
Landing Fees	\$ 18,578,574	\$ 19,774,600	\$ 21,102,700	\$ 21,092,400	\$ 1,317,800	6.7%	\$ (10,300)	0.0%	\$ 21,327,500	\$ 235,100	1.1%
Aircraft Parking Fees	2,920,891	3,030,600	3,192,500	3,299,900	269,300	8.9%	107,400	3.4%	3,262,900	(37,000)	-1.1%
Building Rentals	26,980,351	31,923,700	43,613,200	43,356,900	11,433,200	35.8%	(256,300)	-0.6%	47,631,200	4,274,300	9.9%
Other Aviation Revenue	1,596,665	1,584,300	1,587,500	1,584,300	-	0.0%	(3,200)	-0.2%	1,587,500	3,200	0.2%
Security Surcharge	14,886,586	16,731,600	19,597,600	20,629,100	3,897,500	23.3%	1,031,500	5.3%	23,676,600	3,047,500	14.8%
<b>Total Airline Revenue</b>	<b>64,963,067</b>	<b>73,044,800</b>	<b>89,093,500</b>	<b>89,962,600</b>	<b>16,917,800</b>	<b>23.2%</b>	<b>869,100</b>	<b>1.0%</b>	<b>97,485,700</b>	<b>7,523,100</b>	<b>8.4%</b>
<b>Nonairline Revenue</b>											
Terminal Rent - Non-Airline	869,212	904,316	943,034	959,811	55,495	6.1%	16,777	1.8%	1,000,463	40,652	4.2%
Terminal Concessions	12,812,469	12,737,500	14,329,850	14,028,738	1,291,238	10.1%	(301,112)	-2.1%	17,020,418	2,991,681	21.3%
Rental Car license fees	21,686,823	22,149,500	23,100,000	24,028,200	1,878,700	8.5%	928,200	4.0%	24,753,800	725,600	3.0%
License Fees other	2,604,193	2,599,200	2,622,400	2,860,000	260,800	10.0%	237,600	9.1%	2,860,000	-	0.0%
Parking revenue	30,909,430	32,316,357	33,939,367	31,301,505	(1,014,852)	-3.1%	(2,637,862)	-7.8%	33,824,719	2,523,214	8.1%
Ground Transportation permits and citations	735,244	1,277,305	1,970,897	2,199,787	922,482	72.2%	228,889	11.6%	3,187,374	987,587	44.9%
Ground Rentals	7,786,792	6,618,826	6,644,900	7,974,793	1,355,968	20.5%	1,329,893	20.0%	7,554,175	(420,619)	-5.3%
Grant Reimbursements	869,711	214,500	214,500	218,800	4,300	2.0%	4,300	2.0%	223,200	4,400	2.0%
Other Operating Revenue *	769,910	737,896	552,540	552,540	(185,356)	-25.1%	-	0.0%	422,900	(129,640)	-23.5%
<b>Total Nonairline Revenue</b>	<b>79,043,784</b>	<b>79,555,400</b>	<b>84,317,489</b>	<b>84,124,174</b>	<b>4,568,774</b>	<b>5.7%</b>	<b>(193,315)</b>	<b>-0.2%</b>	<b>90,847,049</b>	<b>6,722,875</b>	<b>8.0%</b>
<b>Total Operating Revenue</b>	<b>144,006,851</b>	<b>152,600,200</b>	<b>173,410,989</b>	<b>174,086,774</b>	<b>21,486,574</b>	<b>14.1%</b>	<b>675,785</b>	<b>0.4%</b>	<b>188,332,749</b>	<b>14,245,975</b>	<b>8.2%</b>
<b>Interest Income</b>	<b>6,408,131</b>	<b>5,338,136</b>	<b>6,024,881</b>	<b>5,204,219</b>	<b>(133,917)</b>	<b>-2.5%</b>	<b>(820,662)</b>	<b>-13.6%</b>	<b>5,809,121</b>	<b>604,902</b>	<b>11.6%</b>
<b>Nonoperating Revenue</b>											
Passenger Facility Charges	33,997,963	33,741,700	34,499,700	33,624,500	(117,200)	-0.3%	(875,200)	-2.5%	35,105,500	1,481,000	4.4%
Customer Facility Charges (CONRAC)	10,986,467	10,553,192	23,954,377	16,422,631	5,869,439	55.6%	(7,531,746)	-31.4%	24,911,428	8,488,796	51.7%
Quieter Home Program	14,411,926	12,080,400	12,080,400	12,073,700	(6,700)	-0.1%	(6,700)	-0.1%	12,074,100	400	0.0%
BAB Interest Rebate	3,691,431	4,995,921	4,995,921	4,995,921	-	0.0%	-	0.0%	4,995,921	-	0.0%
Capital Grant Contributions	26,355,351	19,907,452	9,353,732	14,302,255	(5,605,198)	-28.2%	4,948,523	52.9%	8,373,181	(5,929,074)	-41.5%
Other Nonoperating Revenue	7,298	-	-	-	-	0.0%	-	-	-	-	0.0%
<b>Total Nonoperating Revenue</b>	<b>89,450,436</b>	<b>81,278,665</b>	<b>84,884,130</b>	<b>81,419,007</b>	<b>140,343</b>	<b>0.2%</b>	<b>(3,465,123)</b>	<b>-4.1%</b>	<b>85,460,130</b>	<b>4,041,123</b>	<b>5.0%</b>
<b>Total Revenue</b>	<b>\$ 239,865,417</b>	<b>\$ 239,217,000</b>	<b>\$ 264,320,000</b>	<b>\$ 260,710,000</b>	<b>\$ 21,493,000</b>	<b>9.0%</b>	<b>(3,610,000)</b>	<b>-1.4%</b>	<b>\$ 279,602,000</b>	<b>\$ 18,892,000</b>	<b>7.2%</b>

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

## FY 2013 Proposed Budget vs. FY 2012 Budget

### Airline Revenues

- ▶ Net increase of \$16.9M in airline revenue primarily reflects:
  - ▶ Increase in building rentals (\$11.4M) and security (\$3.9M) due to higher O&M for existing and new facilities, and per terms of Airline Operating Agreement
    - ▶ 100% recovery of airfield and airfield security costs
    - ▶ Progressive recovery of Terminal Building and Terminal Building Security Costs

<u>Fiscal Year</u>	<u>Terminal</u>	<u>Security</u>
FY 2009	45%	45%
FY 2010	50%	55%
FY 2011	55%	70%
FY 2012	60%	85%
FY 2013+	65% +	95%

- ▶ Increases in landing fees (\$1.3M) and aircraft parking fees (\$0.3M ) due to higher net airfield expenses



## FY 2013 Proposed Budget vs. FY 2012 Budget

### Non–Airline Revenues

Net increase of \$4.6M in non–airline revenue mainly reflects:

- ▶ Increase in car rental license fee revenues (\$1.9M) due to an increase in gross sales per passenger
- ▶ Increase in ground rental revenue (\$1.4M) due to new FBO facility
- ▶ Net increase in concession revenues (\$1.3M) due to storage revenues and reimbursement from concessionaires for their operating expenses
- ▶ Increase in ground transportation revenue (\$0.9M) due to scheduled third year ground transportation management plan cost recovery increase from 50% to 75%
- ▶ Increase in license fee other revenues (\$0.3M) due to added ground handling services
- ▶ Decrease in parking revenue (\$1.0M) reflecting a decrease in transactions due to construction impact partially offset by increased duration of stay at long–term parking and rate increase implemented in February 2012
- ▶ Decrease in other operating revenue (\$0.2M) due to elimination of utility reimbursement associated with the termination of master concession agreement with Host International

## FY 2013 Proposed Budget vs. FY 2012 Budget

### Interest Income and Non-Operating Revenues

Net decrease of \$0.1M in interest revenues reflects:

- Lower projected interest rates

Net increase of \$0.1M in non-operating revenues reflects:

- Increase in CONRAC fees (\$5.8M) due to change from charging \$10 per rental car transaction to \$6 per rental day in accordance with state legislation (starting Jan 2013)
- Decrease in Capital Grant Contribution (\$5.6M) due to some grant funded projects coming to completion (predominantly baggage handling funding from TSA)
- Decrease in PFCs (\$0.1M) due to slightly lower enplanements

## FY 2014 Proposed Conceptual Budget vs. FY 2013 Proposed Budget

### Airline Revenues

- ▶ Net increase of \$7.5M in airline revenue predominantly reflects:
  - ▶ Increase in building rentals (\$4.3M) and security (\$3.0M) due to higher O&M for existing and new facilities
  - ▶ Increase in landing fees (\$0.2M) due to lower airline fee rebates per terms of marketing incentive program

## FY 2014 Proposed Conceptual Budget vs. FY 2013 Proposed Budget

### Non-Airline Revenues

Net increase of \$6.7M in non-airline revenue mainly reflects:

- Net increase in concession revenues (\$3.0M) due to :
  - Storage revenues and reimbursement from concessionaires for their operating expenses
  - Increase in gross sales per passenger reflecting the results of CDP
  - Increased enplanements
- Increase in parking revenue (\$2.5M) reflecting an increase in transactions due to increased enplanements and the Terminal 2 parking lot being fully operational
- Increase in ground transportation revenue (\$1.0M) due to scheduled fourth year ground transportation management plan cost recovery increase from 75% to 100%
- Increase in car rental license fee revenues (\$0.7M) due to an increase in gross sales per passenger and increased enplanements
- Decrease in ground rental revenue (\$0.4M) from vehicle storage no longer available due to CONRAC
- Decrease in other operating revenues (\$0.1M) due to elimination of utility reimbursement associated with the termination of master concession agreement with Host International

## FY 2014 Proposed Conceptual Budget vs. FY 2013 Proposed Budget

### Interest Income and Non-Operating Revenues

Net increase of \$0.6M in interest revenues reflects:

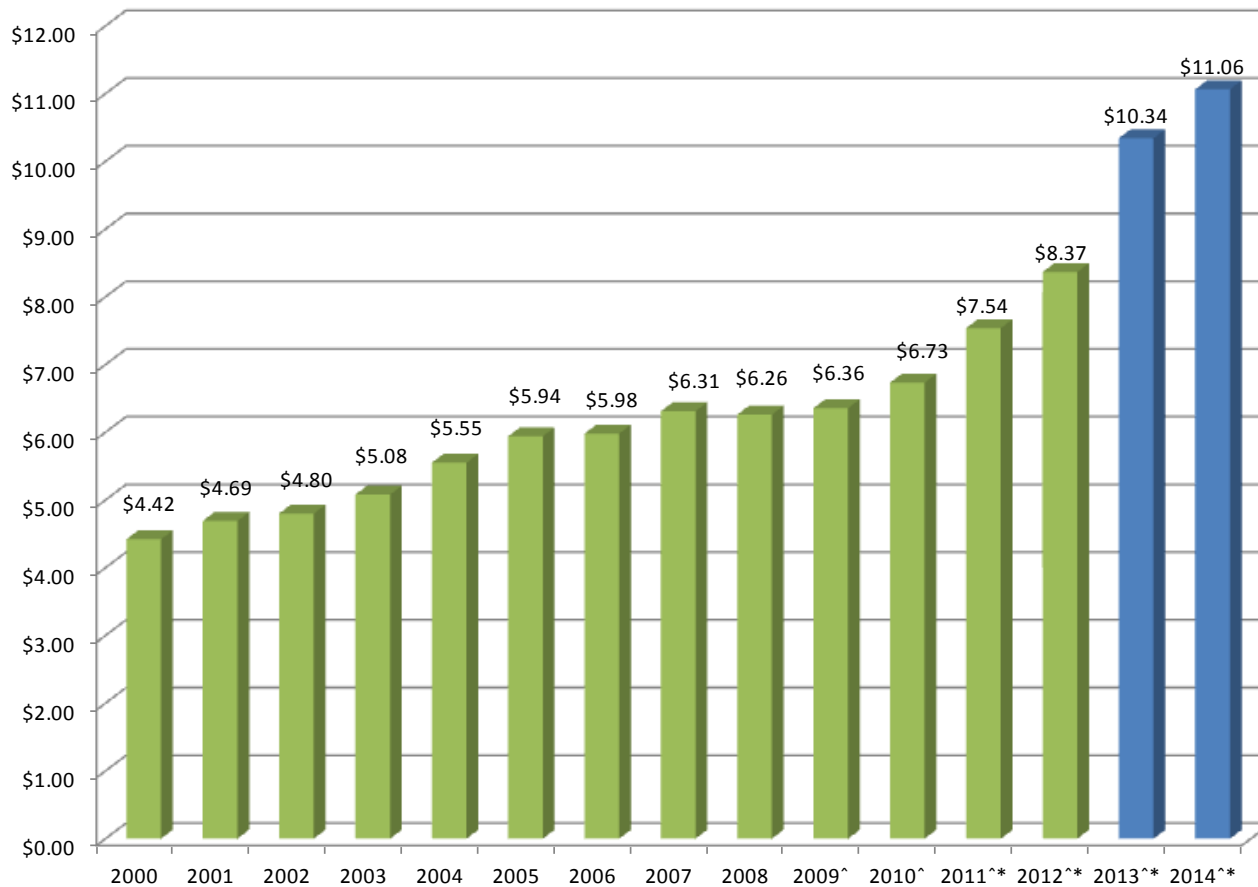
- ▶ Increase in cash balances and a slight increase in projected interest rates

Net increase of \$4.0M in non-operating revenues reflects:

- ▶ Increase in Customer Facility Charges (CONRAC fees) (\$8.4M) due to:
  - ▶ Increase in rate per rental day from \$6 to \$7.50 starting Jan 2014 and increased enplanements
- ▶ Increase in PFC (\$1.5M) due to an increase in projected enplanements
- ▶ Decrease in Capital Grant Contribution (\$5.9M) due to new grant revenue of \$8.4M offset by completion of all prior-year grant projects of \$14.3M

## Airline Cost per Enplaned Passenger

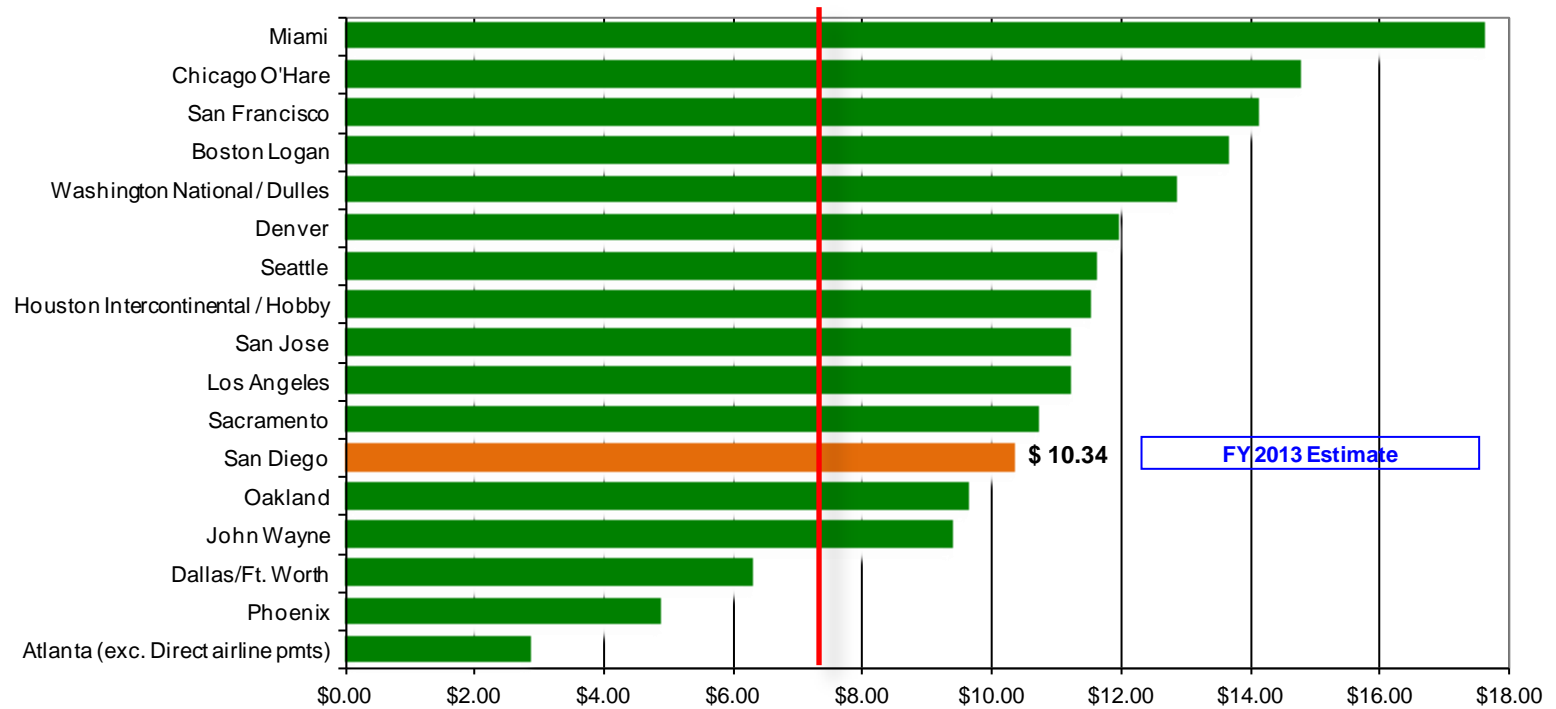
Airline derived costs per enplaned passengers includes landing fees, aircraft parking fees, terminal rents and security surcharge.



\* Projected FY 2012 and Budgeted FY 2013 & 2014

<sup>^</sup> Fuel farm cost recovery and fuel franchise fees are excluded from the FY 2009 through FY 2013 calculations per new Airline Operating Agreement methodology.

## Airline Cost per Enplaned Passenger by Select Airports



**Most Recent Available National Median (\$7.36) for all Moody's rated airports**  
**Source: Moody's Investor Service, MFRA Database, as of April, 2012**



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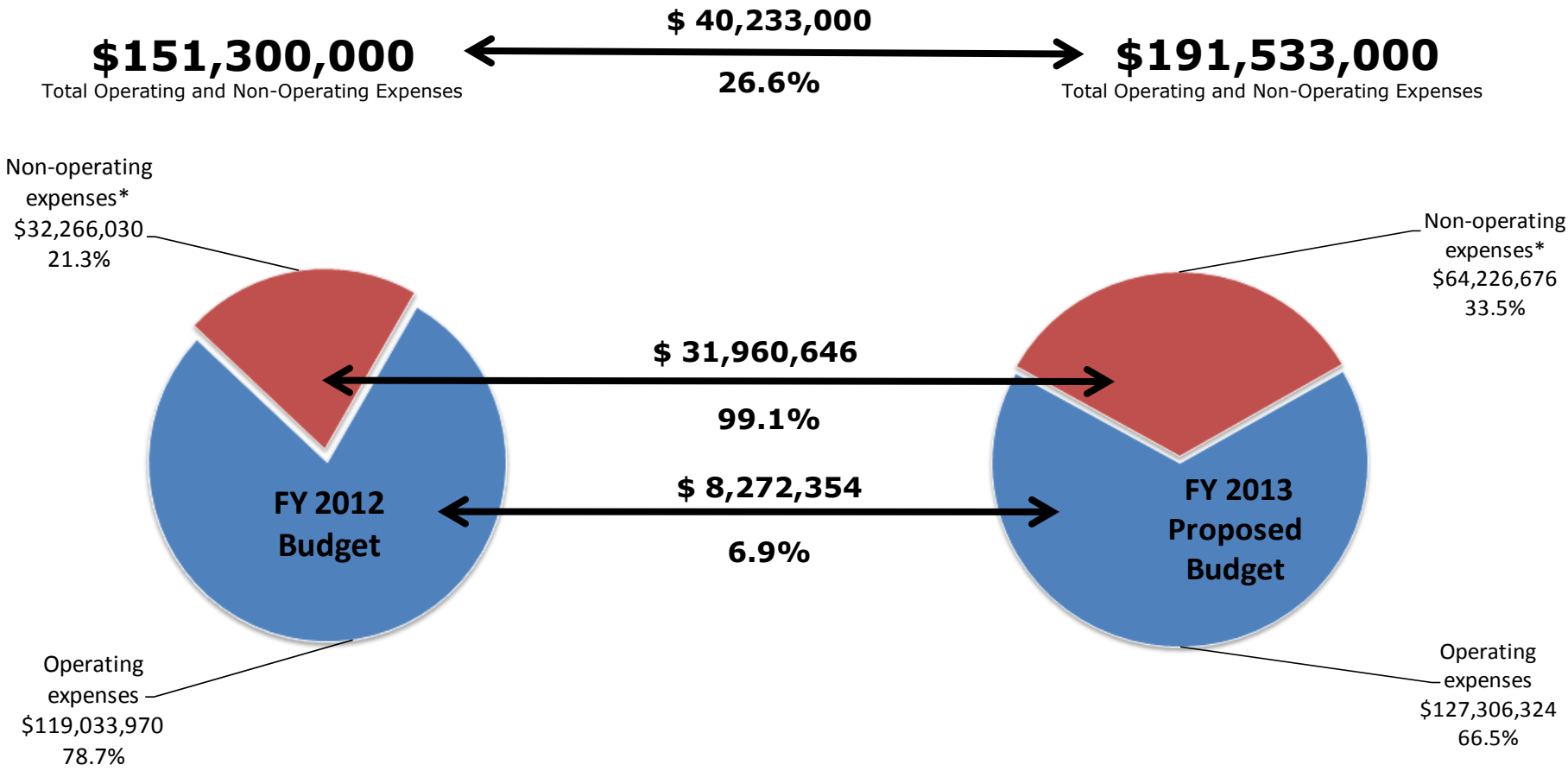
# Expense Budget Overview





# Expense Budget Overview

## FY 2013 Proposed Budget vs. FY 2012 Budget Expense Comparison



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

## FY 2013 Proposed Budget Total Increase

**\$ 40,233,000 , 26.6%**

Increase in Debt service, QHP and Equipment Outlay

**\$ 31,960,646**

**21.1%**

Increase in Green Build, Concessions Development Program,  
and North Side Development

**\$ 4,715,605**

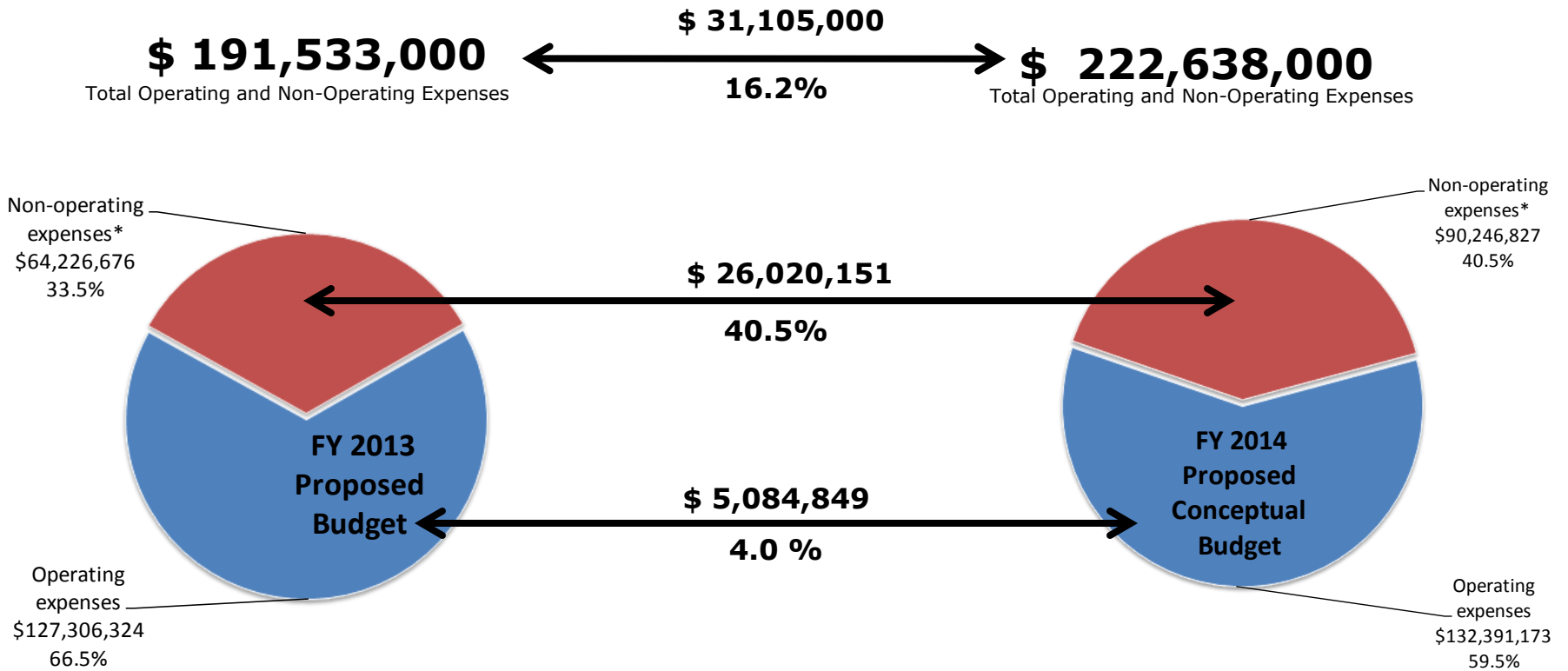
**3.1%**

Increase in General Activity Operating Expenses

**\$ 3,556,749**

**2.4%**

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



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

## FY 2014 Proposed Conceptual Budget Total Increase

**\$ 31,105,000 , 16.2%**

Increase in Debt service, QHP, and Equipment Outlay

**\$ 26,020,151**

**13.6%**

Increase in Green Build, Concessions Development  
Program, and North Side Development

**\$ 5,581,420**

**2.9%**

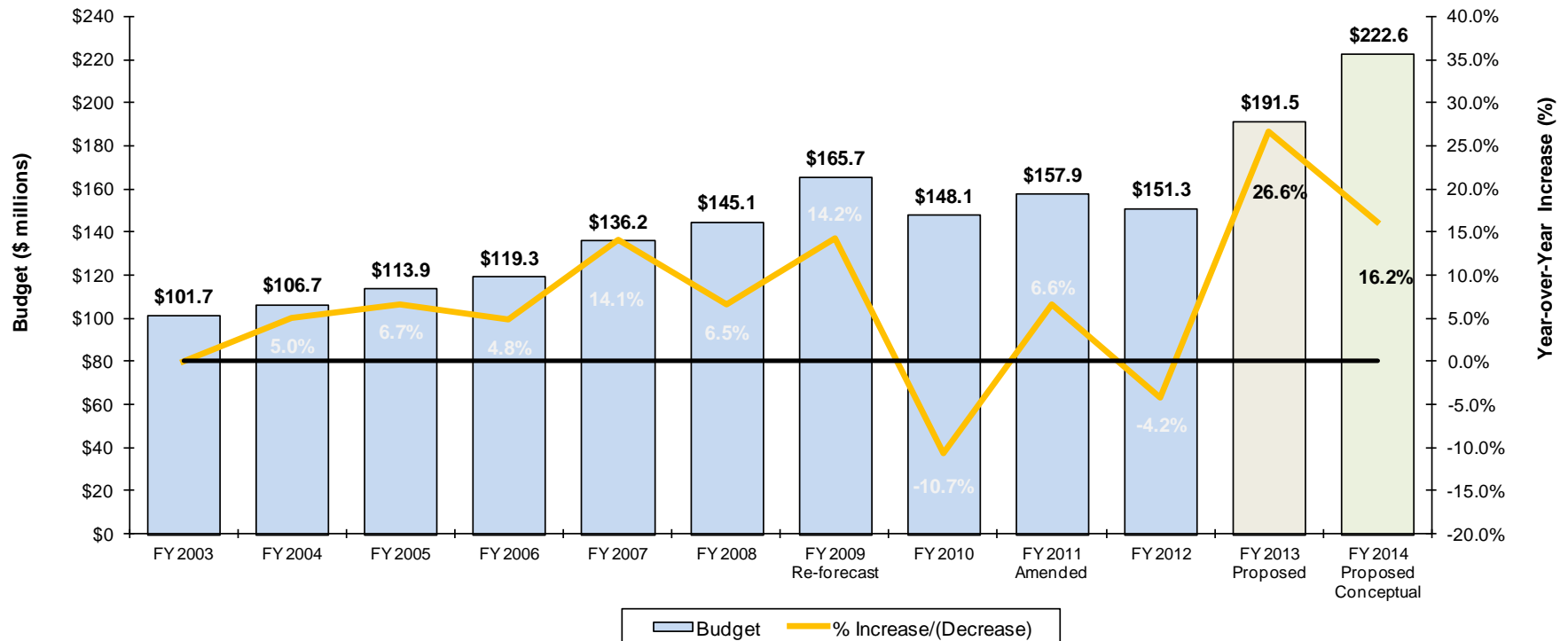
Decrease in General Activity Operating Expenses

**(\$ 496,571)**

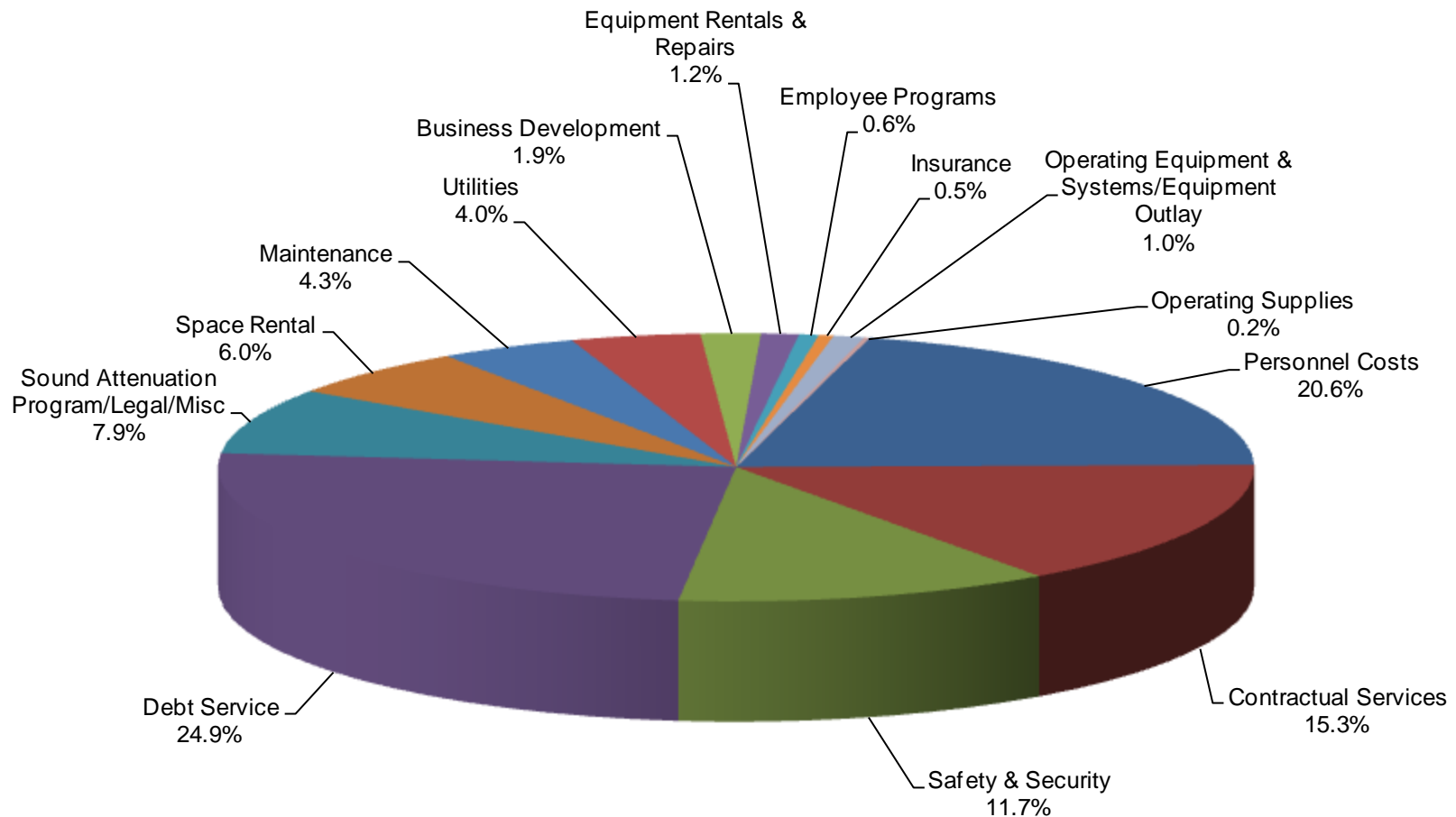
**(0.3%)**

## Expense Budget FY 2003 – FY 2014

FY 2013 Proposed Budget is a 26.6% increase from FY 2012 Budget

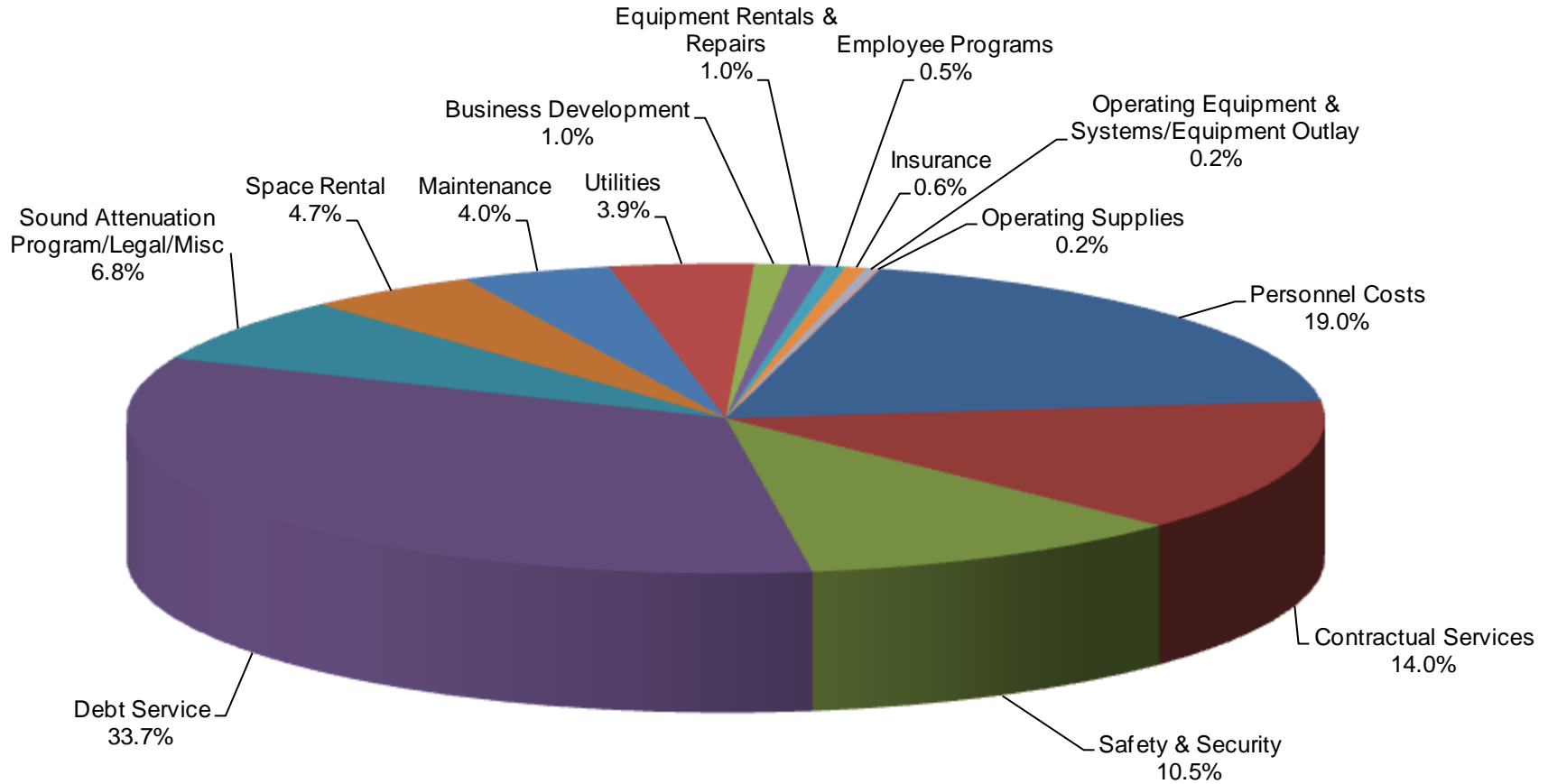


## FY 2013 Proposed Expense Budget by Category



**Total FY 2013 Proposed Budget is \$191.5 M**

## FY 2014 Proposed Conceptual Expense Budget by Category



**Total FY 2014 Proposed Conceptual Budget is \$222.6 M**



# Expense Budget Overview

Continued

## FY 2013 & FY 2014 Expense Summary by Category

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY2014 Conceptual Proposed	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 27,240,220	\$ 27,958,951	\$ 29,259,763	\$ 29,065,129	\$ 1,106,178	4.0%	\$ (194,635)	-0.7%	\$ 30,493,923	\$ 1,428,795	4.9%
Premium Overtime	834,219	809,810	874,810	818,500	8,690	1.1%	(56,310)	-6.4%	768,500	(50,000)	-6.1%
Employee Benefits	14,809,504	15,730,912	17,099,121	15,198,203	(532,708)	-3.4%	(1,900,918)	-11.1%	16,445,506	1,247,303	8.2%
Subtotal	42,883,943	44,499,673	47,233,694	45,081,832	582,159	1.3%	(2,151,862)	-4.6%	47,707,930	2,626,098	5.8%
Less: Capitalized Labor	(3,737,372)	(5,392,908)	(5,610,661)	(4,958,440)	434,468	-8.1%	652,221	-11.6%	(4,605,767)	352,673	-7.1%
Less: QHP - Labor/Burdens/Labor Overhead	(880,093)	(718,409)	(757,809)	(708,766)	9,643	-1.3%	49,043	-6.5%	(748,501)	(39,735)	5.6%
<b>Total Personnel Expenses</b>	<b>38,266,479</b>	<b>38,388,355</b>	<b>40,865,224</b>	<b>39,414,626</b>	<b>1,026,271</b>	<b>2.7%</b>	<b>(1,450,598)</b>	<b>-3.5%</b>	<b>42,353,662</b>	<b>2,939,036</b>	<b>7.5%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	26,112,942	27,157,202	28,309,667	29,365,241	2,208,039	8.1%	1,055,574	3.7%	31,090,921	1,725,680	5.9%
Safety and Security	21,343,967	20,850,032	20,850,032	22,408,160	1,558,128	7.5%	1,558,128	7.5%	23,445,356	1,037,196	4.6%
Space Rental	10,906,405	11,416,345	11,419,471	11,416,345	-	0.0%	(3,126)	0.0%	10,381,960	(1,034,385)	-9.1%
Utilities	6,413,205	6,666,515	7,625,215	7,753,075	1,086,560	16.3%	127,860	1.7%	8,643,075	890,000	11.5%
Maintenance	8,174,021	7,722,794	8,504,357	8,234,743	511,949	6.6%	(269,614)	-3.2%	9,002,220	767,477	9.3%
Operating Equipment & Systems	570,394	355,679	363,595	459,048	103,369	29.1%	95,453	26.3%	413,169	(45,879)	-10.0%
Operating Supplies	344,470	317,658	348,007	349,722	32,064	10.1%	1,715	0.5%	345,741	(3,982)	-1.1%
Insurance	1,066,326	1,020,000	1,020,000	872,318	(147,682)	-14.5%	(147,682)	-14.5%	1,237,234	364,916	41.8%
Employee Programs	1,040,787	1,120,966	1,134,785	1,186,464	65,498	5.8%	51,679	4.6%	1,178,615	(7,849)	-0.7%
Business Development	2,275,312	2,340,378	2,906,883	3,584,933	1,244,555	53.2%	678,050	23.3%	2,148,533	(1,436,400)	-40.1%
Equipment Rentals & Repairs	1,327,158	1,678,046	1,750,179	2,261,650	583,604	34.8%	511,471	29.2%	2,150,688	(110,962)	-4.9%
<b>Total Non-Personnel Expenses</b>	<b>79,574,987</b>	<b>80,645,615</b>	<b>84,232,191</b>	<b>87,891,698</b>	<b>7,246,083</b>	<b>9.0%</b>	<b>3,659,508</b>	<b>4.3%</b>	<b>90,037,511</b>	<b>2,145,813</b>	<b>2.4%</b>
<b>Total Operating Expenses</b>	<b>\$ 117,841,466</b>	<b>\$ 119,033,970</b>	<b>\$ 125,097,415</b>	<b>\$ 127,306,324</b>	<b>\$ 8,272,354</b>	<b>6.9%</b>	<b>\$ 2,208,910</b>	<b>1.8%</b>	<b>\$ 132,391,173</b>	<b>\$ 5,084,849</b>	<b>4.0%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	17,899,686	15,264,946	15,264,946	15,181,596	(83,350)	-0.5%	(83,350)	-0.5%	15,182,096	500	0.0%
Debt Service	11,958,130	16,783,084	19,456,639	47,643,080	30,859,996	183.9%	28,186,440	144.9%	74,934,731	27,291,651	57.3%
Legal Settlements Expense	100,229	20,000	20,000	20,000	-	0.0%	-	0.0%	20,000	-	0.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>29,958,045</b>	<b>32,068,030</b>	<b>34,741,585</b>	<b>62,844,676</b>	<b>30,776,646</b>	<b>96.0%</b>	<b>28,103,090</b>	<b>80.9%</b>	<b>90,136,827</b>	<b>27,292,151</b>	<b>43.4%</b>
<b>Total Expenses</b>	<b>147,799,511</b>	<b>151,102,000</b>	<b>159,839,000</b>	<b>190,151,000</b>	<b>39,049,000</b>	<b>25.8%</b>	<b>30,312,000</b>	<b>19.0%</b>	<b>222,528,000</b>	<b>32,377,000</b>	<b>17.0%</b>
<b>Equipment Outlay</b>	<b>975,865</b>	<b>198,000</b>	<b>198,000</b>	<b>1,382,000</b>	<b>1,184,000</b>	<b>598.0%</b>	<b>1,184,000</b>	<b>598.0%</b>	<b>110,000</b>	<b>(1,272,000)</b>	<b>-92.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 148,775,376</b>	<b>\$ 151,300,000</b>	<b>\$ 160,037,000</b>	<b>\$ 191,533,000</b>	<b>\$ 40,233,000</b>	<b>26.6%</b>	<b>\$ 31,496,000</b>	<b>19.7%</b>	<b>\$ 222,638,000</b>	<b>\$ 31,105,000</b>	<b>16.2%</b>



## FY 2013 Proposed Budget Major Drivers

<b>FY 2012 Budget</b>	<b>Inc/(Dec) FY2013 Budget vs FY12 Budget</b>
	<b>\$ 151,300,000</b>
<b>Personnel:</b>	
Contracted wage increases and pay-for-performance	752,454
4 New & 8 Unfrozen positions (salaries, benefits & employer taxes)	715,197
3 Eliminated positions (salaries, benefits & employer taxes)	(445,532)
Capitalized labor / QHP - labor, burden, labor overhead decrease	444,112
Decrease in burden(benefits&employer taxes) and salary adjustments net of vacancy savings for current staff	(439,959)
<b>Total increase in salaries and benefits, net</b>	<b>1,026,271</b>
<b>Non Personnel:</b>	
<b>Green Build:</b>	
Increase in utilities (gas & electric, water, telephone services) costs	908,500
Increase in Airport custodial contract costs	600,000
Increase in annual maintenance contract and other supplies costs	675,000
Increase in public outreach, marketing, promotional activities and materials costs	649,750
Increase in Ramp Control Facility professional services costs	245,600
Increase in terminal operation costs	233,400
Increase other (net)	197,004
<b>Concession Development Program:</b>	
Central Receiving & Distribution Center (CRDC) operator costs	869,108
Increase in Airport custodial contract and maintenance supplies costs	261,750
Capitalized on-call tenant improvement support costs and other outside consultant costs for Concession Development Program	(341,667)
Increase other (net)	35,000

## FY 2013 Proposed Budget Major Drivers

	<b>Inc/(Dec) FY2013 Budget vs FY12 Budget</b>
<b>Safety and Security:</b>	
Increase in law enforcement costs - Harbor Police department	1,350,670
Increase in Aircraft Rescue Fire Fight (ARFF), Emergency Medical Services (EMS), and contract security services costs	207,458
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Increase in Tenant Improvement Program costs	316,800
Increase in utility (gas & electric, water, telephone services) and Airport custodial contract costs	241,007
Decrease in major maintenance repair project, annual maintenance contract and other supplies costs	(229,801)
<b>Other Operating Expenses:</b>	
Increase in environmental costs due to environmental regulatory requirements	547,659
Increase in public outreach, marketing, promotional activities and materials costs	312,778
Increase in domestic & international air service marketing costs	265,000
Increase in organizational performance outside consultant and benefits broker fee costs	176,500
Alternative Fuel Vehicle incentive costs	188,094
Decrease in Automated Vehicle Identification (AVI) outside consultant costs	(150,000)
Decrease in insurance costs	(189,436)
Decrease other (net)	(124,091)
<b>Total Increase in Non-Personnel Operating expenses, net</b>	<b><u>7,246,084</u></b>
<b>Total Increase in Operating expenses</b>	<b>8,272,355</b>

## FY 2013 Proposed Budget Major Drivers

	<b>Inc/(Dec) FY2013 Budget vs FY12 Budget</b>
<b>Debt Service:</b>	
Increase in debt service costs	30,859,995
<b>Other Non-Operating Expenses:</b>	
Other (net)	(83,350)
<b>Total Increase in Non-Operating expenses</b>	<b>30,776,645</b>
<b>Equipment Outlay:</b>	
Increase in equipment outlay costs	594,000
Increase in Green Build Program equipment outlay (Ramp Control Facilities, etc.) costs	590,000
<b>Total Increase</b>	<b>40,233,000</b>
<b>FY 2013 Proposed Budget</b>	<b><u>\$ 191,533,000</u></b>

## FY 2014 Proposed Conceptual Budget Major Drivers

	<b>Inc/(Dec) FY2014 Budget vs. FY13 Budget</b>
<b>FY 2013 Proposed Budget</b>	<b>\$ 191,533,000</b>
<b>Personnel:</b>	
Increase in burden(benefits&employer taxes) and salary adjustments net of vacancy savings for current staff	1,229,759
Contracted wage increases and pay-for-performance	882,647
10 New (salaries, benefits & employer taxes)	532,587
1 Eliminated position (salaries, benefits & employer taxes)	(18,895)
Capitalized labor / QHP - labor, burden, labor overhead decrease	312,938
<b>Total increase in salaries and benefits, net</b>	<b>2,939,036</b>
<b>Non Personnel:</b>	
<b>Green Build:</b>	
Increase in utilities (gas & electric, water, telephone services) costs	958,000
Increase in annual maintenance contract and other supplies costs	868,433
Increase in contract security services costs	472,100
Increase in Ramp Control Facility professional services costs	423,363
Increase in purchase of Authority-wide IT related operating equipment & systems and repair costs	228,000
Increase in insurance costs	159,100
Decrease in public outreach, marketing, promotional activities and materials costs	(350,250)
Increase other (net)	124,200
<b>Concession Development Program:</b>	
Increase in Central Receiving & Distribution Center (CRDC) operator costs	620,792
Increase in Airport custodial contract and maintenance supplies costs	724,250
Increase other (net)	75,000

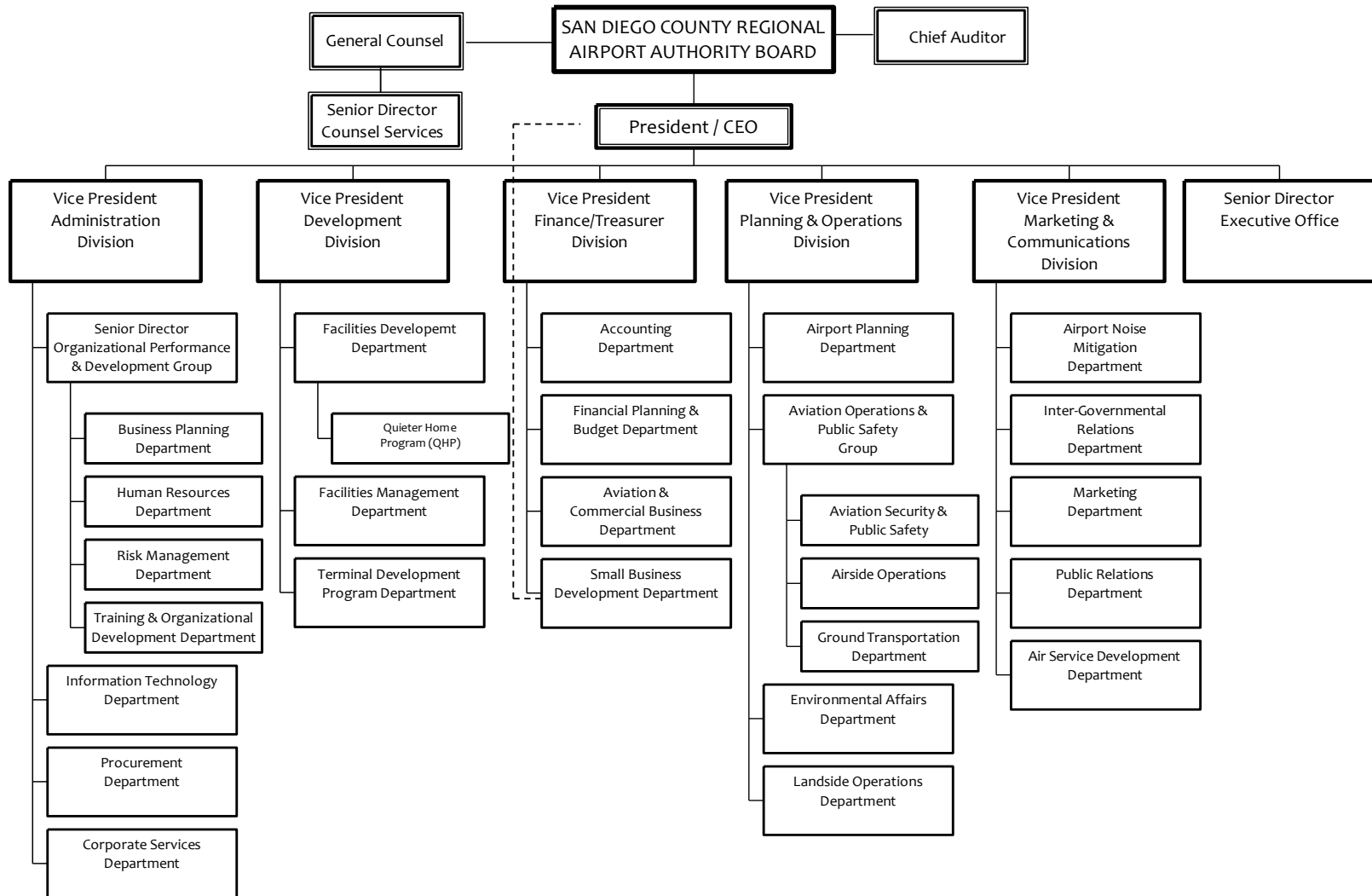
## FY 2014 Proposed Conceptual Budget Major Drivers

	<b>Inc/(Dec) FY2014 Budget vs. FY13 Budget</b>
<b>Safety and Security:</b>	
Increase in law enforcement costs - Harbor Police department	387,400
Increase in Aircraft Rescue Fire Fight (ARFF), Emergency Medical Services (EMS), and contract security services costs	177,696
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Increase in parking and shuttles operating costs	614,359
Decrease in Tenant Improvement Program costs	(151,900)
Decrease in major maintenance repair project, annual maintenance contract and other supplies costs	(217,206)
Decrease in space rental costs	(1,034,385)
<b>Other Operating Expenses:</b>	
Increase in insurance costs	205,816
Decrease in legal services costs	(200,000)
Decrease in organizational performance outside consultant costs	(211,500)
Decrease in environmental costs due to environmental regulatory requirements	(459,500)
Decrease in public outreach, marketing, promotional activities and materials costs	(514,100)
Decrease in domestic & international air service marketing costs	(565,000)
Decrease other (net)	<u>(188,855)</u>
<b>Total Increase in Non-Personnel Operating expenses, net</b>	<b><u>2,145,812</u></b>
<b>Total Increase in Operating expenses</b>	<b>5,084,849</b>

## FY 2014 Proposed Conceptual Budget Major Drivers

	<b>Inc/(Dec) FY2014 Budget vs. FY13 Budget</b>
<b>Debt Service:</b>	
Increase in debt service costs	27,291,651
<b>Other Non-Operating Expenses:</b>	
Other (net)	500
<b>Total Increase in Non-Operating expenses</b>	<b>27,292,151</b>
<b>Equipment Outlay:</b>	
Decrease in equipment outlay costs	(682,000)
Decrease in Green Build Program equipment outlay (Ramp Control Facilities and etc.) costs	(590,000)
<b>Total Increase</b>	<b>31,105,000</b>
<b>FY 2014 Proposed Conceptual Budget</b>	<b><u>\$ 222,638,000</u></b>

## SDCRAA Organization Chart

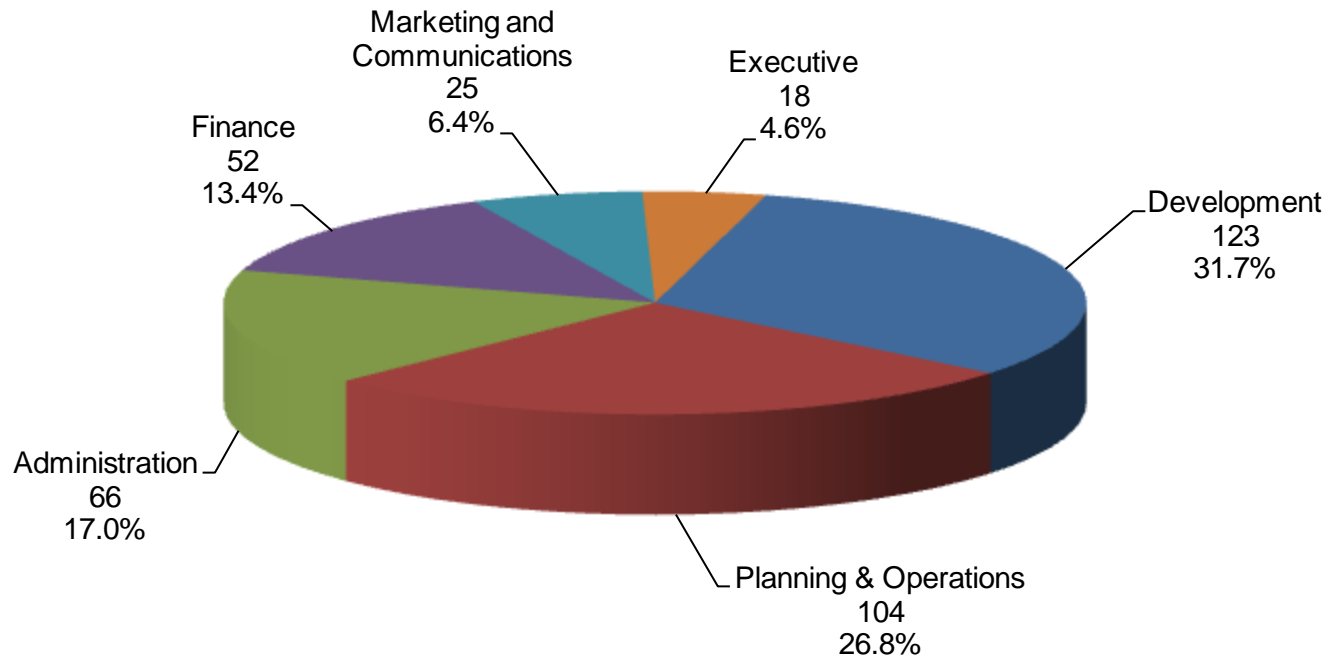


## FY 2013 & FY 2014 Personnel Summary by Division

	FY 2012 Authorized & Funded Positions	FY 2012 Authorized & Unfunded Positions	Proposed FY 2013 Authorized & Funded Positions	Proposed FY2013 Authorized & Unfunded Positions	Conceptual FY 2014 Authorized & Funded Positions	Conceptual FY 2014 Authorized & Unfunded Positions
Executive Group	18	0	18	0	18	0
Planning & Operations	102	3	104	4	108	4
Finance	50	2	52	1	51	1
Development	119	9	123	4	129	4
Administration	64	4	66	2	66	2
Marketing & Communications	26	1	25	0	25	0
<b>TOTAL</b>	<b>379</b>	<b>19</b>	<b>388</b>	<b>11</b>	<b>397</b>	<b>11</b>
<b>Total Authorized Positions</b>	<b>FY 2012 398</b>		<b>FY 2013 399</b>		<b>FY 2014 408</b>	



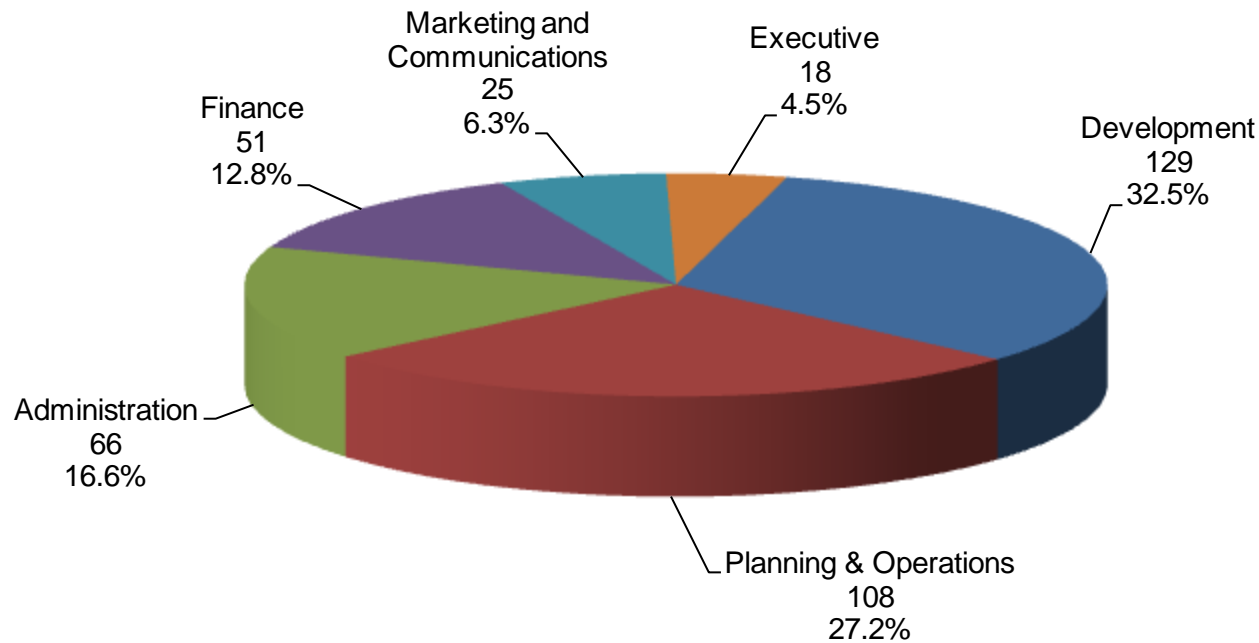
## FY 2013 Proposed Budget Personnel by Division



**Total Funded Positions are 388**

**Total Authorized Positions are 399**

### FY 2014 Proposed Conceptual Budget Personnel by Division



**Total Funded Positions are 397**

**Total Authorized Positions are 408**

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# Division Expense Budgets

**Division Expense Budgets Overview**

**Executive**

**Administration**

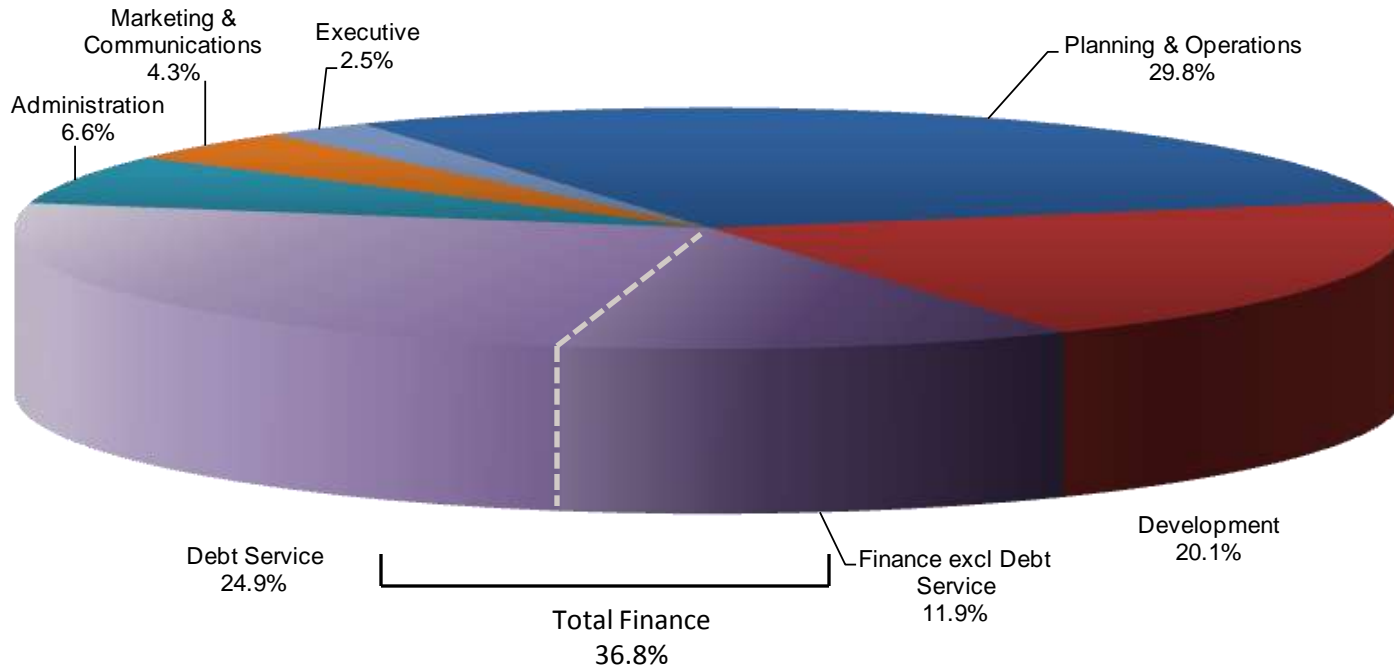
**Development**

**Finance**

**Marketing & Communications**

**Planning & Operations**

## FY 2013 Proposed Expense Budget by Division

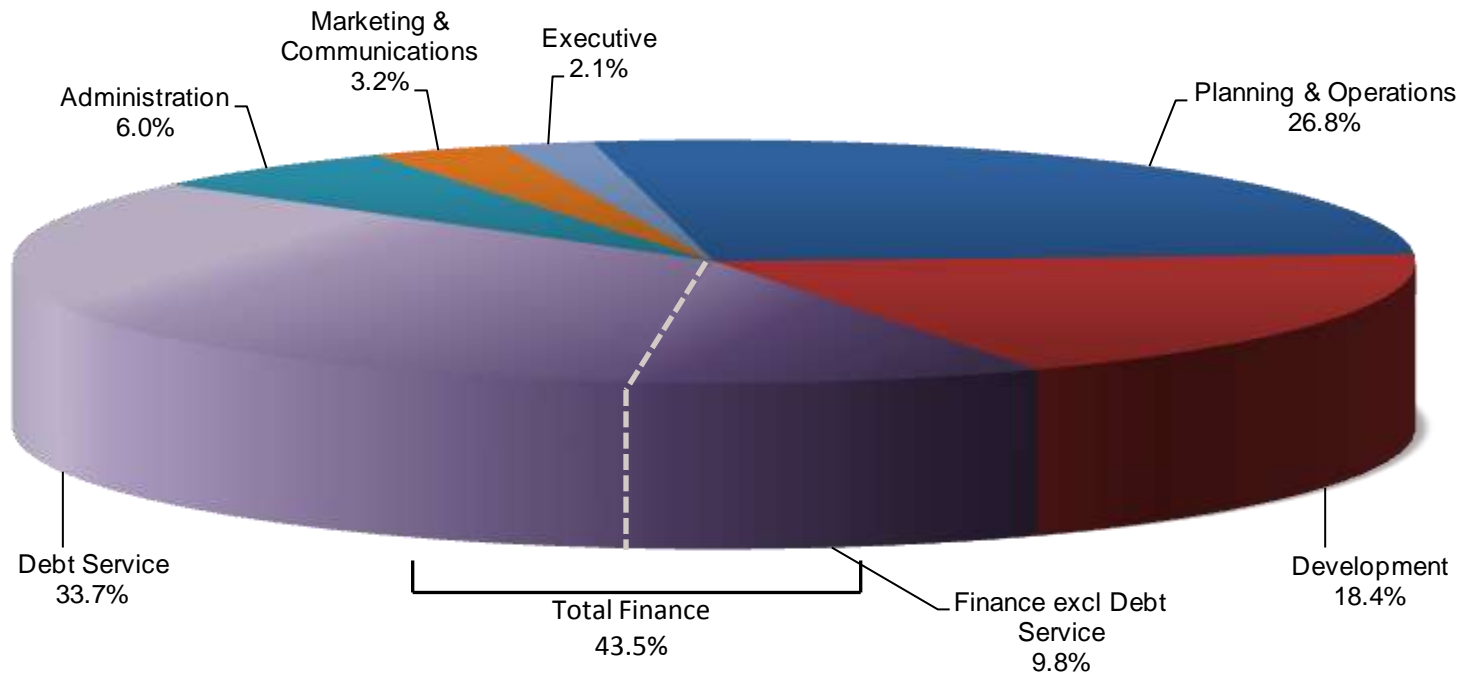


**Total FY 2013 Proposed Budget is \$191.5 M**

# Division Expense Budget Overview

Continued

## FY 2014 Proposed Conceptual Expense Budget by Division



**Total FY 2014 Proposed Conceptual Budget is \$222.6 M**



# Division Expense Budget Overview

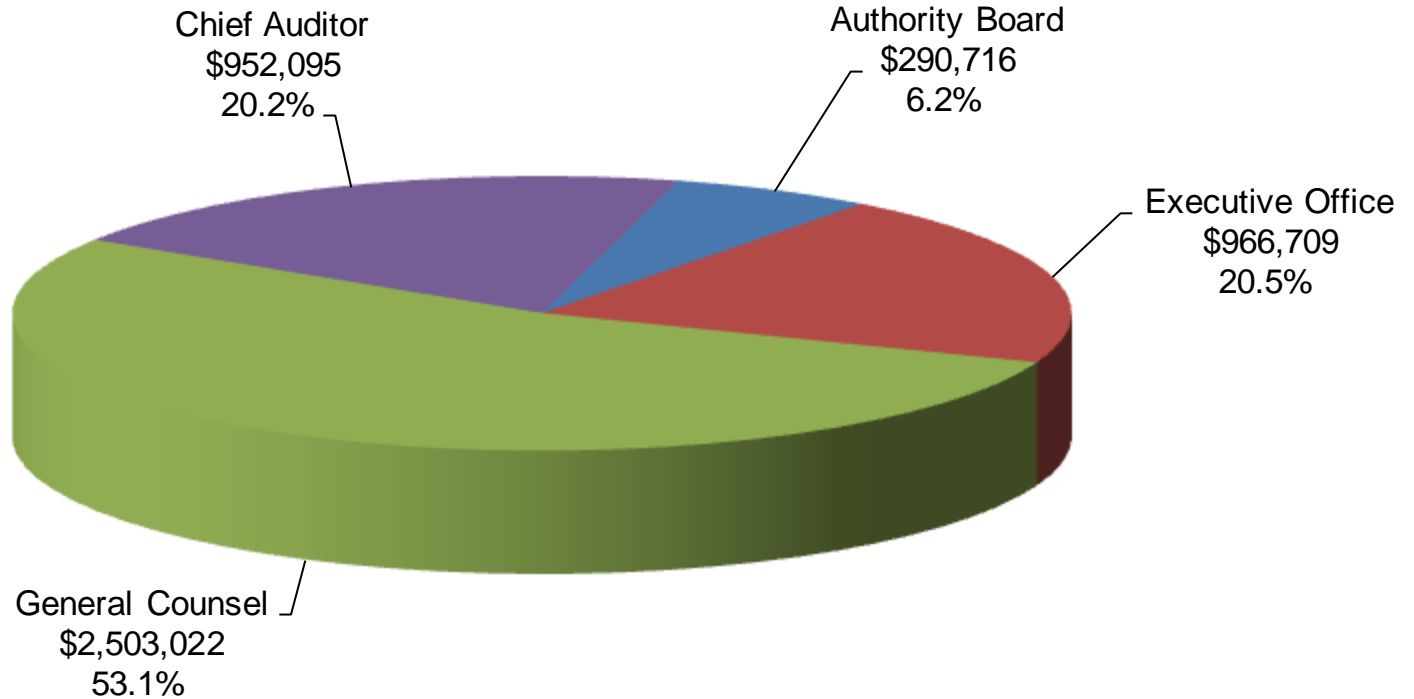
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## Expense Summary by Department

Department	FY 2011	FY 2012	FY 2013	FY 2013	Inc/(Dec)		Inc/(Dec)		FY 2014	Inc/(Dec)	
	Actuals	Budget	Conceptual Budget	Proposed Budget	FY13 Proposed vs FY12 Budget	% Change	FY13 Proposed vs FY13 Conceptual	% Change	Proposed Conceptual Budget	vs FY13 Proposed	% Change
Authority Board	\$ 269,839	\$ 301,654	\$ 307,268	\$ 290,716	\$ (10,939)	-3.6%	\$ (16,553)	-5.4%	\$ 295,465	\$ 4,749	1.6%
Executive Office	1,345,373	1,069,200	992,987	966,709	(102,491)	-9.6%	(26,278)	-2.6%	992,329	25,620	2.7%
General Counsel	1,762,471	2,377,328	2,420,064	2,503,022	125,694	5.3%	82,958	3.4%	2,342,048	(160,974)	-6.4%
Chief Auditor	989,110	974,860	1,052,828	952,095	(22,765)	-2.3%	(100,733)	-9.6%	1,030,952	78,857	8.3%
<b>Executive Division</b>	<b>4,366,793</b>	<b>4,723,041</b>	<b>4,773,147</b>	<b>4,712,541</b>	<b>(10,500)</b>	<b>-0.2%</b>	<b>(60,605)</b>	<b>-1.3%</b>	<b>4,660,794</b>	<b>\$ (51,747)</b>	<b>-1.1%</b>
Accounting	1,369,440	1,671,177	1,604,746	1,544,981	(126,196)	-7.6%	(59,765)	-3.7%	1,585,635	40,654	2.6%
Small Business Development	510,590	593,864	750,046	1,022,782	428,918	72.2%	272,736	36.4%	786,906	(235,876)	-23.1%
Financial Planning & Budget	1,903,717	1,900,952	1,944,775	1,974,294	73,342	3.9%	29,519	1.5%	2,133,642	159,348	8.1%
Aviation & Commercial Business	13,706,818	14,752,215	16,206,532	15,714,236	962,021	6.5%	(492,296)	-3.0%	14,994,269	(719,967)	-4.6%
Debt Service	11,958,130	16,783,084	19,456,639	47,643,080	30,859,996	183.9%	28,186,440	144.9%	74,934,731	27,291,651	57.3%
Post Employment Benefits Authority-wide	1,713,109	1,795,827	2,056,184	2,577,091	781,263	43.5%	520,907	25.3%	2,414,114	(162,976)	-6.3%
<b>Finance Division</b>	<b>31,161,804</b>	<b>37,497,119</b>	<b>42,018,923</b>	<b>70,476,463</b>	<b>32,979,344</b>	<b>88.0%</b>	<b>28,457,540</b>	<b>67.7%</b>	<b>96,849,297</b>	<b>\$ 26,372,834</b>	<b>37.4%</b>
Airport Planning	3,435,556	3,265,975	3,520,531	3,383,286	117,312	3.6%	(137,245)	-3.9%	3,432,858	49,572	1.5%
Environmental Affairs	1,935,057	1,833,370	1,866,681	2,348,230	514,859	28.1%	481,549	25.8%	1,970,911	(377,319)	-16.1%
Landside Operations	8,790,957	8,781,711	9,265,578	10,330,443	1,548,732	17.6%	1,064,865	11.5%	11,943,345	1,612,901	15.6%
Airside Operations	7,082,487	7,112,934	7,333,205	8,044,264	931,330	13.1%	711,059	9.7%	8,203,764	159,500	2.0%
Ground Transportation	12,574,944	12,543,586	12,733,350	12,798,161	254,575	2.0%	64,812	0.5%	13,171,500	373,339	2.9%
Aviation Security and Public Safety	19,263,911	18,397,443	18,446,968	20,088,668	1,691,225	9.2%	1,641,700	8.9%	21,012,869	924,201	4.6%
<b>Planning &amp; Operations Division</b>	<b>53,082,912</b>	<b>51,935,019</b>	<b>53,166,312</b>	<b>56,993,052</b>	<b>5,058,033</b>	<b>9.7%</b>	<b>3,826,740</b>	<b>7.2%</b>	<b>59,735,247</b>	<b>\$ 2,742,194</b>	<b>4.8%</b>
Facilities Management	19,837,445	19,308,680	21,227,862	21,710,733	2,402,053	12.4%	482,871	2.3%	23,895,242	2,184,509	10.1%
Terminal Development Program	39,550	48,107	48,107	41,812	(6,295)	-13.1%	(6,295)	-13.1%	41,812	(0)	0.0%
Facilities Development	2,732,279	2,597,034	2,564,400	1,765,319	(831,716)	-32.0%	(799,081)	-31.2%	1,943,428	178,109	10.1%
Quieter Home Program	17,968,399	15,000,000	15,000,000	15,000,000	(0)	0.0%	-	0.0%	15,000,000	-	0.0%
<b>Development Division</b>	<b>40,577,674</b>	<b>36,953,822</b>	<b>38,840,369</b>	<b>38,517,864</b>	<b>1,564,042</b>	<b>4.2%</b>	<b>(322,505)</b>	<b>-0.8%</b>	<b>40,880,482</b>	<b>\$ 2,362,618</b>	<b>6.1%</b>
Human Resources	2,018,290	1,888,112	1,940,136	2,241,596	353,484	18.7%	301,460	15.5%	2,055,568	(186,027)	-8.3%
Information Technology	5,107,901	5,244,680	5,378,051	5,255,619	10,938	0.2%	(122,432)	-2.3%	5,754,073	498,455	9.5%
Procurement	1,229,465	1,260,082	1,314,721	1,350,884	90,802	7.2%	36,164	2.8%	1,403,010	52,126	3.9%
Training & Organization Development	483,404	540,494	574,162	547,197	6,703	1.2%	(26,965)	-4.7%	559,871	12,674	2.3%
Business Planning	452,538	444,262	463,787	448,241	3,979	0.9%	(15,546)	-3.4%	466,337	18,096	4.0%
Corporate Services	719,889	741,991	785,230	751,679	9,688	1.3%	(33,551)	-4.3%	778,124	26,444	3.5%
Risk Management	2,266,180	2,578,613	2,614,051	2,036,716	(541,897)	-21.0%	(577,335)	-22.1%	2,411,731	375,015	18.4%
<b>Administration Division</b>	<b>12,277,668</b>	<b>12,698,235</b>	<b>13,070,138</b>	<b>12,631,932</b>	<b>(66,302)</b>	<b>-0.5%</b>	<b>(438,205)</b>	<b>-3.4%</b>	<b>13,428,715</b>	<b>\$ 796,783</b>	<b>6.3%</b>
Marketing	2,535,216	2,296,356	3,132,916	3,341,846	1,045,489	45.5%	208,930	6.7%	2,789,598	(552,248)	-16.5%
Public Relations	2,394,512	2,517,994	2,609,233	1,933,907	(584,087)	-23.2%	(675,326)	-25.9%	1,941,659	7,752	0.4%
Intergovernmental Relations	726,835	782,743	799,564	778,750	(3,993)	-0.5%	(20,814)	-2.6%	794,714	15,966	2.1%
Airport Noise Mitigation	587,869	679,035	696,143	667,281	(11,754)	-1.7%	(28,862)	-4.1%	686,885	19,604	2.9%
Air Service Development	1,064,096	1,216,636	930,256	1,479,363	262,727	21.6%	549,107	59.0%	870,607	(608,756)	-41.1%
<b>Marketing and Communications Division</b>	<b>7,308,527</b>	<b>7,492,764</b>	<b>8,168,112</b>	<b>8,201,147</b>	<b>708,383</b>	<b>9.5%</b>	<b>33,035</b>	<b>0.4%</b>	<b>7,083,465</b>	<b>\$ (1,117,681)</b>	<b>-13.6%</b>
<b>Total Budget</b>	<b>\$ 148,775,377</b>	<b>\$ 151,300,000</b>	<b>\$ 160,037,000</b>	<b>\$ 191,533,000</b>	<b>\$ 40,233,000</b>	<b>26.6%</b>	<b>\$ 31,496,000</b>	<b>19.7%</b>	<b>\$ 222,638,000</b>	<b>\$ 31,105,000</b>	<b>16.2%</b>

# Executive Division Overview

FY 2013 Expense Summary by Department

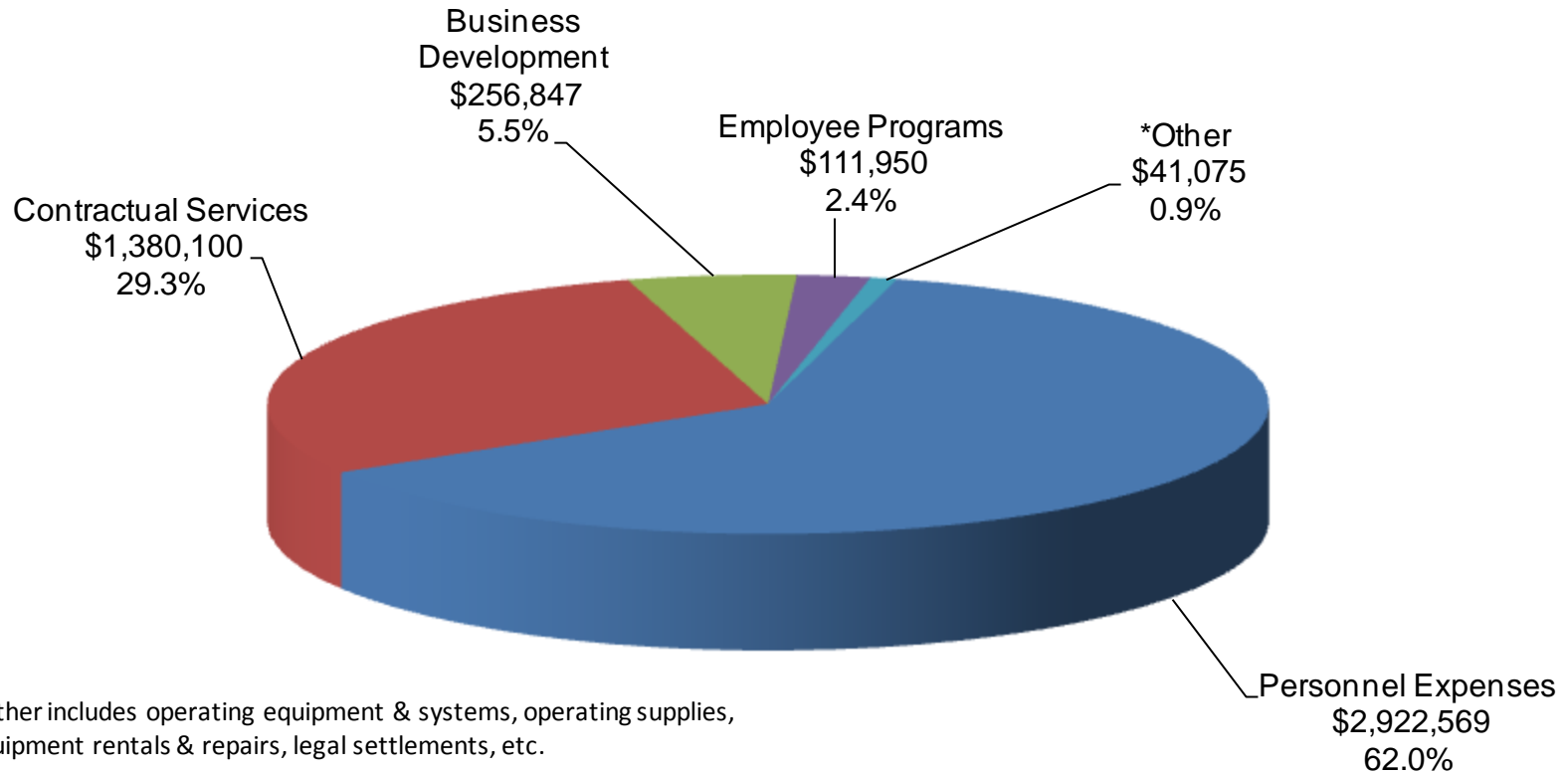


**Total FY 2013 Proposed Executive Division Budget is \$4.7 M**



# Executive Division Overview

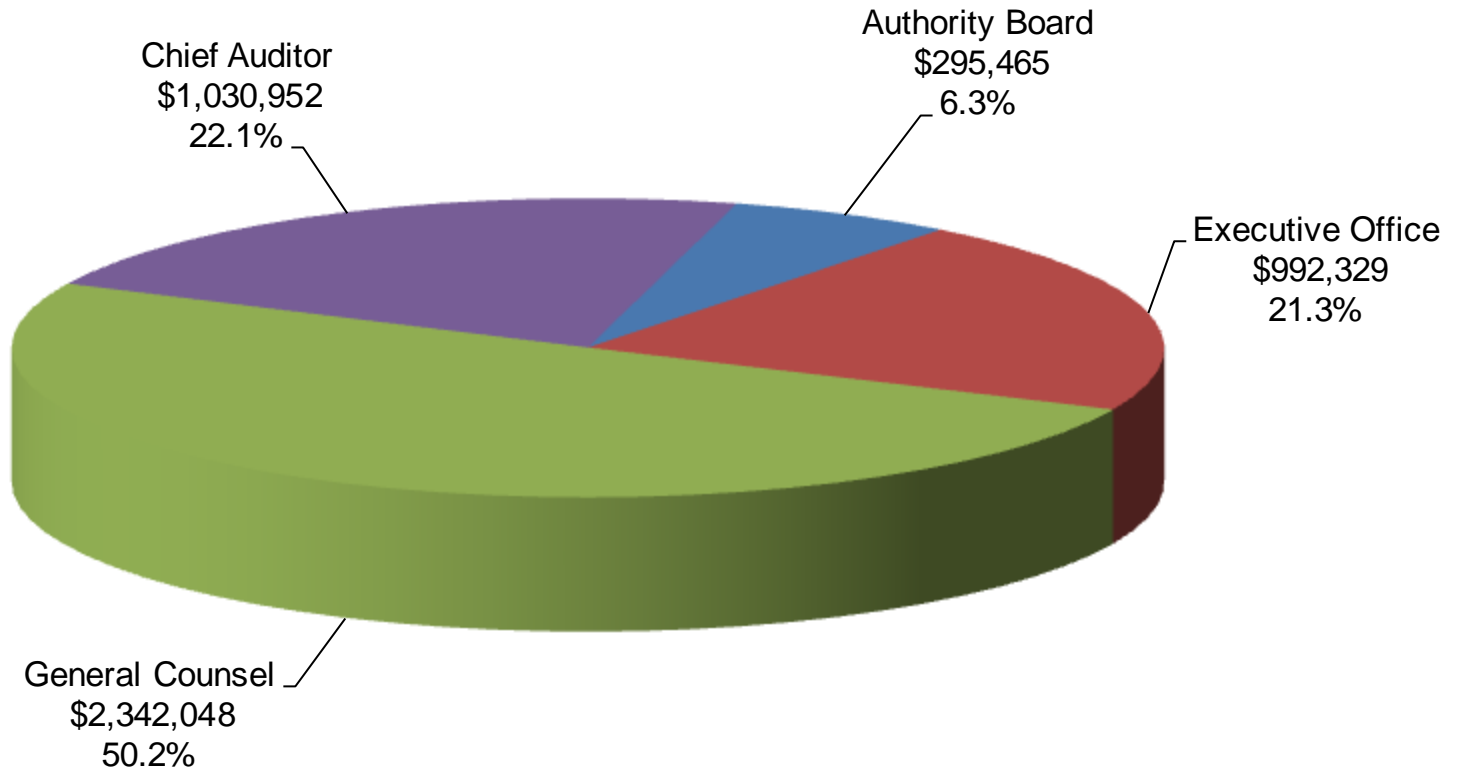
## FY 2013 Expense Summary by Major Expense Category



**Total FY 2013 Proposed Executive Division Budget is \$4.7 M**

# Executive Division Overview

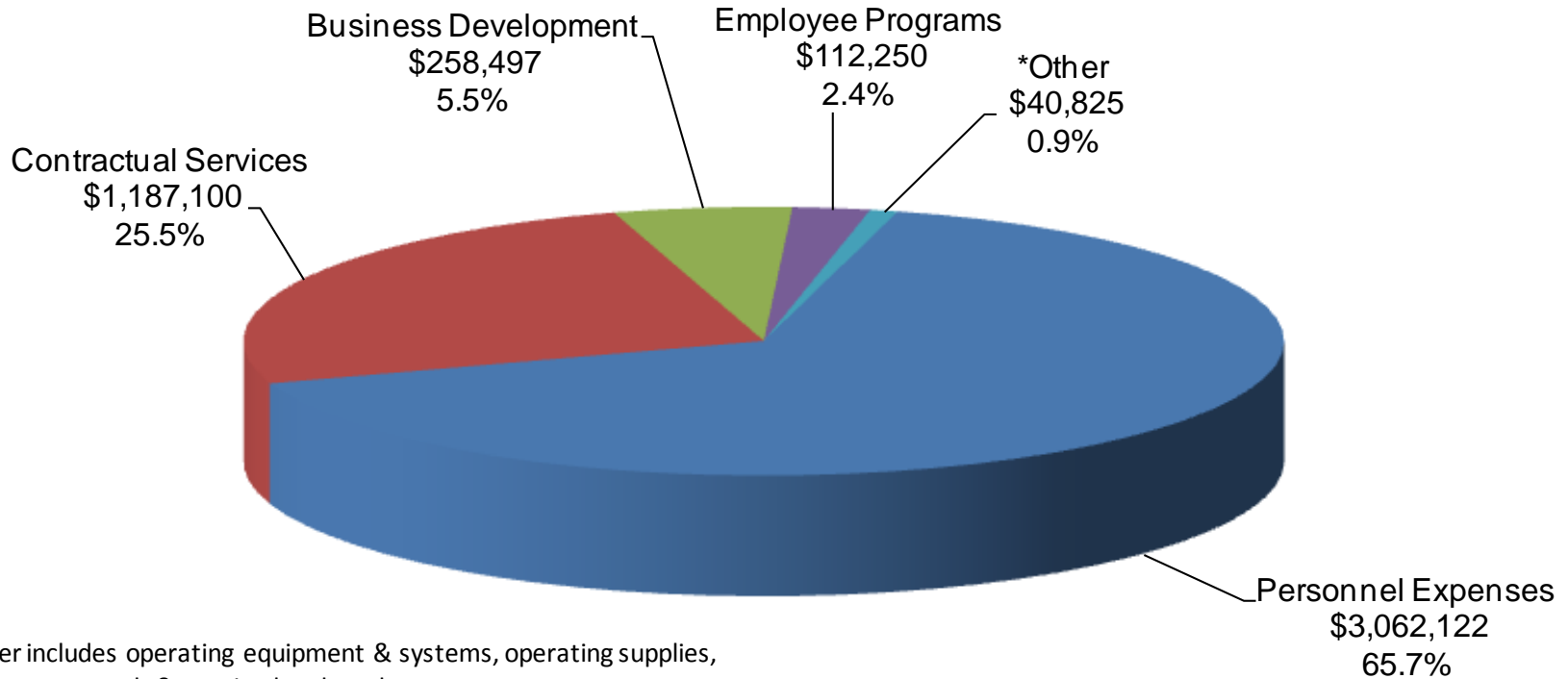
FY 2014 Expense Summary by Department



**Total FY 2014 Proposed Conceptual Executive Division Budget is \$4.7 M**

# Executive Division Overview

## FY 2014 Expense Summary by Major Expense Category



**Total FY 2014 Proposed Conceptual Executive Division Budget is \$4.7 M**



# Executive Division

## Expense Summary by Category

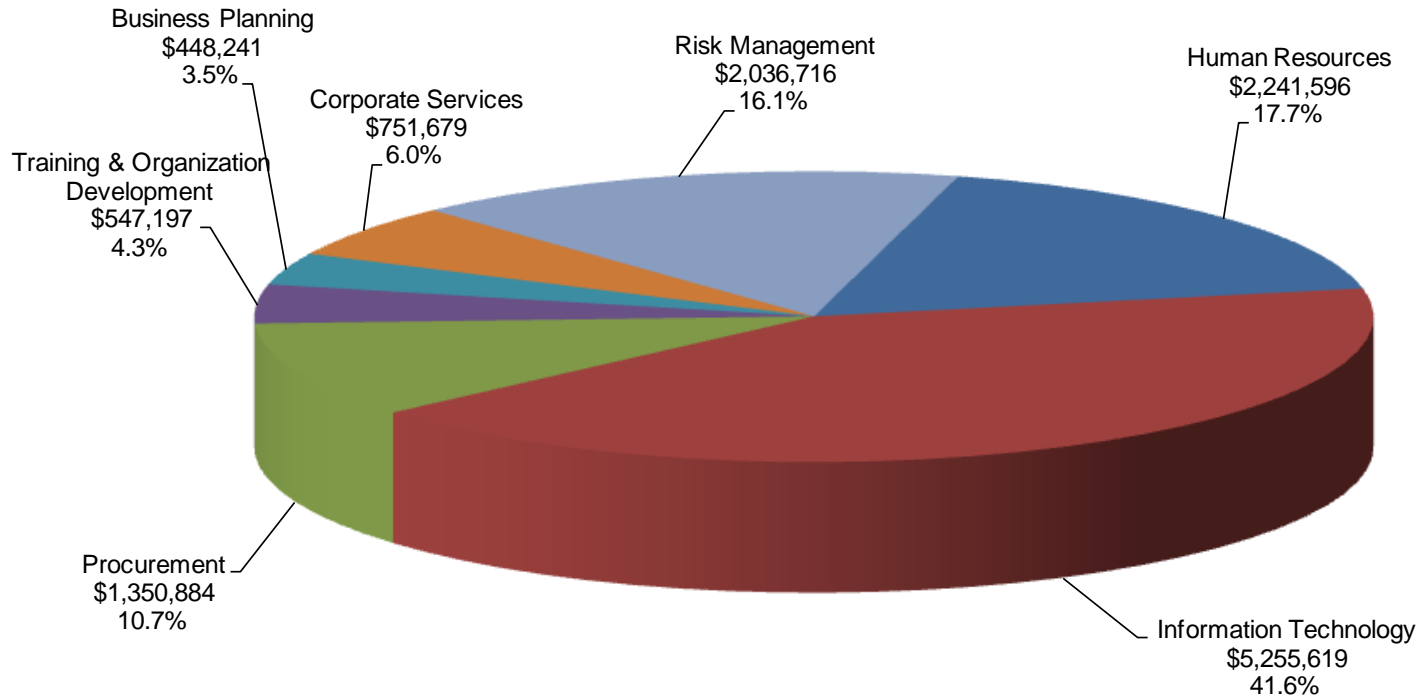
	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 2,002,553	\$ 2,008,611	\$ 2,097,952	\$ 2,119,495	\$ 110,884	5.5%	\$ 21,542	1.0%	\$ 2,184,226	\$ 64,732	3.1%
Premium Overtime	6,011	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	860,956	874,581	969,154	803,075	(71,506)	-8.2%	(166,079)	-17.1%	877,895	74,821	9.3%
Subtotal	2,869,519	2,883,191	3,067,107	2,922,569	39,378	1.4%	(144,537)	-4.7%	3,062,122	139,552	4.8%
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>2,869,519</b>	<b>2,883,191</b>	<b>3,067,107</b>	<b>2,922,569</b>	<b>39,378</b>	<b>1.4%</b>	<b>(144,537)</b>	<b>-4.7%</b>	<b>3,062,122</b>	<b>139,552</b>	<b>4.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	971,786	1,436,600	1,301,600	1,380,100	(56,500)	-3.9%	78,500	6.0%	1,187,100	(193,000)	-14.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	224	750	750	750	0	0.0%	-	0.0%	750	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	6,921	2,750	2,750	2,750	-	0.0%	-	0.0%	2,500	(250)	-9.1%
Operating Supplies	9,837	12,350	12,400	11,975	(375)	-3.0%	(425)	-3.4%	11,975	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	100,777	113,000	113,550	111,950	(1,050)	-0.9%	(1,600)	-1.4%	112,250	300	0.3%
Business Development	302,764	249,460	249,890	256,847	7,387	3.0%	6,957	2.8%	258,497	1,650	0.6%
Equipment Rentals & Repairs	4,736	4,940	5,100	5,600	660	13.4%	500	9.8%	5,600	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,397,044</b>	<b>1,819,850</b>	<b>1,686,040</b>	<b>1,769,972</b>	<b>(49,878)</b>	<b>-2.7%</b>	<b>83,932</b>	<b>5.0%</b>	<b>1,578,672</b>	<b>(191,300)</b>	<b>-10.8%</b>
<b>Total Operating Expenses</b>	<b>\$ 4,266,564</b>	<b>\$ 4,703,041</b>	<b>\$ 4,753,147</b>	<b>\$ 4,692,541</b>	<b>\$ (10,500)</b>	<b>-0.2%</b>	<b>\$ (60,605)</b>	<b>-1.3%</b>	<b>\$ 4,640,794</b>	<b>\$ (51,748)</b>	<b>-1.1%</b>
<b>Non-Operating Expenses:</b>											
Legal Settlements Expense	100,229	20,000	20,000	20,000	-	0.0%	-	0.0%	20,000	-	0.0%
Other Non-Operating Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>100,229</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>20,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>4,366,793</b>	<b>4,723,041</b>	<b>4,773,147</b>	<b>4,712,541</b>	<b>(10,500)</b>	<b>-0.2%</b>	<b>(60,605)</b>	<b>-1.3%</b>	<b>4,660,794</b>	<b>(51,748)</b>	<b>-1.1%</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>\$ 4,366,793</b>	<b>\$ 4,723,041</b>	<b>\$ 4,773,147</b>	<b>\$ 4,712,541</b>	<b>\$ (10,500)</b>	<b>-0.2%</b>	<b>\$ (60,605)</b>	<b>-1.3%</b>	<b>\$ 4,660,794</b>	<b>\$ (51,748)</b>	<b>-1.1%</b>

	<b>Inc/(Dec) FY13 vs FY12 Budget</b>
<b>FY 2012 Budget</b>	<b>\$ 4,723,042</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	110,884
Burden (benefits & employer taxes) Decrease for current staff	(71,506)
<b>Total Increase in personnel costs</b>	<b>39,378</b>
Increase in outside legal services	50,000
Increase in use of outside professional services	38,500
Organizational performance consultant costs transferred to Human Resources	(145,000)
Other, net	6,622
<b>Total Decrease in non-personnel costs</b>	<b>(49,878)</b>
<b>Total Decrease</b>	<b>(10,500)</b>
<b>FY 2013 Poposed Budget</b>	<b>\$ 4,712,541</b>

	<b>Inc/(Dec) FY14 Conceptual vs FY13</b>
<b>FY 2013 Proposed Budget</b>	<b>\$ 4,712,541</b>
<b>Personnel costs</b>	
Burden (benefits & employer taxes) increase for current staff	64,732
Salary adjustments and pay for performance	74,821
<b>Total Increase in personnel costs</b>	<b>139,553</b>
Decrease in outside legal services	(200,000)
Other, net	8,700
<b>Total Decrease in non-personnel costs</b>	<b>(191,301)</b>
<b>Total Decrease</b>	<b>(51,748)</b>
<b>FY 2014 Proposed Conceptual Budget</b>	<b>\$ 4,660,794</b>

# Administration Division Overview

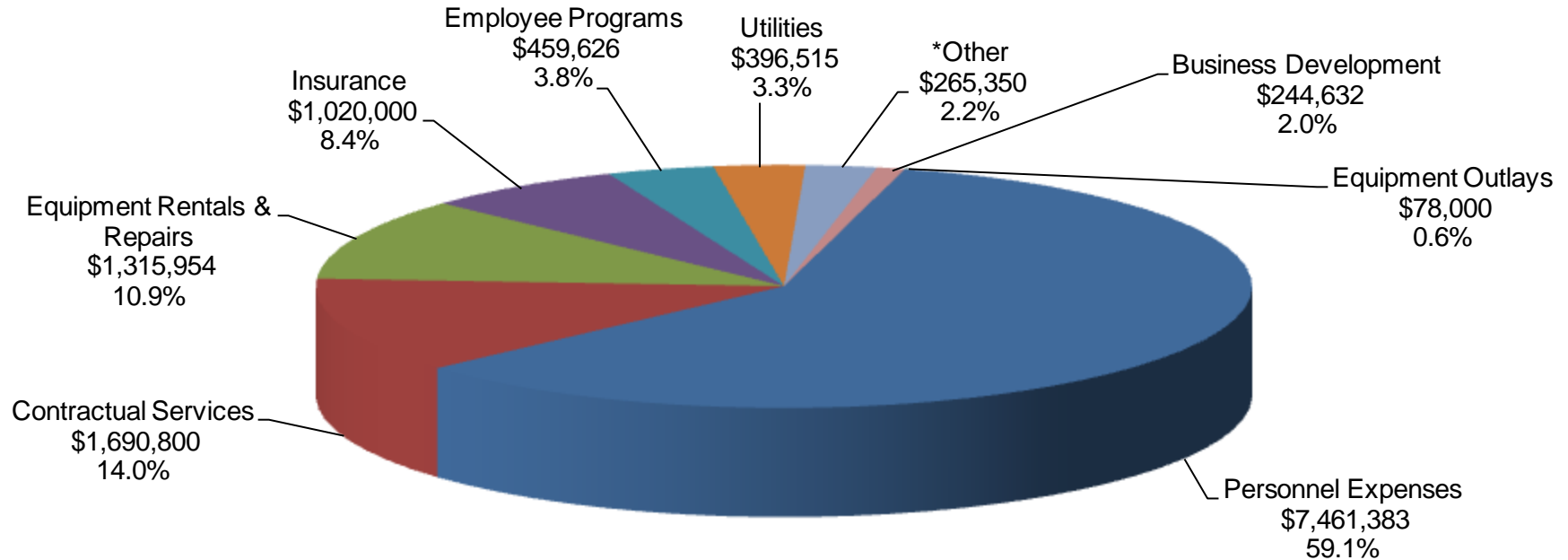
FY 2013 Expense Summary by Department



**Total FY 2013 Proposed Administration Division Budget is \$12.6M**

# Administration Division Overview

## FY 2013 Expense Summary by Major Expense Category



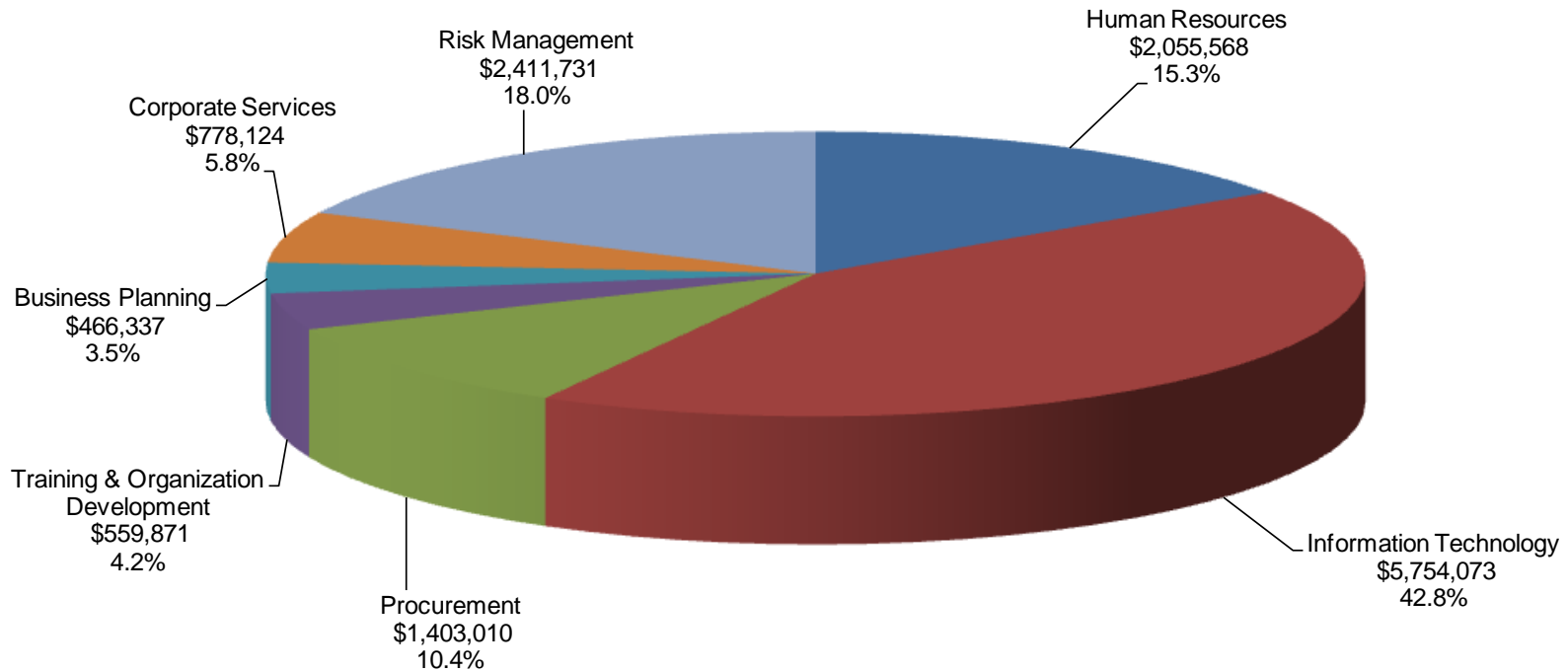
\*Other includes operating equipment & systems, operating supplies, etc.

**Total FY 2013 Proposed Administration Division Budget is \$12.6 M**



# Administration Division Overview

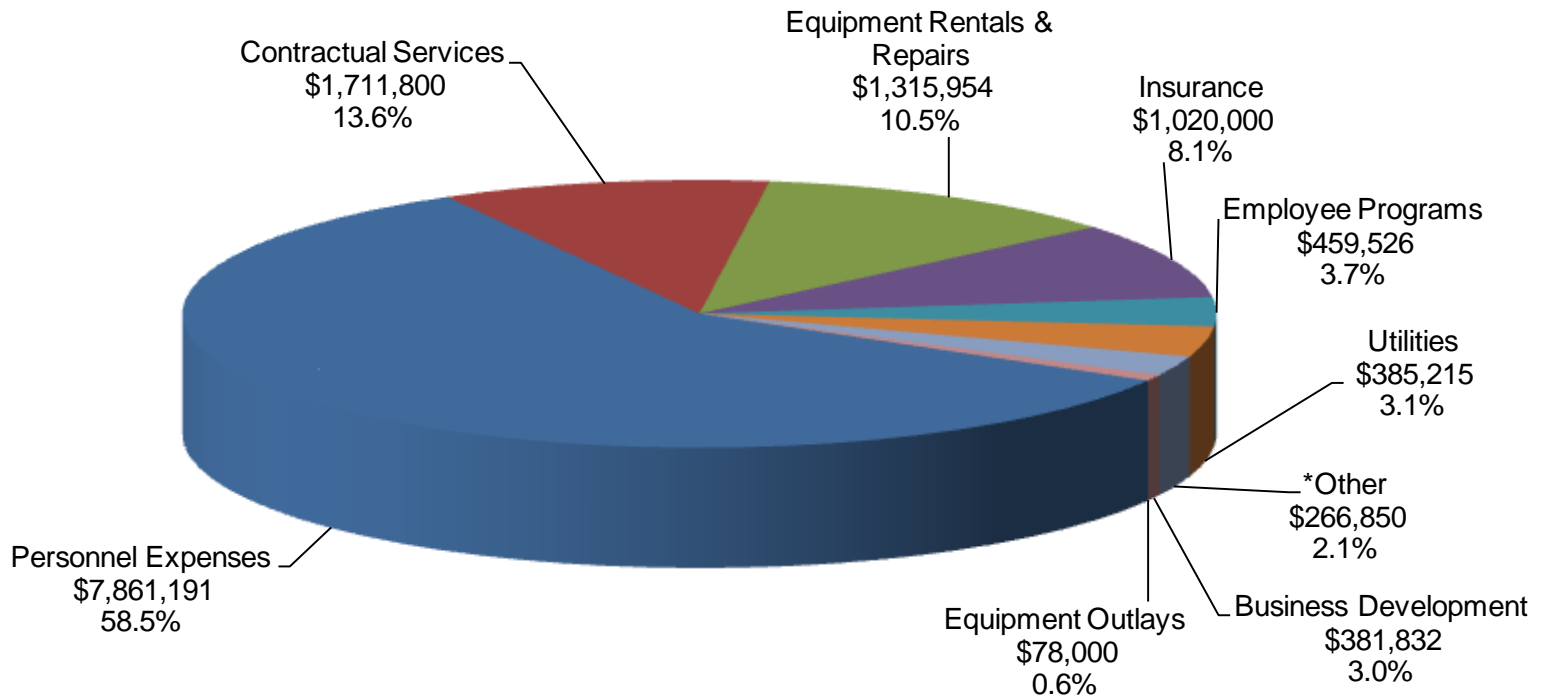
FY 2014 Expense Summary by Department



**Total FY 2014 Proposed Conceptual Administration Division Budget is \$13.4 M**

# Administration Division Overview

## FY 2014 Expense Summary by Major Expense Category



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

**Total FY 2014 Proposed Conceptual Administration Division Budget is \$13.4M**



# Administration Division

## Expense Summary by Category

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget		Inc/(Dec) FY13 Proposed vs FY13 Conceptual		FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	
						% Change		% Change			% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 4,849,534	\$ 4,865,373	\$ 5,028,553	\$ 5,074,325	\$ 208,952	4.3%	\$ 45,772	0.9%	\$ 5,291,485	\$ 217,161	4.3%
Premium Overtime	168,945	162,259	162,259	153,500	(8,759)	-5.4%	(8,759)	-5.4%	153,500	-	0.0%
Employee Benefits	2,366,092	2,367,194	2,556,169	2,233,559	(133,636)	-5.6%	(322,610)	-12.6%	2,416,206	182,647	8.2%
Subtotal	7,384,570	7,394,826	7,746,981	7,461,383	66,557	0.9%	(285,597)	-3.7%	7,861,191	399,808	5.4%
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>7,384,570</b>	<b>7,394,826</b>	<b>7,746,981</b>	<b>7,461,383</b>	<b>66,557</b>	<b>0.9%</b>	<b>(285,597)</b>	<b>-3.7%</b>	<b>7,861,191</b>	<b>399,808</b>	<b>5.4%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,209,562	1,639,050	1,662,550	1,611,370	(27,680)	-1.7%	(51,180)	-3.1%	1,383,370	(228,000)	-14.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	451,856	397,215	385,915	398,125	910	0.2%	12,210	3.2%	493,125	95,000	23.9%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	295,820	212,100	212,100	270,250	58,150	27.4%	58,150	27.4%	265,650	(4,600)	-1.7%
Operating Supplies	32,913	59,100	59,600	40,500	(18,600)	-31.5%	(19,100)	-32.0%	54,400	13,900	34.3%
Insurance	1,066,326	1,020,000	1,020,000	872,318	(147,682)	-14.5%	(147,682)	-14.5%	1,237,234	364,916	41.8%
Employee Programs	453,007	466,156	470,156	468,355	2,199	0.5%	(1,801)	-0.4%	471,280	2,925	0.6%
Business Development	83,021	106,382	109,282	123,050	16,668	15.7%	13,768	12.6%	100,075	(22,975)	-18.7%
Equipment Rentals & Repairs	966,320	1,325,406	1,325,554	1,386,581	61,175	4.6%	61,027	4.6%	1,562,390	175,809	12.7%
<b>Total Non-Personnel Expenses</b>	<b>4,558,826</b>	<b>5,225,409</b>	<b>5,245,157</b>	<b>5,170,549</b>	<b>(54,860)</b>	<b>-1.0%</b>	<b>(74,608)</b>	<b>-1.4%</b>	<b>5,567,524</b>	<b>396,975</b>	<b>7.7%</b>
<b>Total Operating Expenses</b>	<b>\$ 11,943,396</b>	<b>\$ 12,620,235</b>	<b>\$ 12,992,138</b>	<b>\$ 12,631,932</b>	<b>\$ 11,697</b>	<b>0.1%</b>	<b>\$ (360,205)</b>	<b>-2.8%</b>	<b>\$ 13,428,715</b>	<b>\$ 796,783</b>	<b>6.3%</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>11,943,396</b>	<b>12,620,235</b>	<b>12,992,138</b>	<b>12,631,932</b>	<b>11,697</b>	<b>0.1%</b>	<b>(360,205)</b>	<b>-2.8%</b>	<b>13,428,715</b>	<b>796,783</b>	<b>6.3%</b>
<b>Equipment Outlay</b>	<b>334,272</b>	<b>78,000</b>	<b>78,000</b>	<b>-</b>	<b>(78,000)</b>	<b>-100.0%</b>	<b>(78,000)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 12,277,668</b>	<b>\$ 12,698,235</b>	<b>\$ 13,070,138</b>	<b>\$ 12,631,932</b>	<b>\$ (66,303)</b>	<b>-0.5%</b>	<b>\$ (438,205)</b>	<b>-3.4%</b>	<b>\$ 13,428,715</b>	<b>\$ 796,783</b>	<b>6.3%</b>



# Administration Division

## Major Drivers

	Inc/(Dec) FY13 vs FY12 Budget
<b>FY 2012 Budget / FY13 Conceptual</b>	<b>\$ 12,698,236</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	110,975
1 Unfrozen position - Procurement Analyst	90,766
1 New position - Operations Support Technician (Q3 FY13)	37,829
Burden (benefits & employer taxes) Decrease for current staff	(173,014)
<b>Total Increase in personnel costs</b>	<b>66,557</b>
Organizational performance outside consultant costs transferred from Executive Office	211,500
Benefits / workers' compensation broker fees	110,000
Increase in equipment and systems costs	58,150
Increase in repairs of office equipment and systems	54,175
Increase in use of outside professional services	45,470
Decrease in IT service (EnterpriseOne ERP Production and paging) costs	(45,000)
Decrease in equipment outlay costs	(78,000)
Decrease in insurance costs	(147,682)
Administration Fee (Bond Program) transferred to Small Business Development	(367,750)
Other, net	26,277
<b>Total Decrease in non-personnel costs</b>	<b>(132,860)</b>
<b>Total Decrease</b>	<b>(66,303)</b>
<b>FY 2013 Poposed Budget</b>	<b>\$ 12,631,932</b>



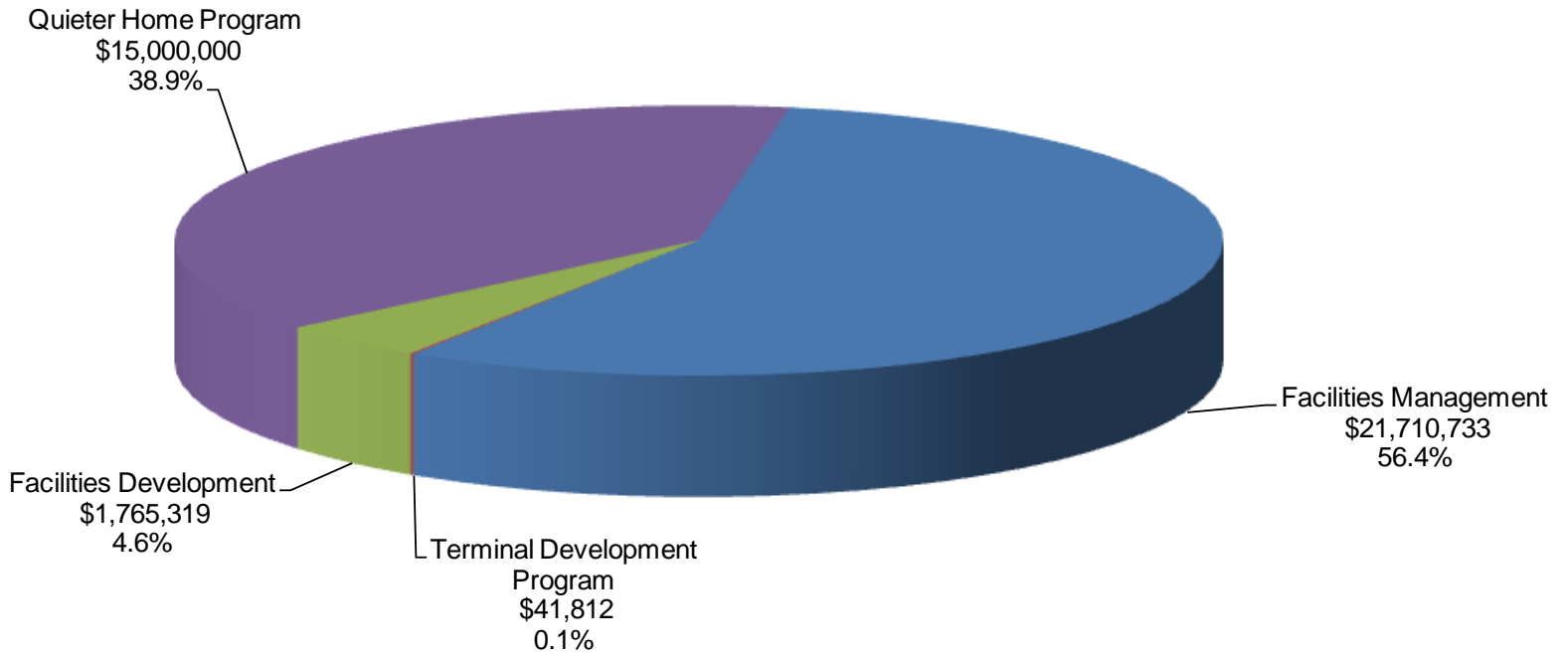
# Administration Division

## Major Drivers

	<b>Inc/(Dec) FY14 Conceptual vs FY13</b>
<b>FY 2013 Proposed Budget</b>	<b>\$ 12,631,932</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	217,161
Burden (benefits & employer taxes) increase for current staff	182,647
<b>Total Increase in personnel costs</b>	<b>399,808</b>
Increase in insurance costs	364,916
Increase in repairs of office equipment and systems	142,309
Increase in costs of telephone usage and other services and equipment	95,000
Increase in equipment rental and leasing	30,000
Decrease in organizational performance outside consultant costs	(211,500)
Other, net	(23,750)
<b>Total Increase in non-personnel costs</b>	<b>396,975</b>
<b>Total Increase</b>	<b>796,783</b>
<b>FY 2014 Proposed Conceptual Budget</b>	<b>\$ 13,428,715</b>

# Development Division Overview

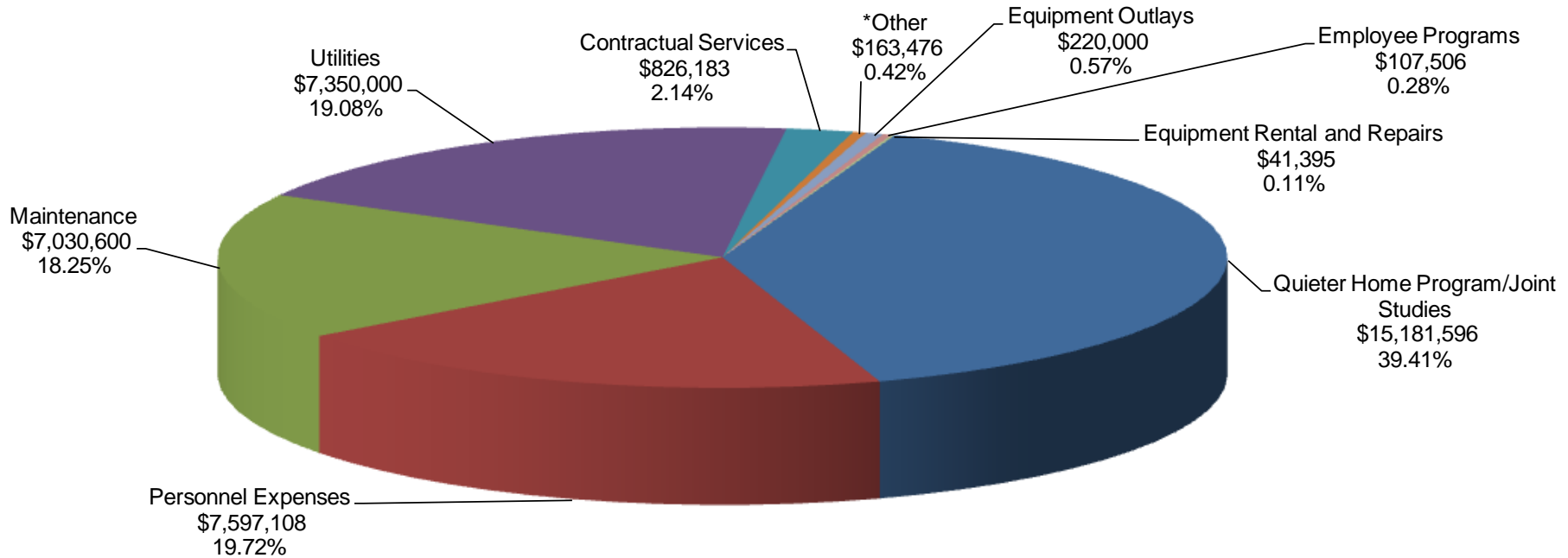
FY 2013 Expense Summary by Department



**Total FY 2013 Proposed Development Division Budget is \$38.5 M**

# Development Division Overview

## FY 2013 Expense Summary by Major Expense Category

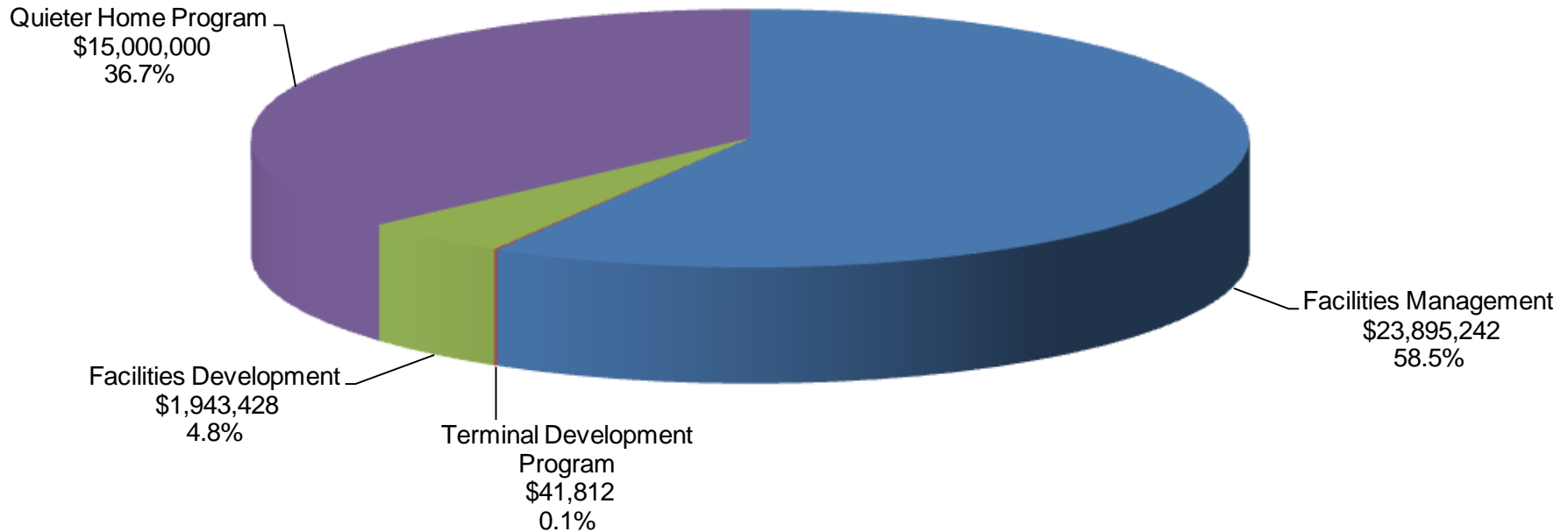


\*Other includes operating equipment & systems, operating supplies and business development.

**Total FY 2013 Proposed Development Division Budget is \$38.5 M**

# Development Division Overview

FY 2014 Expense Summary by Department

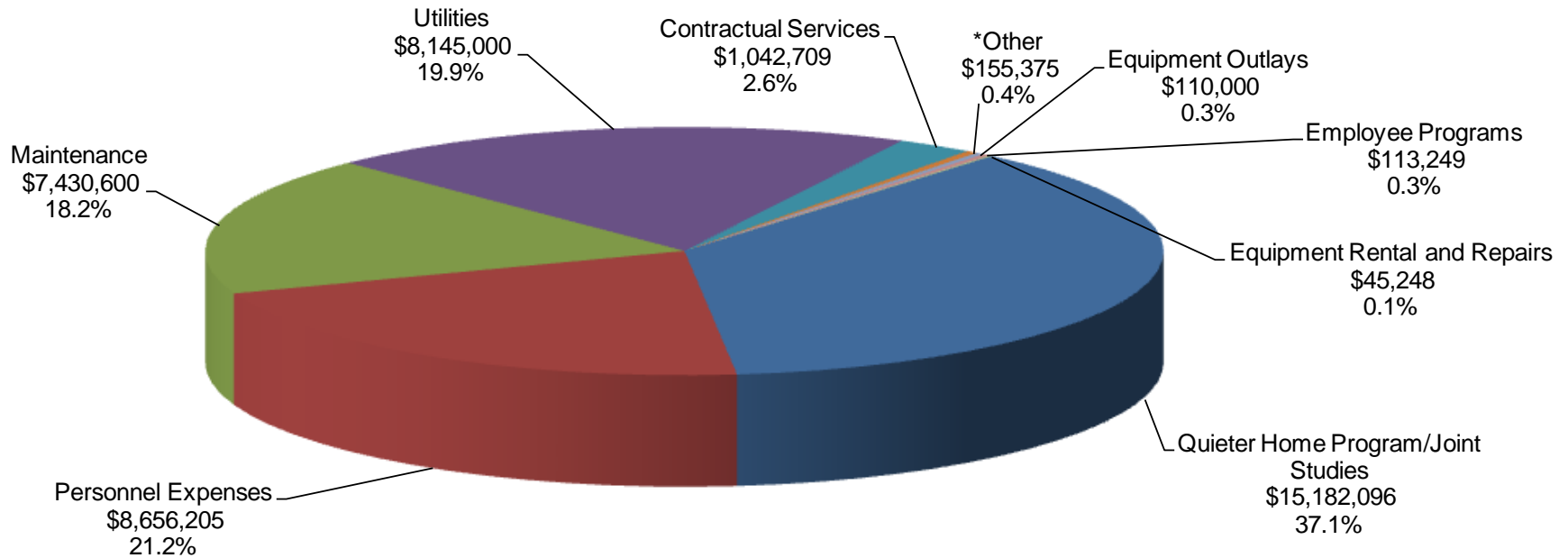


**Total FY 2014 Proposed Conceptual Development Division Budget is \$40.9 M**



# Development Division Overview

## FY 2014 Expense Summary by Major Expense Category



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

**Total FY 2014 Proposed Conceptual Development Division Budget is \$40.9 M**



# Development Division

## Expense Summary by Category

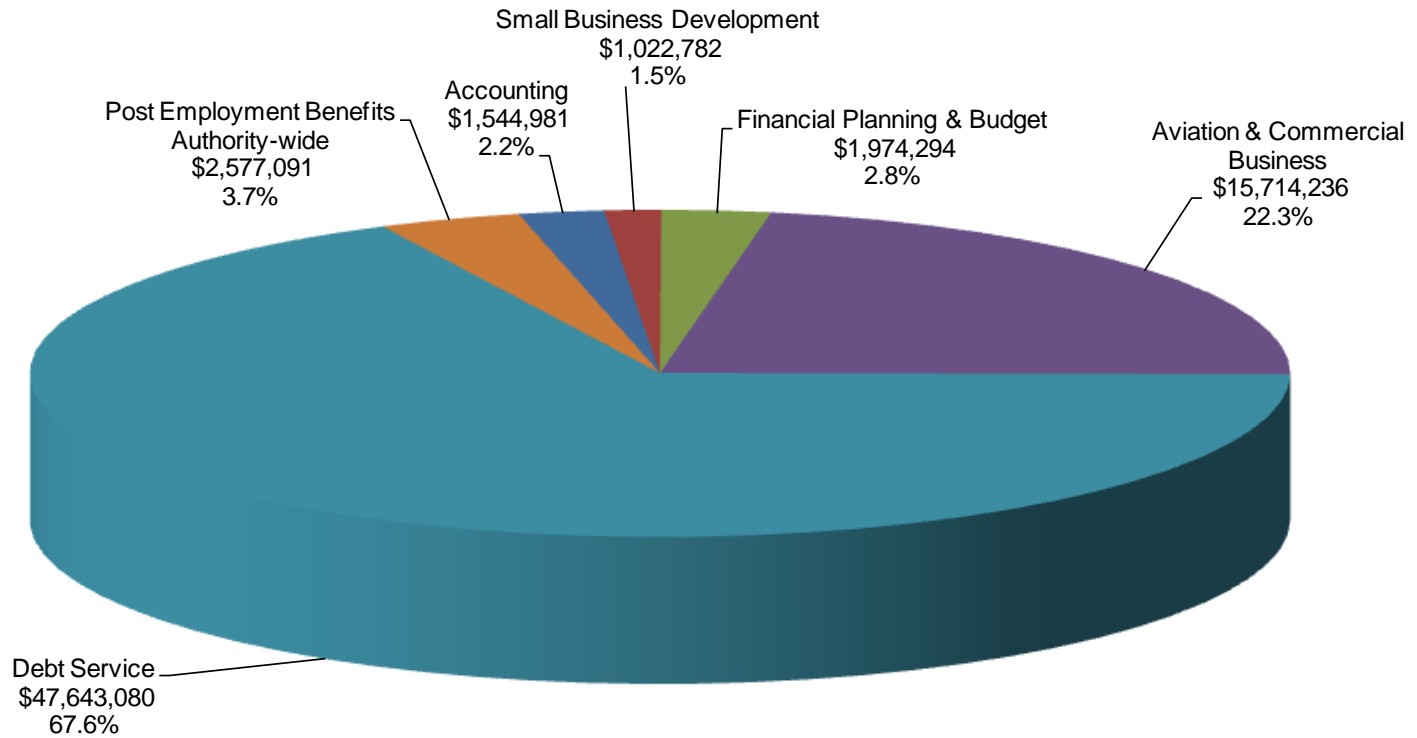
	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget		Inc/(Dec) FY13 Proposed vs FY13 Conceptual		FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed		
						% Change		% Change			% Change	
<b>Operating Expenses:</b>												
<b>Personnel Expenses</b>												
Salaries and Wages	\$ 8,020,898	\$ 8,462,750	\$ 8,902,400	\$ 8,385,776	\$ (76,974)	-0.9%	\$ (516,624)	-5.8%	\$ 9,121,472	\$ 735,697	8.8%	
Premium Overtime	410,390	415,000	465,000	460,000	45,000	10.8%	(5,000)	-1.1%	460,000	-	0.0%	
Employee Benefits	3,885,791	4,273,075	4,732,833	3,925,676	(347,399)	-8.1%	(807,157)	-17.1%	4,429,000	503,324	12.8%	
Subtotal	12,317,078	13,150,825	14,100,233	12,771,452	(379,373)	-2.9%	(1,328,781)	-9.4%	14,010,472	1,239,021	9.7%	
Less: Capitalized Labor	(3,318,151)	(4,908,161)	(5,108,632)	(4,465,578)	442,584	-9.0%	643,055	-12.6%	(4,605,767)	(140,189)	3.1%	
Less: QHP - Labor/Burden/Labor Overhead	(880,093)	(718,409)	(757,809)	(708,766)	9,643	-1.3%	49,043	-6.5%	(748,501)	(39,735)	5.6%	
<b>Total Personnel Expenses</b>	<b>8,118,834</b>	<b>7,524,255</b>	<b>8,233,791</b>	<b>7,597,108</b>	<b>72,854</b>	<b>1.0%</b>	<b>(636,683)</b>	<b>-7.7%</b>	<b>8,656,205</b>	<b>1,059,096</b>	<b>13.9%</b>	
<b>Non-Personnel Expenses</b>												
Contractual Services	1,257,410	1,107,576	1,021,178	826,183	(281,393)	-25.4%	(194,995)	-19.1%	1,042,709	216,526	26.2%	
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Utilities	5,956,620	6,265,000	7,235,000	7,350,000	1,085,000	17.3%	115,000	1.6%	8,145,000	795,000	10.8%	
Maintenance	6,714,769	6,383,100	6,663,100	7,030,600	647,500	10.1%	367,500	5.5%	7,430,600	400,000	5.7%	
Operating Equipment & Systems	51,984	22,729	20,845	26,048	3,319	14.6%	5,203	25.0%	25,119	(929)	-3.6%	
Operating Supplies	86,367	61,618	67,917	76,187	14,569	23.6%	8,270	12.2%	73,366	(2,822)	-3.7%	
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Employee Programs	83,714	94,374	98,543	107,506	13,132	13.9%	8,963	9.1%	113,249	5,743	5.3%	
Business Development	36,299	52,466	56,966	61,241	8,775	16.7%	4,275	7.5%	56,891	(4,350)	-7.1%	
Equipment Rentals & Repairs	79,117	57,758	58,083	41,395	(16,363)	-28.3%	(16,688)	-28.7%	45,248	3,853	9.3%	
<b>Total Non-Personnel Expenses</b>	<b>14,266,281</b>	<b>14,044,621</b>	<b>15,221,631</b>	<b>15,519,159</b>	<b>1,474,538</b>	<b>10.5%</b>	<b>297,528</b>	<b>2.0%</b>	<b>16,932,181</b>	<b>1,413,021</b>	<b>9.1%</b>	
<b>Total Operating Expenses</b>	<b>\$ 22,385,115</b>	<b>\$ 21,568,876</b>	<b>\$ 23,455,423</b>	<b>\$ 23,116,268</b>	<b>\$ 1,547,392</b>	<b>7.2%</b>	<b>\$ (339,155)</b>	<b>-1.4%</b>	<b>\$ 25,588,386</b>	<b>\$ 2,472,118</b>	<b>10.7%</b>	
<b>Non-Operating Expenses:</b>												
Joint Studies/Sound Attenuation	17,899,686	15,264,946	15,264,946	15,181,596	(83,350)	-0.5%	(83,350)	-0.5%	15,182,096	500	0.0%	
<b>Total Non-Operating Expenses</b>	<b>17,899,686</b>	<b>15,264,946</b>	<b>15,264,946</b>	<b>15,181,596</b>	<b>(83,350)</b>	<b>-0.5%</b>	<b>(83,350)</b>	<b>-0.5%</b>	<b>15,182,096</b>	<b>500</b>	<b>0.0%</b>	
<b>Total Expenses</b>	<b>40,284,801</b>	<b>36,833,822</b>	<b>38,720,369</b>	<b>38,297,864</b>	<b>1,464,042</b>	<b>4.0%</b>	<b>(422,505)</b>	<b>-1.1%</b>	<b>40,770,482</b>	<b>2,472,618</b>	<b>6.5%</b>	
<b>Equipment Outlay</b>	<b>292,873</b>	<b>120,000</b>	<b>120,000</b>	<b>220,000</b>	<b>100,000</b>	<b>83.3%</b>	<b>100,000</b>	<b>83.3%</b>	<b>110,000</b>	<b>(110,000)</b>	<b>-50.0%</b>	
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 40,577,674</b>	<b>\$ 36,953,822</b>	<b>\$ 38,840,369</b>	<b>\$ 38,517,864</b>	<b>\$ 1,564,042</b>	<b>4.2%</b>	<b>\$ (322,505)</b>	<b>-0.8%</b>	<b>\$ 40,880,482</b>	<b>\$ 2,362,618</b>	<b>6.1%</b>	

	<b>Inc/(Dec) FY13 vs FY12 Budget</b>
<b>FY 2012 Budget</b>	<b>\$ 36,953,822</b>
<b>Personnel costs</b>	
Change in capitalized labor costs	452,227
5 New & 2 Unfrozen positions (salaries, benefits & employer taxes)	296,002
Salary adjustments, contracted wage increases and pay-for-performance	105,674
Burden (benefits & employer taxes) Decrease for current staff	(335,516)
3 Eliminated positions (salaries, benefits & employer taxes)	(445,533)
<b>Total Increase in personnel costs</b>	<b>72,854</b>
Increase in utilities	1,085,000
Increase in annual repair and service contracts	704,500
Decrease in Facilities Development consultant costs	(251,393)
Decrease in major maintenance project costs	(275,000)
Other, net	228,081
<b>Total Increase in non-personnel costs</b>	<b>1,491,188</b>
<b>Total Increase</b>	<b>1,564,042</b>
<b>FY 2013 Poposed Budget</b>	<b>\$ 38,517,864</b>

	<b>Inc/(Dec) FY14 Conceptual vs FY13</b>
	<hr/>
<b>FY 2013 Proposed Budget</b>	<b>\$ 38,517,864</b>
<b>Personnel costs</b>	
Salary adjustments, contracted wage increases and pay-for-performance	553,697
Burden (benefits & employer taxes) increase for current staff	416,507
6 New positions (salaries, benefits & employer taxes)	268,817
Change in capitalized labor costs	(179,924)
<b>Total Increase in personnel costs</b>	<b>1,059,096</b>
Increase in utilities	795,000
Increase in annual repair and service contracts	487,000
Increase in Facilities Development consultant costs	213,526
Other, net	(192,004)
<b>Total Increase in non-personnel costs</b>	<b>1,303,521</b>
<b>Total Increase</b>	<b>2,362,618</b>
<b>FY 2014 Proposed Conceptual Budget</b>	<b>\$ 40,880,482</b>

# Finance Division Overview

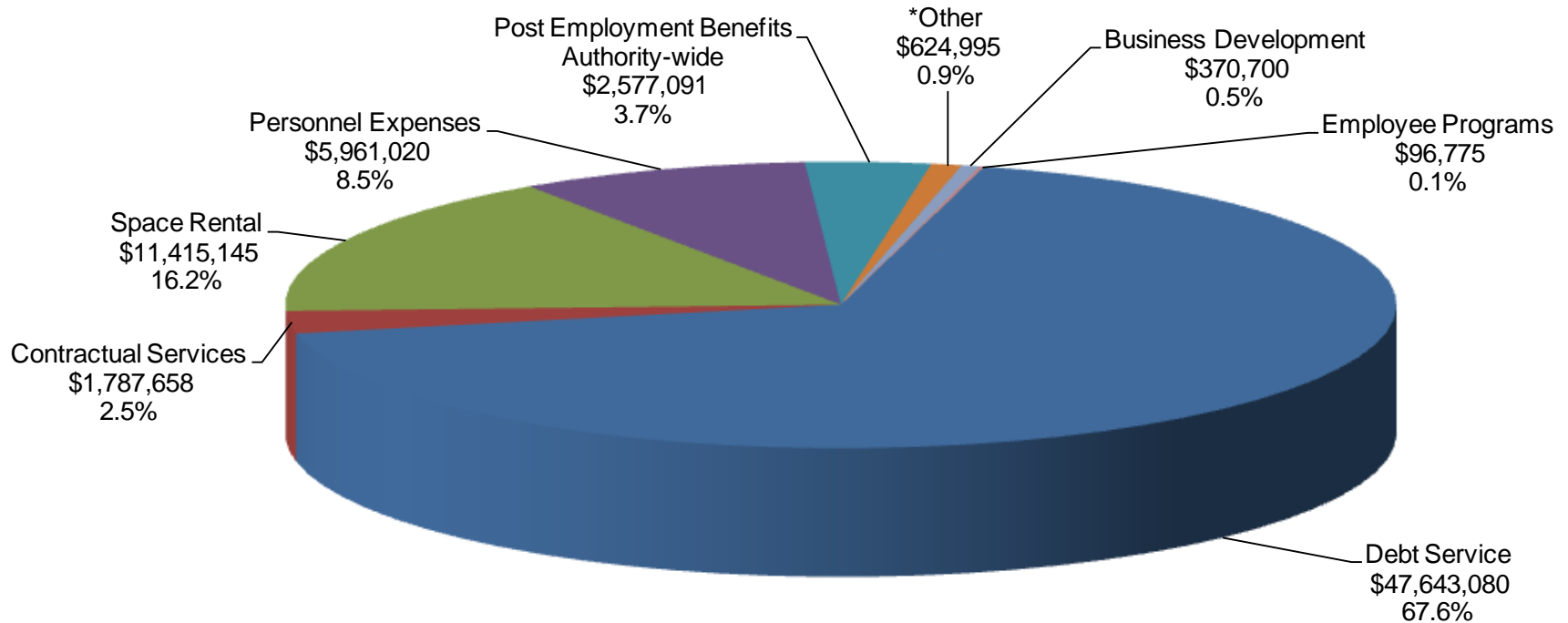
## FY 2013 Expense Summary by Department



**Total FY 2013 Proposed Finance Division Budget is \$70.5 M**

# Finance Division Overview

## FY 2013 Expense Summary by Major Expense Category

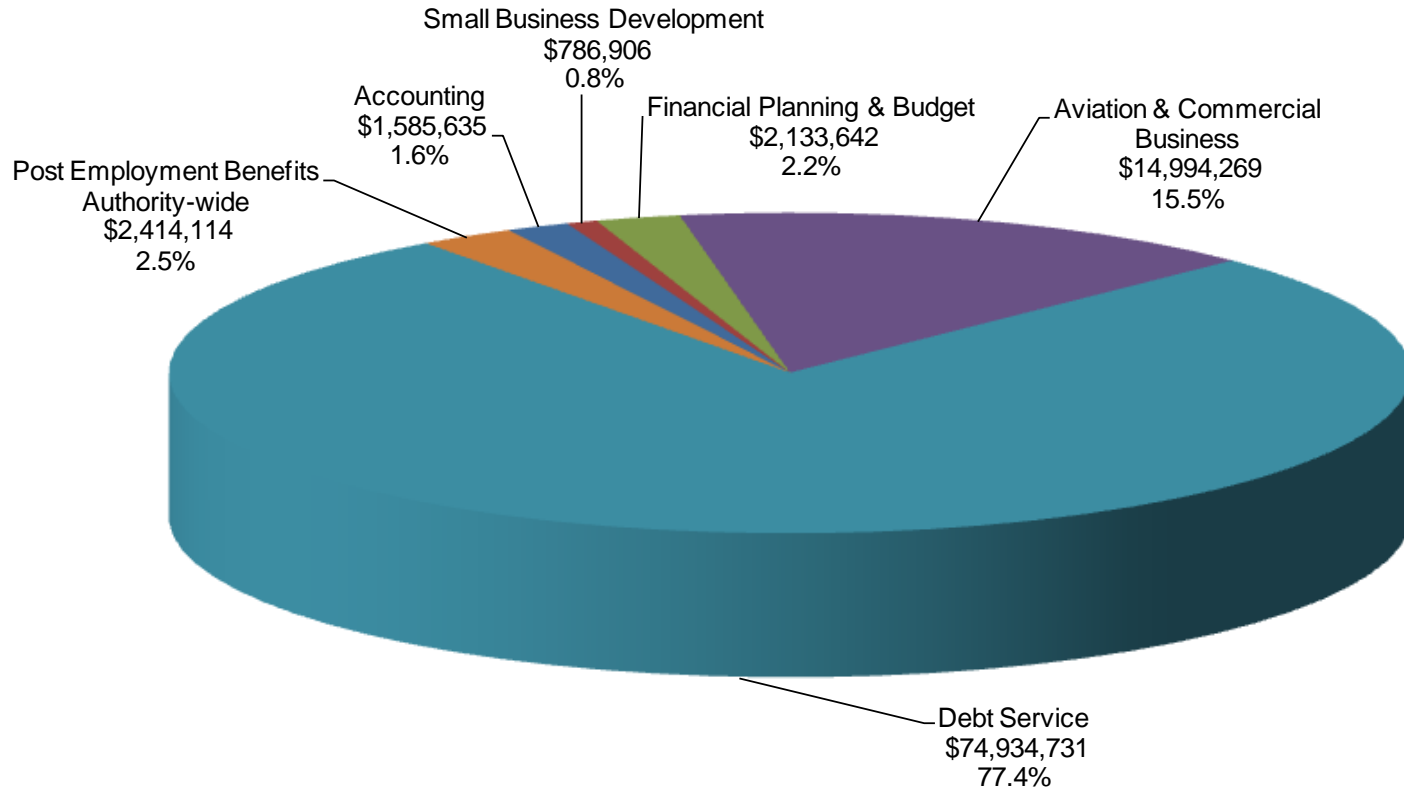


\*Other includes utilities, maintenance, operating equipment & systems, operating supplies, equipment rentals and repairs

**Total FY 2013 Proposed Finance Division Budget is \$70.5M**

# Finance Division Overview

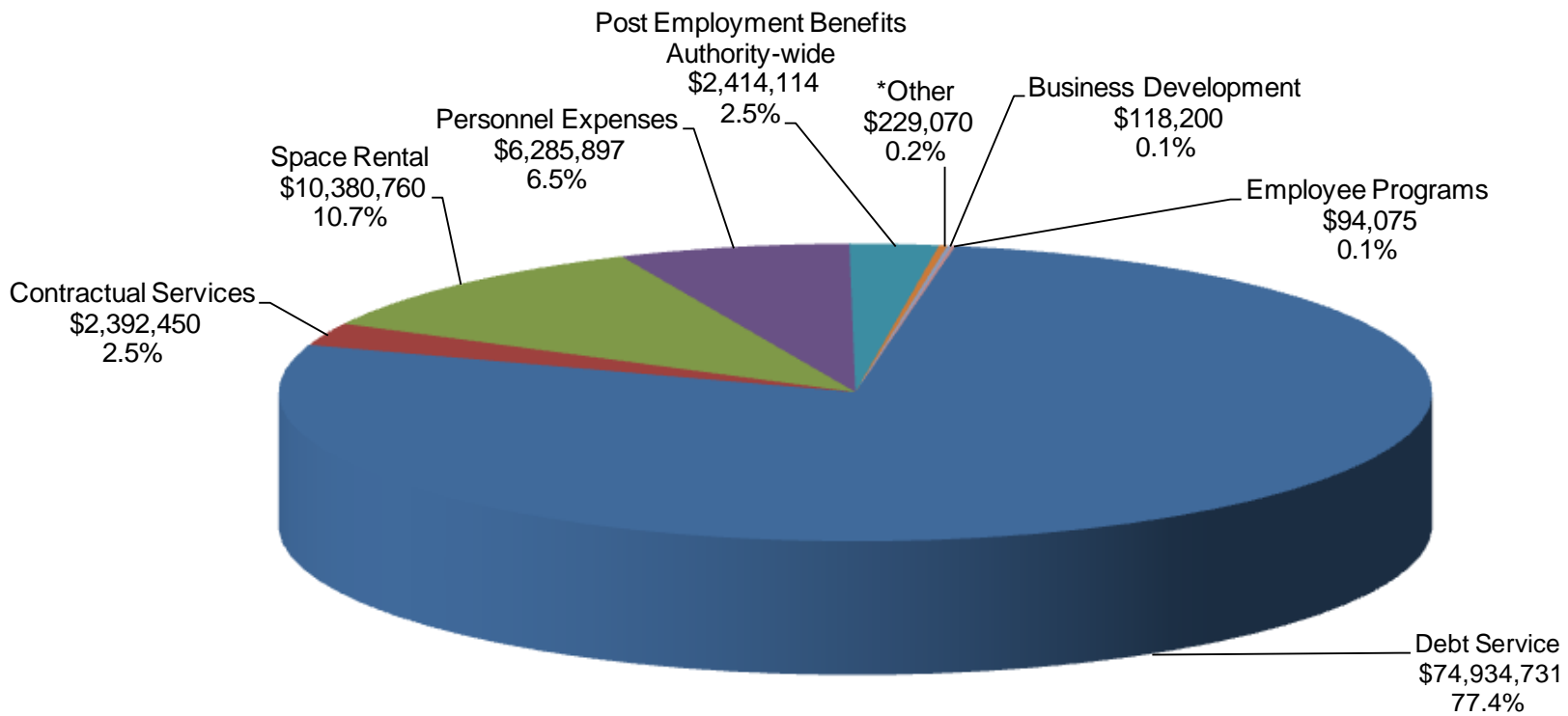
## FY 2014 Expense Summary by Department



**Total FY 2014 Proposed Conceptual Finance Division Budget is \$96.8 M**

# Finance Division Overview

## FY 2014 Expense Summary by Major Expense Category



\*Other includes utilities, maintenance, operating equipment & systems, operating supplies

**Total FY 2014 Proposed Conceptual Finance Division Budget is \$96.8 M**





# Finance Division

## Expense Summary by Category

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed vs FY13 Proposed	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 3,567,728	\$ 4,076,440	\$ 4,228,658	\$ 4,293,839	\$ 217,399	5.3%	\$ 65,181	1.5%	\$ 4,406,566	\$ 112,726	2.6%
Premium Overtime	1,912	7,568	7,568	-	(7,568)	-100.0%	(7,568)	-100.0%	-	-	0.0%
Employee Benefits	1,636,095	1,878,901	2,012,797	1,785,725	(93,176)	-5.0%	(227,072)	-11.3%	1,879,331	93,606	5.2%
Subtotal	5,205,735	5,962,909	6,249,023	6,079,564	116,655	2.0%	(169,459)	-2.7%	6,285,897	206,333	3.4%
<i>Less: Capitalized Labor</i>	<i>(131,704)</i>	<i>(113,719)</i>	<i>(117,479)</i>	<i>(118,544)</i>	<i>(4,825)</i>	<i>4.2%</i>	<i>(1,065)</i>	<i>0.9%</i>	<i>-</i>	<i>118,544</i>	<i>-100.0%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.0%</i>	<i>-</i>	<i>0.0%</i>	<i>-</i>	<i>-</i>	<i>0.0%</i>
<b>Total Personnel Expenses</b>	<b>5,074,031</b>	<b>5,849,190</b>	<b>6,131,544</b>	<b>5,961,020</b>	<b>111,829</b>	<b>1.9%</b>	<b>(170,524)</b>	<b>-2.8%</b>	<b>6,285,897</b>	<b>324,877</b>	<b>5.5%</b>
<b>Post Employment Benefits Authority-wide</b>	<b>1,713,109</b>	<b>1,795,827</b>	<b>2,056,184</b>	<b>2,577,091</b>	<b>781,263</b>	<b>43.5%</b>	<b>520,907</b>	<b>25.3%</b>	<b>2,414,114</b>	<b>(162,976)</b>	<b>-6.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,237,431	1,217,467	1,844,517	1,787,658	570,191	46.8%	(56,858)	-3.1%	2,392,450	604,792	33.8%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	10,906,405	11,415,145	11,418,271	11,415,145	-	0.0%	(3,126)	0.0%	10,380,760	(1,034,385)	-9.1%
Utilities	1,375	1,800	1,800	1,950	150	8.3%	150	8.3%	1,950	-	0.0%
Maintenance	18,240	18,838	520,401	18,593	(245)	-1.3%	(501,808)	-96.4%	19,070	477	2.6%
Operating Equipment & Systems	16,066	21,000	6,500	12,000	(9,000)	-42.9%	5,500	84.6%	4,500	(7,500)	-62.5%
Operating Supplies	22,627	28,450	28,950	30,260	1,810	6.4%	1,310	4.5%	26,150	(4,110)	-13.6%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	68,286	81,225	84,125	96,775	15,550	19.1%	12,650	15.0%	94,075	(2,700)	-2.8%
Business Development	44,438	240,200	375,100	370,700	130,500	54.3%	(4,400)	-1.2%	118,200	(252,500)	-68.1%
Equipment Rentals & Repairs	58,118	44,892	94,892	562,192	517,300	1152.3%	467,300	492.5%	177,400	(384,792)	-68.4%
<b>Total Non-Personnel Expenses</b>	<b>12,372,986</b>	<b>13,069,017</b>	<b>14,374,556</b>	<b>14,295,273</b>	<b>1,226,256</b>	<b>9.4%</b>	<b>(79,282)</b>	<b>-0.6%</b>	<b>13,214,555</b>	<b>(1,080,718)</b>	<b>-7.6%</b>
<b>Total Operating Expenses</b>	<b>\$ 19,160,126</b>	<b>\$ 20,714,035</b>	<b>\$ 22,562,284</b>	<b>\$ 22,833,384</b>	<b>\$ 2,119,348</b>	<b>10.2%</b>	<b>\$ 271,100</b>	<b>1.2%</b>	<b>\$ 21,914,566</b>	<b>\$ (918,818)</b>	<b>-4.0%</b>
<b>Non-Operating Expenses:</b>											
Debt Service	11,958,130	16,783,084	19,456,639	47,643,080	30,859,996	183.9%	28,186,440	144.9%	74,934,731	27,291,651	57.3%
<b>Total Non-Operating Expenses</b>	<b>11,958,130</b>	<b>16,783,084</b>	<b>19,456,639</b>	<b>47,643,080</b>	<b>30,859,996</b>	<b>183.9%</b>	<b>28,186,440</b>	<b>144.9%</b>	<b>74,934,731</b>	<b>27,291,651</b>	<b>57.3%</b>
<b>Total Expenses</b>	<b>31,118,256</b>	<b>37,497,119</b>	<b>42,018,923</b>	<b>70,476,463</b>	<b>32,979,344</b>	<b>88.0%</b>	<b>28,457,540</b>	<b>67.7%</b>	<b>96,849,297</b>	<b>26,372,834</b>	<b>37.4%</b>
<b>Equipment Outlay</b>	<b>43,548</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>\$ 31,161,804</b>	<b>\$ 37,497,119</b>	<b>\$ 42,018,923</b>	<b>\$ 70,476,463</b>	<b>\$ 32,979,344</b>	<b>88.0%</b>	<b>\$ 28,457,540</b>	<b>67.7%</b>	<b>\$ 96,849,297</b>	<b>\$ 26,372,834</b>	<b>37.4%</b>

	<b>Inc/(Dec) FY13 vs FY12</b>
	<hr/>
<b>FY 2012 Budget / FY 2013 Conceptual</b>	<b>\$ 37,497,119</b>
<b>Personnel costs</b>	
2 unfrozen position (salaries, benefits & employer taxes)	206,867
Salary adjustments and pay-for-performance	63,849
Changes in Capitilized labor costs	(4,825)
Burden (benefits & employer taxes) Decrease for current staff	(154,061)
<b>Total Increase in personnel costs</b>	<hr/> <b>111,829</b>
<b>Post Employment Benefits Authority-wide</b>	<b>781,263</b>
Increase in debt service costs	30,849,414
Central Receiving & Distribution center (CRDC) operator costs	869,108
Increase in airline relocation costs	516,800
Increase in Small Business Development promotional activities costs	149,000
Concession Development Program (CDP) tenant support costs moved to Landside and Facility Maintenance departments	-
Decrease/Increase in auditing services	(110,000)
Decrease in use of outside professional consultants and other services	(173,917)
Other, net	(14,154)
<b>Total Increase in non-personnel costs</b>	<hr/> <b>32,086,252</b>
<b>Total Increase</b>	<hr/> <b>32,979,344</b>
<b>FY 2013 Poposed Budget</b>	<hr/> <b>\$ 70,476,463</b> <hr/>

	<b>Inc/(Dec)</b>
	<b>FY14 Conceptual</b>
	<b>vs FY13</b>
	<hr/>
<b>FY 2013 Proposed Budget</b>	<b>\$ 70,476,463</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	125,770
Changes in Capitalized labor costs	118,544
Burden (benefits & employer taxes) increase for current staff	99,457
1 eliminated position (salaries, benefits, & employer taxes)	(18,895)
<b>Total Increase in personnel costs</b>	<b>324,877</b>
<b>Post Employment Benefits Authority-wide</b>	<b>(162,976)</b>
Increase in debt service costs	27,265,470
Increase in Central Receiving & Distribution Center (CRDC) operator costs	620,792
Decrease in Small Business Development promotional activities costs	(238,000)
Decrease in airline relocation costs	(351,900)
Decrease in space rental costs	(1,034,385)
Other, net	(51,044)
<b>Total Increase in non-personnel costs</b>	<b>26,210,933</b>
<b>Total Increase</b>	<b>26,372,834</b>
<b>FY 2014 Proposed Conceptual Budget</b>	<b>\$ 96,849,297</b>

# Finance Division

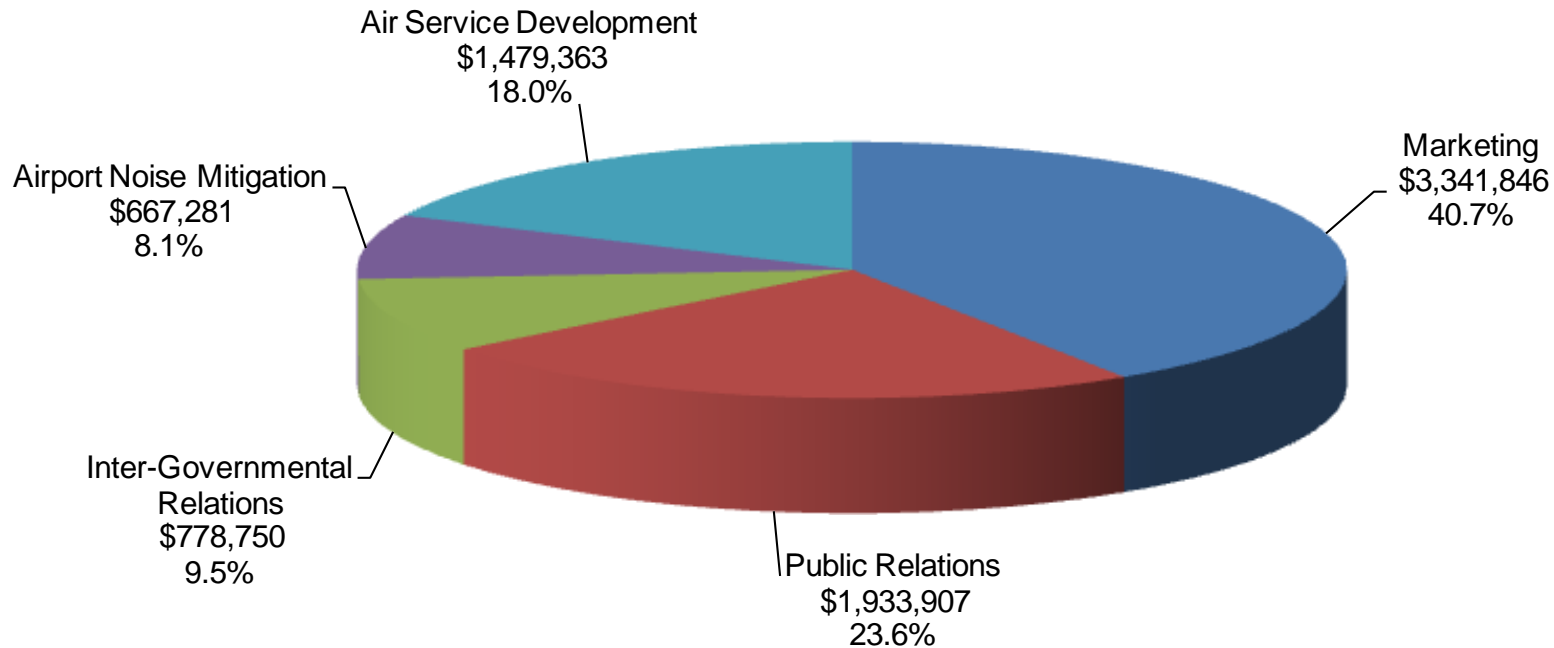
## Debt Service Summary

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget		Inc/(Dec) FY13 Proposed vs FY13 Conceptual		FY2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	
						% Change		% Change			% Change
<b>Debt Service</b>											
Principal on Commercial Paper	745,000	780,000	805,000	805,000	25,000	3.2%	-	0.0%	960,000	155,000	19.3%
Principal on Revenue Bonds	3,980,000	4,410,000	4,610,000	4,610,000	200,000	4.5%	-	0.0%	9,575,000	4,965,000	107.7%
Interest on Revenue Bonds and Commercial Paper *	7,751,189	11,941,814	14,192,511	42,875,729	30,933,915	259.0%	28,683,218	202.1%	64,923,616	22,047,887	51.4%
Fees	333,144	300,812	365,594	354,579	53,767	17.9%	(11,015)	-3.0%	385,913	31,333	8.8%
Amortization of Bond Premium and Cost of Issuance	(851,203)	(649,542)	(516,466)	(1,002,229)	(352,687)	54.3%	(485,763)	94.1%	(909,798)	92,431	-9.2%
<b>Total Debt Service</b>	<b>\$ 11,958,130</b>	<b>\$ 16,783,084</b>	<b>\$ 19,456,639</b>	<b>\$ 47,643,080</b>	<b>\$ 30,859,996</b>	<b>183.9%</b>	<b>\$ 28,186,440</b>	<b>144.9%</b>	<b>\$ 74,934,731</b>	<b>\$ 27,291,651</b>	<b>57.3%</b>

\* Change in Capitalized Interest methodology from accounting to cash basis

# Marketing & Communications Division Overview

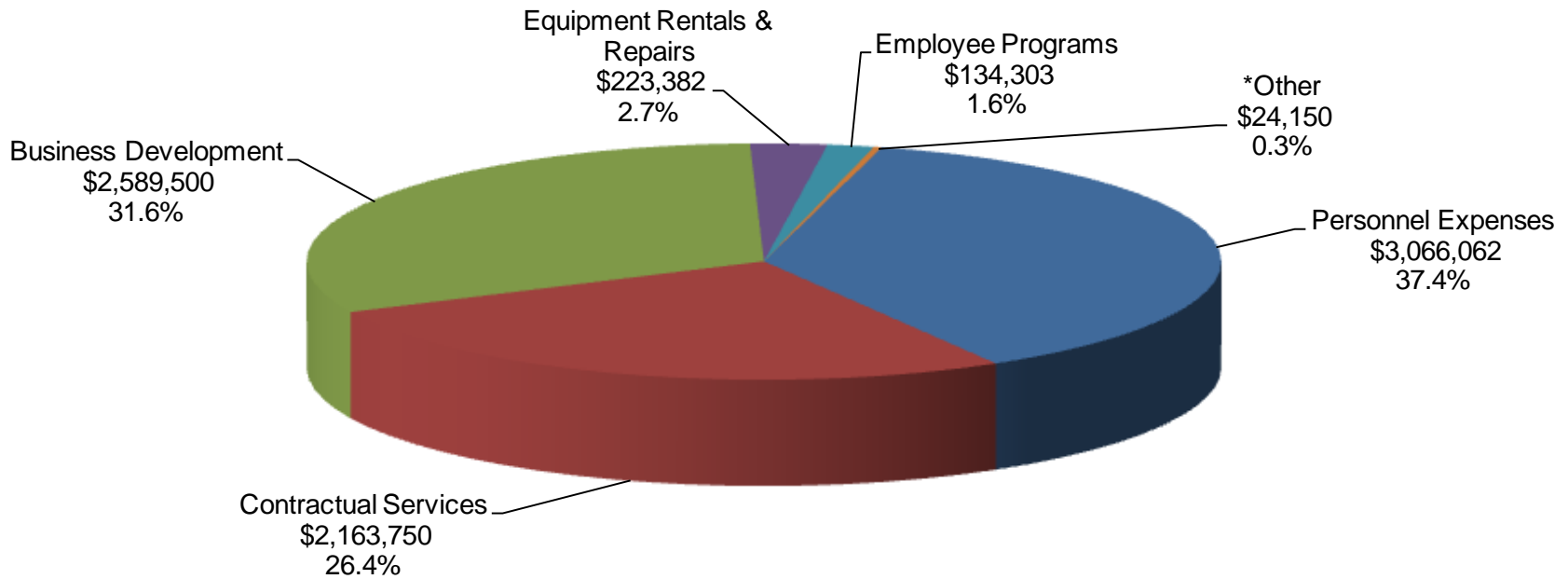
## FY 2013 Expense Summary by Department



**Total FY 2013 Proposed Marketing and Communications Division Budget is \$8.2 M**

# Marketing & Communications Division Overview

## FY 2013 Expense Summary by Major Expense Category

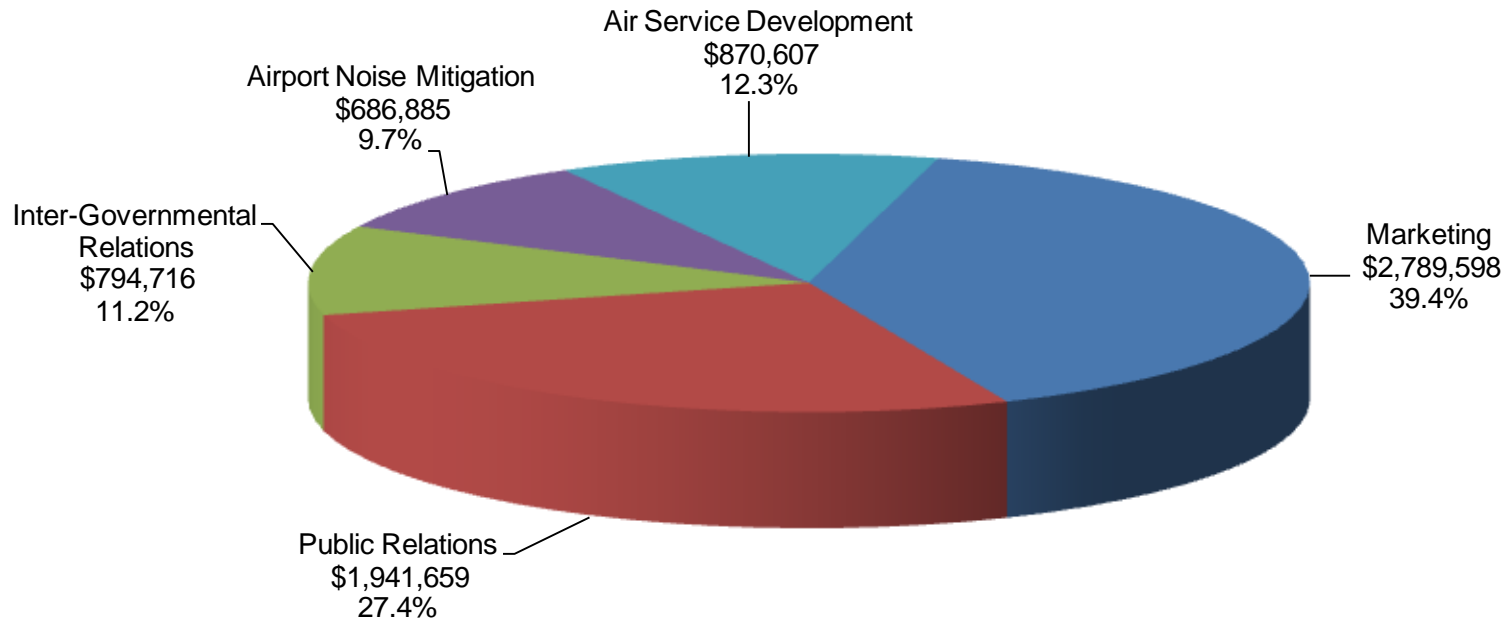


\*Other includes space rental, Utilities, operating equipment & systems, operating supplies, etc.

**Total FY 2013 Proposed Marketing and Communications Division Budget is \$8.2 M**

# Marketing & Communications Division Overview

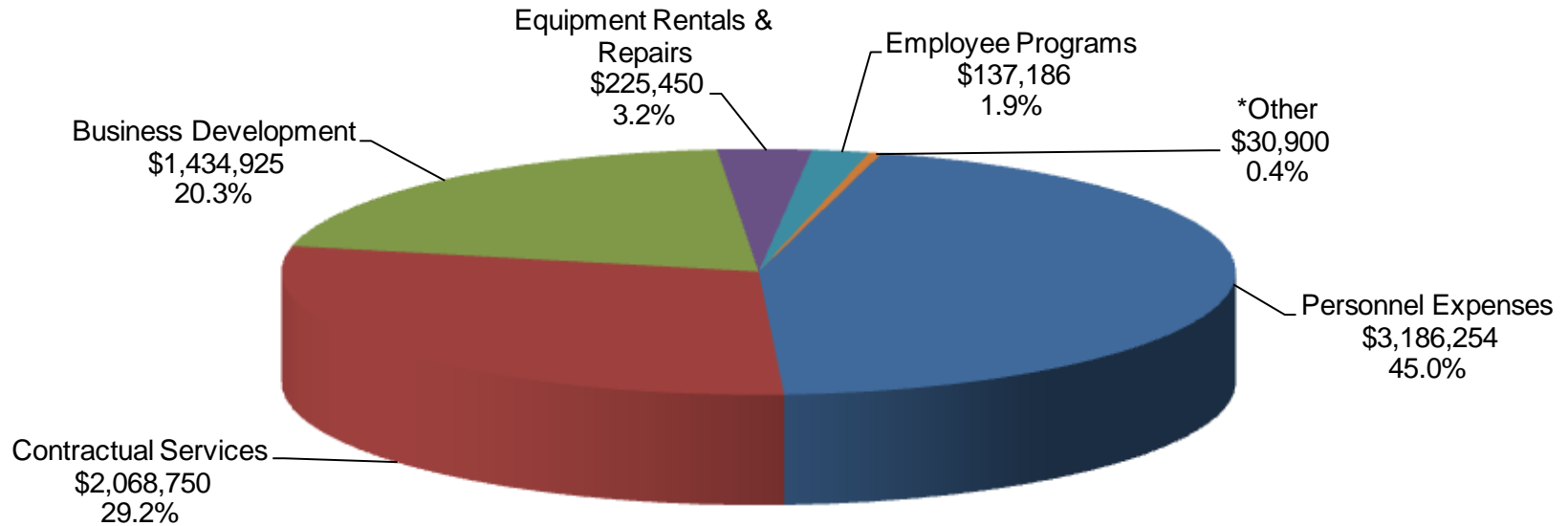
## FY 2014 Expense Summary by Department



**Total FY 2014 Proposed Conceptual Marketing & Communications Division Budget is \$7.1 M**

# Marketing & Communications Division Overview

## FY 2014 Expense Summary by Major Expense Category



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

**Total FY 2014 Proposed Conceptual Marketing and Communications Division Budget is \$7.1 M**





# Marketing & Communications Division

## Expense Summary by Category

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget	% Change	Inc/(Dec) FY13 Proposed vs FY13 Conceptual	% Change	FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 2,163,939	\$ 2,162,356	\$ 2,221,046	\$ 2,180,640	\$ 18,284	0.8%	\$ (40,407)	-1.8%	\$ 2,245,699	\$ 65,059	3.0%
Premium Overtime	11,379	12,500	27,500	-	(12,500)	-100.0%	(27,500)	-100.0%	-	-	0.0%
Employee Benefits	962,210	984,717	1,053,899	885,422	(99,295)	-10.1%	(168,477)	-16.0%	940,556	55,133	6.2%
Subtotal	3,137,528	3,159,573	3,302,446	3,066,062	(93,511)	-3.0%	(236,384)	-7.2%	3,186,254	120,193	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>3,137,528</b>	<b>3,159,573</b>	<b>3,302,446</b>	<b>3,066,062</b>	<b>(93,511)</b>	<b>-3.0%</b>	<b>(236,384)</b>	<b>-7.2%</b>	<b>3,186,254</b>	<b>120,193</b>	<b>3.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	2,149,227	2,389,800	2,449,800	2,163,750	(226,050)	-9.5%	(286,050)	-11.7%	2,068,750	(95,000)	-4.4%
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	40	750	750	750	-	0.0%	-	0.0%	750	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	22,524	6,600	6,600	6,600	-	0.0%	-	0.0%	11,600	5,000	75.8%
Operating Supplies	12,215	16,000	16,000	15,600	(400)	-2.5%	(400)	-2.5%	17,350	1,750	11.2%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	112,243	144,686	146,886	134,303	(10,383)	-7.2%	(12,583)	-8.6%	137,186	2,883	2.1%
Business Development	1,708,204	1,572,105	2,020,880	2,589,500	1,017,395	64.7%	568,620	28.1%	1,434,925	(1,154,575)	-44.6%
Equipment Rentals & Repairs	166,545	202,050	223,550	223,382	21,332	10.6%	(168)	-0.1%	225,450	2,068	0.9%
<b>Total Non-Personnel Expenses</b>	<b>4,170,999</b>	<b>4,333,191</b>	<b>4,865,666</b>	<b>5,135,085</b>	<b>801,894</b>	<b>18.5%</b>	<b>269,419</b>	<b>5.5%</b>	<b>3,897,211</b>	<b>(1,237,874)</b>	<b>-24.1%</b>
<b>Total Operating Expenses</b>	<b>\$ 7,308,527</b>	<b>\$ 7,492,764</b>	<b>\$ 8,168,112</b>	<b>\$ 8,201,147</b>	<b>\$ 708,383</b>	<b>9.5%</b>	<b>\$ 33,035</b>	<b>0.4%</b>	<b>\$ 7,083,465</b>	<b>\$ (1,117,681)</b>	<b>-13.6%</b>
<b>Total Non-Operating Expenses</b>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Expenses</b>	<b>7,308,527</b>	<b>7,492,764</b>	<b>8,168,112</b>	<b>8,201,147</b>	<b>708,383</b>	<b>9.5%</b>	<b>33,035</b>	<b>0.4%</b>	<b>7,083,465</b>	<b>(1,117,681)</b>	<b>-13.6%</b>
<b>Equipment Outlay</b>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 7,308,527</b>	<b>\$ 7,492,764</b>	<b>\$ 8,168,112</b>	<b>\$ 8,201,147</b>	<b>\$ 708,383</b>	<b>9.5%</b>	<b>\$ 33,035</b>	<b>0.4%</b>	<b>\$ 7,083,465</b>	<b>\$ (1,117,681)</b>	<b>-13.6%</b>



# Marketing & Communications Division

## Major Drivers

	<b>Inc/(Dec)</b> <b>FY13 vs</b> <b>FY12</b>
<b>FY 2012 Budget</b>	<b>\$ 7,492,764</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	5,783
Burden (benefits & employer taxes) Decrease for current staff	(99,294)
<b>Total Decrease in personnel costs</b>	<b>(93,511)</b>
Increase in Green Build marketing and promotion costs	650,000
Increase in domestic & international air service marketing costs	265,000
Increase in use of outside professional consultants	132,250
Increase in miscellaneous promotional activities & materials costs	115,500
Increase in marketing costs	91,500
Customer relations expenses transfer to Landside department	(495,505)
Other, net	43,149
<b>Total Increase in non personnel costs</b>	<b>801,894</b>
<b>Total Increase</b>	<b>708,383</b>
<b>FY 2013 Proposed Budget</b>	<b>\$ 8,201,147</b>



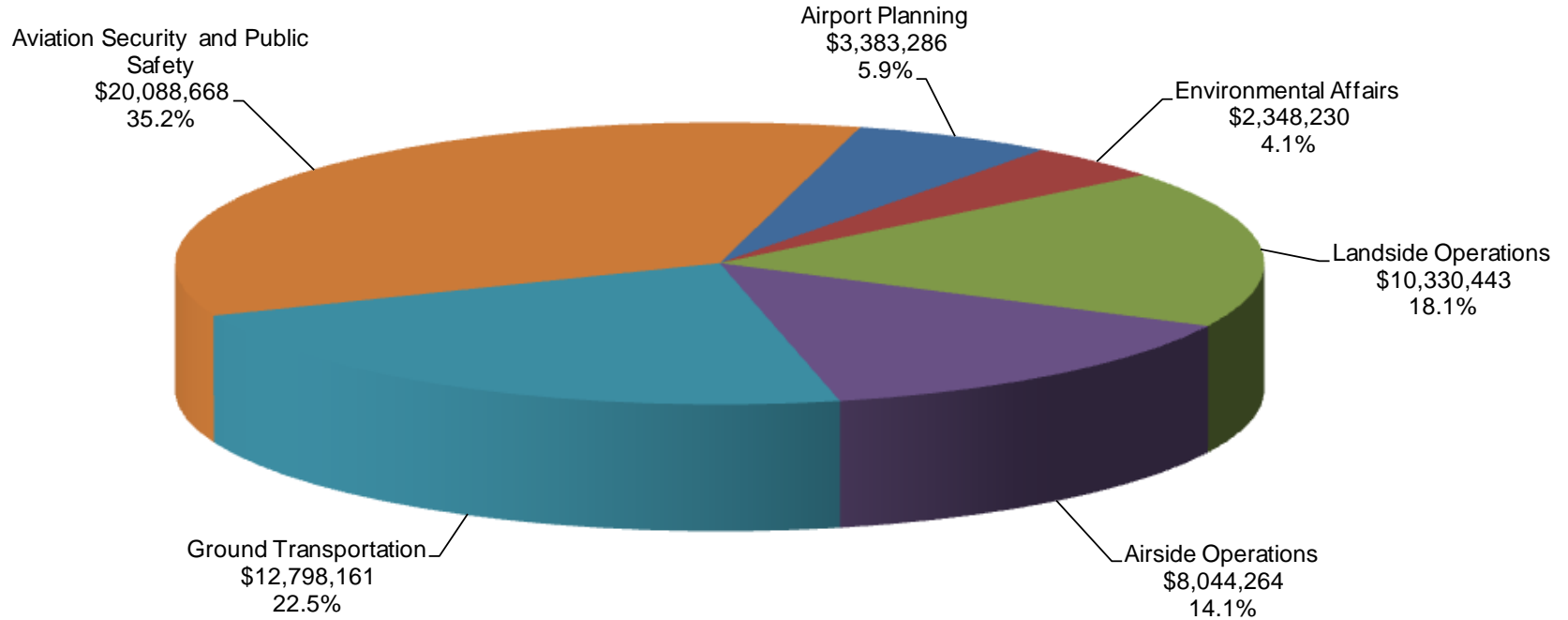
# Marketing & Communications Division

## Major Drivers

	<b>Inc/(Dec)</b> <b>FY13 Conceptual</b> <b>vs FY12</b>
<b>FY 2013 Proposed Budget</b>	<b>\$ 8,201,147</b>
<b>Personnel costs</b>	
Salary adjustments and pay-for-performance	65,059
Burden (benefits & employer taxes) increase for current staff	55,133
<b>Total Increase in personnel costs</b>	<b>120,193</b>
Decrease in marketing costs	(95,000)
Decrease in use of outside professional consultants	(95,000)
Decrease in miscellaneous promotional activities & materials costs	(145,000)
Decrease in Green Build marketing and promotion costs	(350,000)
Decrease in domestic & international air service marketing costs	(565,000)
Other, net	12,126
<b>Total Decrease in non personnel costs</b>	<b>(1,237,874)</b>
<b>Total Decrease</b>	<b>(1,117,681)</b>
<b>FY 2014 Proposed Conceptual Budget</b>	<b>\$ 7,083,465</b>

# Planning & Operations Division Overview

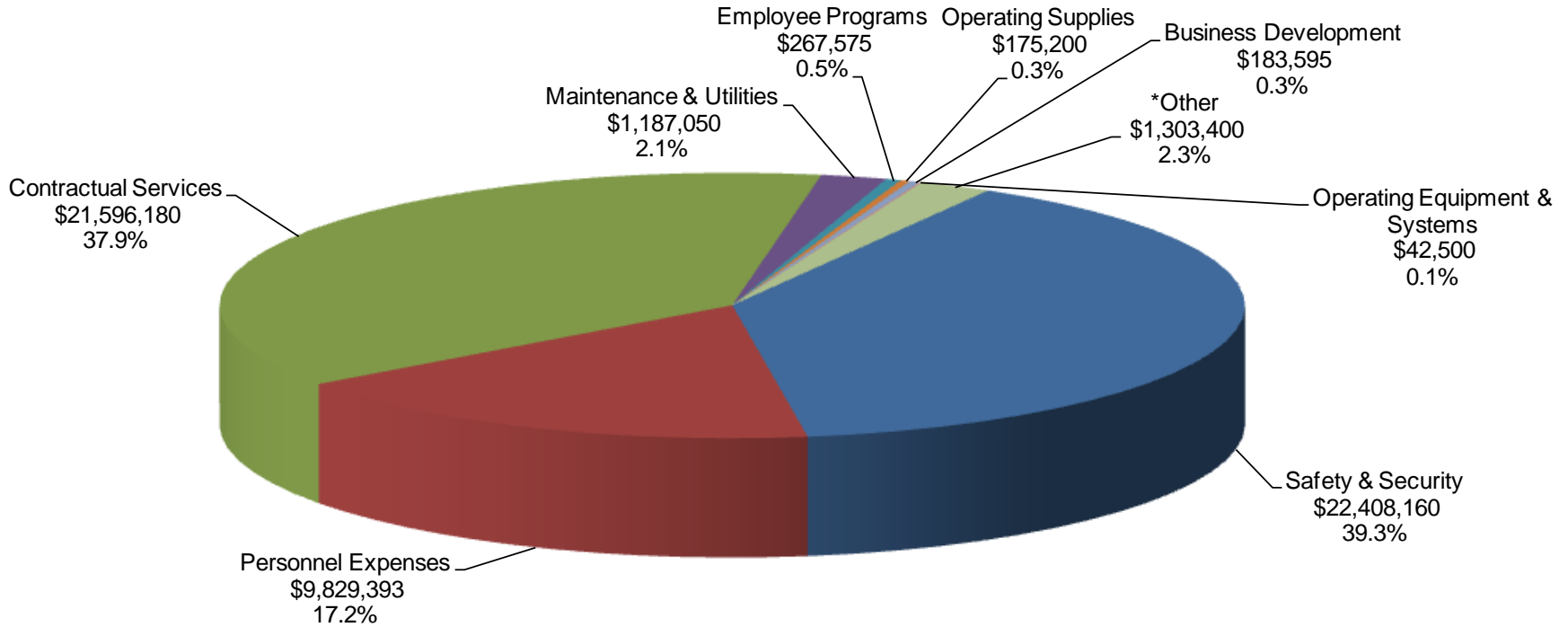
FY 2013 Expense Summary by Department



**Total FY 2013 Proposed Planning and Operations Division Budget is \$57.0 M**

# Planning & Operations Division Overview

## FY 2013 Expense Summary by Major Expense Category

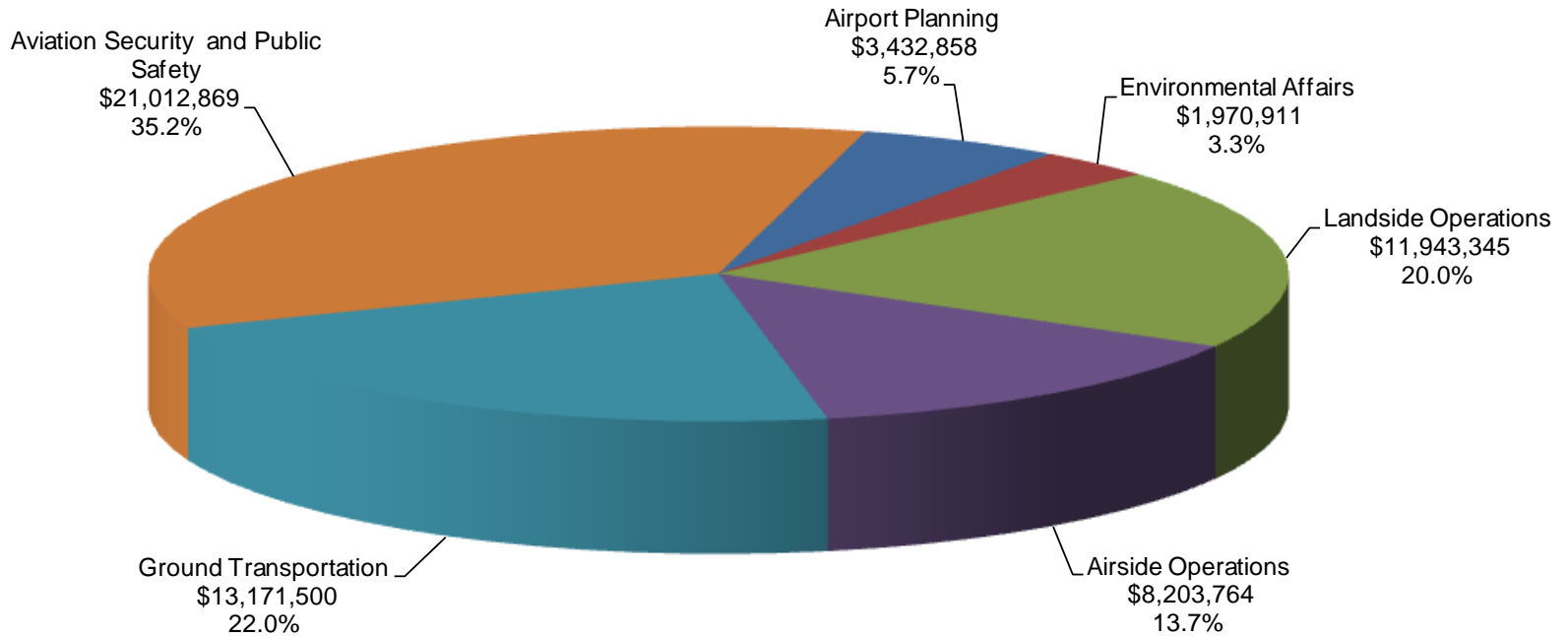


\*Other includes equipment rentals & repairs and equipment outlays

**Total FY 2013 Proposed Planning and Operations Division Budget is \$57.0 M**

# Planning & Operations Division Overview

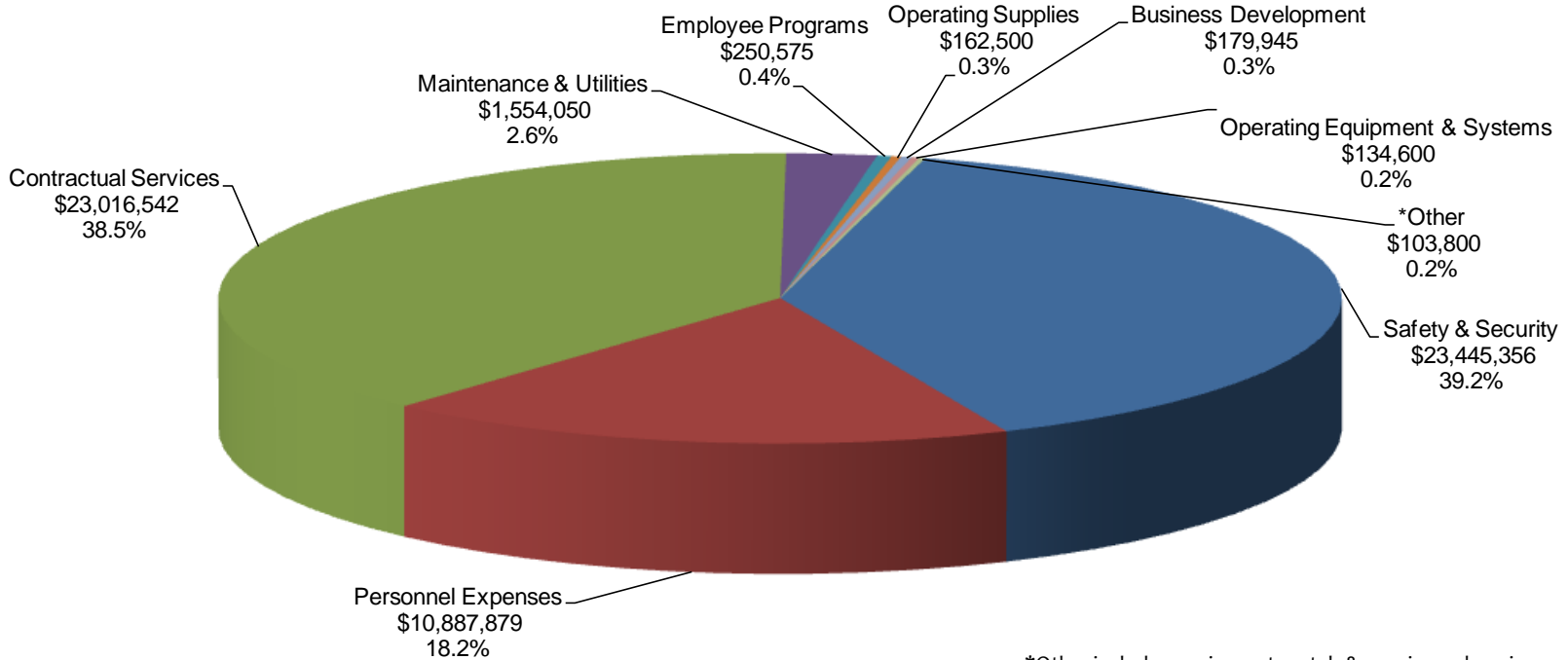
FY 2014 Expense Summary by Department



**Total FY 2014 Proposed Conceptual Planning and Operations Division Budget is \$59.7 M**

# Planning & Operations Division Overview

## FY 2014 Expense Summary by Major Expense Category



\*Other includes equipment rentals & repairs and equipment outlays

**Total FY 2014 Proposed Conceptual Planning and Operations  
Division Budget is \$59.7 M**



# Planning & Operations Division

## Expense Summary by Category

	FY 2011 Actuals	FY 2012 Budget	FY 2013 Conceptual Budget	FY 2013 Proposed Budget	Inc/(Dec) FY13 Proposed vs FY12 Budget		Inc/(Dec) FY13 Proposed vs FY13 Conceptual		FY 2014 Proposed Conceptual Budget	Inc/(Dec) FY14 Proposed Conceptual vs FY13 Proposed		
						% Change		% Change			% Change	
<b>Operating Expenses:</b>												
<b>Personnel Expenses</b>												
Salaries and Wages	\$ 6,635,569	\$ 6,509,805	\$ 6,781,154	\$ 6,808,575	\$ 298,769	4.6%	\$ 27,421	0.4%	\$ 7,206,395	\$ 397,821	5.8%	
Premium Overtime	235,583	212,483	212,483	205,000	(7,483)	-3.5%	(7,483)	-3.5%	155,000	(50,000)	-24.4%	
Employee Benefits	3,385,251	3,430,232	3,718,085	3,190,136	(240,095)	-7.0%	(527,949)	-14.2%	3,526,484	336,347	10.5%	
Subtotal	10,256,404	10,152,520	10,711,722	10,203,711	51,191	0.5%	(508,011)	-4.7%	10,887,879	684,168	6.7%	
Less: Capitalized Labor	(287,516)	(371,028)	(384,550)	(374,318)	(3,290)	0.9%	10,232	-2.7%	-	374,318	-100.0%	
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
<b>Total Personnel Expenses</b>	<b>9,968,887</b>	<b>9,781,492</b>	<b>10,327,172</b>	<b>9,829,393</b>	<b>47,901</b>	<b>0.5%</b>	<b>(497,779)</b>	<b>-4.8%</b>	<b>10,887,879</b>	<b>1,058,486</b>	<b>10.8%</b>	
<b>Non-Personnel Expenses</b>												
Contractual Services	19,287,526	19,366,709	20,030,023	21,596,180	2,229,471	11.5%	1,566,157	7.8%	23,016,542	1,420,362	6.6%	
Safety and Security	21,343,967	20,850,032	20,850,032	22,408,160	1,558,128	7.5%	1,558,128	7.5%	23,445,356	1,037,196	4.6%	
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Utilities	3,090	1,000	1,000	1,500	500	50.0%	500	50.0%	1,500	-	0.0%	
Maintenance	1,441,012	1,320,856	1,320,856	1,185,550	(135,306)	-10.2%	(135,306)	-10.2%	1,552,550	367,000	31.0%	
Operating Equipment & Systems	177,078	90,500	114,800	141,400	50,900	56.2%	26,600	23.2%	103,800	(37,600)	-26.6%	
Operating Supplies	180,511	140,140	163,140	175,200	35,060	25.0%	12,060	7.4%	162,500	(12,700)	-7.2%	
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%	
Employee Programs	222,760	221,525	221,525	267,575	46,050	20.8%	46,050	20.8%	250,575	(17,000)	-6.4%	
Business Development	100,585	119,765	94,765	183,595	63,830	53.3%	88,830	93.7%	179,945	(3,650)	-2.0%	
Equipment Rentals & Repairs	52,322	43,000	43,000	42,500	(500)	-1.2%	(500)	-1.2%	134,600	92,100	216.7%	
<b>Total Non-Personnel Expenses</b>	<b>42,808,852</b>	<b>42,153,527</b>	<b>42,839,141</b>	<b>46,001,660</b>	<b>3,848,133</b>	<b>9.1%</b>	<b>3,162,519</b>	<b>7.4%</b>	<b>48,847,368</b>	<b>2,845,708</b>	<b>6.2%</b>	
<b>Total Operating Expenses</b>	<b>\$ 52,777,739</b>	<b>\$ 51,935,019</b>	<b>\$ 53,166,312</b>	<b>\$ 55,831,052</b>	<b>\$ 3,896,033</b>	<b>7.5%</b>	<b>\$ 2,664,740</b>	<b>5.0%</b>	<b>\$ 59,735,247</b>	<b>\$ 3,904,194</b>	<b>7.0%</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>52,777,739</b>	<b>51,935,019</b>	<b>53,166,312</b>	<b>55,831,052</b>	<b>3,896,033</b>	<b>7.5%</b>	<b>2,664,740</b>	<b>5.0%</b>	<b>59,735,247</b>	<b>3,904,194</b>	<b>7.0%</b>	
Equipment Outlay	305,173	-	-	1,162,000	1,162,000	0.0%	1,162,000	0.0%	-	(1,162,000)	-100.0%	
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 53,082,912</b>	<b>\$ 51,935,019</b>	<b>\$ 53,166,312</b>	<b>\$ 56,993,052</b>	<b>\$ 5,058,033</b>	<b>9.7%</b>	<b>\$ 3,826,740</b>	<b>7.2%</b>	<b>\$ 59,735,247</b>	<b>\$ 2,742,194</b>	<b>4.8%</b>	





# Planning & Operations Division

## Major Drivers

	Inc/(Dec) FY13 vs FY12
<b>FY 2012 Budget</b>	<b>\$ 51,935,019</b>
<b>Personnel costs</b>	
Salary adjustments, contracted wage increases and pay-for-performance	171,576
1 New Code Compliance Officer position (salaries, benefits & employer taxes)	83,733
Change in capitalized labor	(3,290)
Burden (benefits & employer taxes) decrease for current staff	(293,739)
<b>Total Increase in personnel costs</b>	<b>47,901</b>
Increase in Harbor Police costs	1,350,670
Increase in equipment outlay	1,162,000
Increase in Airport custodial contract (due to Green Build, Concession Development Program, and general activity)	892,947
Increase in other outside professional services	553,659
Customer Relations costs transferred from Public Relations department	450,301
Increase in Ramp Control Facility professional services costs	245,600
Alternative Fuel Vehicle incentive costs	188,094
Increase in Aircraft Rescue Fire Fight (ARFF) contract costs	150,678
Increase in waste removal costs	150,000
Decrease parking and shuttle operations	(141,492)
Other, net	7,675
<b>Total Increase in non-personnel costs</b>	<b>5,010,132</b>
<b>Total Increase</b>	<b>5,058,033</b>
<b>FY 2013 Poposed Budget</b>	<b>\$ 56,993,052</b>



# Planning & Operations Division

## Major Drivers

	<b>Inc/(Dec) FY14 Conceptual vs FY13</b>
<b>FY 2013 Proposed Budget</b>	<b>\$ 56,993,052</b>
<b>Personnel costs</b>	
Change in capitalized labor	374,318
4 New ATO positions (salaries, benefits & employer taxes)	263,770
Burden (benefits & employer taxes) increase for current staff	241,105
Salary adjustments, contracted wage increases and pay-for-performance	179,293
<b>Total Increase in personnel costs</b>	<b>1,058,486</b>
Increase in Airport custodial contract (due to Green Build, Concession Development Program and general activity)	876,370
Increase parking and shuttle operations	614,359
Increase in guard services	472,100
Increase in Ramp Control Facility professional services costs	423,363
Increase in Access Control system maintenance	417,000
Increase in Harbor Police costs	387,400
Decrease in other professional services	(494,500)
Decrease in equipment outlay	(1,162,000)
Other, net	149,617
<b>Total Increase in non-personnel costs</b>	<b>1,683,708</b>
<b>Total Increase</b>	<b>2,742,194</b>
<b>FY 2014 Proposed Conceptual Budget</b>	<b>\$ 59,735,247</b>

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An aerial photograph of an airport construction site, showing various buildings, roads, and construction equipment. The image is slightly faded to serve as a background for the text.

# **Proposed Capital Improvement Program FY 2013 – FY 2017**

# Capital Budget Summary

FY 2012 Capital Improvement Program	\$ 569,882,393
FY 2012 Project Closeouts	(14,266,636)
FY 2012 Project Cancellations	(4,295,714)
FY 2012 Project Adjustments	(472,190)
FY 2012 Capital Improvement Program Balance	<u>550,847,853</u>
Proposed New Projects	45,235,790
The Green Build	864,612,668
Proposed FY 2013 Capital Improvement Program	<u><u>\$ 1,460,696,311</u></u>

# Proposed FY 2013-2017 Capital Projects

<u>Project</u>	<u>Est. Cost</u>
1) Remote Noise Monitoring Terminal Pole Replacement	\$ 477 K
2) Earthquake Fault Study for North Side & TDY Properties	1.5 M
3) FBO Demolition and Site Remediation	3.5 M
4) Relocate Blast Fence, Triturators (2) & VSR Gates	5.5 M
5) Rehabilitate Cross Taxiway B8 and Terminal Aprons	8.5 M
6) Construct Taxiway C Hold Apron	10.0 M
7) Rehabilitate Cross Taxiways (B4-B7, C3-C6) and Commuter Terminal Apron	12.3 M
8) SDIA Airport Development Plan (Budget increase) *	1.5 M
9) Capital Project Allowance	<u>2.0 M</u>
<b>Total</b>	<b>\$ 45.2 M</b>

\* Budget increase to FY 2012 approved CIP project

# Capital Improvement Program

## FY 2013 – FY 2017 Capital Improvement Program

	Pre FY2013	FY2013	FY2014	FY2015	FY2016	FY2017	Total
<b>AIRSIDE</b>	\$ 5,893,189	\$ 7,714,674	\$ 11,223,071	\$ 9,824,700	\$ 10,558,628	\$ 70,655,622	\$ 115,869,884
<b>TERMINAL</b>	22,255,500	48,254,668	9,422,368	4,264,340	3,741,453	321,623	88,259,952
<b>LANDSIDE</b>	18,134,301	98,782,568	93,475,146	126,183,867	49,177,925	-	385,753,807
<b>ADMINISTRATIVE</b>	751,119	1,322,298	1,463,607	843,499	1,819,477	-	6,200,000
<b>THE GREEN BUILD</b>	482,901,142	273,855,504	107,856,022	-	-	-	864,612,668
<b>TOTAL</b>	\$ 529,935,251	\$ 429,929,712	\$ 223,440,214	\$ 141,116,406	\$ 65,297,483	\$ 70,977,245	\$1,460,696,311



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An aerial photograph of the San Diego International Airport terminal building under construction. The building is a large, curved structure with a yellow facade and a circular roof. The surrounding area includes parking lots, roads, and other airport infrastructure. The image is overlaid with a semi-transparent white box containing the title text.

# **Plan of Finance**

## **FY 2013 – FY 2017**



## Uses of Funds by Location

### Total Use of Funds by Location

Pre FY2013 - FY 2017

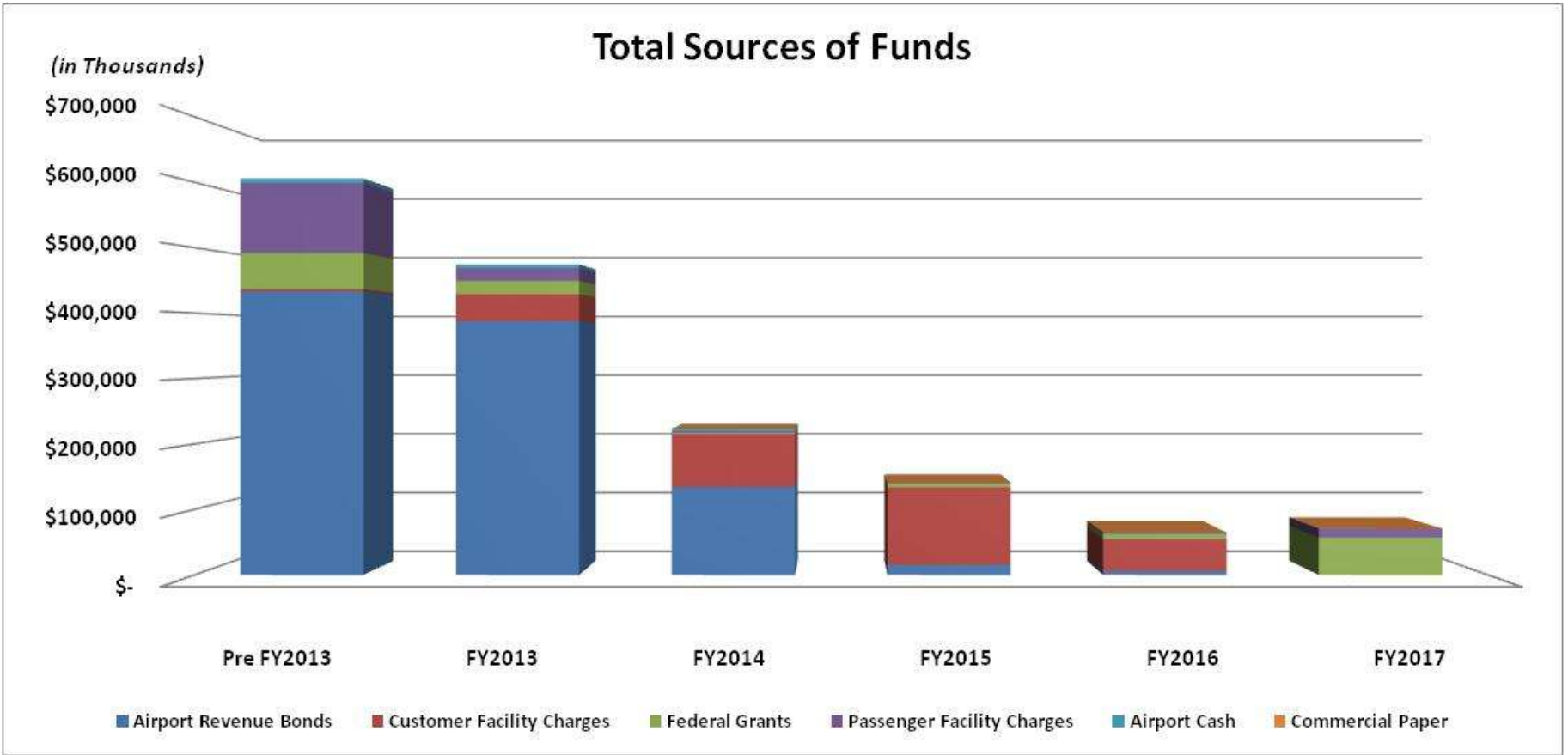
(in thousands)

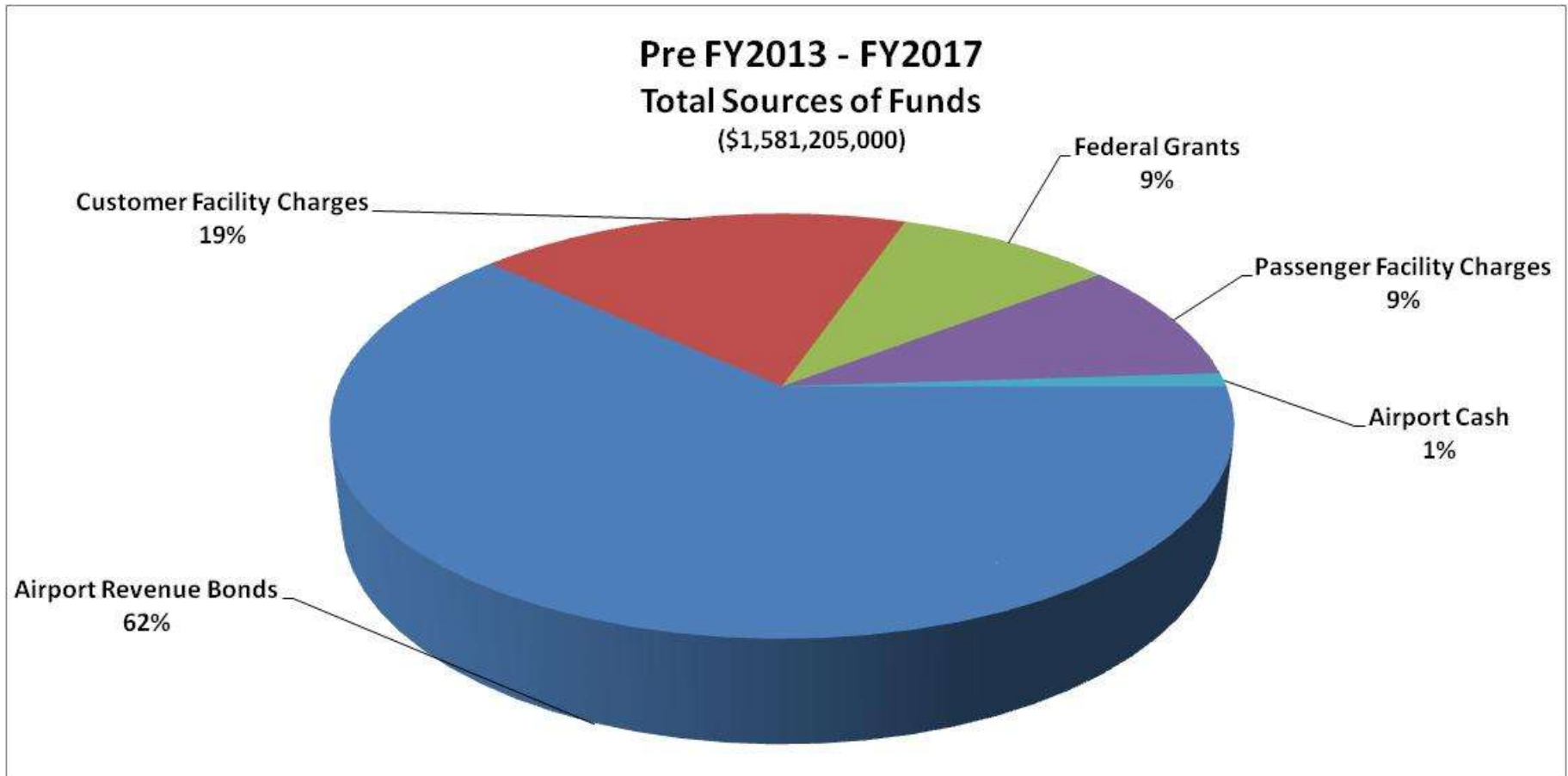
<u>Location</u>	<u>Green Build / TDP</u>	<u>CIP</u>	<u>Total</u>
Terminal	\$ 550,322	\$ 88,260	\$ 638,582
Landside	236,483	385,754	622,237
Airside	77,808	115,870	193,678
Admin	-	6,200	6,200
Finance Costs	99,594	20,915	120,509
<b>Total</b>	<b>\$ 964,206</b>	<b>\$ 616,999</b>	<b>\$ 1,581,205</b>

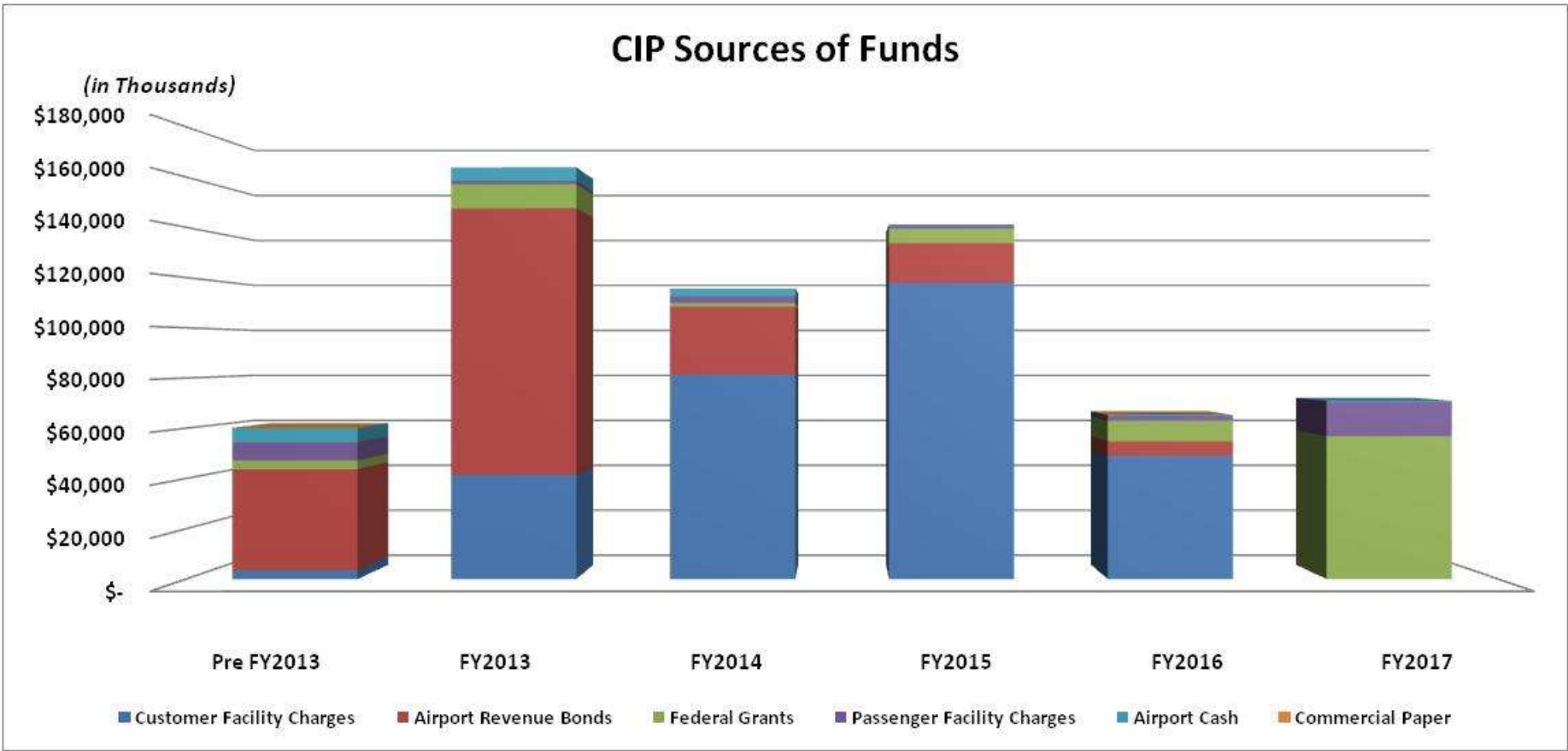
## Uses and Sources of Funds

<i>(in thousands)</i>	<b>Total Use of Funds</b>						
	Pre FY2013	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Green Build / TDP	\$ 482,901	\$ 273,856	\$ 107,856	\$ -	\$ -	\$ -	\$ 864,613
CIP	47,034	156,074	115,584	141,116	65,297	70,977	596,084
Finance Costs	75,891	44,617	-	-	-	-	120,509
<b>Total</b>	<b>\$ 605,827</b>	<b>\$ 474,547</b>	<b>\$ 223,440</b>	<b>\$ 141,116</b>	<b>\$ 65,297</b>	<b>\$ 70,977</b>	<b>\$ 1,581,205</b>

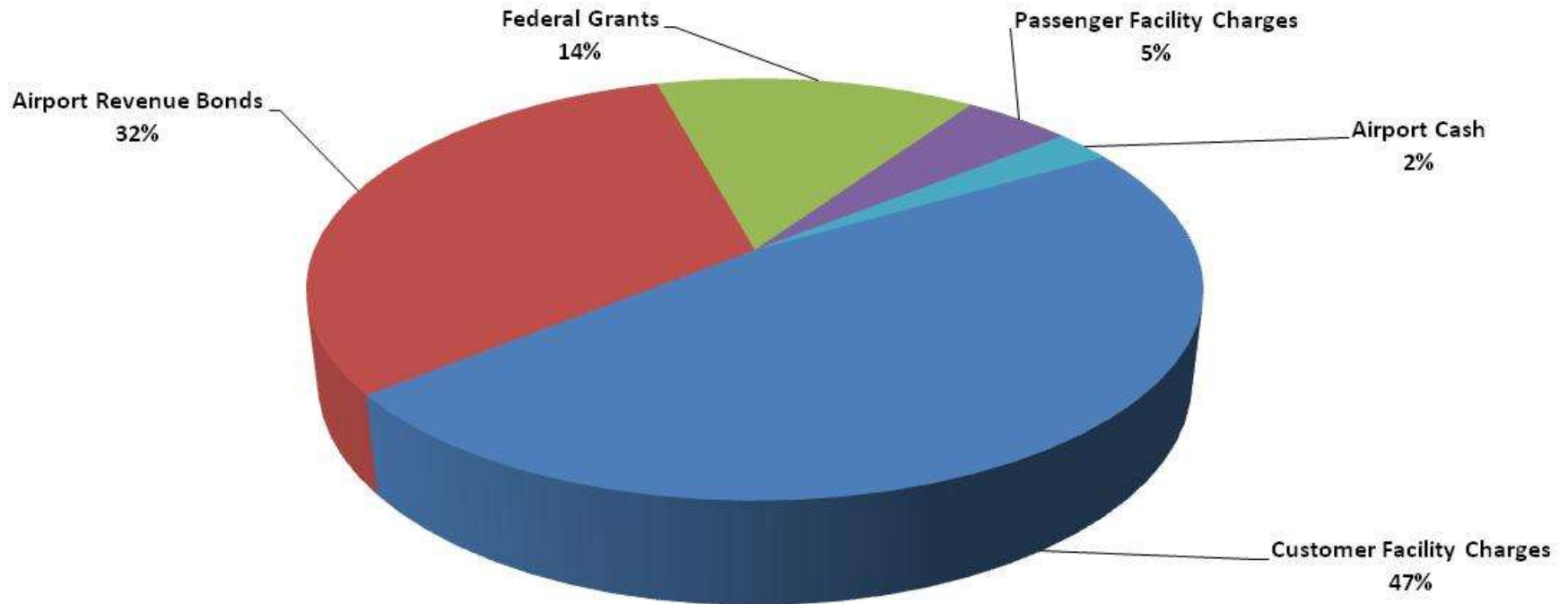
<i>(in thousands)</i>	<b>Total Sources of Funds</b>						
	Pre FY2013	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Airport Revenue Bonds	\$ 432,938	\$ 387,485	\$ 134,523	\$ 15,738	\$ 5,876	\$ -	\$ 976,560
Customer Facility Charges	3,507	41,484	81,252	117,871	48,935	-	293,050
Federal Grants	55,253	20,312	1,373	5,731	8,189	56,941	147,801
Passenger Facility Charges	107,468	19,786	3,067	1,418	1,972	13,714	147,426
Airport Cash	6,660	5,479	3,225	358	325	322	16,368
Commercial Paper	-	-	-	-	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 605,827</b>	<b>\$ 474,547</b>	<b>\$ 223,440</b>	<b>\$ 141,116</b>	<b>\$ 65,297</b>	<b>\$ 70,977</b>	<b>\$ 1,581,205</b>





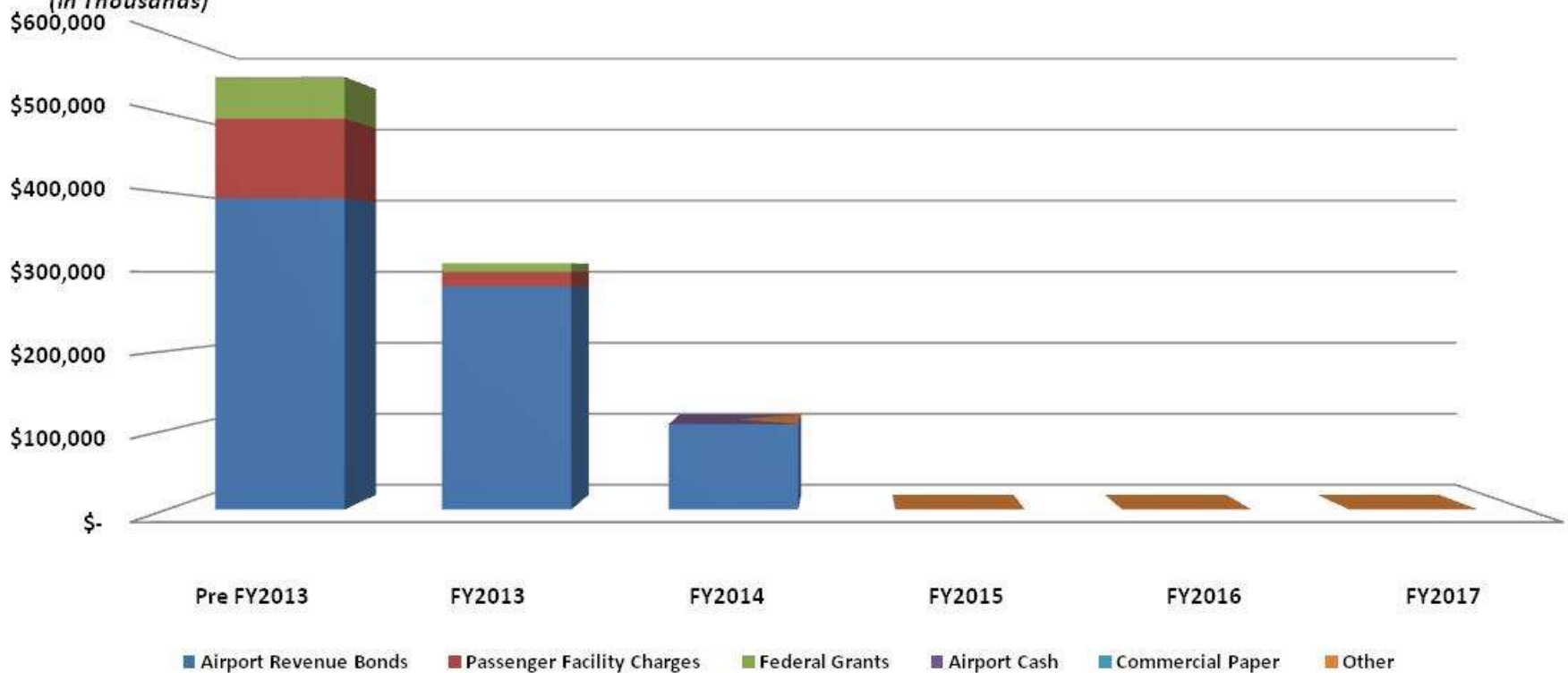


**Pre FY2013 - FY2017**  
**CIP Sources of Funds**  
(\$616,999,000)

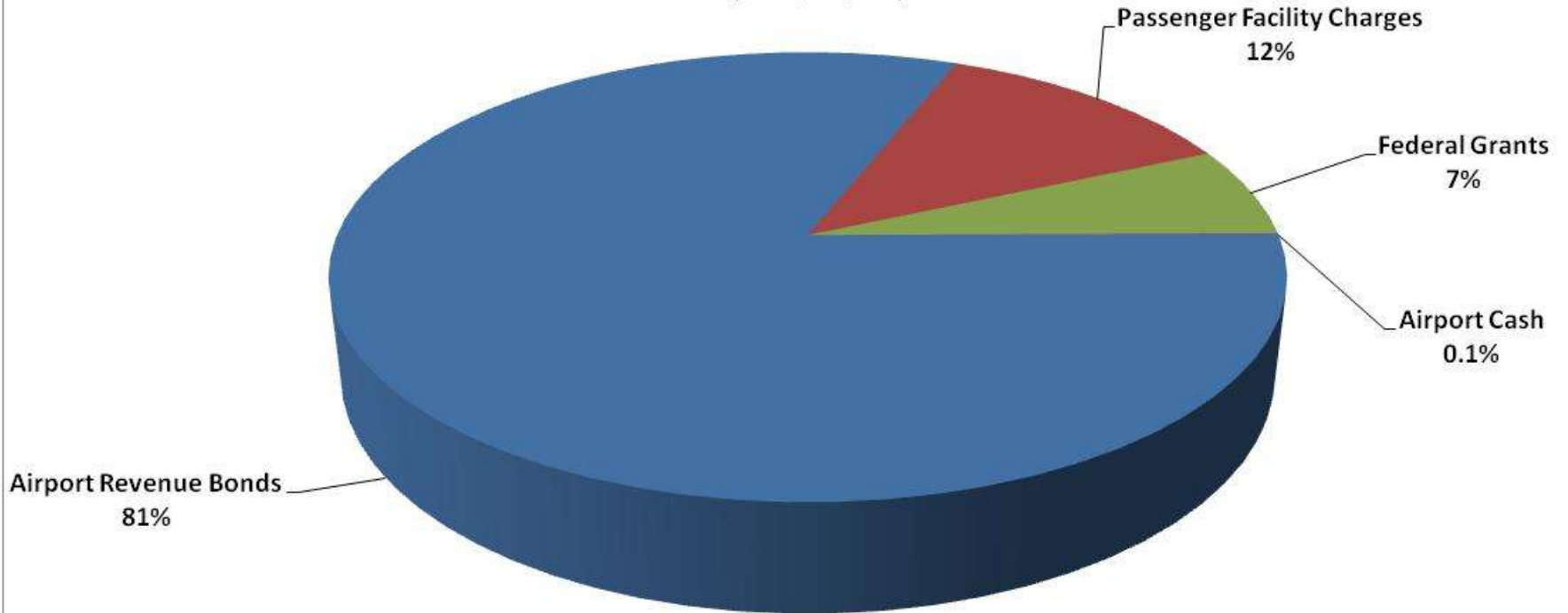


## Green Build / TDP Sources of Funds

(in Thousands)

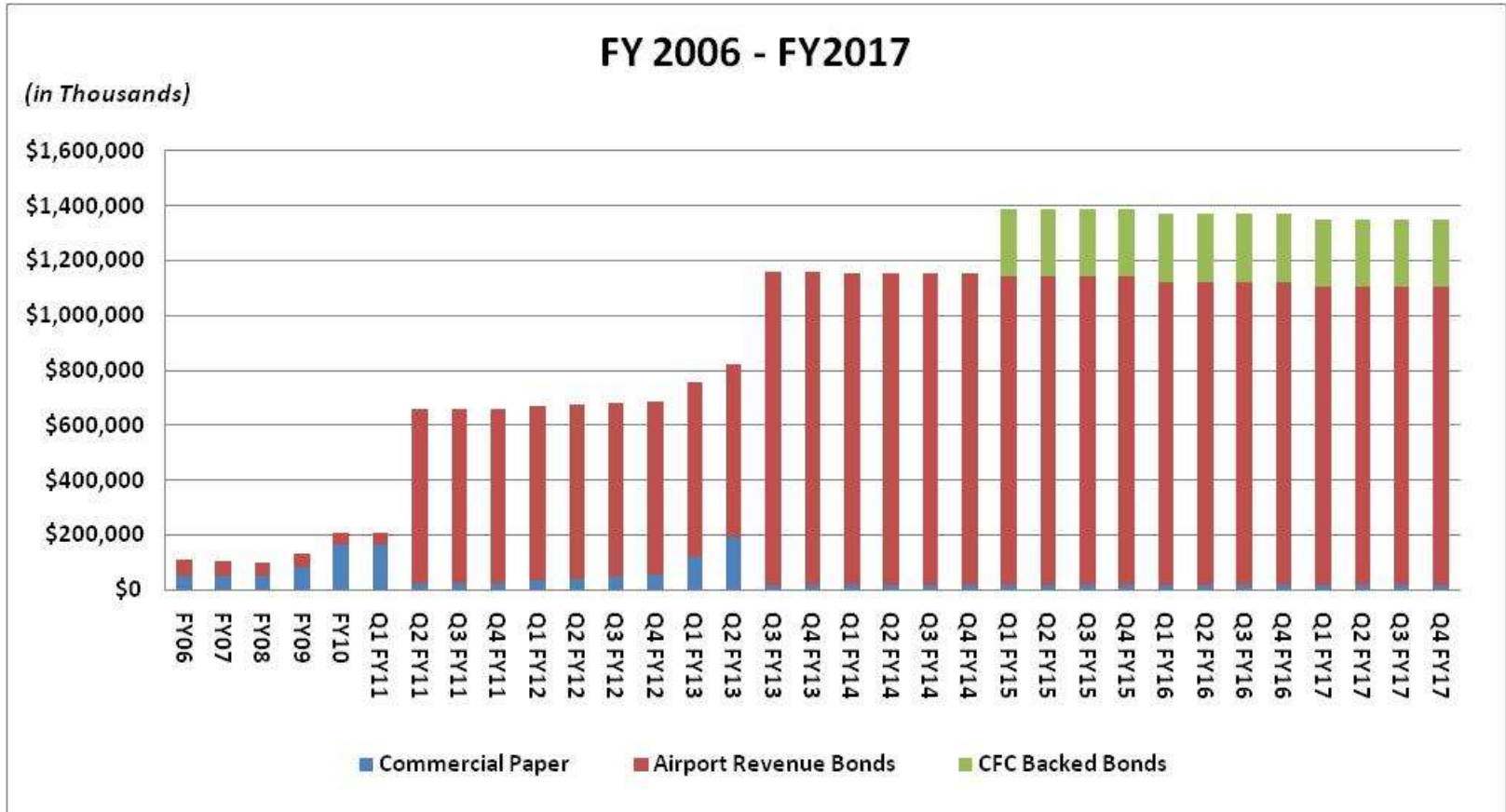


**Pre FY2013 - FY2017**  
**Green Build / TDP Sources of Funds**  
(\$964,206,000)

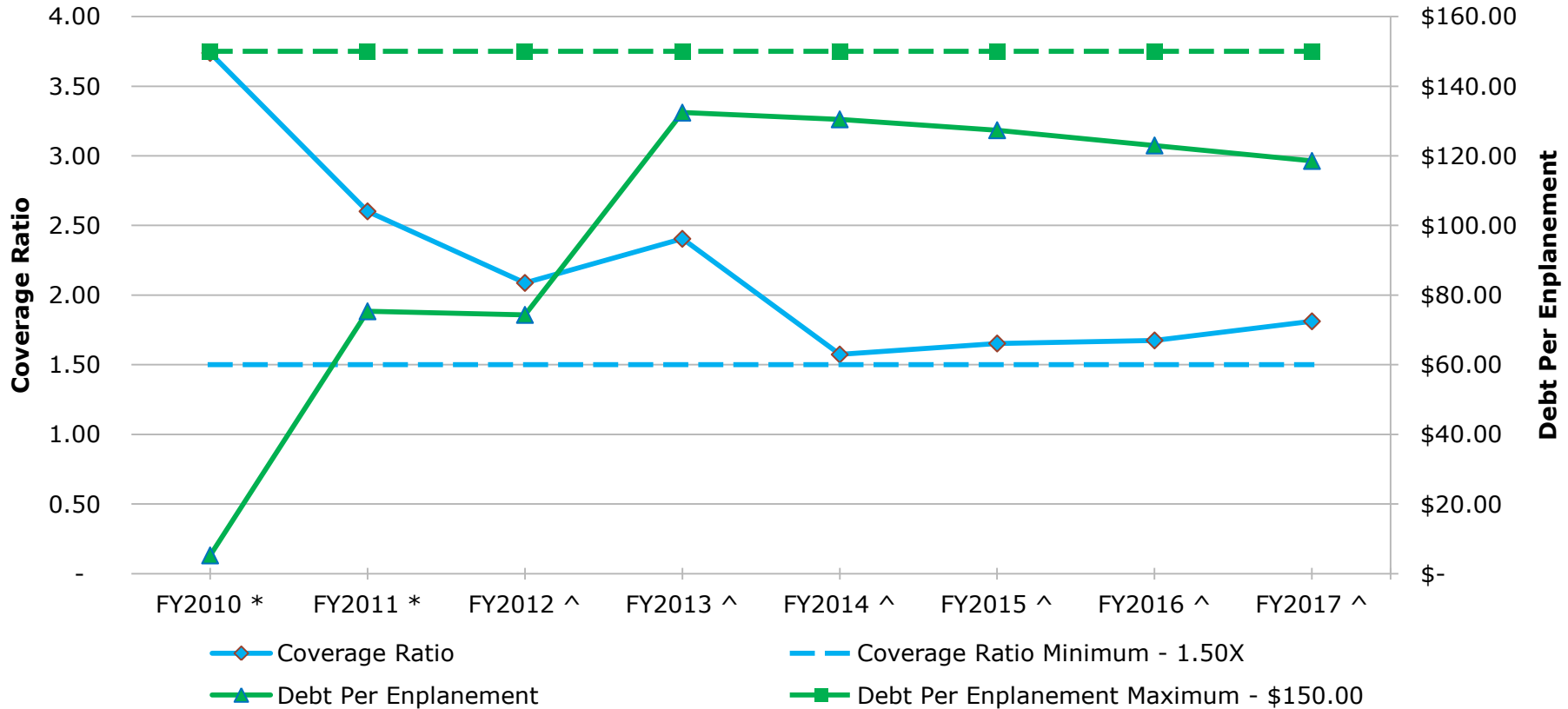




## Aggregate Debt Issuance



## 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>FY2010 *</b>	8,453,886	44,330,000	5.24	3.74
<b>FY2011 *</b>	8,441,120	636,043,572	75.35	2.60
<b>FY2012 ^</b>	8,493,683	631,318,572	74.33	2.09
<b>FY2013 ^</b>	8,606,000	1,139,638,572	132.42	2.40
<b>FY2014 ^</b>	8,692,000	1,134,223,572	130.49	1.57
<b>FY2015 ^</b>	8,822,000	1,123,688,572	127.37	1.65
<b>FY2016 ^</b>	8,999,000	1,106,818,572	122.99	1.67
<b>FY2017 ^</b>	9,188,000	1,089,208,572	118.55	1.81

<sup>1</sup>Goal per Debt Policy is no more than \$150 per enplaned passenger

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

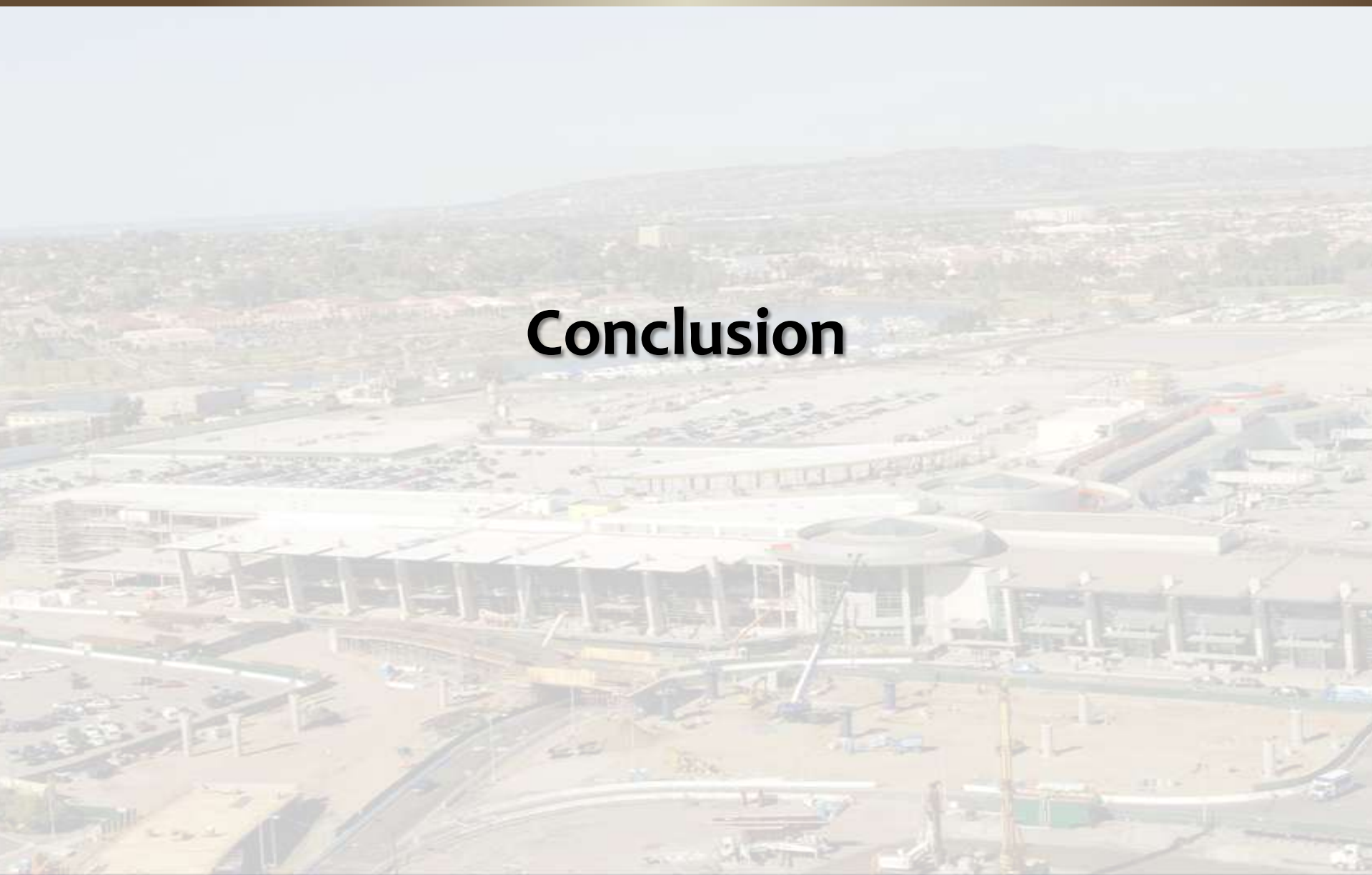
\* Actuals

^ Forecast



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# Conclusion



## SDCRAA FY 2013 Proposed Budget & FY 2014 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



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