

# Revenue Budget Overview



# FY 2016 Proposed – FY 2017 Proposed Conceptual Revenue Budget Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY2016 Proposed Budget	Inc/(Dec) FY16 Proposed vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Proposed	% Change
<b>Operating Revenue:</b>											
<b>Airline Revenue</b>											
Landing Fees	\$ 19,107,258	\$ 23,704,477	\$ 24,403,943	\$ 24,612,835	\$ 908,358	3.8%	\$ 208,892	0.9%	\$ 26,210,325	\$ 1,597,490	6.5%
Aircraft Parking Fees	2,503,181	2,768,087	2,830,215	2,875,302	107,215	3.9%	45,086	1.6%	3,039,706	164,404	5.7%
Building Rentals	47,761,512	49,969,936	52,306,370	53,222,551	3,252,615	6.5%	916,182	1.8%	56,288,056	3,065,504	5.8%
Common Use System Support Charges	1,133,839	1,124,994	1,145,548	1,206,527	81,533	7.2%	60,979	5.3%	1,206,527	-	0.0%
Other Aviation Revenue	1,593,918	1,589,711	1,592,957	1,587,163	(2,548)	-0.2%	(5,794)	-0.4%	1,590,358	3,195	0.2%
Security Surcharge	25,776,517	26,529,900	27,632,400	27,684,810	1,154,910	4.4%	52,410	0.2%	29,219,841	1,535,031	5.5%
<b>Total Airline Revenue</b>	<b>97,876,224</b>	<b>105,687,106</b>	<b>109,911,434</b>	<b>111,189,189</b>	<b>5,502,083</b>	<b>5.2%</b>	<b>1,277,755</b>	<b>1.2%</b>	<b>117,554,814</b>	<b>6,365,625</b>	<b>5.7%</b>
<b>Non-Airline Revenue</b>											
Terminal rent non-Airline	1,157,565	1,500,586	1,569,133	1,428,694	(71,892)	-4.8%	(140,438)	-9.0%	1,442,961	14,266	1.0%
Terminal concessions	18,798,533	19,783,233	19,870,544	21,323,828	1,540,595	7.8%	1,453,284	7.3%	21,746,728	422,899	2.0%
Rental Car License Fees	24,900,830	24,576,100	24,993,700	25,812,269	1,236,169	5.0%	818,569	3.3%	27,411,065	1,598,796	6.2%
License Fees Other	4,070,505	4,146,700	4,217,100	4,475,900	329,200	7.9%	258,800	6.1%	4,551,800	75,900	1.7%
Parking Revenue	36,424,594	38,688,776	39,324,542	38,161,518	(527,258)	-1.4%	(1,163,024)	-3.0%	37,931,821	(229,697)	-0.6%
Ground Transportation Permits and Citations	2,534,428	2,906,414	3,289,603	4,179,037	1,272,624	43.8%	889,435	27.0%	4,571,791	392,753	9.4%
Ground Rentals	8,445,275	11,356,903	14,139,787	13,798,184	2,441,281	21.5%	(341,603)	-2.4%	17,865,342	4,067,158	29.5%
Grant Reimbursements	368,385	292,000	292,000	292,000	-	0.0%	-	0.0%	292,000	-	0.0%
Other Operating Revenue *	1,160,501	469,744	473,200	473,304	3,560	0.8%	104	0.0%	475,118	1,814	0.4%
<b>Total Non-Airline Revenue</b>	<b>97,860,616</b>	<b>103,720,455</b>	<b>108,169,609</b>	<b>109,944,735</b>	<b>6,224,279</b>	<b>6.0%</b>	<b>1,775,126</b>	<b>1.6%</b>	<b>116,288,625</b>	<b>6,343,890</b>	<b>5.8%</b>
<b>Total Operating Revenue</b>	<b>195,736,841</b>	<b>209,407,562</b>	<b>218,081,043</b>	<b>221,133,924</b>	<b>11,726,362</b>	<b>5.6%</b>	<b>3,052,881</b>	<b>1.4%</b>	<b>233,843,439</b>	<b>12,709,515</b>	<b>5.7%</b>
<b>Interest Income</b>	<b>5,210,854</b>	<b>4,707,690</b>	<b>5,165,382</b>	<b>4,724,296</b>	<b>16,606</b>	<b>0.4%</b>	<b>(441,086)</b>	<b>-8.5%</b>	<b>4,922,502</b>	<b>198,206</b>	<b>4.2%</b>
<b>Non-Operating Revenue</b>											
Passenger facility charges	35,769,515	36,614,900	37,237,200	39,261,900	2,647,000	7.2%	2,024,700	5.4%	39,929,000	667,100	1.7%
Customer facility charges (Rental Car Center)	27,545,001	30,350,379	30,866,210	33,070,709	2,720,331	9.0%	2,204,499	7.1%	36,995,921	3,925,212	11.9%
Quieter Home Program	12,373,861	11,804,573	11,627,849	11,627,849	(176,724)	-1.5%	-	0.0%	11,627,849	-	0.0%
BAB Interest Rebate	4,636,215	4,636,215	4,636,215	4,631,219	(4,996)	-0.1%	(4,996)	-0.1%	4,631,219	-	0.0%
Capital grant contributions	3,924,332	9,786,680	7,201,101	11,592,103	1,805,423	18.4%	4,391,002	61.0%	4,610,070	(6,982,033)	-60.2%
Other Nonoperating Revenue	459,050	-	-	-	-	0.0%	-	-	-	-	0.0%
<b>Total Non-Operating Revenue</b>	<b>84,707,974</b>	<b>93,192,747</b>	<b>91,568,575</b>	<b>100,183,780</b>	<b>6,991,033</b>	<b>7.5%</b>	<b>8,615,205</b>	<b>9.4%</b>	<b>97,794,059</b>	<b>(2,389,721)</b>	<b>-2.4%</b>
<b>Total Revenue</b>	<b>\$ 285,655,669</b>	<b>\$ 307,308,000</b>	<b>\$ 314,815,000</b>	<b>\$ 326,042,000</b>	<b>\$ 18,734,000</b>	<b>6.1%</b>	<b>11,227,000</b>	<b>3.6%</b>	<b>\$ 336,560,000</b>	<b>\$ 10,518,000</b>	<b>3.2%</b>

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

# FY 2016 Proposed Budget vs. FY 2015 Budget

## Airline Revenue

Net increase of \$5.5 M in airline revenue primarily reflecting:

■ ■ Increase of \$3.3M in building rentals reflecting:

- Increase in utilities cost
- Increase in debt service
- Increase in amortization for new terminal projects to be funded with cash

■ ■ Increase of \$0.9M in landing fees reflecting:

- Increase in utilities and ARFF costs
- Increase in amortization for new airfield projects to be funded with cash

■ ■ Increase of \$1.2M in security surcharge reflecting:

- Increase in harbor police cost, contract security services and access control maintenance cost
- Increase in security checkpoints rent due to higher terminal rate

# FY 2016 Proposed Budget vs. FY 2015 Budget

## Non-Airline Revenue

### Net increase of \$6.2M in non-airline revenue primarily reflecting:

- Increase of \$2.4M in ground rents revenue primarily due to Rental Car Center opening in January 2016
- Increase of \$1.5M in concession revenue due to higher enplanements, and higher food and beverage and retail revenue from completed concession program
- Increase of \$1.3M in ground transportation permits and citations revenue as a result of increased expenses and the additional revenue of Transportation Network Company (TNC) pilot program costs . These increases are partially offset by increased conversion incentives
- Increase of \$1.2M in rental car license fees revenue due to higher enplanements and rental car center cost recovery
- Increase of \$0.3M in licenses fees other revenue (inflight services and ground handling) due to higher enplanements
- Decrease of \$0.5M in parking revenue due to reductions in transactions caused by five months of parking plaza construction in FY 2016. This decrease is partially offset by higher enplanements and no credit card fees offset

# FY 2016 Proposed Budget vs. FY 2015 Budget

## Interest Income and Non-Operating Revenue

Interest income is flat due to no change in interest rates

Net increase of \$7.0M in non-operating revenue primarily reflecting:

- Increase of \$2.7M in Customer Facility Charges (Rental Car Center fees) primarily due to higher enplanements
- Increase of \$2.6M in Passenger Facility Charges due to higher enplanements
- Decrease of \$0.2M in Quieter Home Program (QHP) revenue due to a reduction in grant contributions (increase in local match requirement)
- Increase of \$1.8M in capital grant contributions due to timing of grant eligible projects

# FY 2017 Proposed Conceptual Budget vs. FY 2016 Proposed Budget

## Airline Revenue

Net increase of \$6.4M in airline revenue primarily reflecting:

▣ Increase of \$3.1M in building rentals reflecting:

- Increase in maintenance, utilities and personnel costs
- Increase in amortization charges for new terminal projects to be funded with cash

▣ Increase of \$1.6M in landing fees reflecting:

- Increase in personnel and ARFF costs
- Increase in amortization for new airfield projects to be funded with cash

▣ Increase of \$1.5M in security surcharge reflecting:

- Increase in harbor police cost, contract security services and access control maintenance cost
- Increase in security checkpoints rent due to higher terminal rate

# FY 2017 Proposed Conceptual Budget vs. FY 2016 Proposed Budget

## Non-Airline Revenue

**Net increase of \$6.3M in non-airline revenue primarily reflecting:**

- Increase of \$4.1M in ground rents revenue primarily due to Rental Car Center full year of operation in FY 2017.
- Increase of \$1.6M in rental car license fees revenue due to higher enplanements and full year of rental car center cost recovery
- Increase of \$0.4M in ground transportation permits and citations revenue primarily due to increased costs relating to ground transportation capital improvements
- Increase of \$0.4M in concession revenue due to higher enplanements
- Decrease of \$0.2M in parking revenue due to reductions in transactions for full year of parking plaza construction in FY 2017. This decrease is partially offset by higher enplanements and rate increase for short term lots

# FY 2017 Proposed Conceptual Budget vs. FY 2016 Proposed Budget

## Interest Income and Non-Operating Revenue

Net increase of \$0.2M in interest revenue due to an increase in the interest rate

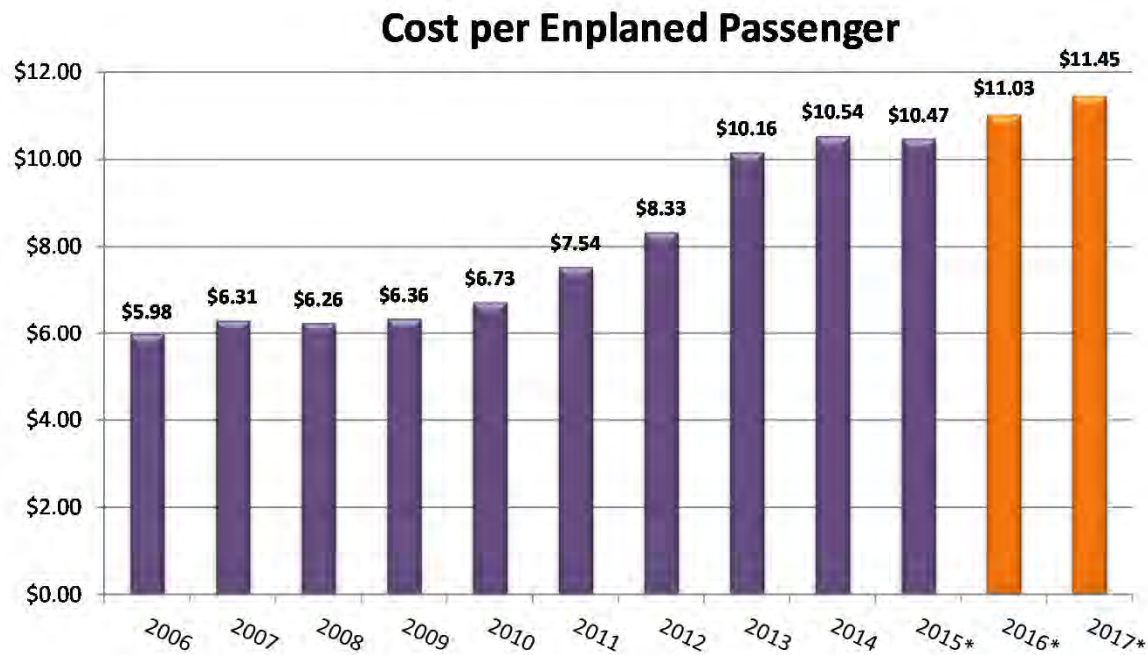
Net decrease of \$2.4M in non-operating revenue primarily reflecting:

- Increase of \$3.9M in Customer Facility Charges (Rental Car Center fees) due to higher enplanements and an increase in the CFC rate from \$7.50 to \$9.00 in January 2017 (6 months in FY 2017)
- Increase of \$0.7M in Passenger Facility Charges due to higher enplanements
- Decrease of \$7.0M in Capital grant contributions due to fewer new grant funded projects



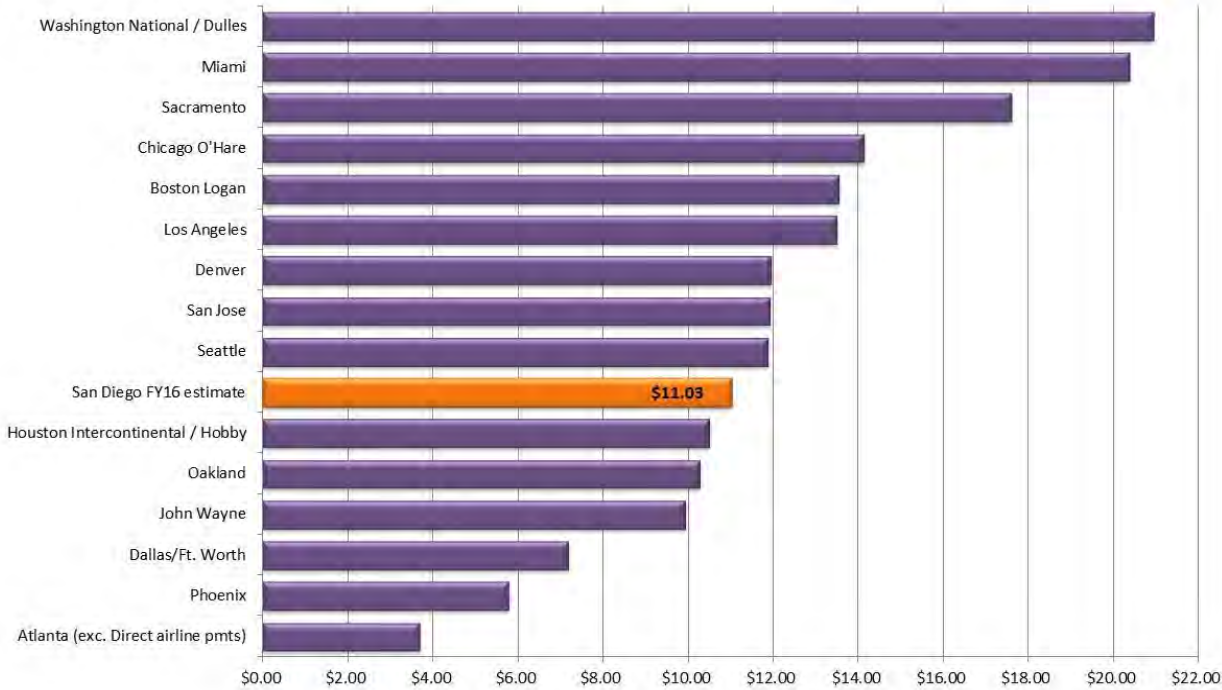
# Airline Cost Per Enplaned Passenger

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



\* Projected FY 2015 and Budgeted FY 2016 & 2017

# Airline Cost Per Enplaned Passenger by Select Airports



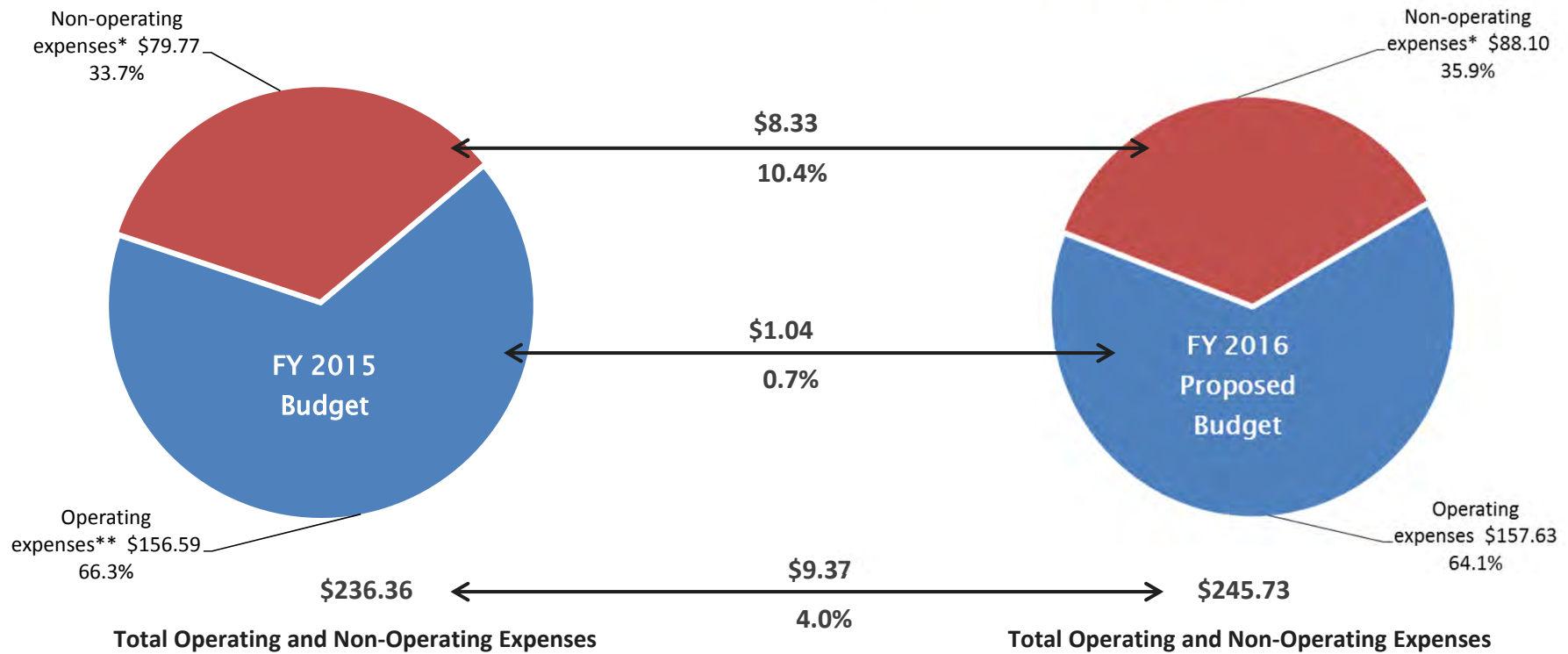
Median (\$11.94) for the above selected Moody's rated airports  
 Source: Moody's Investor Service, MFRA Database, as of April, 2015



# Expense Budget Overview

# FY 2015 Budget vs. FY 2016 Budget Proposed Budget Expense Comparison

(in Millions)

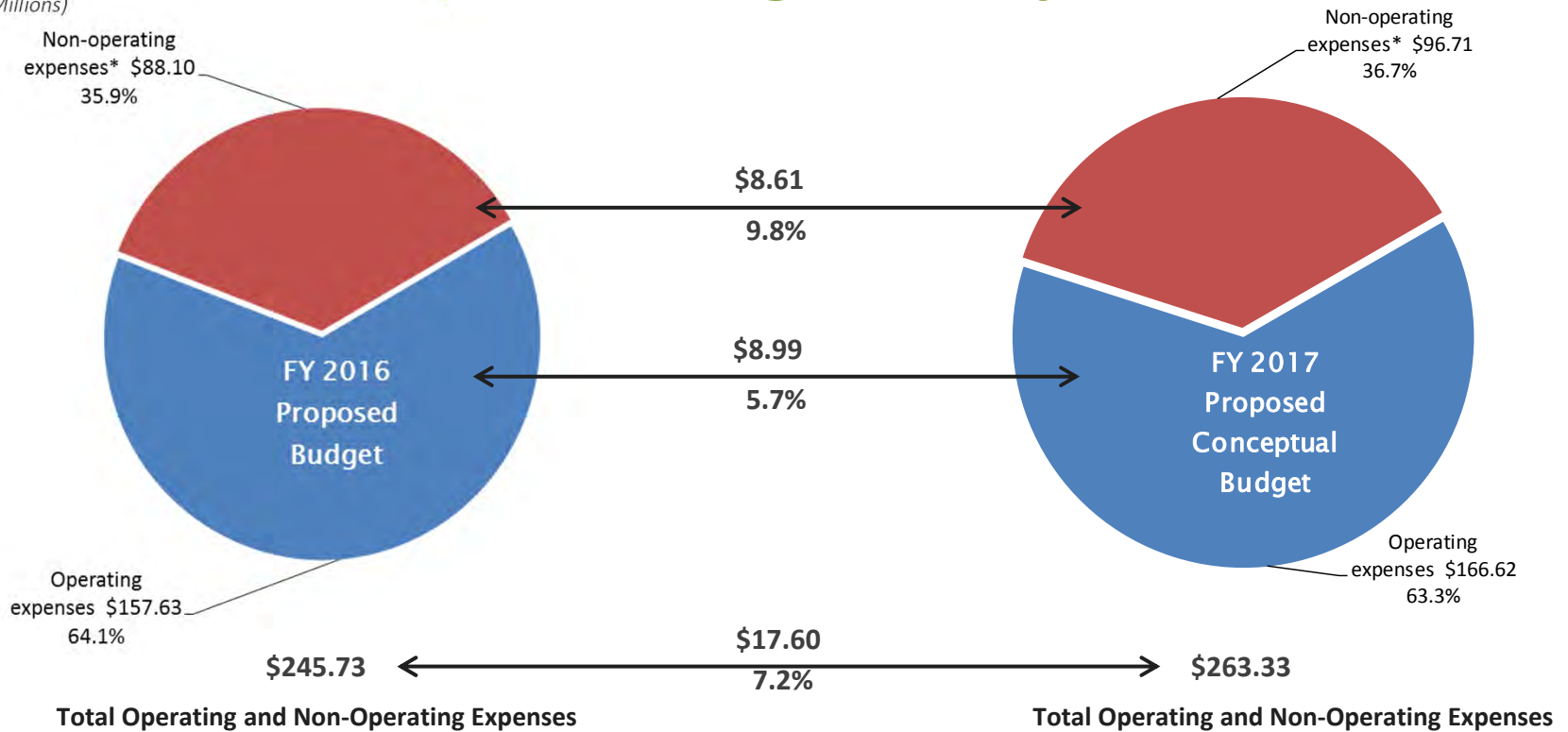


\* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

\*\* Includes SDCERS Unfunded Actuarial Liability (GASB Change)

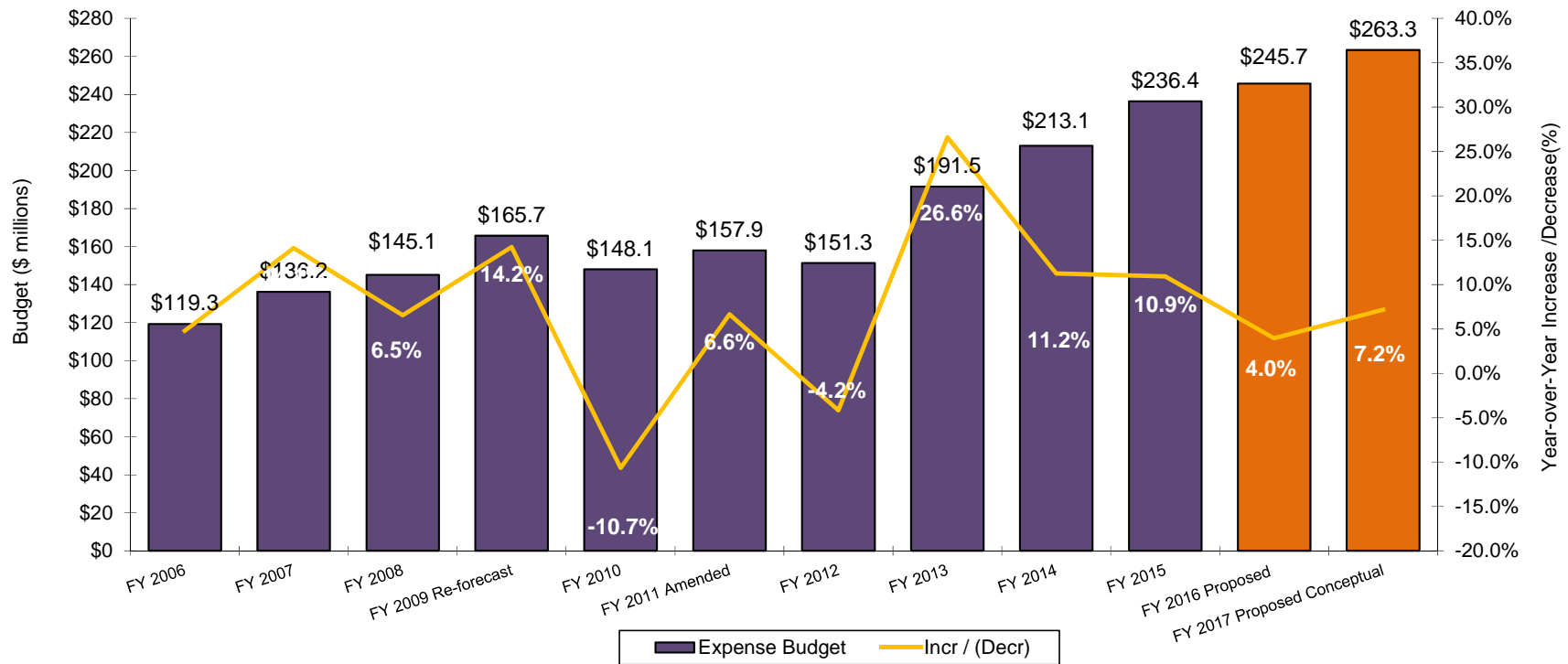
# FY 2016 Proposed Budget vs. FY 2017 Proposed Conceptual Budget Comparison

(in Millions)



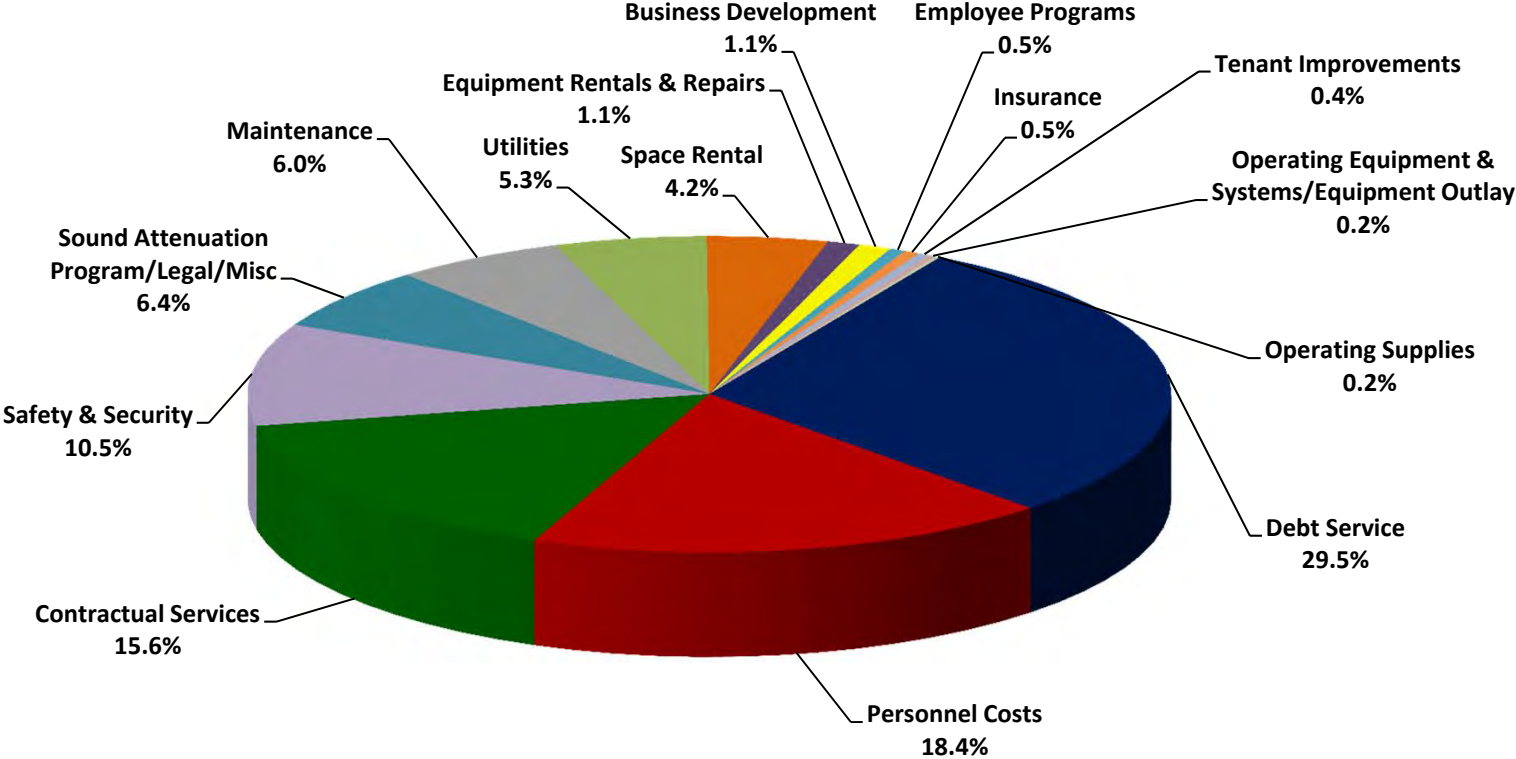
\* Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

# Expense Budget FY 2006 – FY 2017 \*



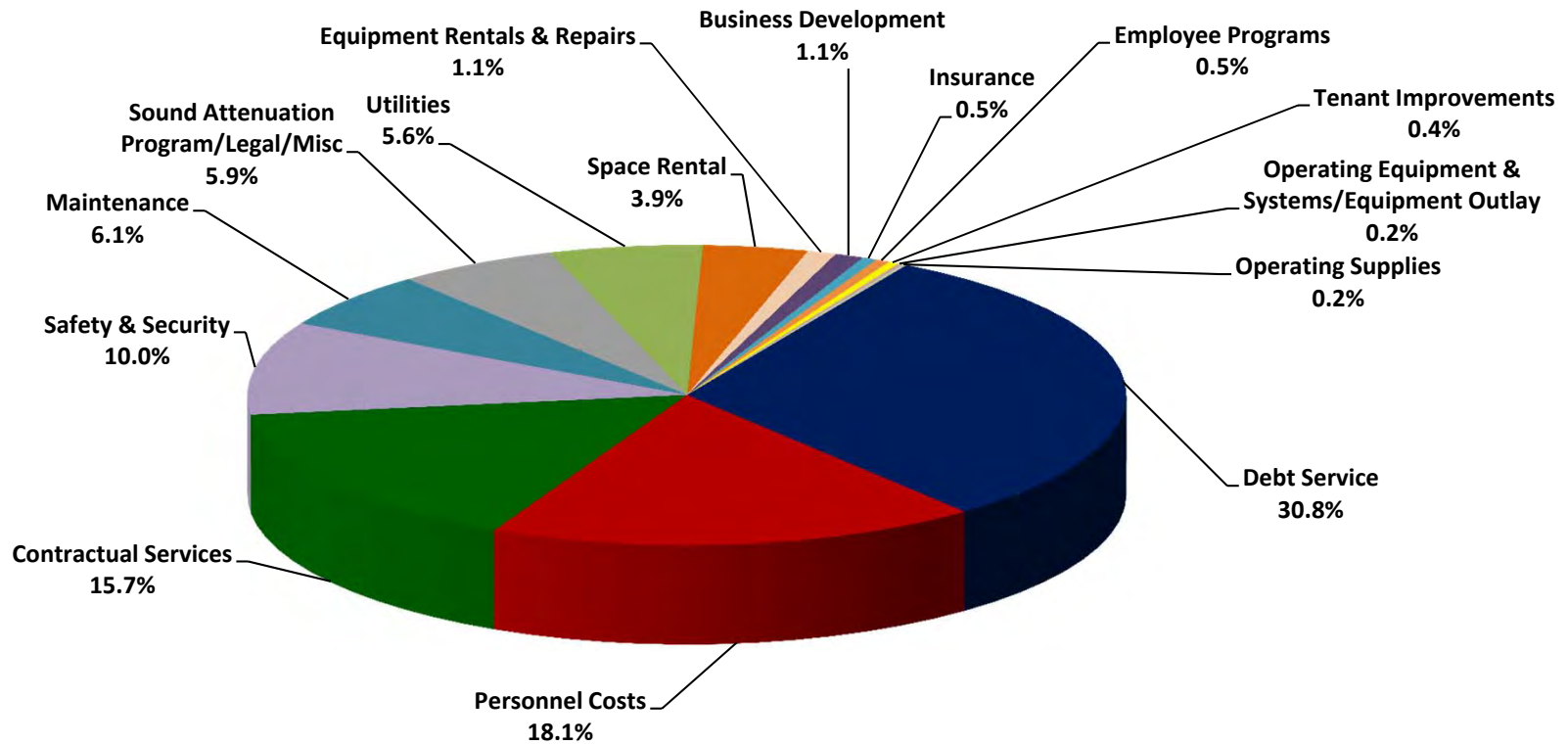
\* Total Authority expenses

# FY 2016 Proposed Expense Budget by Category



**Total FY 2016 Proposed Budget is \$245.7M**

# FY 2017 Proposed Conceptual Expense Budget by Category



**Total FY 2017 Proposed Budget is \$263.3M**



# FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 29,241,594	\$ 32,375,837	\$ 33,688,450	\$ 33,804,959	\$ 1,429,122	4.4%	\$ 116,509	0.3%	\$ 35,101,263	\$ 1,296,304	3.8%
Premium Overtime	969,743	841,000	841,000	699,500	(141,500)	-16.8%	(141,500)	-16.8%	701,000	1,500	0.2%
Employee Benefits	14,533,452	25,246,940	18,649,795	17,275,552	(7,971,388)	-31.6%	(1,374,243)	-7.4%	18,508,792	1,233,240	7.1%
Subtotal	44,744,789	58,463,777	53,179,245	51,780,011	(6,683,766)	-11.4%	(1,399,234)	-2.6%	54,311,055	2,531,044	4.9%
Less: Capitalized Labor	(4,924,983)	(6,055,685)	(6,362,450)	(5,936,320)	119,365	-2.0%	426,130	-6.7%	(6,071,838)	(135,517)	2.3%
Less: QHP - Labor/Burden/Labor Overhead	(684,521)	(663,928)	(688,119)	(674,897)	(10,969)	1.7%	13,223	-1.9%	(703,408)	(28,511)	4.2%
<b>Total Personnel Expenses</b>	<b>39,135,284</b>	<b>51,744,164</b>	<b>46,128,675</b>	<b>45,168,794</b>	<b>(6,575,370)</b>	<b>-12.7%</b>	<b>(959,881)</b>	<b>-2.1%</b>	<b>47,535,810</b>	<b>2,367,016</b>	<b>5.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	31,559,243	34,073,655	39,238,419	38,273,668	4,200,012	12.3%	(964,752)	-2.5%	41,307,797	3,034,129	7.9%
Safety and Security	24,150,563	25,001,794	25,794,332	25,704,383	702,589	2.8%	(89,948)	-0.3%	26,399,553	695,170	2.7%
Space Rental	10,478,262	10,450,296	10,424,581	10,428,514	(21,782)	-0.2%	3,933	0.0%	10,191,450	(237,064)	-2.3%
Utilities	8,680,410	9,557,536	10,414,599	13,121,913	3,564,377	37.3%	2,707,314	26.0%	14,804,627	1,682,714	12.8%
Maintenance	13,981,690	16,085,448	15,369,505	14,653,671	(1,431,777)	-8.9%	(715,835)	-4.7%	16,136,099	1,482,428	10.1%
Operating Equipment & Systems	670,237	558,235	682,027	573,065	14,830	2.7%	(108,962)	-16.0%	466,025	(107,040)	-18.7%
Operating Supplies	440,009	409,508	411,390	416,210	6,702	1.6%	4,830	1.2%	420,788	4,578	1.1%
Insurance	988,382	1,071,422	1,239,364	1,322,477	251,055	23.4%	83,113	6.7%	1,405,457	82,980	6.3%
Employee Programs	1,170,551	1,229,248	1,205,323	1,339,274	110,026	9.0%	133,951	11.1%	1,358,810	19,536	1.5%
Business Development	2,661,222	2,685,228	2,726,335	2,777,327	92,099	3.4%	50,992	1.9%	2,766,134	(11,194)	-0.4%
Equipment Rentals & Repairs	2,502,478	2,526,119	2,520,528	2,803,917	277,798	11.0%	283,388	11.2%	2,807,924	4,008	0.1%
Tenant Improvements	402,305	1,200,000	1,200,000	1,050,000	(150,000)	-12.5%	(150,000)	-12.5%	1,020,000	(30,000)	-2.9%
<b>Total Non-Personnel Expenses</b>	<b>97,685,351</b>	<b>104,848,490</b>	<b>111,226,393</b>	<b>112,464,418</b>	<b>7,615,929</b>	<b>7.3%</b>	<b>1,238,025</b>	<b>1.1%</b>	<b>119,084,663</b>	<b>6,620,245</b>	<b>5.9%</b>
<b>Total Operating Expenses</b>	<b>136,820,635</b>	<b>156,592,654</b>	<b>157,355,069</b>	<b>157,633,212</b>	<b>1,040,559</b>	<b>0.7%</b>	<b>278,144</b>	<b>0.2%</b>	<b>166,620,473</b>	<b>8,987,261</b>	<b>5.7%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	15,275,997	14,955,716	14,734,811	14,734,811	(220,905)	-1.5%	-	0.0%	14,738,811	4,000	0.0%
Debt Service	63,980,316	64,658,631	73,037,120	72,418,977	7,760,346	12.0%	(618,144)	-0.8%	81,150,716	8,731,739	12.1%
Legal Settlements Expense	25,000	10,000	10,000	10,000	0	0.0%	-	0.0%	10,000	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>79,281,313</b>	<b>79,624,347</b>	<b>87,781,931</b>	<b>87,163,788</b>	<b>7,539,441</b>	<b>9.5%</b>	<b>(618,144)</b>	<b>-0.7%</b>	<b>95,899,527</b>	<b>8,735,739</b>	<b>10.0%</b>
<b>Total Expenses</b>	<b>216,101,948</b>	<b>236,217,000</b>	<b>245,137,000</b>	<b>244,797,000</b>	<b>8,580,000</b>	<b>3.6%</b>	<b>(340,000)</b>	<b>-0.1%</b>	<b>262,520,000</b>	<b>17,723,000</b>	<b>7.2%</b>
<b>Equipment Outlay</b>	<b>1,702,225</b>	<b>147,000</b>	<b>284,000</b>	<b>932,000</b>	<b>785,000</b>	<b>534.0%</b>	<b>648,000</b>	<b>228.2%</b>	<b>810,000</b>	<b>(122,000)</b>	<b>-13.1%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 217,804,173</b>	<b>\$ 236,364,000</b>	<b>\$ 245,421,000</b>	<b>\$ 245,729,000</b>	<b>\$ 9,365,000</b>	<b>4.0%</b>	<b>\$ 308,000</b>	<b>0.1%</b>	<b>\$ 263,330,000</b>	<b>\$ 17,601,000</b>	<b>7.2%</b>

# Major Drivers of FY 2016 Proposed Budget

	<b>Total Inc/(Dec) FY2016 Budget vs. FY2015 Budget</b>
<b>FY 2015 Budget</b>	<b>\$ 236,364,000</b>
<b>Personnel:</b>	
Contracted wage increases and pay-for-performance	934,067
12 new and 2 eliminated position (salaries and burden)	932,512
Salary adjustments for current staff, decrease in overtime and change in capitalized labor	(215,671)
Burden (benefits & employer taxes) for current staff	(626,278)
SDCERS Unfunded Actuarial Liability (GASB change)	(7,600,000)
<b>Total Increase / (Decrease) in Salaries and Burden, Net</b>	<b>(6,575,370)</b>
<b>Non-Personnel:</b>	
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Northside Development:	
Rental Car Center (RCC) Busing	2,866,409
Utilities (gas and electric and water) costs	679,568
Insurance costs	133,018
<b>Total Increase / (Decrease) Due to Northside Development</b>	<b>\$ 3,678,995</b>

# Major Drivers of FY 2016 Proposed Budget

## Other Terminal and Landside:

Utilities (gas and electric, and water) costs	\$ 2,884,810
Transportation Network Company (TNC) Pilot	247,600
Annual maintenance and supplies costs	(165,227)
12kV maintenance	(513,000)
Airfield pavement and striping	(861,000)
<b>Total Increase / (Decrease) Due to Other Terminal and Landside</b>	<b>1,593,182</b>

**Total Increase / (Decrease) in Terminal and Landside (Operations & Maintenance) 5,272,177**

## Safety and Security:

Law enforcement costs - Harbor Police and contract security services	589,999
Aircraft Rescue Fire Fight (ARFF)	145,590
Maintenance of access control system costs	107,450

**Total Increase / (Decrease) in Safety and Security \$ 843,039**

# Major Drivers of FY 2016 Proposed Budget

## Other Operating Expenses:

Credit Card fees	\$	750,000
Ground Transportaion software maintenance		205,000
Information & Technology (IT) Help Desk Technicians		200,000
Concessions Marketing Program		172,400
Terminal 2 East Common Use Passenger Processing System (CUPPS) Expansion		146,000
Insurance costs		118,037
Authority-wide IT equipment & systems maintenance costs		(118,235)
Concession Development Program (CDP) Hood and Vent Cleaning		(160,342)
Other (net)		187,853
<b>Total Increase / (Decrease) in Other Operating Expenses</b>		<b>1,500,712</b>
<b>Total Increase / (Decrease) in Non-Personnel Operating Expenses, Net</b>		<b>7,615,929</b>
<b>Total Increase / (Decrease) in Operating Expenses</b>	<b>\$</b>	<b>1,040,558</b>

# Major Drivers of FY 2016 Proposed Budget

<b>Debt Service:</b>	
Debt service costs	\$ 7,760,346
<b>Other Non-Operating Expenses:</b>	
Decrease in Quieter Home Program	(220,905)
<b>Total Increase / (Decrease) in Non-Operating Expenses</b>	<b>7,539,441</b>
<b>Equipment Outlay:</b>	
Authority-wide IT equipment	375,000
Accesss control cameras	200,000
Vehicles Replacement	200,000
Other (net)	10,000
<b>Total Increase / (Decrease) in Equipment Outlay</b>	<b>785,000</b>
<b>Total Increase / (Decrease)</b>	<b>9,365,000</b>
<b>FY 2016 Proposed Budget</b>	<b>\$ 245,729,000</b>

# Major Drivers of FY 2017 Proposed Conceptual Budget

	<b>Total Inc/(Dec) FY2017 Conceptual Budget vs. FY2016 Budget</b>
<b>FY 2016 Budget</b>	<b>\$ 245,729,000</b>
<b>Personnel:</b>	
Burden (benefits & employer taxes) for current staff	1,180,925
Contracted wage increases and pay-for-performance	1,070,444
Salary adjustments for current staff	103,144
2 new positions (salaries and burden)	176,531
Capitalized labor / QHP - labor, burden, labor overhead	(164,028)
<b>Total Increase / (Decrease) in Salaries and Burden, Net</b>	<b>2,367,016</b>
<b>Non Personnel:</b>	
<b>Terminal and Landside (Operations &amp; Maintenance):</b>	
Northside Development:	
Rental Car Center (RCC) Busing	2,909,958
Utilities (gas and electric, and water) costs	744,035
<b>Total Increase / (Decrease) Due to Northside Development</b>	<b>\$ 3,653,992</b>

# Major Drivers of FY 2017 Proposed Conceptual Budget

Other Terminal and Landside:

Utilities (gas and electric, and water) costs	\$	938,679
Annual maintenance and supplies costs		832,428
Shuttles and parking operation costs		301,255
Space rental costs		(237,064)
Transportation Network Company (TNC) Pilot		(247,600)
<b>Total Increase / (Decrease) Due to Other Terminal and Landside</b>		<b>1,587,698</b>

**Total Increase / (Decrease) in Terminal and Landside (Operations and Maintenance) 5,241,691**

**Safety and Security:**

Maintenance of access control system costs	650,000
Law enforcement costs - Harbor Police and contract security services	519,112
Aircraft Rescue Fire Fight (ARFF)	155,058

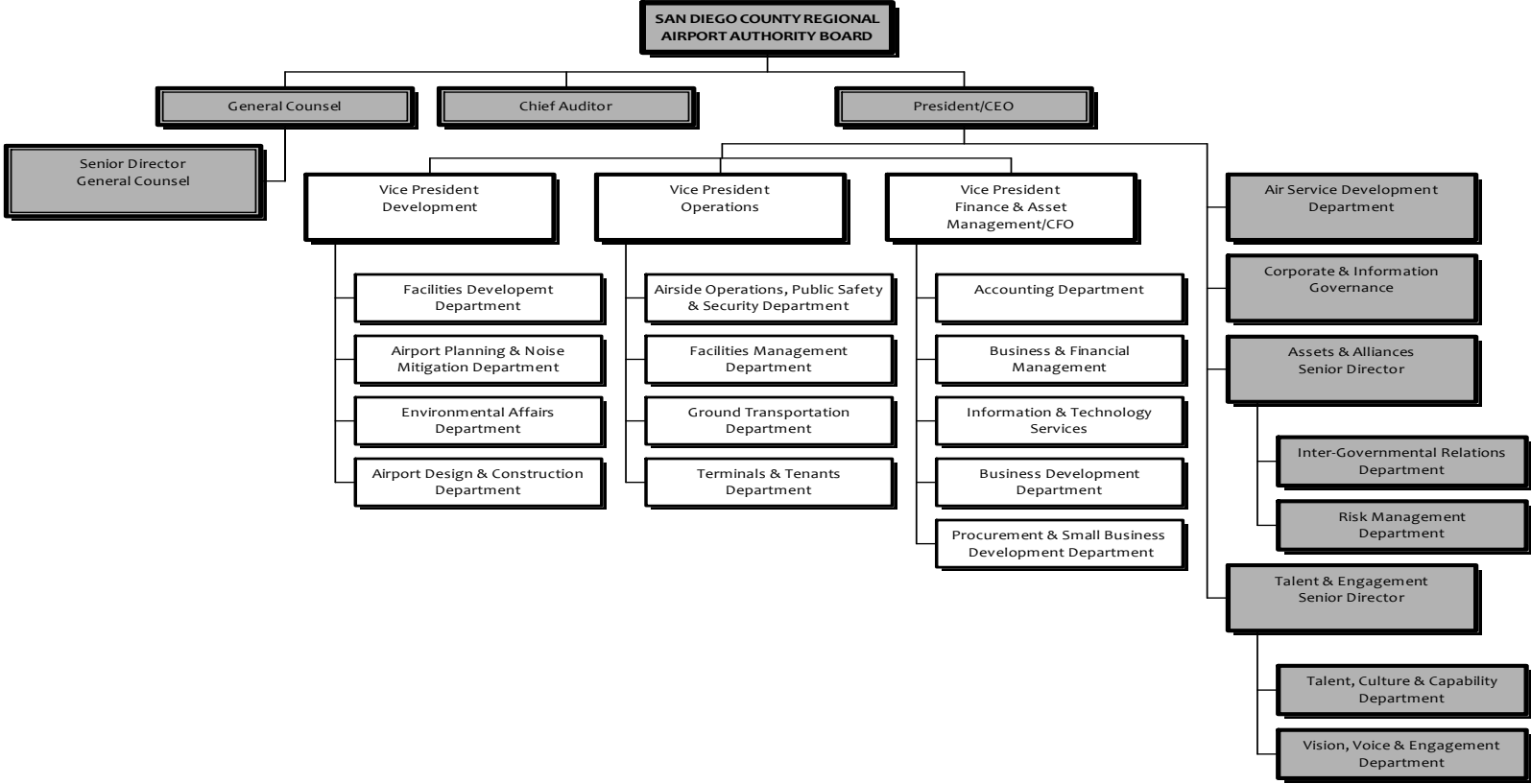
**Total Increase / (Decrease) in Safety and Security \$ 1,324,170**

# Major Drivers of FY 2017 Proposed Conceptual Budget

<b>Other Operating Expenses:</b>	
Other (net)	\$ 54,384
<b>Total Increase / (Decrease) in Other Operating Expenses</b>	<b>54,384</b>
<b>Total Increase / (Decrease) in Non-Personnel Operating Expenses, Net</b>	<b>6,620,245</b>
<b>Total Increase / (Decrease) in Operating Expenses</b>	<b>8,987,261</b>
<b>Debt Service:</b>	
Debt service costs	8,731,739
<b>Other Non-Operating Expenses:</b>	
Quieter Home Program	4,000
<b>Total Increase / (Decrease) in Non-Operating Expenses</b>	<b>8,735,739</b>
<b>Equipment Outlay:</b>	
Equipment outlay costs	(122,000)
<b>Total Increase / (Decrease)</b>	<b>17,601,000</b>
<b>FY 2017 Proposed Conceptual Budget</b>	<b>\$ 263,330,000</b>



# SDCRAA Organizational Chart

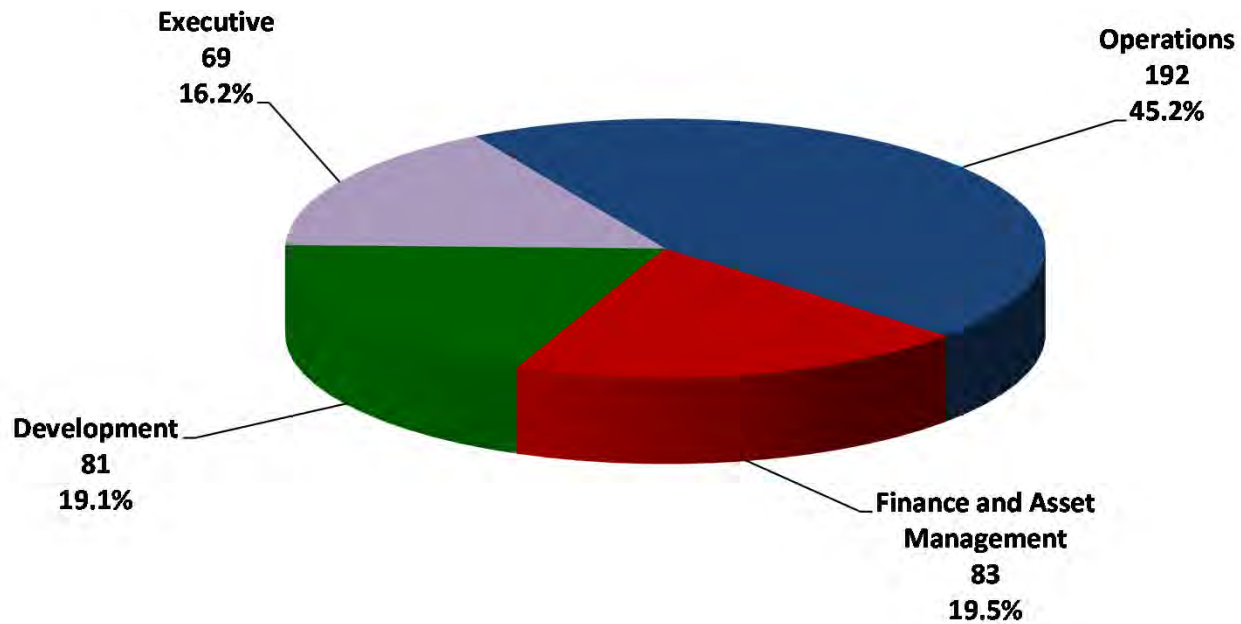


\* Boxes in grey reside in the Executive Division

## FY 2016 – FY 2017 Proposed Personnel Summary by Division

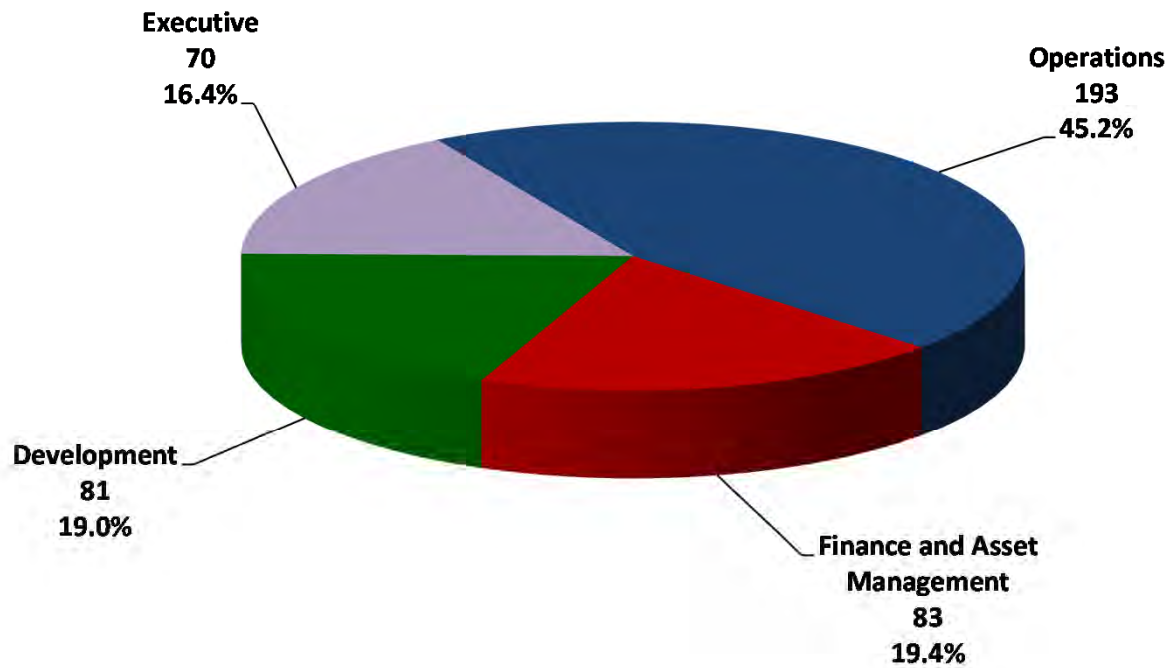
	<b>FY 2015 Budget</b>	<b>FY 2016 Budget</b>	<b>FY 2017 Budget</b>
<b>Executive</b>	<b>67</b>	<b>69</b>	<b>70</b>
<b>Finance &amp; Asset Management</b>	<b>80</b>	<b>83</b>	<b>83</b>
<b>Development</b>	<b>83</b>	<b>81</b>	<b>81</b>
<b>Operations</b>	<b>185</b>	<b>192</b>	<b>193</b>
<b>TOTAL AUTHORIZED FUNDED POSITIONS</b>	<b>415</b>	<b>425</b>	<b>427</b>

# FY 2016 Proposed Budget Personnel by Division



Total Authorized Positions are 425

# FY 2017 Proposed Conceptual Budget Personnel by Division



Total Authorized Positions are 427

# Executive Division

## Executive Division Overview

The **Executive Division** provides leadership and direction to Authority staff in accomplishing the Authority Board's strategies & initiatives. It consists of the Authority Board, Executive Office, General Counsel, Office of the Chief Auditor, Air Service Development Department, Corporate & Information Governance, Assets & Alliances Group and the Talent & Engagement Group.

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

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

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

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

The **Executive Office** is mastering the Art of Airports through fostering a cooperative and collaborative relationship amongst and between Authority employees, airlines, various business partners as well as relevant government agencies and stockholder groups. The Executive Office also coordinates and oversees the overall day-to-day operations and development of San Diego International Airport.

Other responsibilities include:

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

The **Office of the Chief Auditor** provides professional internal auditing services to promote full accountability, efficiency and effectiveness of services by the Authority to the traveling public and the airlines. The Office of the Chief Auditor reports to the Audit Committee of the Board and performs audits in accordance with current professional standards and provides recommendations to enhance the Authority's internal control system. As authorized by the Board, the Office of the Chief Auditor is responsible for administering the Authority Ethics Program and confidential Hotline Reporting System.

Other responsibilities include assisting management in maintaining the financial and operational integrity of the Authority, as well as analyzing and assessing the Authority's financial data, operations and programs for compliance with applicable laws, policies, procedures and mandates.

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

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

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

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

The **Corporate and Information Governance Department** ensures compliance with State & local laws and Authority codes and policies pertaining to the administration of public Board & Committee meetings, legislative actions and other Board related activities; financial disclosure; public access to public records; and the creation, maintenance and retention of Authority records and information. These laws and policies include, but are not limited to, the Brown Act, Political Reform Act, the Public Records Act and the approved Records and Information Management Program. The department is also responsible for managing the following activities and programs:

- Coordinates communications with the Board of Directors, executive and senior staff.
- Provides guidance and professional assistance regarding corporate governance.
- Develops and maintain an accountability framework and policies for, and the management of, information governance.
- Serves as the executive sponsor for the Authority's Business Continuity Plan (BCP).
- Coordinates and manages public Board and Committee meetings.
- Manages the Conflict of Interest Filings and other filings required by the Political Reform Act.
- Manages the Public records request process.
- Manages the Authority's lobbyist program.
- Manages mail and reception operations.
- Manages the Authority's Records and Information Management Program.

The **Assets & Alliances Group** is responsible for ensuring the protection of the Authority's physical and human capital assets as well as establishing and maintaining key relationships with critical stakeholders at all levels of government. These goals are accomplished through two departments:

The **Risk Management Department** is responsible for coordinating with insurance brokers and carriers to identify risk exposures and securing and maintaining insurance coverage to protect the Authority's property and people assets at reasonable costs. In addition, the department oversees defense and/ or presentation of first and third party claims asserted on behalf of or against the Authority; the oversight of employee safety initiatives as required by OSHA and Cal OSHA guideline; employee wellness programs such as ergonomic initiatives as well as implementing and reviewing strategic risk management strategies encompassing hazard, reputational and financial risk throughout the organization.

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

The **Talent & Engagement Group** consists of the Talent, Culture and Capability department as well as the Vision, Voice and Engagement department. These departments primarily work with internal and external stakeholder groups to ensure that the organization's performance, and its' brand promise, are aligned.

The San Diego County Regional Airport Authority's mission includes:

- Exceeding customer expectations.
- Promoting regional prosperity.
- Protecting the region's quality of life.

The Talent & Engagement group measures various key organizational performance indicators as well as supports the alignment of employee commitment and performance to the organization's mission, vision, values, strategies and initiatives. The group also ensures that key stakeholder groups are educated and informed on the value of the organization's contributions within the San Diego community.

The **Talent, Culture & Capability Department** provides Talents services and support that inform effective business decisions, enhance organizational capabilities and create a culture of success.

Key Responsibilities:

- Measures and reports on key performance indicators (e.g., passenger satisfaction, engagement, etc.)
- Manages talent acquisition
- Manages employee wellness and reward programs
- Supports process mapping and redesign
- Oversees employee development
- Monitors employee retention

Through these services the department assures continued organizational development, strategic workforce planning, and ongoing process optimization.

The **Vision, Voice & Engagement Department** is responsible for providing a wide range of public relations services, marketing initiatives and a robust airport art program. The departmental staff serves as the Authority's designated point of contact for the media.

The Vision, Voice & Engagement team works with other divisions and departments of the Authority to promote the Authority's activities and initiatives that engage the public, generate positive media coverage and increased awareness of the Authority and airport. The department develops, implements and manages marketing initiatives that support the Authority's initiatives and result in increased revenues. The department produces the Authority's Annual Report, quarterly report to jurisdictions, an annual sustainability report in conformance with Global Reporting Initiatives requirements and the SAN e-Newsletter for the public. Social media, news releases, media advisories, speeches and presentations are among the communications tools used by the department.

The Vision, Voice & Engagement team also manages the Airport Art Program, which presents artwork and programming that engages travelers in innovative, memorable and considerate experiences. Through the exhibition and production of art from individual artists and work from cultural institutions, the program contributes to the airport's vision by promoting regional prosperity and cultural tourism. The art program has three main components: Temporary and Rotating Exhibits, Performing Art and Public Art.

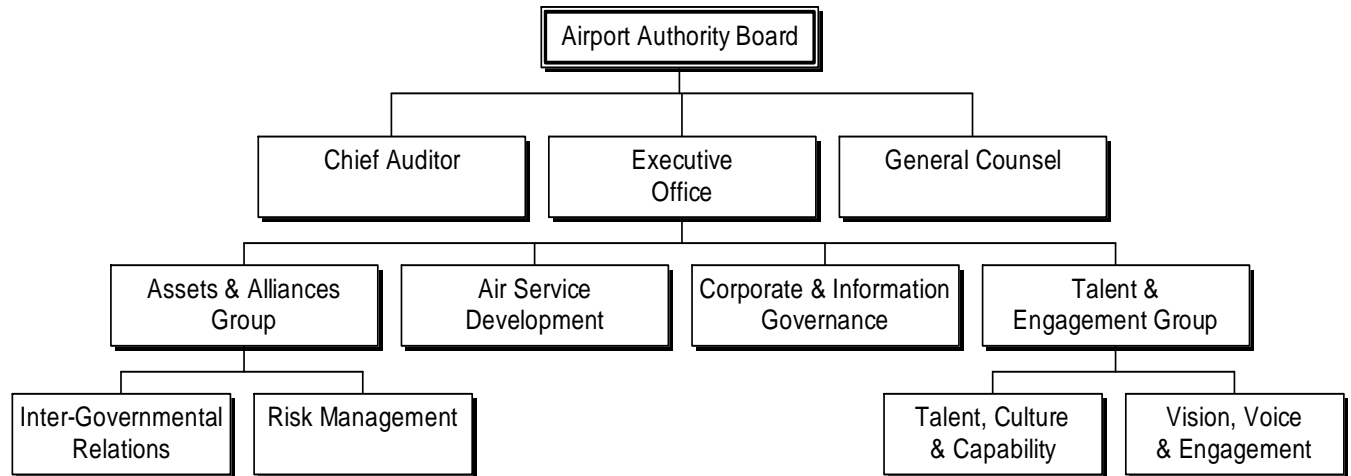


By keeping the media, general public and external audiences informed, the Vision, Voice & Engagement Department seeks to enhance the visibility of San Diego International Airport and establish the Airport Authority as a trusted and highly responsive regional agency.

Key Responsibilities:

- Provides strategic counsel on issues impacting the Airport Authority
- Develops public relations strategies and key messaging
- Serves as the official voice of the Airport Authority to the media and as a primary point of contact for media inquiries and requests
- Develops and maintains various forms of employee communication
- Promotes the various programs and services offered to San Diego International Airport customers
- Develops community outreach programs in support of the Airport Authority's goals and objectives
- Presents artwork and programming to provide memorable and considerate experiences for the traveling public
- Develops and administers the Airport Authority's Speakers Bureau
- Coordinates free "Terminals to Tarmac" airport tours for the public
- Coordinates the Airport Art Program
- Develops umbrella marketing plans for Authority initiatives (e.g., Quieter Home Program, SAN Park, and Small Business Development)
- Markets and promotes new air service
- Develops advertising, creative design and, brand identity
- Designs and produces collateral materials and special events
- Manages website development, video production and market research
- Develops regional partnerships and aviation education outreach
- Creates and implements aviation education
- Collaborates with regional partners (e.g., Chambers of Commerce, Tourism Authority, Economic Development Corporation (EDC), World Trade Center (WTC), San Diego Convention Center Corporation (SDCCC))

## Executive Division Organizational Structure



## Division Personnel Summary

	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget Transfers	FY 2016 Budget New/ (Eliminated)	FY 2016 Budget Funded/ (Unfunded)	FY 2016 Budget	FY 2017 Budget New/ (Eliminated)	FY 2017 Budget
<b>Executive</b>								
Executive Office	4	4	-	-	-	4	-	4
Corporate and Information Governance	8	8	-	1	-	9	-	9
Air Service Development	2	2	-	1	-	3	-	3
Talent, Culture & Capability	18	17	-	-	-	17	-	17
Vision, Voice & Engagement	14	14	-	-	-	14	1	15
Inter-governmental Relations	4	3	-	-	-	3	-	3
Risk Management	6	5	-	-	-	5	-	5
General Counsel	6	6	-	-	-	6	-	6
Chief Auditor	8	8	-	-	-	8	-	8
<b>Total Funded Positions</b>	<b>70</b>	<b>67</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>69</b>	<b>1</b>	<b>70</b>
Authorized and Unfunded Positions	-	1	-	-	(1)	-	-	-
<b>Total Authorized Positions</b>	<b>70</b>	<b>68</b>	<b>-</b>	<b>2</b>	<b>(1)</b>	<b>69</b>	<b>1</b>	<b>70</b>

## Executive Division

### FY 2016 Proposed- FY 2017 Proposed Conceptual Budget Expense Summary

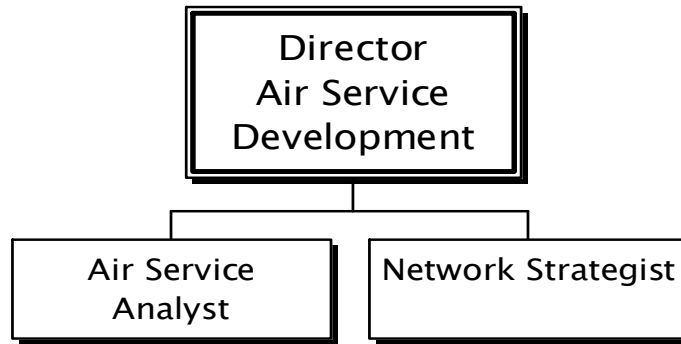
	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 6,132,600	\$ 6,583,151	\$ 6,756,624	\$ 6,787,113	\$ 203,962	3.1%	\$ 30,489	0.5%	\$ 7,071,943	\$ 284,830	4.2%
Premium Overtime	14,061	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	2,713,954	3,229,158	3,381,920	3,118,541	(110,618)	-3.4%	(263,379)	-7.8%	3,350,967	232,427	7.5%
Subtotal	8,860,615	9,812,310	10,138,543	9,905,654	93,344	1.0%	(232,890)	-2.3%	10,422,910	517,256	5.2%
Less: Capitalized Labor	(4,002)	(69,479)	(45,514)	(103,298)	(33,819)	48.7%	(57,784)	127.0%	-	103,298	-100.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>8,856,613</b>	<b>9,742,831</b>	<b>10,093,030</b>	<b>9,802,356</b>	<b>59,525</b>	<b>0.6%</b>	<b>(290,674)</b>	<b>-2.9%</b>	<b>10,422,910</b>	<b>620,554</b>	<b>6.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	3,410,700	4,108,937	4,106,137	4,147,350	38,413	0.9%	41,213	1.0%	4,191,250	43,900	1.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Utilities	261	18,150	3,150	3,400	(14,750)	-81.3%	250	7.9%	3,425	25	0.7%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	68,793	33,650	78,400	86,400	52,750	156.8%	8,000	10.2%	36,900	(49,500)	-57.3%
Operating Supplies	34,365	40,475	38,975	38,935	(1,540)	-3.8%	(40)	-0.1%	38,035	(900)	-2.3%
Insurance	988,382	1,071,422	1,239,364	1,322,477	251,055	23.4%	83,113	6.7%	1,405,457	82,980	6.3%
Employee Programs	487,677	554,515	539,265	591,405	36,890	6.7%	52,140	9.7%	595,405	4,000	0.7%
Business Development	2,140,476	1,962,302	2,081,252	1,938,902	(23,400)	-1.2%	(142,350)	-6.8%	1,928,085	(10,817)	-0.6%
Equipment Rentals & Repairs	52,415	80,550	75,275	72,325	(8,225)	-23.0%	(2,950)	-28.2%	69,500	(2,825)	-13.2%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>7,183,068</b>	<b>7,871,201</b>	<b>8,163,018</b>	<b>8,202,394</b>	<b>331,193</b>	<b>4.2%</b>	<b>39,376</b>	<b>0.5%</b>	<b>8,269,257</b>	<b>66,863</b>	<b>0.8%</b>
<b>Total Operating Expenses</b>	<b>16,039,680</b>	<b>17,614,032</b>	<b>18,256,048</b>	<b>18,004,750</b>	<b>390,718</b>	<b>2.2%</b>	<b>(251,298)</b>	<b>-1.4%</b>	<b>18,692,167</b>	<b>687,417</b>	<b>3.8%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	25,000	10,000	10,000	10,000	0	0.0%	-	0.0%	10,000	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>25,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>10,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>16,064,680</b>	<b>17,624,032</b>	<b>18,266,048</b>	<b>18,014,750</b>	<b>390,718</b>	<b>2.2%</b>	<b>(251,298)</b>	<b>-1.4%</b>	<b>18,702,167</b>	<b>687,417</b>	<b>3.8%</b>
<b>Equipment Outlay</b>	<b>78,978</b>	<b>20,000</b>	<b>20,000</b>	<b>5,000</b>	<b>(15,000)</b>	<b>-75.0%</b>	<b>(15,000)</b>	<b>-75.0%</b>	<b>25,000</b>	<b>20,000</b>	<b>400.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 16,143,658</b>	<b>\$ 17,644,032</b>	<b>\$ 18,286,048</b>	<b>\$ 18,019,750</b>	<b>\$ 375,718</b>	<b>2.1%</b>	<b>\$ (266,298)</b>	<b>-1.5%</b>	<b>\$ 18,727,167</b>	<b>\$ 707,417</b>	<b>3.9%</b>

## Executive Division

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 17,644,032</b>	<b>\$ 18,019,750</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	120,310	213,096
1 New position of Records & Information Management Specialist (salaries, benefits & employer taxes)	69,135	-
1 New position of Network Strategist (salaries, benefits & employer taxes)	49,948	-
1 New position of Art Program Coordinator (salaries, benefits & employer taxes)	-	101,093
Capitalized Labor	(33,819)	103,298
Burden (benefits & employer taxes) for current staff	(146,049)	203,068
<b>Total Increase / (Decrease) in personnel costs</b>	<b>59,525</b>	<b>620,554</b>
Insurance	251,055	82,980
Outside professional services	135,500	(22,100)
Other, net	(70,362)	25,983
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>316,193</b>	<b>86,863</b>
<b>Total Increase / (Decrease)</b>	<b>375,718</b>	<b>707,417</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 18,019,750</b>	<b>\$ 18,727,167</b>

**Air Service Development  
FY 2016- FY 2017 Organizational Structure**



*No personnel changes in FY 2017*

## Air Service Development

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 177,189	\$ 180,809	\$ 186,234	\$ 223,343	\$ 42,534	23.5%	\$ 37,109	19.9%	\$ 266,986	\$ 43,643	19.5%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	89,365	99,793	104,521	119,789	19,996	20.0%	15,268	14.6%	141,801	22,011	18.4%
Subtotal	266,554	280,602	290,754	343,132	62,530	22.3%	52,378	18.0%	408,787	65,655	19.1%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>266,554</b>	<b>280,602</b>	<b>290,754</b>	<b>343,132</b>	<b>62,530</b>	<b>22.3%</b>	<b>52,378</b>	<b>18.0%</b>	<b>408,787</b>	<b>65,655</b>	<b>19.1%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	277,941	292,000	282,000	282,000	(10,000)	-3.4%	-	0.0%	282,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	(259)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	14	1,200	1,200	1,200	-	0.0%	-	0.0%	1,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	28,220	29,450	29,450	29,450	-	0.0%	-	0.0%	29,450	-	0.0%
Business Development	571,643	655,600	655,600	655,600	-	0.0%	-	0.0%	655,600	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>877,559</b>	<b>978,250</b>	<b>968,250</b>	<b>968,250</b>	<b>(10,000)</b>	<b>-1.0%</b>	<b>-</b>	<b>0.0%</b>	<b>968,250</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>1,144,113</b>	<b>1,258,852</b>	<b>1,259,004</b>	<b>1,311,382</b>	<b>52,530</b>	<b>4.2%</b>	<b>52,378</b>	<b>4.2%</b>	<b>1,377,037</b>	<b>65,655</b>	<b>5.0%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,144,113</b>	<b>1,258,852</b>	<b>1,259,004</b>	<b>1,311,382</b>	<b>52,530</b>	<b>4.2%</b>	<b>52,378</b>	<b>4.2%</b>	<b>1,377,037</b>	<b>65,655</b>	<b>5.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,144,113</b>	<b>\$ 1,258,852</b>	<b>\$ 1,259,004</b>	<b>\$ 1,311,382</b>	<b>\$ 52,530</b>	<b>4.2%</b>	<b>\$ 52,378</b>	<b>4.2%</b>	<b>\$ 1,377,037</b>	<b>\$ 65,655</b>	<b>5.0%</b>

## Air Service Development

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 1,258,852</b>	<b>\$ 1,305,255</b>
<b>Personnel costs</b>		
1 New position of Network Strategist (salaries, benefits & employer taxes)	49,948	-
Salary adjustments and pay-for-performance	6,666	43,643
Burden (benefits & employer taxes) for current staff	5,916	22,011
<b>Total Increase / (Decrease) in personnel costs</b>	<b>62,530</b>	<b>65,655</b>
Other, net	(10,000)	-
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(10,000)</b>	-
<b>Total Increase / (Decrease)</b>	<b>52,530</b>	<b>65,655</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 1,311,382</b>	<b>\$ 1,377,037</b>

## Air Service Development Department Goals

### FY 2015 Progress Report

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

**Progress:** Although seat departure has been below 5% for the fiscal year, the number of domestic destinations have increased with the addition of Kona, Dallas (Love), Milwaukee (Saturday service), and Burbank. Including the removal of Cincinnati hub services, the number of domestic destinations grew by three (3) in FY 2015.

**Sustainability Goal:** Economic viability.

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

2. **Retain Air Service to London.**

**Progress:** London service has been retained.

**Sustainability Goal:** Economic viability.

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

3. **Retain Air Service to Tokyo.**

**Progress:** Tokyo service has been retained.

**Sustainability Goal:** Economic viability.

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

4. **Secure additional service to Canada and Mexico (when markets exceed 50 PDEW) and continue efforts to link San Diego to Central/South America and the Philippines.**

**Progress:** Additional air service has been secured to San Felipe (México) and good progress is being made on Central / South America goals.

**Sustainability Goal:** Economic viability.

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



## Air Service Development Department Goals

### FY 2016 – FY 2017 Goals

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

**Initiative:** Focus on revenue generation and cost control.

2. **Retain Air Service to London.**

**Initiative:** Focus on revenue generation and cost control.

3. **Retain Air Service to Tokyo.**

**Initiative:** Focus on revenue generation and cost control.

4. **Secure additional service to a European hub.**

**Initiative:** Focus on revenue generation and cost control.

5. **Secure additional service to Canada and Mexico (when markets exceed 50 PDEW) and continue efforts to link San Diego to Central/South America and the Philippines.**

**Initiative:** Focus on revenue generation and cost control.

**Authority Board**  
**FY 2016 – FY 2017 Organizational Structure**

Authority Board  
Nine General Board Members  
&  
Three Ex-Officio Board Members

*No personnel changes in FY 2017*

## Authority Board

### FY 2016 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

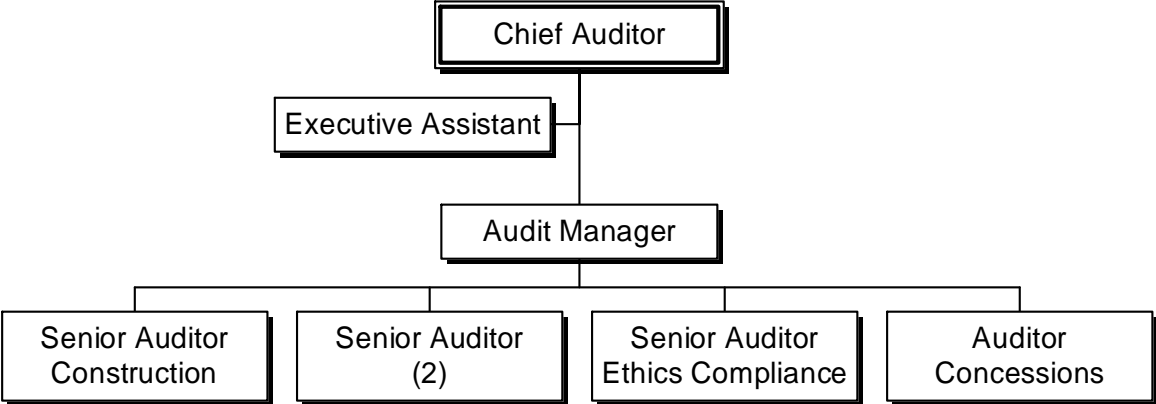
	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 86,296	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	40,768	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Subtotal	127,064	-	-	-	-	0.0%	-	0.0%	0	-	0.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>127,064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	105,005	125,800	126,500	121,500	(4,300)	-3.4%	(5,000)	-4.0%	125,500	4,000	3.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	250	250	250	-	0.0%	-	0.0%	250	-	0.0%
Operating Supplies	792	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	9,651	17,300	17,300	17,300	-	0.0%	-	0.0%	17,300	-	0.0%
Business Development	20,613	43,950	43,950	42,450	(1,500)	-3.4%	(1,500)	-3.4%	42,450	-	0.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>136,062</b>	<b>187,300</b>	<b>188,000</b>	<b>181,500</b>	<b>(5,800)</b>	<b>-3.1%</b>	<b>(6,500)</b>	<b>-3.5%</b>	<b>185,500</b>	<b>4,000</b>	<b>2.2%</b>
<b>Total Operating Expenses</b>	<b>263,126</b>	<b>187,300</b>	<b>188,000</b>	<b>181,500</b>	<b>(5,800)</b>	<b>-3.1%</b>	<b>(6,500)</b>	<b>-3.5%</b>	<b>185,500</b>	<b>4,000</b>	<b>2.2%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>263,126</b>	<b>187,300</b>	<b>188,000</b>	<b>181,500</b>	<b>(5,800)</b>	<b>-3.1%</b>	<b>(6,500)</b>	<b>-3.5%</b>	<b>185,500</b>	<b>4,000</b>	<b>2.2%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 263,126</b>	<b>\$ 187,300</b>	<b>\$ 188,000</b>	<b>\$ 181,500</b>	<b>\$ (5,800)</b>	<b>-3.1%</b>	<b>\$ (6,500)</b>	<b>-3.5%</b>	<b>\$ 185,500</b>	<b>\$ 4,000</b>	<b>2.2%</b>

**Authority Board**

**Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget**

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 187,300</b>	<b>\$ 181,500</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	-	-
Burden (benefits & employer taxes) for current staff	-	-
<b>Total Increase / (Decrease) in personnel costs</b>	<b>-</b>	<b>-</b>
Other, net	(5,800)	4,000
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(5,800)</b>	<b>4,000</b>
<b>Total Increase / (Decrease)</b>	<b>(5,800)</b>	<b>4,000</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 181,500</b>	<b>\$ 185,500</b>

**Chief Auditor**  
**FY 2016 – FY 2017 Organizational Structure**



*No personnel changes in FY 2017*

## Chief Auditor

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 740,063	\$ 780,617	\$ 804,259	\$ 809,836	\$ 29,219	3.7%	\$ 5,577	0.7%	\$ 832,952	\$ 23,116	2.9%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	334,701	362,816	378,743	360,070	(2,745)	-0.8%	(18,672)	-4.9%	375,680	15,610	4.3%
Subtotal	1,074,764	1,143,433	1,183,002	1,169,906	26,473	2.3%	(13,096)	-1.1%	1,208,633	38,726	3.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,074,764</b>	<b>1,143,433</b>	<b>1,183,002</b>	<b>1,169,906</b>	<b>26,473</b>	<b>2.3%</b>	<b>(13,096)</b>	<b>-1.1%</b>	<b>1,208,633</b>	<b>38,726</b>	<b>3.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	6,777	375	375	750	375	100.0%	375	100.0%	750	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	250	250	250	-	0.0%	-	0.0%	275	25	10.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1,904	500	500	-	(500)	-100.0%	(500)	-100.0%	-	-	0.0%
Operating Supplies	2,592	2,600	2,600	5,900	3,300	126.9%	3,300	126.9%	2,750	(3,150)	-53.4%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	16,787	28,150	28,900	28,700	550	2.0%	(200)	-0.7%	29,200	500	1.7%
Business Development	4,317	4,000	4,250	4,225	225	5.6%	(25)	-0.6%	4,380	155	3.7%
Equipment Rentals & Repairs	4,200	4,700	4,925	7,875	3,175	82.5%	2,950	62.8%	5,050	(2,825)	-26.1%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>36,578</b>	<b>40,575</b>	<b>41,800</b>	<b>47,700</b>	<b>7,125</b>	<b>17.6%</b>	<b>5,900</b>	<b>14.1%</b>	<b>42,405</b>	<b>(5,295)</b>	<b>-11.1%</b>
<b>Total Operating Expenses</b>	<b>1,111,342</b>	<b>1,184,008</b>	<b>1,224,802</b>	<b>1,217,606</b>	<b>33,598</b>	<b>2.8%</b>	<b>(7,196)</b>	<b>-0.6%</b>	<b>1,251,038</b>	<b>33,431</b>	<b>2.7%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,111,342</b>	<b>1,184,008</b>	<b>1,224,802</b>	<b>1,217,606</b>	<b>33,598</b>	<b>2.8%</b>	<b>(7,196)</b>	<b>-0.6%</b>	<b>1,251,038</b>	<b>33,431</b>	<b>2.7%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,111,342</b>	<b>\$ 1,184,008</b>	<b>\$ 1,224,802</b>	<b>\$1,217,606</b>	<b>\$ 33,598</b>	<b>2.8%</b>	<b>\$ (7,196)</b>	<b>-0.6%</b>	<b>\$ 1,251,038</b>	<b>\$ 33,431</b>	<b>2.7%</b>

**Chief Auditor**

**Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget**

	<b>Inc/(Dec) FY16 vs FY15</b>	<b>Inc/(Dec) FY17 Conceptual vs FY16</b>
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 1,184,008</b>	<b>\$ 1,217,606</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	29,219	23,116
Burden (benefits & employer taxes) for current staff	(2,745)	15,610
<b>Total Increase / (Decrease) in personnel costs</b>	<b>26,473</b>	<b>38,726</b>
Other, net	7,125	(5,295)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>7,125</b>	<b>(5,295)</b>
<b>Total Increase / (Decrease)</b>	<b>33,598</b>	<b>33,431</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 1,217,606</b>	<b>\$ 1,251,038</b>

## Chief Auditor Department Goals

### FY 2015 Progress Report

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

**Progress:** The department utilization goal is 80%. During the last reporting period audit had a utilization rate of 89%.

**Sustainability Goal:** Operational excellence.

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

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

**Progress:** During the most recent reporting period the department had identified \$113,494 of additional revenue/cost savings during the fiscal year 2015.

**Sustainability Goal:** Operational excellence.

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

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

**Progress:** To date, 50% of the recommendations provided to departments in fiscal year 2015 have been implemented. The goal for implementation is 90% by the end of the fiscal year, and the department appears to be on track to achieve this goal.

**Sustainability Goal:** Operational excellence.

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

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

**Progress:** Currently, 83% of the audits conducted during the fiscal year 2014 have been completed within the budgeted time. The department goal is 80%.

**Sustainability Goal:** Operational excellence.

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



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

**Progress:** Internal customer satisfaction surveys are sent to auditees at the conclusion of each audit. The current internal customer satisfaction ratio is 4.83.

**Sustainability Goal:** Operational excellence.

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

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

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

**Sustainability Goal:** Operational excellence.

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

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

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

**Sustainability Goal:** Operational excellence.

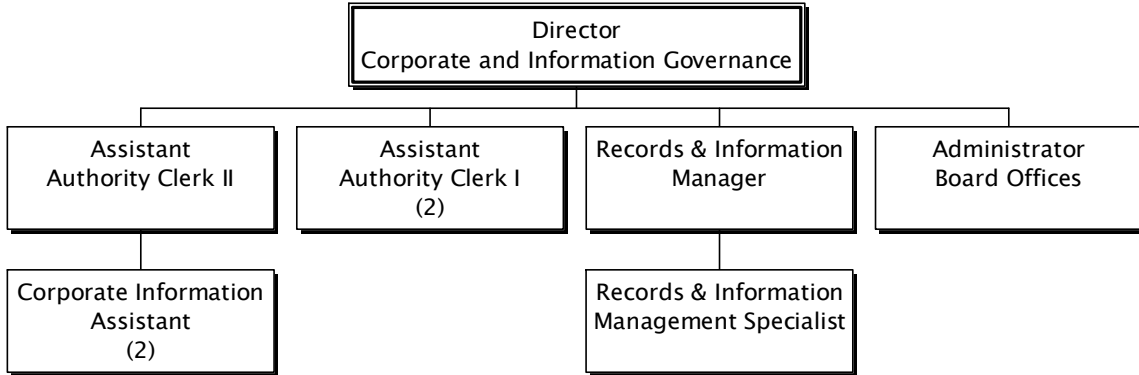
**Authority Strategy:** Operate our airport in a safe, secure, environmentally sound, effective and efficient manner.

## Chief Auditor Department Goals

### FY 2016 – FY 2017 Goals

- 1. Effectively utilize Audit personnel's time performing audits to achieve an audit utilization rate equal to the cumulative percentage for all audit staff.**  
**Initiative:** Focus on revenue generation and cost control.
- 2. Confirm revenues obtained from business partners and costs paid to contractors comply with the terms of agreements.**  
**Initiative:** Focus on revenue generation and cost control.
- 3. Provide workable audit recommendations that help improve the Authority's operations within a 90% implementation rate.**  
**Initiative:** Focus on revenue generation and cost control.
- 4. Perform audit work in an efficient manner. Eighty percent (80%) of all audits completed within budget time as established within the annual plan approved by the Board.**  
**Initiative:** Focus on revenue generation and cost control.
- 5. Conduct audit engagements in a manner that meets the expectation of the customers. Achieve an internal customer satisfaction ratio of 4.0 on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied.**  
**Initiative:** Strategically engaging our employees in sustainable business practices.
- 6. Conduct audits that focus on the key risk areas of the Authority and its business partners.**  
**Initiative:** Focus on revenue generation and cost control.
- 7. Provide tools and training for staff to ensure adequacy and effectiveness audits.**  
**Initiative:** Strategically engaging our employees in sustainable business practices.

**Corporate and Information Governance  
FY 2016 – FY 2017 Organizational Structure**



*No personnel changes in FY 2017*

## Corporate and Information Governance

### FY 2016 Proposed – FY 2017 Proposed and Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 463,583	\$ 565,184	\$ 582,139	\$ 633,917	\$ 68,734	12.2%	\$ 51,778	8.9%	\$ 657,409	\$ 23,492	3.7%
Premium Overtime	1,205	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	249,239	341,618	358,477	340,527	(1,091)	-0.3%	(17,949)	-5.0%	364,447	23,920	7.0%
Subtotal	714,027	906,802	940,616	974,445	67,643	7.5%	33,829	3.6%	1,021,856	47,412	4.9%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>714,027</b>	<b>906,802</b>	<b>940,616</b>	<b>974,445</b>	<b>67,643</b>	<b>7.5%</b>	<b>33,829</b>	<b>3.6%</b>	<b>1,021,856</b>	<b>47,412</b>	<b>4.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	53,589	34,400	34,400	32,900	(1,500)	-4.4%	(1,500)	-4.4%	29,100	(3,800)	-11.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	5,447	500	500	55,000	54,500	10900.0%	54,500	10900.0%	10,000	(45,000)	-81.8%
Operating Supplies	4,029	6,675	6,675	4,675	(2,000)	-30.0%	(2,000)	-30.0%	4,675	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	16,595	15,230	16,230	16,230	1,000	6.6%	-	0.0%	19,230	3,000	18.5%
Business Development	15,168	11,750	11,750	10,300	(1,450)	-12.3%	(1,450)	-12.3%	10,300	-	0.0%
Equipment Rentals & Repairs	31,084	26,800	26,800	26,100	(700)	40.0%	(700)	40.0%	26,100	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>125,911</b>	<b>95,355</b>	<b>96,355</b>	<b>145,205</b>	<b>49,850</b>	<b>52.3%</b>	<b>48,850</b>	<b>50.7%</b>	<b>99,405</b>	<b>(45,800)</b>	<b>-31.5%</b>
<b>Total Operating Expenses</b>	<b>839,938</b>	<b>1,002,157</b>	<b>1,036,971</b>	<b>1,119,650</b>	<b>117,493</b>	<b>11.7%</b>	<b>82,679</b>	<b>8.0%</b>	<b>1,121,261</b>	<b>1,612</b>	<b>0.1%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>839,938</b>	<b>1,002,157</b>	<b>1,036,971</b>	<b>1,119,650</b>	<b>117,493</b>	<b>11.7%</b>	<b>82,679</b>	<b>8.0%</b>	<b>1,121,261</b>	<b>1,612</b>	<b>0.1%</b>
<b>Equipment Outlay</b>	<b>62,128</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>	<b>0.0%</b>	<b>5,000</b>	<b>0.0%</b>	<b>5,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 902,066</b>	<b>\$ 1,002,157</b>	<b>\$ 1,036,971</b>	<b>\$ 1,124,650</b>	<b>\$ 122,493</b>	<b>12.2%</b>	<b>\$ 87,679</b>	<b>8.5%</b>	<b>\$ 1,126,261</b>	<b>\$ 1,612</b>	<b>0.1%</b>

## Corporate and Information Governance

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 1,002,157</b>	<b>\$ 1,124,650</b>
<b>Personnel costs</b>		
1 New position of Records & Information Management Specialist (salaries, benefits & employer taxes)	69,135	-
Salary adjustments and pay-for-performance	20,949	23,492
Burden (benefits & employer taxes) for current staff	(22,441)	23,920
<b>Total Increase / (Decrease) in personnel costs</b>	<b>67,643</b>	<b>47,412</b>
Business Continuity Plan system	55,000	(45,000)
Other, net	(150)	(800)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>54,850</b>	<b>(45,800)</b>
<b>Total Increase / (Decrease)</b>	<b>122,493</b>	<b>1,612</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 1,124,650</b>	<b>\$ 1,126,261</b>

## Corporate and Information Governance Department Goals

### FY 2015 Progress Report

#### 1. Enhance access to records and information through the completion of the design and implementation of an Enterprise Content Management System (ECMS) by May 2015.

**Progress:**

- Completed Requirements Assessment
- Completed Design Review Prototype meetings
- Complete Functional Design Specification by February 1, 2015
- System training and pilot testing is scheduled for March 2015
- Anticipate beginning system roll-out in April 2015

**Sustainability Goal:** Economic sustainability and operational excellence.

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

#### 2. Maintain the Department's External Customer Satisfaction Score of 92 percentage points for Fiscal Year 2015.

**Progress:**

- Received 14 external customer survey responses
- 100 % of our external customers who responded to the survey rated our customer service as "Professional" and/or "Very Professional"
- 78.6 % of those who responded rated our customer service as "Very Professional"

**Sustainability Goal:** Operational excellence and social responsibility.

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

#### 3. Increase the Departments Employee Engagement Score by 5 percentage points on the 2015 Employee Opinion Survey.

**Progress:** Employee opinion survey is scheduled to be conducted in March 2015.

**Sustainability Goal:** Operational excellence and social responsibility.

**Authority Strategy:** Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Employee Strategy: Ensure the highest level of employee commitment and performance.

## Corporate and Information Governance Department Goals

### FY 2016 – FY 2017 Goals

1. **Enhance access to records and information through the completion of the design and implementation of an Enterprise Content Management System (ECMS) by February 2016.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

2. **Enhance access and search ability of codes and policies via the intranet through the creation of a published PDF searchable document by December 2015.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

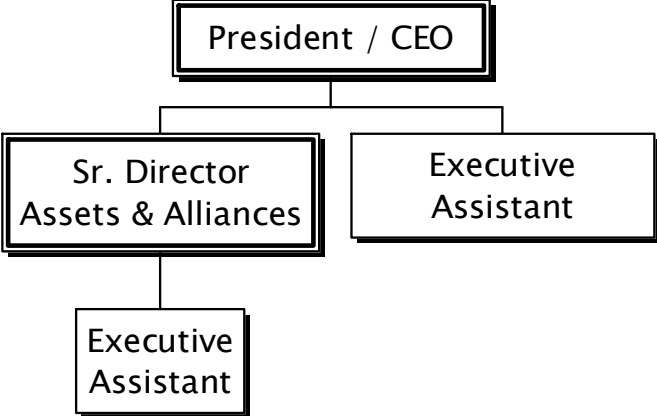
3. **Increase the Departments Employee Engagement Score by 5 percentage points on the 2016 Employee Opinion Survey.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

4. **Research the ability to automate the agenda and staff report preparation and distribution process to create efficiency and reduce the costs associated with the reproduction of documents by April 2016.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

**Executive Office**  
**FY 2016 – FY 2017 Organizational Structure**



*No personnel changes in FY 2017*



## Executive Office

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

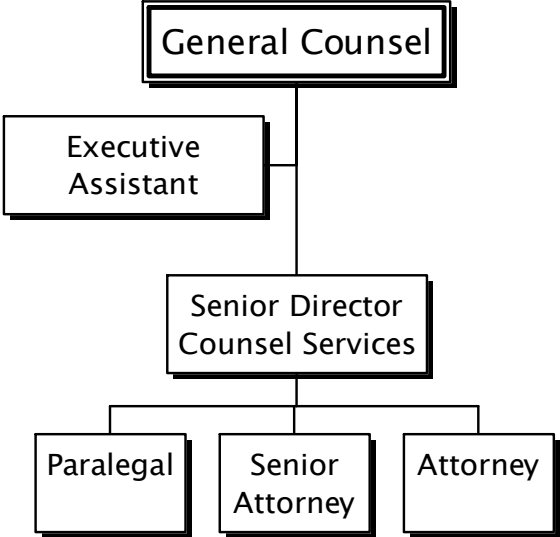
	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 590,658	\$ 575,031	\$ 592,634	\$ 608,206	\$ 33,175	5.8%	\$ 15,572	2.6%	\$ 624,510	\$ 16,303	2.7%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	212,490	278,643	295,043	270,797	(7,846)	-2.8%	(24,246)	-8.2%	292,524	21,726	8.0%
Subtotal	803,149	853,675	887,677	879,004	25,329	3.0%	(8,673)	-1.0%	917,034	38,030	4.3%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>803,149</b>	<b>853,675</b>	<b>887,677</b>	<b>879,004</b>	<b>25,329</b>	<b>3.0%</b>	<b>(8,673)</b>	<b>-1.0%</b>	<b>917,034</b>	<b>38,030</b>	<b>4.3%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	26,137	20,000	20,000	-	(20,000)	-100.0%	(20,000)	-100.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	65	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	459	-	-	500	500	0.0%	500	0.0%	-	(500)	-100.0%
Operating Supplies	3,447	2,500	2,500	2,500	-	0.0%	-	0.0%	2,500	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	28,706	24,000	24,000	24,000	-	0.0%	-	0.0%	24,000	-	0.0%
Business Development	214,108	196,767	201,767	214,717	17,950	9.1%	12,950	6.4%	223,545	8,828	4.1%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>272,922</b>	<b>243,267</b>	<b>248,267</b>	<b>241,717</b>	<b>(1,550)</b>	<b>-0.6%</b>	<b>(6,550)</b>	<b>-2.6%</b>	<b>250,045</b>	<b>8,328</b>	<b>3.4%</b>
<b>Total Operating Expenses</b>	<b>1,076,070</b>	<b>1,096,942</b>	<b>1,135,944</b>	<b>1,120,721</b>	<b>23,779</b>	<b>2.2%</b>	<b>(15,223)</b>	<b>-1.3%</b>	<b>1,167,079</b>	<b>46,358</b>	<b>4.1%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,076,070</b>	<b>1,096,942</b>	<b>1,135,944</b>	<b>1,120,721</b>	<b>23,779</b>	<b>2.2%</b>	<b>(15,223)</b>	<b>-1.3%</b>	<b>1,167,079</b>	<b>46,358</b>	<b>4.1%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,076,070</b>	<b>\$ 1,096,942</b>	<b>\$ 1,135,944</b>	<b>\$ 1,120,721</b>	<b>\$ 23,779</b>	<b>2.2%</b>	<b>\$ (15,223)</b>	<b>-1.3%</b>	<b>\$ 1,167,079</b>	<b>\$ 46,358</b>	<b>4.1%</b>

**Executive Office**

**Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget**

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 1,096,942</b>	<b>\$ 1,120,721</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	33,175	16,303
Burden (benefits & employer taxes) for current staff	(7,846)	21,726
<b>Total Increase / (Decrease) in personnel costs</b>	<b>25,329</b>	<b>38,030</b>
Memberships and dues	11,250	6,328
Outside professional services	(20,000)	-
Other, net	7,200	2,000
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(1,550)</b>	<b>8,328</b>
<b>Total Increase / (Decrease)</b>	<b>23,779</b>	<b>46,358</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 1,120,721</b>	<b>\$ 1,167,079</b>

**General Counsel**  
**FY 2016 – FY 2017 Organizational Structure**



*No personnel changes in FY 2017*

## General Counsel

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 885,311	\$ 906,812	\$ 931,800	\$ 934,790	\$ 27,978	3.1%	\$ 2,990	0.3%	\$ 958,863	\$ 24,073	2.6%
Premium Overtime	156	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	375,236	391,745	409,797	382,733	(9,012)	-2.3%	(27,064)	-6.6%	396,453	13,720	3.6%
Subtotal	1,260,703	1,298,557	1,341,597	1,317,524	18,966	1.5%	(24,074)	-1.8%	1,355,316	37,793	2.9%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,260,703</b>	<b>1,298,557</b>	<b>1,341,597</b>	<b>1,317,524</b>	<b>18,966</b>	<b>1.5%</b>	<b>(24,074)</b>	<b>-1.8%</b>	<b>1,355,316</b>	<b>37,793</b>	<b>2.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	374,228	1,201,000	1,201,000	1,186,000	(15,000)	-1.2%	(15,000)	-1.2%	1,186,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	36	250	250	250	0	0.0%	-	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	31,624	1,000	1,000	1,000	0	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	3,328	4,000	4,000	4,000	0	0.0%	-	0.0%	4,000	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	59,633	60,400	60,400	68,400	8,000	13.2%	8,000	13.2%	69,900	1,500	2.2%
Business Development	4,988	6,850	6,850	7,550	700	10.2%	700	10.2%	7,650	100	1.3%
Equipment Rentals & Repairs	62	1,100	1,100	1,100	0	0.0%	-	0.0%	1,100	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>473,897</b>	<b>1,274,600</b>	<b>1,274,600</b>	<b>1,268,300</b>	<b>(6,300)</b>	<b>-0.5%</b>	<b>(6,300)</b>	<b>-0.5%</b>	<b>1,269,900</b>	<b>1,600</b>	<b>0.1%</b>
<b>Total Operating Expenses</b>	<b>1,734,600</b>	<b>2,573,157</b>	<b>2,616,197</b>	<b>2,585,824</b>	<b>12,667</b>	<b>0.5%</b>	<b>(30,374)</b>	<b>-1.2%</b>	<b>2,625,216</b>	<b>39,393</b>	<b>1.5%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	25,000	10,000	10,000	10,000	0	0.0%	-	0.0%	10,000	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>25,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>10,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,759,600</b>	<b>2,583,157</b>	<b>2,626,197</b>	<b>2,595,824</b>	<b>12,667</b>	<b>0.5%</b>	<b>(30,374)</b>	<b>-1.2%</b>	<b>2,635,216</b>	<b>39,393</b>	<b>1.5%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,759,600</b>	<b>\$ 2,583,157</b>	<b>\$ 2,626,197</b>	<b>\$ 2,595,824</b>	<b>\$ 12,667</b>	<b>0.5%</b>	<b>\$ (30,374)</b>	<b>-1.2%</b>	<b>\$ 2,635,216</b>	<b>\$ 39,393</b>	<b>1.5%</b>

**General Counsel**

**Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget**

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 2,583,157</b>	<b>\$ 2,595,824</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	27,978	24,073
Burden (benefits & employer taxes) for current staff	(9,012)	13,720
<b>Total Increase / (Decrease) in personnel costs</b>	<b>18,966</b>	<b>37,793</b>
Legal Services	(15,000)	-
Other, net	8,700	1,600
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(6,300)</b>	<b>1,600</b>
<b>Total Increase / (Decrease)</b>	<b>12,667</b>	<b>39,393</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 2,595,824</b>	<b>\$ 2,635,216</b>

## General Counsel Departmental Goals

### FY 2015 Progress Report

1. **Contain outside legal counsel costs with no increase in amount by using in-house legal staff whenever feasible, negotiating special hourly and per case rates and through close reviews of legal counsel invoices.**

**Progress:** Outside legal costs have decreased by reducing reliance on the use of outside law firms and assigning in-house staff to the work where staff was available and capable of providing the legal services. The hourly rates for outside firms have not been allowed to increase and invoices are carefully reviewed for reasonableness and at times the legal bills are reduced. Unless new unanticipated litigation occurs, the office expenses for outside counsel will be substantially under budget by more than \$400,000.

**Sustainability Goal:** Economic viability and operational excellence.

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

2. **Provide timely and professional legal services in preparing, reviewing, executing and enforcing Authority contracts, leases and agreement to meet the needs of the Authority while complying with applicable laws and regulations.**

**Progress:** During the first 6 months of FY2015, the General Counsel's office has negotiated, prepared, reviewed or amended more than 300 contracts, leases, licenses, permits and amendments, including a number of significant complexity and uniqueness. Although each agreement, depending on its complexity and negotiations, varies in the amount of time needed to complete legal review, our internal office records reflect quick turnarounds on the vast majority of requested legal services. Periodic meetings with representatives from Procurement and Business Management reflect satisfaction with the timeliness of our services, and an extraordinary record of being responsive to "rush" requests.

**Sustainability Goal:** Economic viability and operational excellence.

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

3. **Increase the educational activities of the office through periodic educational seminars open to Authority staff and management regarding contracting, ethics standards, bidding procedures, the Public Records Act, CEQA, bonding, federal requirements and other areas.**

**Progress:** The General Counsel's office continues to offer and conduct educational seminars and opportunities for Board, management and staff. Recent educational activities have covered ethics, federal and state laws applicable to airports, and various aspects of contracting.

**Sustainability Goal:** Operational excellence.

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

**4. Provide timely and professional legal services and advice concerning the Authority's Codes, Policies, Rules and Regulations and standard practices to ensure compliance with state and federal law and to minimize the Authority's exposure to litigation.**

**Progress:** The General Counsel's office has provided legal services and advice to support the adoption of new Authority Policies related to commercial advertising, commercial ground transportation applicable to Transportation Network Companies (TNCs), e-cigarettes, pest management and domestic partner benefits for parties contracting with the Authority. The Authority's Rules and Regulations have been amended with regard to TNCs and aircraft parking. Amendments to the Rules of the San Diego City Employees Retirement Board have also been reviewed. The office participated in the finalization of a FAA required Competition Plan affecting airline service at San Diego International Airport. Each of these services was completed in a timely and professional manner.

**Sustainability Goal:** Operational excellence.

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

## General Counsel Departmental Goals

### FY 2016 – FY 2017 Goals

1. Contain outside legal counsel costs with no increase in amount by using in-house legal staff whenever feasible, negotiating special hourly and per case rates and through close reviews of legal counsel invoices.

**Initiative:** Focus on revenue generation and cost control.

2. Provide timely and professional legal services in preparing, reviewing, executing and enforcing Authority contracts, leases and agreement to meet the needs of the Authority while complying with applicable laws and regulations.

**Initiative:** Strategically engaging our employees in sustainable business practices.

3. Increase the educational activities of the office through periodic educational seminars open to Authority staff and management regarding contracting, ethics standards, bidding procedures, the Public Records Act, CEQA, bonding, federal requirements and other areas.

**Initiative:** Strategically engaging our employees in sustainable business practices.

4. Provide timely and professional legal services and advice concerning the Authority's Codes, Policies, Rules and Regulations and standard practices to ensure compliance with state and federal law and to minimize the Authority's exposure to litigation.

**Initiative:** Strategically engaging our employees in sustainable business practices.



## Assets & Alliances Group

### FY 2016 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

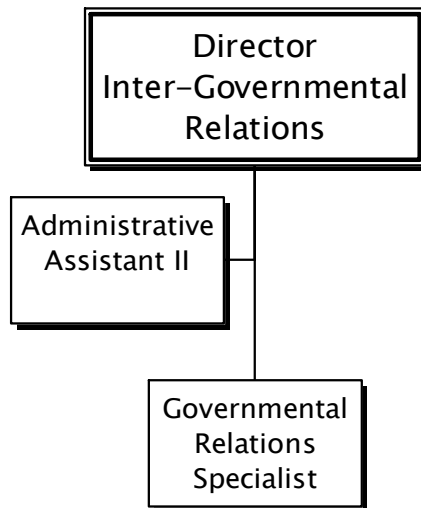
	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 689,697	\$ 738,422	\$ 765,255	\$ 727,246	\$ (11,176)	-1.5%	\$ (38,008)	-5.0%	\$ 736,704	\$ 9,457	1.3%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	232,120	355,510	375,059	341,717	(13,793)	-3.9%	(33,342)	-8.9%	363,451	21,734	6.4%
Subtotal	921,817	1,093,932	1,140,314	1,068,964	(24,969)	-2.3%	(71,351)	-6.3%	1,100,155	31,192	2.9%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>921,817</b>	<b>1,093,932</b>	<b>1,140,314</b>	<b>1,068,964</b>	<b>(24,969)</b>	<b>-2.3%</b>	<b>(71,351)</b>	<b>-6.3%</b>	<b>1,100,155</b>	<b>31,192</b>	<b>2.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	499,334	563,000	597,000	718,500	155,500	27.6%	121,500	20.4%	696,400	(22,100)	-3.1%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	150	150	150	-	0.0%	-	0.0%	150	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	916	3,500	48,250	1,250	(2,250)	-64.3%	(47,000)	-97.4%	1,250	-	0.0%
Operating Supplies	6,874	7,000	7,000	6,000	(1,000)	-14.3%	(1,000)	-14.3%	8,250	2,250	37.5%
Insurance	988,382	1,071,422	1,239,364	1,322,477	251,055	23.4%	83,113	6.7%	1,405,457	82,980	6.3%
Employee Programs	34,730	35,400	35,700	48,200	12,800	36.2%	12,500	35.0%	53,000	4,800	10.0%
Business Development	148,176	137,825	136,025	141,050	3,225	2.3%	5,025	3.7%	144,650	3,600	2.6%
Equipment Rentals & Repairs	972	450	450	250	(200)	-100.0%	(200)	-100.0%	250	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,679,386</b>	<b>1,818,747</b>	<b>2,063,939</b>	<b>2,237,877</b>	<b>419,130</b>	<b>23.0%</b>	<b>173,938</b>	<b>8.4%</b>	<b>2,309,407</b>	<b>71,530</b>	<b>3.2%</b>
<b>Total Operating Expenses</b>	<b>2,601,203</b>	<b>2,912,679</b>	<b>3,204,253</b>	<b>3,306,841</b>	<b>394,161</b>	<b>13.5%</b>	<b>102,587</b>	<b>3.2%</b>	<b>3,409,562</b>	<b>102,722</b>	<b>3.1%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,601,203</b>	<b>2,912,679</b>	<b>3,204,253</b>	<b>3,306,841</b>	<b>394,161</b>	<b>13.5%</b>	<b>102,587</b>	<b>3.2%</b>	<b>3,409,562</b>	<b>102,722</b>	<b>3.1%</b>
<b>Equipment Outlay</b>	<b>16,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,618,053</b>	<b>\$ 2,912,679</b>	<b>\$ 3,204,253</b>	<b>\$ 3,306,841</b>	<b>\$ 394,161</b>	<b>13.5%</b>	<b>\$ 102,587</b>	<b>3.2%</b>	<b>\$ 3,409,562</b>	<b>\$ 102,722</b>	<b>3.1%</b>

## Assets & Alliances Group

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Conceptual Budget/ FY 2016 Budget</b>	<b>\$ 2,912,679</b>	<b>\$ 3,306,841</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	(11,176)	9,457
Burden (benefits & employer taxes) for current staff	(13,793)	21,734
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(24,969)</b>	<b>31,192</b>
Insurance	251,055	82,980
Outside professional services	155,500	(22,100)
Other, net	12,575	10,650
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>419,130</b>	<b>71,530</b>
<b>Total Increase / (Decrease)</b>	<b>394,161</b>	<b>102,722</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 3,306,841</b>	<b>\$ 3,409,562</b>

**Inter-Governmental Relations  
FY 2016 – FY 2017 Organizational Structure**



*No personnel changes in FY 2017*

## Inter-Governmental Relations

### FY 2016 – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 285,838	\$ 265,921	\$ 273,827	\$ 259,882	\$ (6,039)	-2.3%	\$ (13,945)	-5.1%	\$ 261,498	\$ 1,616	0.6%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	101,300	141,659	149,028	133,985	(7,674)	-5.4%	(15,043)	-10.1%	142,184	8,199	6.1%
Subtotal	387,138	407,580	422,855	393,867	(13,713)	-3.4%	(28,987)	-6.9%	403,682	9,815	2.5%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>387,138</b>	<b>407,580</b>	<b>422,855</b>	<b>393,867</b>	<b>(13,713)</b>	<b>-3.4%</b>	<b>(28,987)</b>	<b>-6.9%</b>	<b>403,682</b>	<b>9,815</b>	<b>2.5%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	284,207	328,150	362,150	352,150	24,000	7.3%	(10,000)	-2.8%	352,150	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	150	150	150	-	0.0%	-	0.0%	150	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	1,000	1,000	1,000	-	0.0%	-	0.0%	1,000	-	0.0%
Operating Supplies	5,190	2,500	2,500	2,500	-	0.0%	-	0.0%	2,500	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	11,394	13,900	13,900	21,200	7,300	52.5%	7,300	52.5%	23,900	2,700	12.7%
Business Development	141,430	124,600	122,600	125,600	1,000	0.8%	3,000	2.4%	129,300	3,700	2.9%
Equipment Rentals & Repairs	-	450	450	250	(200)	-100.0%	(200)	-100.0%	250	-	0.0%
Equipment/Improvement-Tenants	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>442,222</b>	<b>470,750</b>	<b>502,750</b>	<b>502,850</b>	<b>32,100</b>	<b>6.8%</b>	<b>100</b>	<b>0.0%</b>	<b>509,250</b>	<b>6,400</b>	<b>1.3%</b>
<b>Total Operating Expenses</b>	<b>829,359</b>	<b>878,330</b>	<b>925,605</b>	<b>896,717</b>	<b>18,387</b>	<b>2.1%</b>	<b>(28,887)</b>	<b>-3.1%</b>	<b>912,932</b>	<b>16,215</b>	<b>1.8%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>829,359</b>	<b>878,330</b>	<b>925,605</b>	<b>896,717</b>	<b>18,387</b>	<b>2.1%</b>	<b>(28,887)</b>	<b>-3.1%</b>	<b>912,932</b>	<b>16,215</b>	<b>1.8%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 829,359</b>	<b>\$ 878,330</b>	<b>\$ 925,605</b>	<b>\$ 896,717</b>	<b>\$ 18,387</b>	<b>2.1%</b>	<b>\$ (28,887)</b>	<b>-3.1%</b>	<b>\$ 912,932</b>	<b>\$ 16,215</b>	<b>1.8%</b>

## Inter-Governmental Relations

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 878,330</b>	<b>\$ 896,717</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	(6,039)	1,616
Burden (benefits & employer taxes) for current staff	(7,674)	8,199
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(13,713)</b>	<b>9,815</b>
Outside professional services	24,000	-
Other, net	8,100	6,400
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>32,100</b>	<b>6,400</b>
<b>Total Increase / (Decrease)</b>	<b>18,387</b>	<b>16,215</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 896,717</b>	<b>\$ 912,932</b>

## Inter-Governmental Relations Departmental Goals

### FY 2015 Progress Report

- 1. Coordinate with the Facilities Development Department and the Environmental Affairs Department to identify and apply for two major state/federal/private funding opportunities in Fiscal Year 2015. Inter-Governmental Relations staff will work closely with Facilities Development, Environmental Affairs and the Authority's legislative consultants to identify specific projects and potential funding sources and provide letters of support from regional leaders to accompany the funding applications.**

**Progress:** The Inter-Governmental Relations Department (IGR) is working with several Authority departments, including FDD and Environmental Affairs, in developing a process to identify and apply for unanticipated funding opportunities. The third meeting of the committee is scheduled to occur in early March. After obtaining consensus from committee members, staff will submit funding requests for at least two grants/funding opportunities and seek support from regional leaders for the applications/requests submitted.

**Sustainability Goal:** Economic viability and operational excellence.

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

- 2. Coordinate with the Air Service Development Department to obtain support from elected officials and other community leaders to assist in securing new air service that Air Service Development is working to obtain in Fiscal Year 2015.**

**Progress:** IGR staff continues to coordinate with the Air Service Development team to strategize on obtaining nonstop service to DCA during the consideration of the FAA Reauthorization bill. IGR staff is also prepared to support the Air Service Development team by obtaining letters of support from elected officials and others once new potential SAN routes have been identified.

**Sustainability Goal:** Economic viability and operational excellence.

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

- 3. Develop specific actions in consort with the Vision, Voice and Engagement Department to support and enhance stakeholder perception of trust and responsiveness by the Authority by May 31, 2015.**

**Progress:** The IGR team continues to work closely with the VVE team to inform community leaders of planned projects and initiatives, including the Airport Development Plan, expected to impact them or their constituents. IGR and VVE staffs are also working to proactively support efforts to modernize the Passenger Facility Charge by building local support for a PFC increase.

**Sustainability Goal:** Social responsibility.

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

## Inter-Governmental Relations Departmental Goals

### FY 2016 – FY 2017 Goals

1. **Coordinate with Airports Council International-North America, the American Association of Airport Executives, the California Airports Council, and others to obtain significant regional support for the inclusion of Passenger Facility Charge modernization language in the next Federal Aviation Administration Reauthorization bill.**

**Initiative:** Focus on revenue generation and cost control.

2. **Achieve an Inter-Governmental Relations Department Employee Engagement Score of at least 80 percent on the 2016 Employee Opinion Survey.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

3. **Coordinate with the Authority's grants/external funding committee members to identify and apply for two potential unanticipated funding opportunities by May 31, 2016 and obtain support from San Diego community leaders for these applications.**

**Initiative:** Focus on revenue generation and cost control.



**Risk Management**  
**FY 2016 – FY 2017 Organizational Structure**



*No personnel changes in FY 2017*

## Risk Management

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 403,859	\$ 472,501	\$ 491,428	\$ 467,364	\$ (5,137)	-1.1%	\$ (24,064)	-4.9%	\$ 475,205	\$ 7,841	1.7%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	130,820	213,851	226,031	207,732	(6,119)	-2.9%	(18,299)	-8.1%	221,268	13,536	6.5%
Subtotal	534,679	686,352	717,459	675,096	(11,256)	-1.6%	(42,363)	-5.9%	696,473	21,377	3.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>534,679</b>	<b>686,352</b>	<b>717,459</b>	<b>675,096</b>	<b>(11,256)</b>	<b>-1.6%</b>	<b>(42,363)</b>	<b>-5.9%</b>	<b>696,473</b>	<b>21,377</b>	<b>3.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	215,127	234,850	234,850	366,350	131,500	56.0%	131,500	56.0%	344,250	(22,100)	-6.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	916	2,500	47,250	250	(2,250)	-90.0%	(47,000)	-99.5%	250	-	0.0%
Operating Supplies	1,684	4,500	4,500	3,500	(1,000)	-22.2%	(1,000)	-22.2%	5,750	2,250	64.3%
Insurance	988,382	1,071,422	1,239,364	1,322,477	251,055	23.4%	83,113	6.7%	1,405,457	82,980	6.3%
Employee Programs	23,337	21,500	21,800	27,000	5,500	25.6%	5,200	23.9%	29,100	2,100	7.8%
Business Development	6,746	13,225	13,425	15,450	2,225	16.8%	2,025	15.1%	15,350	(100)	-0.6%
Equipment Rentals & Repairs	972	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,237,164</b>	<b>1,347,997</b>	<b>1,561,189</b>	<b>1,735,027</b>	<b>387,030</b>	<b>28.7%</b>	<b>173,838</b>	<b>11.1%</b>	<b>1,800,157</b>	<b>65,130</b>	<b>3.8%</b>
<b>Total Operating Expenses</b>	<b>1,771,843</b>	<b>2,034,349</b>	<b>2,278,648</b>	<b>2,410,123</b>	<b>375,774</b>	<b>18.5%</b>	<b>131,475</b>	<b>5.8%</b>	<b>2,496,630</b>	<b>86,507</b>	<b>3.6%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,771,843</b>	<b>2,034,349</b>	<b>2,278,648</b>	<b>2,410,123</b>	<b>375,774</b>	<b>18.5%</b>	<b>131,475</b>	<b>5.8%</b>	<b>2,496,630</b>	<b>86,507</b>	<b>3.6%</b>
<b>Equipment Outlay</b>	<b>16,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,788,693</b>	<b>\$ 2,034,349</b>	<b>\$ 2,278,648</b>	<b>\$2,410,123</b>	<b>\$ 375,774</b>	<b>18.5%</b>	<b>\$ 131,475</b>	<b>5.8%</b>	<b>\$ 2,496,630</b>	<b>\$ 86,507</b>	<b>3.6%</b>

## Risk Management

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Conceptual Budget/ FY 2016 Budget</b>	<b>\$ 2,034,349</b>	<b>\$ 2,410,123</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	(5,137)	7,841
Burden (benefits & employer taxes) for current staff	(6,119)	13,536
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(11,256)</b>	<b>21,377</b>
Insurance	251,055	82,980
Outside professional services	131,500	(22,100)
Other, net	4,475	4,250
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>387,030</b>	<b>65,130</b>
<b>Total Increase / (Decrease)</b>	<b>375,774</b>	<b>86,507</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 2,410,123</b>	<b>\$ 2,496,630</b>

## Risk Management Department Goals

### FY 2015 Progress Report

1. In support of the Authority's initiative to sustain the Cost per Enplaned Passenger (CPE) below budget in FY15, in the first quarter of FY15, Risk Management will develop a baseline for the Total Cost of Risk per enplaned passenger for FY15 and then subsequently develop and begin to implement an action plan to improve the Total Cost of Risk per enplaned passenger for FY16. The Total Cost of Risk is comprised of the costs associated with the Authority's Operational insurance program, supporting contracted services, costs of claims, and Administrative costs for the Risk Management Department measured against Key Performance Indicators (KPI) such as Annual Revenue or Annual Enplanements.

**Progress:** The baseline Total Cost of Risk per enplaned passenger for FY 15 has been established and tested. The implementation process is just now beginning and is on target to be operational by 5-31-15.

**Sustainability Goal:** Economic viability.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Authority.

2. Support and build upon the risk assessment pilot program initiated in FY14 wherein risk assessments were completed as part of the analysis by the Capital Improvement Program (CIP) Prioritization Team for three of the proposed CIP projects. Risk Management will allocate sufficient resources in FY15 to perform risk assessments for the CIP Prioritization Team on all proposed projects identified by the Team as requiring a risk assessment. A risk analysis will be performed and a report issued within three business days of conducting the risk assessment with the project sponsor and identified stakeholders. The risk assessment report will be provided to the CIP Prioritization Team and the project sponsor.

**Progress:** The Risk Assessment/Analysis procedure, as discussed above has been fully implemented and currently is being utilized by Risk Management in conjunction with all construction projects at the Authority. The Assessments are being completed within three (3) business days and are provided to the CIP Prioritization Team as well as the project sponsor as designed. This goal has been met.

**Sustainability Goal:** Economic viability and operational excellence.

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

## Risk Management Department Goals

### FY 2016 – FY 2017 Goals

1. Commence the development of a long-term risk mitigation program utilizing all aspects of Risk tools sustaining the Authority through its Airport Development Plan for over the next 20+ years.

**Initiative:** Developing a long term capital plan and revenue generation and cost control.

2. Implement a sustainable Safety Program by developing various long term initiatives to enhance employee wellness and reduce workplace hazards in conjunction with the Airport Development Plan over the next 20+ years.

**Initiative:** Strategically engaging our employees in sustainable business practices.

## Talent and Engagement Group

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

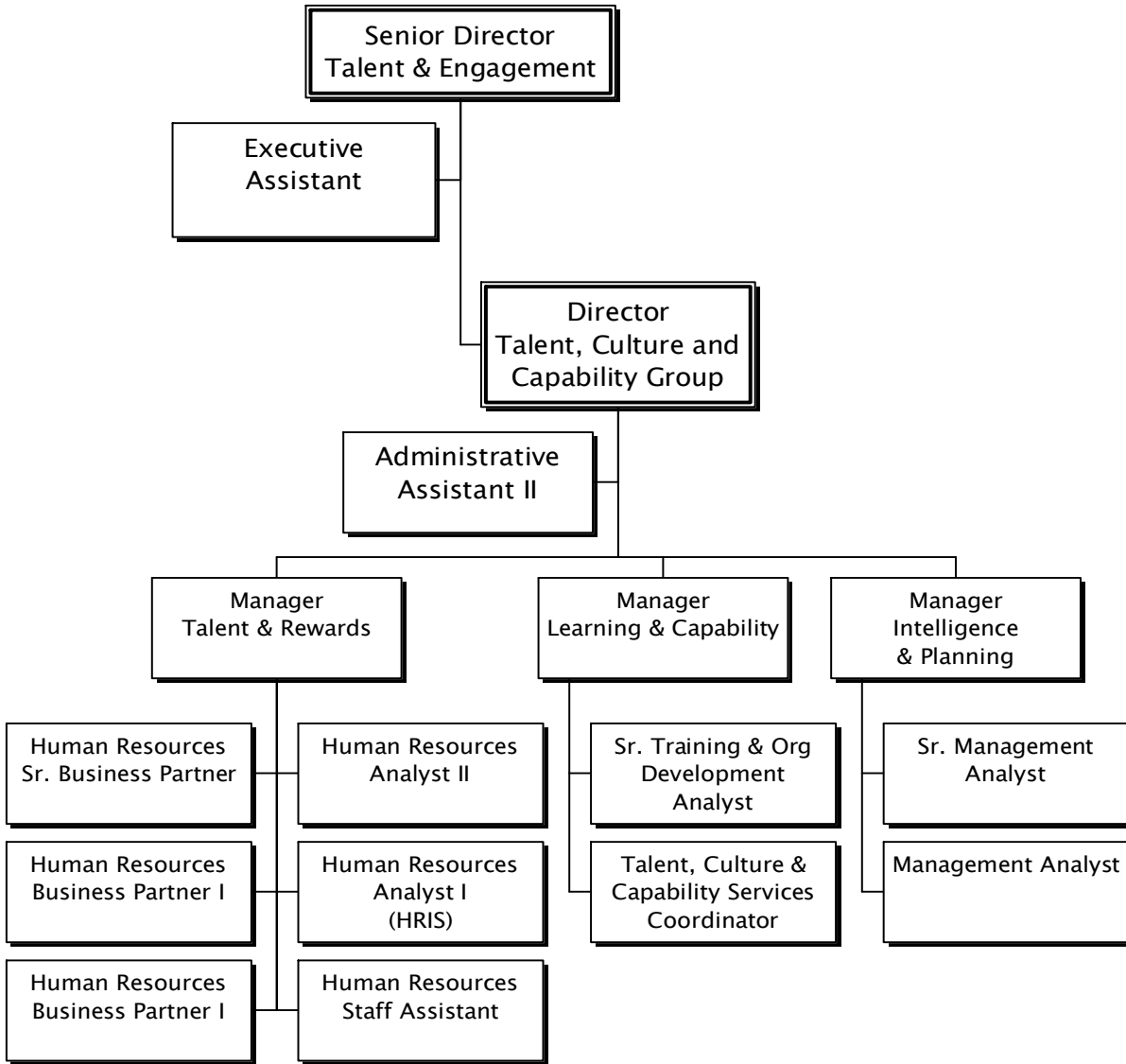
	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 2,499,803	\$ 2,836,276	\$ 2,894,303	\$ 2,849,774	\$ 13,498	0.5%	\$ (44,529)	-1.5%	\$ 2,994,519	\$ 144,745	5.1%
Premium Overtime	12,700	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	1,180,034	1,399,033	1,460,279	1,302,905	(96,127)	-6.9%	(157,374)	-10.8%	1,416,610	113,705	8.7%
Subtotal	3,692,536	4,235,309	4,354,582	4,152,679	(82,629)	-2.0%	(201,903)	-4.6%	4,411,129	258,450	6.2%
Less: Capitalized Labor	(4,002)	(69,479)	(45,514)	(103,298)	(33,819)	48.7%	(57,784)	127.0%	-	103,298	#####
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>3,688,534</b>	<b>4,165,830</b>	<b>4,309,069</b>	<b>4,049,382</b>	<b>(116,448)</b>	<b>-2.8%</b>	<b>(259,687)</b>	<b>-6.0%</b>	<b>4,411,129</b>	<b>361,747</b>	<b>8.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	2,067,688	1,872,362	1,844,862	1,805,700	(66,662)	-3.6%	(39,162)	-2.1%	1,871,500	65,800	3.6%
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	160	17,500	2,500	2,750	(14,750)	-84.3%	250	10.0%	2,750	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	28,703	27,900	27,900	28,400	500	1.8%	500	1.8%	24,400	(4,000)	-14.1%
Operating Supplies	13,288	16,500	15,000	14,660	(1,840)	-11.2%	(340)	-2.3%	14,660	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	293,355	344,585	327,285	359,125	14,540	4.2%	31,840	9.7%	353,325	(5,800)	-1.6%
Business Development	1,161,464	905,560	1,021,060	863,010	(42,550)	-4.7%	(158,050)	-15.5%	839,510	(23,500)	-2.7%
Equipment Rentals & Repairs	16,096	47,500	42,000	37,000	(10,500)	-26.3%	(5,000)	-45.5%	37,000	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>3,580,754</b>	<b>3,233,107</b>	<b>3,281,807</b>	<b>3,111,845</b>	<b>(121,262)</b>	<b>-3.8%</b>	<b>(169,962)</b>	<b>-5.2%</b>	<b>3,144,345</b>	<b>32,500</b>	<b>1.0%</b>
<b>Total Operating Expenses</b>	<b>7,269,288</b>	<b>7,398,937</b>	<b>7,590,876</b>	<b>7,161,227</b>	<b>(237,710)</b>	<b>-3.2%</b>	<b>(429,649)</b>	<b>-5.7%</b>	<b>7,555,474</b>	<b>394,247</b>	<b>5.5%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>7,269,288</b>	<b>7,398,937</b>	<b>7,590,876</b>	<b>7,161,227</b>	<b>(237,710)</b>	<b>-3.2%</b>	<b>(429,649)</b>	<b>-5.7%</b>	<b>7,555,474</b>	<b>394,247</b>	<b>5.5%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>(20,000)</b>	<b>-100.0%</b>	<b>(20,000)</b>	<b>-100.0%</b>	<b>20,000</b>	<b>20,000</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 7,269,288</b>	<b>\$ 7,418,937</b>	<b>\$ 7,610,876</b>	<b>\$ 7,161,227</b>	<b>\$ (257,710)</b>	<b>-3.5%</b>	<b>\$ (449,649)</b>	<b>-5.9%</b>	<b>\$ 7,575,474</b>	<b>\$ 414,247</b>	<b>5.8%</b>

## Talent and Engagement Group

### Major Drivers of FY 2016 Proposed Budget and FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 7,418,937</b>	<b>\$ 7,161,227</b>
<b>Personnel costs</b>		
1 New position Art Program Coordinator (salaries, benefits & employer taxes)	-	101,093
Salary adjustments and pay-for-performance	13,498	73,011
Capitalized Labor	(33,819)	103,298
Burden (benefits & employer taxes) for current staff	(96,127)	84,346
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(116,448)</b>	<b>361,747</b>
Seminars & Training	(18,500)	(6,300)
Talent Management Suite Implementation	(20,000)	20,000
Marketing, promotional activities and materials	(38,200)	24,000
Customer Satisfaction Survey	(45,000)	-
Other, net	(19,562)	14,800
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(141,262)</b>	<b>52,500</b>
<b>Total Increase / (Decrease)</b>	<b>(257,710)</b>	<b>414,247</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 7,161,227</b>	<b>\$ 7,575,474</b>

**Talent, Culture and Capability  
FY 2016 – FY 2017 Organizational Structure**



*No personnel changes in FY 2017*



## Talent, Culture and Capability

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,458,185	\$ 1,677,255	\$ 1,722,339	\$ 1,681,565	\$ 4,310	0.3%	\$ (40,773)	-2.4%	\$ 1,719,530	\$ 37,965	2.3%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	683,490	802,462	839,934	730,174	(72,288)	-9.0%	(109,760)	-13.1%	777,076	46,902	6.4%
Subtotal	2,141,675	2,479,717	2,562,273	2,411,739	(67,978)	-2.7%	(150,534)	-5.9%	2,496,606	84,867	3.5%
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>2,141,675</b>	<b>2,479,717</b>	<b>2,562,273</b>	<b>2,411,739</b>	<b>(67,978)</b>	<b>-2.7%</b>	<b>(150,534)</b>	<b>-5.9%</b>	<b>2,496,606</b>	<b>84,867</b>	<b>3.5%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	540,255	518,862	511,362	488,200	(30,662)	-5.9%	(23,162)	-4.5%	514,000	25,800	5.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	62	-	-	250	250	0.0%	250	0.0%	250	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	14,543	3,400	3,400	3,400	-	0.0%	-	0.0%	3,400	-	0.0%
Operating Supplies	6,333	7,800	7,800	7,800	-	0.0%	-	0.0%	7,800	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	269,809	280,225	261,725	294,925	14,700	5.2%	33,200	12.7%	288,625	(6,300)	-2.1%
Business Development	48,255	99,985	92,485	50,435	(49,550)	-49.6%	(42,050)	-45.5%	42,935	(7,500)	-14.9%
Equipment Rentals & Repairs	7,000	40,500	30,000	30,000	(10,500)	-26.3%	-	0.0%	30,000	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>886,257</b>	<b>950,772</b>	<b>906,772</b>	<b>875,010</b>	<b>(75,762)</b>	<b>-8.0%</b>	<b>(31,762)</b>	<b>-3.5%</b>	<b>887,010</b>	<b>12,000</b>	<b>1.4%</b>
<b>Total Operating Expenses</b>	<b>3,027,932</b>	<b>3,430,489</b>	<b>3,469,045</b>	<b>3,286,749</b>	<b>(143,740)</b>	<b>-4.2%</b>	<b>(182,296)</b>	<b>-5.3%</b>	<b>3,383,616</b>	<b>96,867</b>	<b>2.9%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>3,027,932</b>	<b>3,430,489</b>	<b>3,469,045</b>	<b>3,286,749</b>	<b>(143,740)</b>	<b>-4.2%</b>	<b>(182,296)</b>	<b>-5.3%</b>	<b>3,383,616</b>	<b>96,867</b>	<b>2.9%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>(20,000)</b>	<b>-100.0%</b>	<b>(20,000)</b>	<b>-100.0%</b>	<b>20,000</b>	<b>20,000</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 3,027,932</b>	<b>\$ 3,450,489</b>	<b>\$ 3,489,045</b>	<b>\$ 3,286,749</b>	<b>\$ (163,740)</b>	<b>-4.7%</b>	<b>\$ (202,296)</b>	<b>-5.8%</b>	<b>\$ 3,403,616</b>	<b>\$ 116,867</b>	<b>3.6%</b>

## Talent, Culture & Capability

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 3,450,489</b>	<b>\$ 3,286,749</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	4,310	37,965
Burden (benefits & employer taxes) for current staff	(72,288)	46,902
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(63,122)</b>	<b>85,011</b>
Seminars & Training	(18,500)	(6,300)
Talent Management Suite Implementation	(20,000)	20,000
Customer Satisfaction Survey	(45,000)	-
Other, net	(12,262)	18,300
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(95,762)</b>	<b>32,000</b>
<b>Total Increase / (Decrease)</b>	<b>(163,740)</b>	<b>116,867</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 3,286,749</b>	<b>\$ 3,403,616</b>

## Talent, Culture & Capability Department Goals

### FY 2015 Progress Report

1. **Integrate outcomes of workforce planning, training plans and recruitment strategy to assure an enhanced talent pipeline and development of the organizational capabilities required to meet identified future strategic and operational needs.**

#### **Progress: Developing & Acquiring Capabilities Required to Execute Our Strategy**

- Developed and implemented workforce plans for three Authority departments designed to support development and acquisition of key talent required for the next 3 – 5 years to sustain organizational success
- Executed recruitments to support succession plans and eliminate potential capability gaps including Director, Tenants & Terminals, Sr. Manager Facilities Management, Program Manager Environmental Sustainability and Sr. Manager Risk Management
- Piloted a Manager Peer Group development program to enhance leadership capabilities and drive greater employee engagement and laid a foundation for replication

**Sustainability Goal:** Operational excellence and social responsibility.

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

2. **Execute iterative survey instruments that measure designated tenant and stakeholder perceptions of trust in, and responsiveness from, San Diego International Airport in a manner that assures a minimum of 30% participation and track action plans for designated departments accountable for tenant, passenger and community survey results to assure execution.**

#### **Progress: Integrate Survey Data in Action Plans to Support Continuous Improvement**

- Developed and executed a Community survey instrument to assess perceptions of trustworthiness and responsiveness of the Authority by key stakeholder groups (Advisory Committees, Quieter Home Program Participants, Contractors and ALUC members) establishing an initial benchmark rating of 3.85 out of 5
- Developed and executed a Tenant survey instrument to assess perceptions of trustworthiness and responsiveness of the Authority by key stakeholder groups (Airlines, Concession, Rental Car, Other Tenants) establishing an initial benchmark rating of 4.15 out of 5
- Initiated action planning process with key departments to identify process and service improvements to sustain or improve benchmark scores in 2015 survey

- Through “Process Takes Off” initiatives:
  - Established and implemented a Facilities Maintenance cost recovery process that has recouped \$105,633 since January of 2014 with an additional \$50,000 pending
  - Facilitated development of Capital Improvement Committee planning processes to better align with construction program management and establish more accurate Total Cost of Ownership projections
  - Coordinated response procedures between Environmental Affairs and Facilities Management to support ongoing Wildlife Rescue Procedures
  - Engaged multiple departments in process improvements to assure Authority record retention policies meet regulatory requirements for FAA funded projects

**Sustainability Goal:** Operational excellence and social responsibility.

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

**3. Identify and define sustainable employee and retiree wellness strategies that engage each community in a planning and communication process resulting in reduced organizational health risks, high quality healthcare, timely annual renewals and continued cost containment within budget parameters.**

**Progress: 2015 Employee Healthcare and Wellness Programs.**

- 90% of employees and 48% of covered spouses/domestic partners participated in the Employee Wellness Program (biometric screenings and completion of personal health profiles)
- Approximately 16 of 24 employee non-participants in wellness screenings could participate in future
- Maintained market competitive healthcare cost share model (83% employer/17% employee)
- Approximately \$443,287 in annual savings over budgeted healthcare costs resulting from effective marketing of healthcare plans (Zero cost increase for 2015)
- Employee Benefits Task Force (19 cross-functional members) contributed expertise and guidance as marketing and selection of plans progressed
- Retirement planning:
  - Alumni Communication Team (ACT) formed to facilitate smart decision making as employees approach retirement eligibility
  - First initiative resulting from ACT includes development of FAQs and five module pre-retirement education program launched for employees with 59% of those invited participating in at least one module

**Sustainability Goal:** Economic viability and social responsibility.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Authority. Employee Strategy: Ensure the highest level of employee commitment and performance.

**4. Sustain employee engagement and strategic engagement at 80% and 81% respectively by enhancing onboarding effectiveness, leveraging technology to sustain performance and delivering targeted leadership and management development opportunities.**

**Progress: Enhancing Employee Productivity and Commitment.**

- Performance Management Team initiated and on track to implement improvements to the Authority's performance management practices on or before July 1, 2015 that better align with the Authority's vision and strategic goals
- Executive Team development plan designed to enhance trust, collaboration and team communication in progress
- Leadership and team building sessions facilitated with departments and teams targeting improvements in areas of opportunity identified in the Employee Opinion Survey
- Implemented a revised onboarding program aligned to our vision and values to support greater strategic engagement

**Sustainability Goal:** Social responsibility.

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

## Talent, Culture & Capability Departmental Goals

### FY 2016 – FY 2017 Goals

1. **Embed workforce plans throughout the organization that assure business leaders identify required future capabilities and appropriate strategies to achieve vision with 50% of departments having a plan in place.**

**Initiative:** Strategically engaging employees in sustainable business practices.

2. **Integrate new performance management practices that align to the needs of the business and achieve sustained employee engagement as measured by increased opinion scores on performance management attributes (65%/47%).**

**Initiative:** Strategically engaging employees in sustainable business practices.

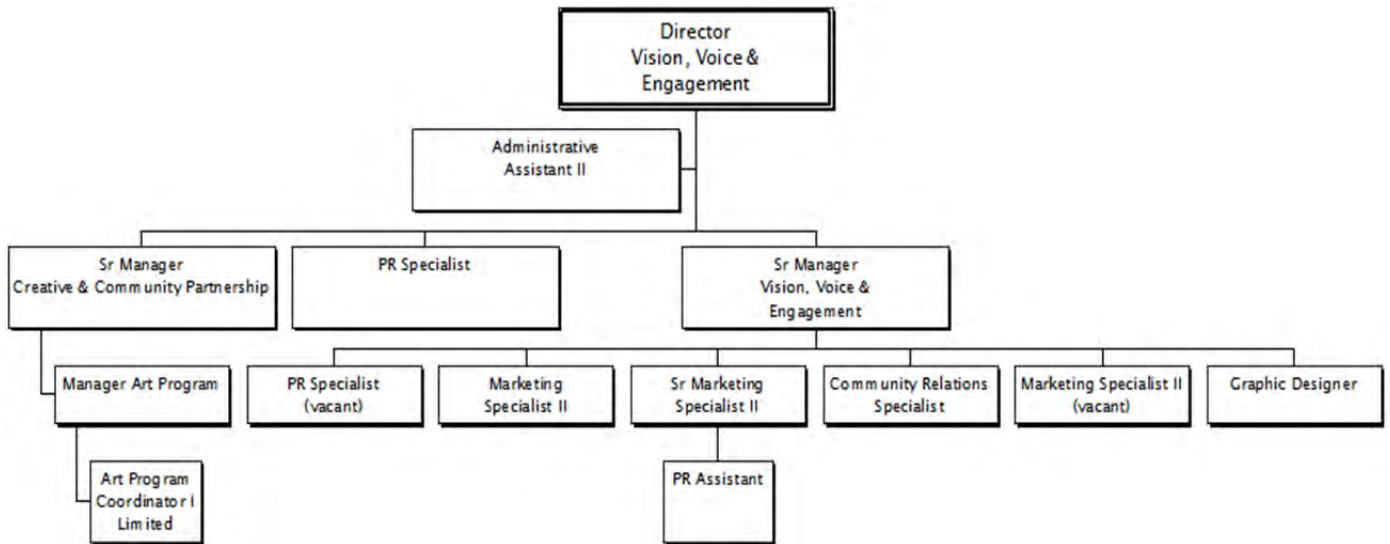
3. **Deliver alternative sustainable total rewards program proposals that create greater portability for evaluation by the Executive Team before June 1, 2016.**

**Initiative:** Strategically engaging employees in sustainable business practices.

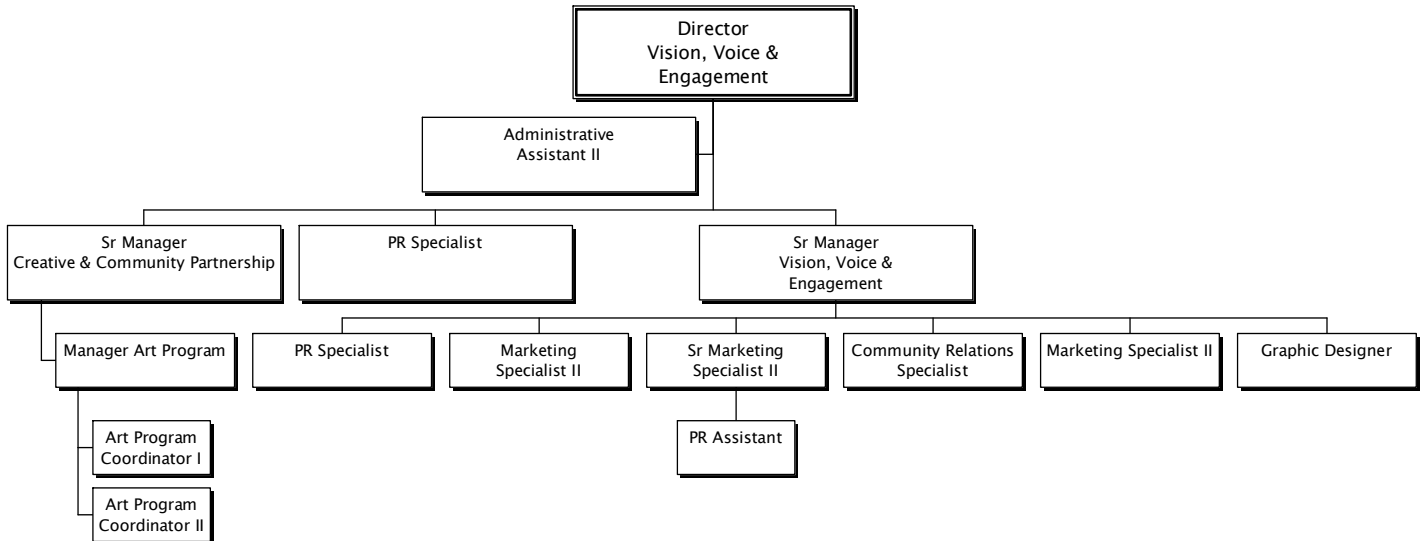
4. **Manage ASQ data and improvement planning to assure improved customer satisfaction scores in identified attributes correlated to high satisfaction consistent with the annual action plan.**

**Initiative:** Strategically engaging employees in sustainable business practices, pursuing revenue generation and cost control opportunities.

## Vision, Voice, and Engagement FY 2016 Organizational Structure



## Vision, Voice, and Engagement FY 2017 Organizational Structure





## Vision, Voice and Engagement

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>									
<b>Personnel Expenses</b>									
Salaries and Wages	\$ 1,041,617	\$ 1,159,021	\$ 1,171,964	\$ 1,168,209	\$ 9,188	0.8%	\$ 1,274,989	\$ 106,781	9.1%
Premium Overtime	12,700	-	-	-	-	0.0%	-	-	0.0%
Employee Benefits	496,544	596,571	620,345	572,731	(23,839)	-4.0%	639,534	66,803	11.7%
Subtotal	1,550,861	1,755,592	1,792,309	1,740,940	(14,651)	-0.8%	1,914,523	173,583	10.0%
Less: Capitalized Labor	(4,002)	(69,479)	(45,514)	(103,298)	(33,819)	48.7%	-	103,298	-100.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,546,859</b>	<b>1,686,113</b>	<b>1,746,796</b>	<b>1,637,643</b>	<b>(48,470)</b>	<b>-2.9%</b>	<b>1,914,523</b>	<b>276,881</b>	<b>16.9%</b>
<b>Non-Personnel Expenses</b>									
Contractual Services	1,527,434	1,353,500	1,333,500	1,317,500	(36,000)	-2.7%	1,357,500	40,000	3.0%
Safety and Security	-	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	1,200	1,200	1,200	-	0.0%	1,200	-	0.0%
Utilities	98	17,500	2,500	2,500	(15,000)	-85.7%	2,500	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	14,161	24,500	24,500	25,000	500	2.0%	21,000	(4,000)	-16.0%
Operating Supplies	6,955	8,700	7,200	6,860	(1,840)	-21.1%	6,860	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	-	0.0%
Employee Programs	23,545	64,360	65,560	64,200	(160)	-0.2%	64,700	500	0.8%
Business Development	1,113,209	805,575	928,575	812,575	7,000	0.9%	796,575	(16,000)	-2.0%
Equipment Rentals & Repairs	9,096	7,000	12,000	7,000	-	0.0%	7,000	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>2,694,498</b>	<b>2,282,335</b>	<b>2,375,035</b>	<b>2,236,835</b>	<b>(45,500)</b>	<b>-2.0%</b>	<b>2,257,335</b>	<b>20,500</b>	<b>0.9%</b>
<b>Total Operating Expenses</b>	<b>4,241,357</b>	<b>3,968,448</b>	<b>4,121,831</b>	<b>3,874,478</b>	<b>(93,970)</b>	<b>-2.4%</b>	<b>4,171,858</b>	<b>297,381</b>	<b>7.7%</b>
<b>Non-Operating Expenses:</b>									
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>4,241,357</b>	<b>3,968,448</b>	<b>4,121,831</b>	<b>3,874,478</b>	<b>(93,970)</b>	<b>-2.4%</b>	<b>4,171,858</b>	<b>297,381</b>	<b>7.7%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 4,241,357</b>	<b>\$ 3,968,448</b>	<b>\$ 4,121,831</b>	<b>\$ 3,874,478</b>	<b>\$ (93,970)</b>	<b>-2.4%</b>	<b>\$ 4,171,858</b>	<b>\$ 297,381</b>	<b>7.7%</b>

## Vision, Voice and Engagement

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 3,968,448</b>	<b>\$ 3,973,477</b>
<b>Personnel costs</b>		
1 New position Art Program Coordinator (salaries, benefits & employer taxes)	-	101,093
Salary adjustments and pay-for-performance	9,188	35,046
Burden (benefits & employer taxes) for current staff	(23,839)	37,444
Capitalized Labor	(33,819)	103,298
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(48,470)</b>	<b>276,881</b>
Marketing, promotional activities and materials	(38,200)	24,000
Other, net	(7,300)	(3,500)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(45,500)</b>	<b>20,500</b>
<b>Total Increase / (Decrease)</b>	<b>(93,970)</b>	<b>297,381</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 3,874,478</b>	<b>\$ 4,171,858</b>

## Vision, Voice and Engagement Department Goals

### FY 2015 Progress Report

1. **By January 2015, install an airport-wide exhibition in recognition of the 2015 Balboa Park centennial. The exhibit will consist of a retrospective on the innovation and technology showcased at the 1915 Panama-California Exposition compared to today's innovation and technology. Success equals installation of the exhibit and positive community feedback on the exhibit as measured by the design and execution of a survey among SAN travelers, community members and partner organizations.**

**Progress:** The Airport Art Program's airport-wide vision for an exhibit to recognize the centennial of the Panama-California Exposition in Balboa Park is being realized. When, a total of 31 areas in the terminals will showcase large-scale reproductions of historical photographs and postcards, artifacts from the Exposition, and contemporary perspectives offered by 10 regional artists.

In celebration of the exhibit, a reception was held on February 12. The reception was well attended by representatives of the art community and Balboa Park.

This particular exhibit has furthered the Authority's Customer and Community strategic initiatives by providing an enhanced airport ambience for the traveling public that embraces aspects of the region's cultural history and diversity.

With high-caliber exhibit programming such as the one to recognize the centennial of the Balboa Park Exposition, SAN is being heralded for its leadership role in celebrating this important cultural event.

**Sustainability Goal:** Operational excellence and social responsibility.

**Authority Strategies:** Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

2. **To feature the Airport Authority as an "employer of choice," partner with Junior Achievement (JA) to plan, build and operate Finance Park, a reality-based experiential learning program for youth, families and community partners that focuses on career planning and financial responsibility. Success equals the start of park construction by October 2014, collaboration with JA to meet project milestones and publication of at least one news article regarding the Airport's involvement in the JA Finance Park by June 2015.**

**Progress:** With approximately \$3.2 million in commitments to date, Finance Park is on track to launch its interactive curriculum in 2016. The airport's early pledge encouraged additional community leaders to participate: The Farrell Family Foundation matched the airport's pledge to co-sponsor the Career Center of Finance Park. Outreach is projected at 8,000 students in the 2015/16 school year, 12,000 the next year, and peaking at 15,000 each year afterward.

Demolition started in October 2014, on target with construction goals. A “wall breaking” event occurred in December 2014, garnering media coverage and identifying the Airport as a major sponsor and supporter of financial literacy and careers in the region.

Various high level events sponsored by the San Diego Business Journal, Town & Country Hotel, University Club, and other businesses have brought C-level business leaders together with spokespersons for Finance Park to elevate community interest and support. Airport officials have attended these events.

The project is on strong financial standing, and has been embraced by the media, the business community, and the San Diego region. Finance Park will enable the Airport to influence tens of thousands of tomorrow’s professionals in an inviting, engaging and controlled environment to learn life skills and consider career possibilities in airports and aviation.

**How each contributes to a sustainable SAN over the next 10 years:** The future success of the region and its international airport lies in the cultivation of young professionals. This capstone project will provide a hands-on experience for students in a high-tech environment. It will be an exceptional asset to the San Diego community, and will provide the Airport access to the region’s young leaders during the critical years of selecting their future occupations and career paths.

**Which single effort will have greatest impact on our vision:** Our support will help to ensure education, growth and competitiveness in the next generation. The Airport’s involvement, specifically in the Career Center, will feature the tremendous opportunities in the aviation and airport industry, and provide young leaders with tools, resources and planning advice to prepare for those careers.

**Sustainability Goal:** Social responsibility.

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

- 3. Develop and gain approval of a Green Building Education Plan for the Rental Car Center to satisfy LEED Innovation in Design Criteria and contribute to LEED Certification of the Rental Car Center by the United States Green Building Council. Gain approval of the Green Building Education Plan for the Rental Car Center by Airport Design & Construction in the first quarter of FY 2015 and implement plan elements through the remainder of FY 2015.**

**Progress:** This goal is being moved to next fiscal year.

**Sustainability Goal:** Operational excellence and social responsibility.

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

4. **Increase employee perceptions of the Airport Authority by providing information on changes in the organization through designing and delivering more relevant employee communications. Success equals a reduction in the disagree rating to below 20% of the Employee Opinion Survey question: “SDCRAA is doing a good job of providing information on changes in the organization.”**

**Progress:** VVE staff has strategically enhanced communications with employees to deliver relevant, timely information and increase engagement.

1. SANformation meetings have been restructured to address feedback from earlier formats, and now provide a shorter meeting with more substance and celebration of employee accomplishments. A themed brochure is also created for each meeting, listing employee accomplishments, promotions, milestones, and featuring inspirational stories.
2. SANOnline was redesigned to better deliver critical content to employees, and new team members were added to produce cross-departmental relevance. The team also implemented a media calendar, with commitments to bi-weekly updates from across the organization every other Tuesday.
3. The airport launched a new brand identity at the annual employee appreciation event, followed by brand presentations to each Airport Authority department to help employees understand how and why branding is vital to the organization.
4. Communications plans were developed—for both the relocation of departments throughout the Authority and the Delta Air Lines relocation to Terminal 2—to ensure that critical moves within the organization, and those that affect our business, are communicated effectively to eliminate confusion and last-minute questions or concerns.

Our success is based in large part on our ability to communicate goals, business impacts, and knowledge across the organization. So, strategic communications will remain a vital component to sustaining airport operations and delivering on the Airport Authority’s mission, now and over the next ten years.

Likewise, the airport’s new brand identity effectively brings *who we are* in line with the mission of delivering top-quality travel products and services to our customers. The brand was designed to cultivate a new sense of purpose in airport employees, business partners and travelers.

Each of these communication tools creates an impression. Those impressions create brand loyalty (in employees, as well as customers and business partners), and brand loyalty fuels engagement.

The new brand will drive all other communication tools, and will make the greatest impact on our vision, as it will exemplify our voice—what we say and how we say it—and deliver on the brand promise our vision articulates: mastery of all we do at San Diego International Airport.

**Sustainability Goal:** Social responsibility.

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

## Vision, Voice and Engagement

### Department Goals

#### FY 2016 – FY 2017 Goals

1. **Green Building Education Plan (RCC):** Develop and gain approval of a Green Building Education Plan for the Rental Car Center to satisfy LEED Innovation in Design Criteria and contribute to LEED Certification of the Rental Car Center by the U.S. Green Building Council. Gain approval of the Green Building Education Plan for the Rental Car Center by Airport Design & Construction in the final quarter of Calendar Year 2015.

**Initiatives:** Strategically engaging our employees in sustainable business practices.

2. **Parking Incentives Program:** Develop a value-added program that motivates customers to use airport-owned parking lots. Gather usage data to help determine the most effective strategies. Success can be measured in increased usage of parking resources and/or increased revenue.

**Initiatives:** Focus on revenue generation and cost control; strategically engaging our employees in sustainable business practices.

3. **Community Art Workshop:** Boost awareness and perception of Airport Art Program by hosting at least one interactive workshop in the community where members of the public can learn about and experience art.

**Initiatives:** Strategically engaging our employees in sustainable business practices.

4. **Build an Overall, Inclusive “Airport” Brand:** Propose an airport-wide brand-ownership program that unites employees of the Airport Authority, the airlines and other airport tenants in the pursuit of a common goal: Go beyond standard customer service to create special experiences that elevate the San Diego International Airport brand. Develop a survey instrument that measures what kinds of incentives motivate employees to improve their level of service. Use that data to create a program that makes it easy for everyone to get involved and feel like they have a stake in the overall success of the airport. Compare subsequent customer satisfaction survey results in key areas against prior results to measure effectiveness.

**Initiatives:** Strategically engaging our employees in sustainable business practices.

# Development Division

## Development Division Overview

The **Development Division's** four departments are responsible for airport facility and infrastructure planning, infrastructure design and construction, and compliance with legislative mandates for environmental and land use matters. The airport planning, design and construction functions are responsible for the long term planning and construction execution for all SDIA infrastructure requirements. The legislative compliance includes local, state and federal environmental laws, as well as providing support for the Authority Board in reviewing land use decisions in the areas surrounding the region's 16 airports. The division frequently coordinates with local, state and federal regulatory agencies, regional transportation partners and the construction industry to accomplish the Authority's goals.

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

The **Airport Planning & Noise Mitigation Department** is composed of several previously independent departments, including Airport Planning (which includes Airport Land Use Planning), Airport Systems Planning, Airport Noise Mitigation and the Airport Noise Abatement Program (Quieter Home Program). As a result, the Airport Planning & Noise Mitigation Department is responsible for a variety of efforts, both on and off-airport. These include all short-range and long-range planning for the Airport Authority, such as preparing and maintaining the Master Plan for San Diego International Airport. The Department is also responsible for ensuring compliance with State and Federal environmental laws for any Airport development projects. It supports the Airport Land Use Commission in addressing the land use issues surrounding all 16 airports in San Diego County. The Department also administers all noise-related issues, including the Airport's departure curfew. It also manages and administers the noise insulation construction of homes surrounding the airport through the Quieter Home Program.

Specific responsibilities of the Airport Planning & Noise Mitigation Department include:

- Address short-term planning issues for the Authority, such as administrative space needs and employee and public parking locations.
- Prepare and maintain the Master Plan for San Diego International Airport.
- Prepare all necessary environmental documentation for approval and permitting of all Airport projects.
- Obtain coastal development permits for all Airport projects.
- Comply with environmental laws governing Airport development.
- Prepare Airport Land Use Compatibility Plans (ALUCPs) for 16 public-use and military airports in San Diego County.



- Review specific project development applications proposed near the 16 airports in San Diego County for consistency with the ALUCPs.
- Review all violations of the aircraft departure curfew and determine imposition of penalties on airlines, when appropriate.
- Perform noise mitigation construction on residential homes and apartments in the vicinity of SDIA.

The **Environmental Affairs Department** manages environmental-related programs, including regulatory compliance, water quality, air quality, site remediation, hazardous material handling and natural resources protection. The department interfaces with other Authority departments to assess potential environmental impacts of all proposed projects. The department is also involved with long-range airport facility planning related to environmental and sustainability opportunities and initiatives.

The various programs administered by Environmental Affairs are as follows:

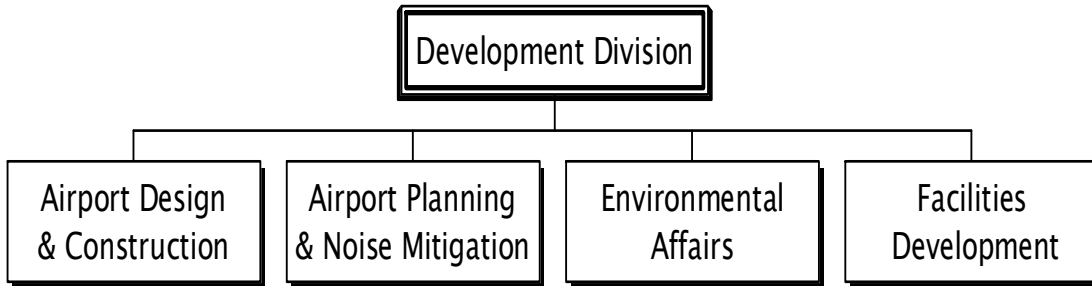
- Storm Water Management.
- Hazardous Materials and Waste Management.
- Air Quality Management.
- Site Assessment and Remediation.
- Waste Reduction and Recycling.
- Industrial Hygiene.
- Wildlife Preservation.
- Airport Sustainability.

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

- 2M square feet of consolidated rental car facility (customer service, quick turn-around, ready/returned vehicles and vehicle staging/storage).
- Additional parking for remain-over-night aircraft, eliminating the need for aircraft to taxi across the runway.
- Taxiway improvements to enhance the flow of aircraft traffic.
- 460,000 square foot expansion of Terminal 2 West including:
  - 10 new jet gates and ticket lobby.
  - Expanded dining and shopping options.
  - More comfortable seating and waiting areas at the gates.
  - A dual-level roadway at Terminal 2, featuring an arrivals curb on level one and a departures curb on level two to relieve current curbside congestion and provide a check-in pavilion that allows travelers to check in for their flight before entering the terminal.
  - New enlarged security checkpoint.
  - Public art integrated throughout the terminal expansion and check-in pavilions.
- The Green Build is the largest project in the history of San Diego International Airport. Called "The Green Build" due to the Airport Authority's commitment to sustainability and the environment, as well as positive economic impact, The Green Build will create approximately 1,000 jobs at peak construction and provide contract opportunities for small businesses. Project highlights include:

- Ten new jet gates to reduce terminal congestion and provide expanded, more comfortable passenger waiting areas.
- “California Check-In,” allowing most passengers to check in, print boarding passes and check baggage before entering the terminal at an easy-to-use curbside kiosk.
- Dual-level roadway to relieve curb-front traffic congestion by separating arriving and departing passenger vehicle traffic.
- Up to twelve security lanes (increased from six today) to improve flow of passengers through the security while enhancing non-airline revenue.
- Sunset Cove Concessions Area providing more dining and shopping options.

**Development Division  
FY 2016 – FY 2017 Organizational Structure**



**Division Personnel Summary**

	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget Transfers	FY 2016 Budget New/ (Eliminated)	FY 2016 Budget Funded/ (Unfunded)	FY 2016 Budget	FY 2017 Budget New/ (Eliminated)	FY 2017 Budget
<b>Development</b>								
Facilities Development	36	39	-	-	-	39	-	39
Airport Design & Construction	14	15	-	(2)	-	13	-	13
Environmental Affairs	7	9	-	-	-	9	-	9
Airport Planning, Noise Mitigation & QHP	21	20	-	-	-	20	-	20
<b>Total Authorized Funded Positions</b>	<b>78</b>	<b>83</b>	-	<b>(2)</b>	-	<b>81</b>	-	<b>81</b>
Authorized and Unfunded Positions	1	1	-	-	(1)	-	-	-
<b>Total Authorized Positions</b>	<b>79</b>	<b>84</b>	-	<b>(2)</b>	<b>(1)</b>	<b>81</b>	-	<b>81</b>

## Development Division

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense summary

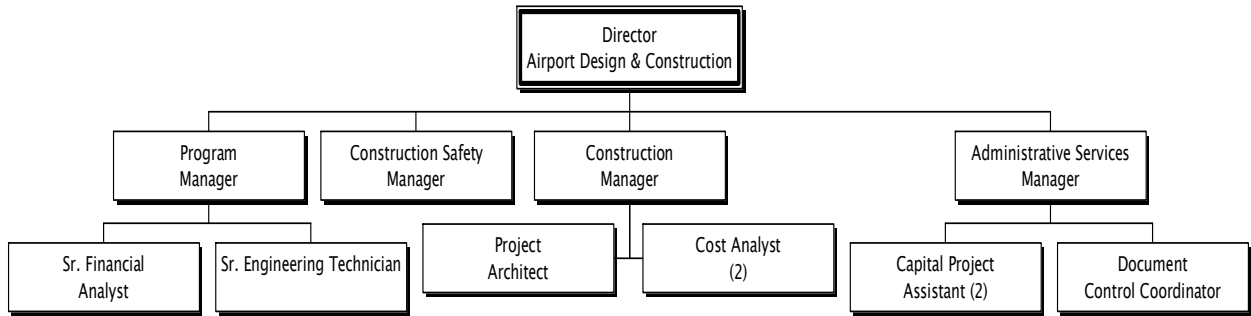
	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 5,618,007	\$ 6,797,309	\$ 7,148,419	\$ 6,937,067	\$ 139,758	2.1%	\$ (211,352)	-3.0%	\$ 7,138,459	\$ 201,392	2.9%
Premium Overtime	31,761	20,000	20,000	20,000	-	0.0%	-	0.0%	20,500	500	2.5%
Employee Benefits	2,666,595	3,522,602	3,758,923	3,404,181	(118,421)	-3.4%	(354,742)	-9.4%	3,620,293	216,112	6.3%
Subtotal	8,316,363	10,339,911	10,927,342	10,361,248	21,337	0.2%	(566,094)	-5.2%	10,779,252	418,004	4.0%
Less: Capitalized Labor	(4,735,957)	(5,886,206)	(6,216,937)	(5,733,023)	153,184	-2.6%	483,914	-7.8%	(5,971,838)	(238,815)	4.2%
Less: QHP - Labor/Burden/Labor Overhead	(684,521)	(663,928)	(688,119)	(674,897)	(10,969)	1.7%	13,223	-1.9%	(703,408)	(28,511)	4.2%
<b>Total Personnel Expenses</b>	<b>2,895,885</b>	<b>3,789,777</b>	<b>4,022,286</b>	<b>3,953,329</b>	<b>163,552</b>	<b>4.3%</b>	<b>(68,958)</b>	<b>-1.7%</b>	<b>4,104,007</b>	<b>150,678</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	3,210,500	3,737,089	3,925,180	4,076,114	339,025	9.1%	150,934	3.8%	4,149,303	73,189	1.8%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	614	1,600	1,600	14,600	13,000	812.5%	13,000	812.5%	16,620	2,020	13.8%
Maintenance	540,966	838,690	710,000	710,000	(128,690)	-15.3%	-	0.0%	724,200	14,200	2.0%
Operating Equipment & Systems	17,890	2,838	2,858	(5,635)	(8,473)	-298.6%	(8,493)	-297.2%	(7,225)	(1,590)	28.2%
Operating Supplies	54,863	15,303	15,341	17,975	2,672	17.5%	2,634	17.2%	19,753	1,778	9.9%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	308,418	264,098	264,133	280,369	16,271	6.2%	16,236	6.1%	284,105	3,736	1.3%
Business Development	94,182	162,034	162,109	160,830	(1,204)	-0.7%	(1,279)	-0.8%	162,354	1,524	0.9%
Equipment Rentals & Repairs	340,454	257,696	196,778	270,549	12,853	-93.1%	73,771	-96.3%	267,577	(2,972)	-40.1%
Tenant Improvements	-	1,000,000	1,000,000	900,000	(100,000)	-10.0%	(100,000)	-10.0%	920,000	20,000	2.2%
<b>Total Non-Personnel Expenses</b>	<b>4,567,887</b>	<b>6,279,348</b>	<b>6,277,999</b>	<b>6,424,802</b>	<b>145,453</b>	<b>2.3%</b>	<b>146,803</b>	<b>2.3%</b>	<b>6,536,685</b>	<b>111,884</b>	<b>1.7%</b>
<b>Total Operating Expenses</b>	<b>7,463,772</b>	<b>10,069,125</b>	<b>10,300,285</b>	<b>10,378,130</b>	<b>309,005</b>	<b>3.1%</b>	<b>77,845</b>	<b>0.8%</b>	<b>10,640,693</b>	<b>262,562</b>	<b>2.5%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	15,275,997	14,955,716	14,734,811	14,734,811	(220,905)	-1.5%	-	0.0%	14,738,811	4,000	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>15,275,997</b>	<b>14,955,716</b>	<b>14,734,811</b>	<b>14,734,811</b>	<b>(220,905)</b>	<b>-1.5%</b>	<b>-</b>	<b>0.0%</b>	<b>14,738,811</b>	<b>4,000</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>22,739,769</b>	<b>25,024,841</b>	<b>25,035,096</b>	<b>25,112,941</b>	<b>88,100</b>	<b>0.4%</b>	<b>77,845</b>	<b>0.3%</b>	<b>25,379,504</b>	<b>266,562</b>	<b>1.1%</b>
<b>Equipment Outlay</b>	<b>133,815</b>	<b>80,000</b>	<b>10,000</b>	<b>10,000</b>	<b>(70,000)</b>	<b>-87.5%</b>	<b>-</b>	<b>0.0%</b>	<b>10,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 22,873,584</b>	<b>\$ 25,104,841</b>	<b>\$ 25,045,096</b>	<b>\$ 25,122,941</b>	<b>\$ 18,100</b>	<b>0.1%</b>	<b>\$ 77,845</b>	<b>0.3%</b>	<b>\$ 25,389,504</b>	<b>\$ 266,562</b>	<b>1.1%</b>

## Development Division

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 25,104,841</b>	<b>\$ 25,122,941</b>
<b>Personnel costs</b>		
Capitalized labor	142,215	(267,326)
Salary adjustments and pay-for-performance	139,758	201,892
Burden (benefits & employer taxes) for current staff	(118,421)	216,112
<b>Total Increase / (Decrease) in personnel costs</b>	<b>163,552</b>	<b>150,678</b>
Facility Development Outside Professional Services	186,025	(340)
Planning and land use projects	120,000	-
Stormwater management program	117,000	14,500
Tenant improvement	(100,000)	20,000
Water quality, San Diego bay sediment quality	(150,000)	100,000
Major maintenance	(178,690)	2,200
Quieter Home Program	(220,905)	-
Other, net	81,118	(20,476)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(145,452)</b>	<b>115,884</b>
<b>Total Increase / (Decrease)</b>	<b>18,100</b>	<b>266,562</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 25,122,941</b>	<b>\$ 25,389,504</b>

## Airport Design & Construction FY 2016 – FY 2017 Organizational Structure



*No personnel changes in FY 2017*

## Airport Design & Construction

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 981,009	\$ 1,310,815	\$ 1,422,539	\$ 1,213,106	\$ (97,709)	-7.5%	\$ (209,432)	-14.7%	\$ 1,249,320	\$ 36,213	3.0%
Premium Overtime	511	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	501,329	674,942	737,981	596,919	(78,022)	-11.6%	(141,062)	-19.1%	636,843	39,924	6.7%
Subtotal	1,482,850	1,985,757	2,160,520	1,810,026	(175,731)	-8.8%	(350,494)	-16.2%	1,886,163	76,137	4.2%
<i>Less: Capitalized Labor</i>	<i>(1,465,946)</i>	<i>(1,985,757)</i>	<i>(2,160,520)</i>	<i>(1,692,012)</i>	<i>293,745</i>	<i>-14.8%</i>	<i>468,508</i>	<i>-21.7%</i>	<i>(1,762,808)</i>	<i>(70,796)</i>	<i>4.2%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>16,904</b>	<b>(0)</b>	<b>0</b>	<b>118,014</b>	<b>118,014</b>	<b>0%</b>	<b>118,014</b>	<b>0%</b>	<b>123,355</b>	<b>5,341</b>	<b>4.5%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	19,705	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	4,893	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	17,618	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	14,583	26,736	26,736	26,141	(595)	-2.2%	(595)	-2.2%	26,141	-	0.0%
Business Development	19,663	18,517	18,517	20,017	1,500	8.1%	1,500	8.1%	20,017	-	0.0%
Equipment Rentals & Repairs	380	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>76,842</b>	<b>45,253</b>	<b>45,253</b>	<b>46,158</b>	<b>905</b>	<b>2.0%</b>	<b>905</b>	<b>2.0%</b>	<b>46,158</b>	<b>-</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>	<b>93,746</b>	<b>45,253</b>	<b>45,253</b>	<b>164,172</b>	<b>118,919</b>	<b>262.8%</b>	<b>118,919</b>	<b>262.8%</b>	<b>169,513</b>	<b>5,341</b>	<b>3.3%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>93,746</b>	<b>45,253</b>	<b>45,253</b>	<b>164,172</b>	<b>118,919</b>	<b>262.8%</b>	<b>118,919</b>	<b>262.8%</b>	<b>169,513</b>	<b>5,341</b>	<b>3.3%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 93,746</b>	<b>\$ 45,253</b>	<b>\$ 45,253</b>	<b>\$ 164,172</b>	<b>\$ 118,919</b>	<b>262.8%</b>	<b>\$ 118,919</b>	<b>262.8%</b>	<b>\$ 169,513</b>	<b>\$ 5,341</b>	<b>3.3%</b>

## Airport Design Construction

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
	_____	_____
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 45,253</b>	<b>\$ 164,172</b>
<b>Personnel costs</b>		
Capitalized labor	293,745	(70,796)
Burden (benefits & employer taxes) for current staff	(78,022)	39,924
Salary adjustments and pay-for-performance	(97,709)	36,213
<b>Total Increase / (Decrease) in personnel costs</b>	<b>118,014</b>	<b>5,341</b>
Other, net	905	0
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>905</b>	<b>0</b>
<b>Total Increase / (Decrease)</b>	<b>118,919</b>	<b>5,341</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 164,172</b>	<b>\$ 169,513</b>



## Airport Design & Construction Department Goals

### FY 2015 Progress Report

1. Partner with the Finance and Asset Management (FAM) division to develop the Rental Car Center (RCC) and Restaurant concept's Request for Proposals (RFP) in FY 2015. Also, create the restaurant design and business opportunity for alternative non-airline revenue while providing a unique dining option to the community. Success will be measured by completion of construction documents and the build-out of "shell space" that supports the RFP timeline.

Measures of success:

- Top Out of RCC: December 2014.
- Shell space completion: June 2015.

**Progress:**

- Top out of RCC delayed 90 days (recovery schedule enacted).
- Projected on schedule.

**Sustainability Goal:** Economic viability, operational excellence, and social responsibility.

**Authority Strategy:** Financial strategy: Enhance the financial position of the Authority.

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

satisfaction. Community Strategy: Be a trusted and highly responsive regional agency.

2. Throughout FY 2014-FY 2015 forecast a final cost for the RCC Program within or better than the approved budget of \$316.1 million, as measured by providing a (quarterly) forecast at completion report that demonstrates the RCC program is trending "on-budget" at \$316.1 million. ADC will manage costs to provide end-of-program savings by achieving one of the following:

Measures of success:

- Over the course of the RCC Program, proactively manage scope creep by limiting additional scope to 50% below the total Program Reserve Fund.
- Maintain an efficient, lean and cost effective staff that will result in a \$2.0 million staff budget end-of-program savings.

**Progress:**

- 57% of the Program reserve fund has been used since the GMP.
- Tracking at 100% of target goal.

**Sustainability Goal:** Economic viability.

**Authority Strategy:** Financial strategy: Enhance the financial position of the Authority.

3. Throughout FY 2014-FY 2015, progress construction on the RCC to meet construction milestones and forecast a substantial completion date for the RCC program within or better than the revised “GMP Baseline” schedule, as measured by providing a quarterly forecast at completion report that demonstrates the RCC program is trending “on-schedule” for the completion of “GMP Baseline” and the substantial completion by October 2015.

**Progress:** Implementation of recovery schedule has mitigated a 90 day project delay. Project is currently on schedule for October 2015 completion.

**Sustainability Goal:** Economic viability and social responsibility.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Airport Authority. Community Strategy: Be a trusted and highly responsive regional agency.

4. Throughout FY 2014-FY 2015, forecast a final completion date for the Green Build program within or better than the revised “GMP Baseline” schedule, as measured by providing a quarterly forecast at completion report that demonstrates the Green Build program is trending “on-schedule” for the completion of “GMP Baseline” and the completion of areas in the new and existing T2W Expansion program by December 2014. ADC will work with the design builder to successfully implement a plan that would permit the phased opening and final completion of the T2W Expansion program so key elements of work (e.g. additional change-order terrazzo and fire alarm system) are complete between August 29, 2014 and December 31, 2014.

**Progress:** This goal has been met as stated however, additional scope to reroof existing T2W extended final completion date to January 2016.

**Sustainability Goal:** Economic viability and social responsibility.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Airport Authority. Community Strategy: Be a trusted and highly responsive regional agency.

5. Ensure Robust Communications for ADC customers/stakeholders (internal & external) and enhance the community’s (public, professional and tenants) understanding of the department’s active programs, as measured by completing the following activities:

Measures of success:

- Quarterly reports and briefings to the Board and Senior Management.
- Briefings to customers/stakeholders.
  - Stakeholders’ survey results in 75% satisfaction.
- Monthly Construction Progress Updates.
- Quarterly Program Update [Aviation Matters].
- Jobsite tours for internal/external Stakeholders.
- Provide communication of ADC program to public.
  - Survey of attendees resulting in 75% satisfaction.

- **Monthly ADC “All-Hands” Meeting with staff.**
  - **Staff survey results in 75% satisfaction.**
- **ADC Program planning and engagement for ADC staff.**
  - **ADC staff survey results in 75% of respondents felt that this was accomplished.**
- **Develop staff to help present public RCC updates.**

**Progress:** Except for satisfaction survey of stakeholders and staff, all listed activities have been accomplished as scheduled.

**Sustainability Goal:** Operational excellence and social responsibility.

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

## Airport Design & Construction Department Goals

### FY 2016 – FY 2017 Goals

1. Throughout FY 2015-FY 2016, partner with the Finance and Asset Management (FAM) division to develop and implement the Rental Car Center (RCC) and Restaurant concept in FY 2016. Also, assist with implementation of the restaurant design and business opportunity for alternative non-airline revenue while providing a unique dining option to the community. Success will be measured by completion of construction to build-out the “shell space” that supports the timeline for opening the restaurant business.

Measures of success:

- Restaurant shell space completion: July 2015.
- Restaurant tenant improvement completion by July 2016.

**Initiative:** Focus on revenue generation and cost control.

2. Throughout FY 2015-FY 2016 forecast a final cost for the RCC Program within or better than the approved budget of \$316.1 million, as measured by providing a (quarterly) forecast at completion report that demonstrates the RCC program is trending “on-budget” at \$316.1 million. ADC will manage costs to provide end-of-program savings by achieving one of the following:

Measures of success:

- Over the course of the RCC Program, proactively manage scope creep by limiting additional scope to 60% of the total Program Reserve Fund.
- Maintain an efficient, lean and cost effective staff that will result in a \$2.0 million staff budget end-of-program savings.

**Initiative:** Focus on revenue generation and cost control.

3. Throughout FY 2015-FY 2016, progress construction on the RCC to meet construction milestones and forecast a substantial completion date for the RCC program within or better than the revised “GMP Baseline” schedule, as measured by providing a quarterly forecast at completion report that demonstrates the RCC program is trending “on-schedule” for the completion of “GMP Baseline” and the substantial completion by the end of October 2015.

**Initiative:** Focus on revenue generation and cost control.

4. Throughout FY 2015-FY 2016, forecast a final completion and close-out date for the Green Build program within or better than the revised “GMP Baseline” schedule, as measured by providing a quarterly forecast at completion report that demonstrates the Green Build program is trending “on-schedule” for the completion of “GMP Baseline” construction work and close-out activities by the end of December 2015. Additionally, ADC will complete construction work and close-out activities for added scope in areas of the new and existing T2W Expansion program by the end of February 2016. ADC will work with the design-builder to successfully implement a plan that will ensure final completion of construction work and close-out activities of the entire T2W Expansion program, so key elements of added work (e.g. additional change-order: terrazzo, fire alarm system, ticket lobby expansion, and existing roof replacement) are complete by the end of February, 2016.

**Initiative:** Focus on revenue generation and cost control.

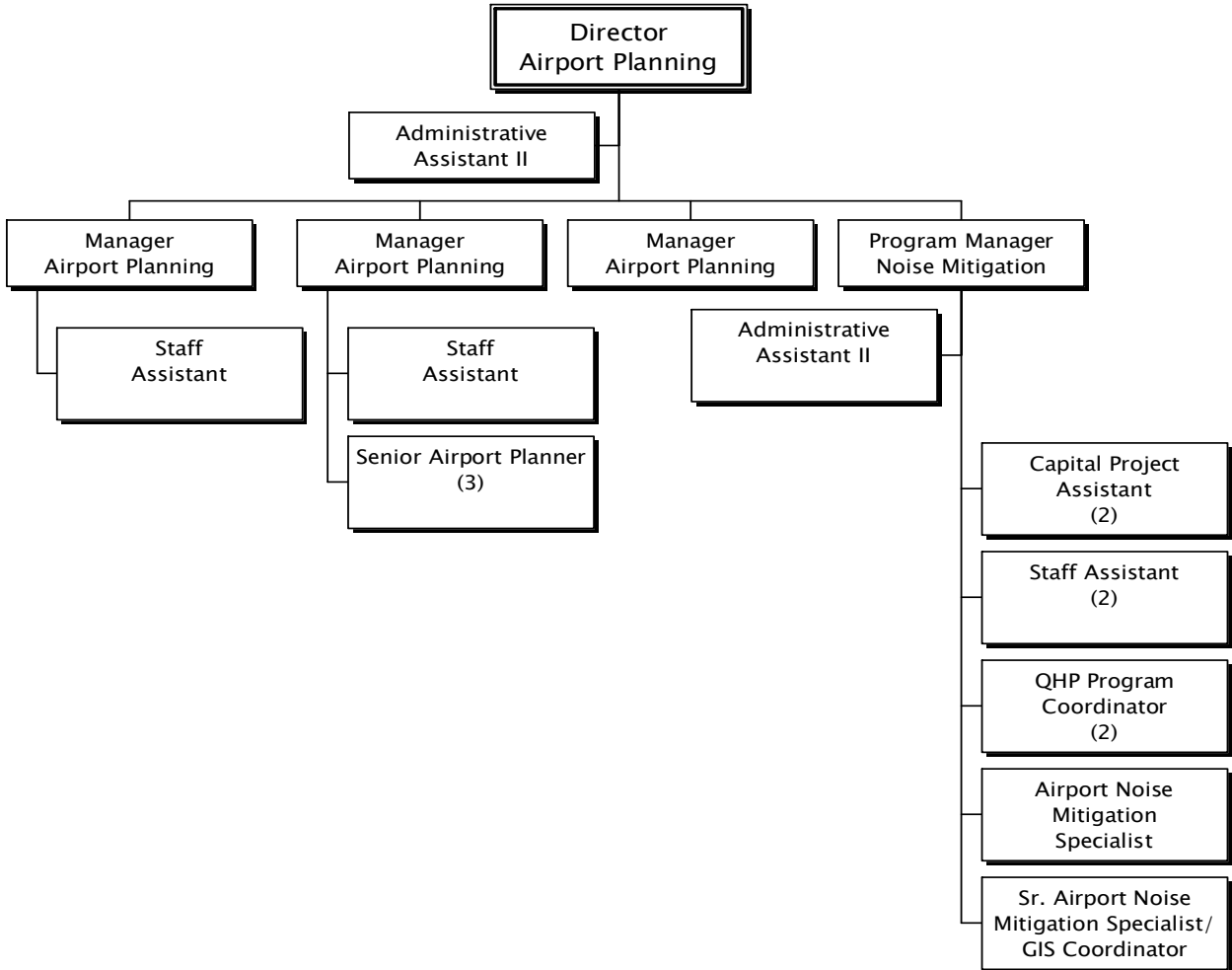
5. Ensure Robust Communications for ADC employees and customers/stakeholders (internal & external) to enhance the community’s (public, professional and tenants) understanding of the department’s active programs, as measured by completing the following activities:

Measures of success:

- Quarterly ADC reports and briefings to the Board and Senior Management.
- Briefings to customers/stakeholders.
  - Stakeholders’ survey results in 75% satisfaction.
- Monthly Construction Progress Updates.
- Program Updates for Aviation Matters.
- ADC Jobsite tours for internal/external Stakeholders.
- Provide communication of ADC program to external community groups.
  - Survey of attendees resulting in 75% satisfaction.
- Monthly ADC “All-Hands” Meeting with staff.
  - Staff survey results in 75% satisfaction.
- ADC Program planning and engagement for ADC staff.
  - ADC staff survey results in 75% of respondents felt that this was accomplished.
- Develop staff to help present ADC public updates.

**Initiative:** Strategically engaging our employees in sustainable business practices.

**Airport Planning & Noise Mitigation  
FY 2016 – FY 2017 Organizational Structure**



*No personnel changes planned for FY 2017*

## Airport Planning & Noise Mitigation

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,654,915	\$ 1,471,711	\$ 1,591,194	\$ 1,583,644	\$ 111,933	7.6%	\$ (7,550)	-0.5%	\$ 1,624,974	\$ 41,329	2.6%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	753,661	793,619	858,491	802,327	8,709	1.1%	(56,164)	-6.5%	853,641	51,314	6.4%
Subtotal	2,408,576	2,265,330	2,449,686	2,385,972	120,642	5.3%	(63,714)	-2.6%	2,478,615	92,644	3.9%
Less: Capitalized Labor	(346)	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	(665,305)	(663,928)	(688,119)	(674,897)	(10,969)	1.7%	13,223	-1.9%	(703,408)	(28,511)	4.2%
<b>Total Personnel Expenses</b>	<b>1,742,925</b>	<b>1,601,402</b>	<b>1,761,566</b>	<b>1,711,075</b>	<b>109,673</b>	<b>6.8%</b>	<b>(50,491)</b>	<b>-2.9%</b>	<b>1,775,208</b>	<b>64,133</b>	<b>3.7%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,170,656	1,915,500	2,035,500	2,000,500	85,000	4.4%	(35,000)	-1.7%	2,000,500	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	467	500	500	500	-	0.0%	-	0.0%	500	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	7,839	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	16,721	5,500	5,500	4,000	(1,500)	-27.3%	(1,500)	-27.3%	5,500	1,500	37.5%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	47,853	61,100	61,100	62,400	1,300	2.1%	1,300	2.1%	62,400	-	0.0%
Business Development	32,197	67,904	67,979	57,200	(10,704)	-15.8%	(10,779)	-15.9%	57,200	-	0.0%
Equipment Rentals & Repairs	208,038	222,000	247,000	228,000	6,000	2.7%	(19,000)	-7.7%	233,000	5,000	2.2%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,483,772</b>	<b>2,272,504</b>	<b>2,417,579</b>	<b>2,352,600</b>	<b>80,096</b>	<b>3.5%</b>	<b>(64,979)</b>	<b>-2.7%</b>	<b>2,359,100</b>	<b>6,500</b>	<b>0.3%</b>
<b>Total Operating Expenses</b>	<b>3,226,697</b>	<b>3,873,906</b>	<b>4,179,145</b>	<b>4,063,675</b>	<b>189,769</b>	<b>4.9%</b>	<b>(115,470)</b>	<b>-2.8%</b>	<b>4,134,308</b>	<b>70,633</b>	<b>1.7%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	15,124,142	14,755,716	14,534,811	14,534,811	(220,905)	-1.5%	-	0.0%	14,534,811	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>15,124,142</b>	<b>14,755,716</b>	<b>14,534,811</b>	<b>14,534,811</b>	<b>(220,905)</b>	<b>-1.5%</b>	<b>-</b>	<b>0.0%</b>	<b>14,534,811</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>18,350,839</b>	<b>18,629,622</b>	<b>18,713,956</b>	<b>18,598,486</b>	<b>(31,136)</b>	<b>-0.2%</b>	<b>(115,470)</b>	<b>-0.6%</b>	<b>18,669,119</b>	<b>70,633</b>	<b>0.4%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 18,350,839</b>	<b>\$ 18,629,622</b>	<b>\$ 18,713,956</b>	<b>\$ 18,598,486</b>	<b>\$ (31,136)</b>	<b>-0.2%</b>	<b>\$ (115,470)</b>	<b>-0.6%</b>	<b>\$ 18,669,119</b>	<b>\$ 70,633</b>	<b>0.4%</b>

## Airport Planning & Noise Mitigation

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 18,629,622</b>	<b>\$ 18,598,486</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	111,933	41,329
Burden (benefits & employer taxes) for current staff	8,709	51,314
Capitalized labor	(10,969)	(28,511)
<b>Total Increase / (Decrease) in personnel costs</b>	<b>109,673</b>	<b>64,133</b>
Planning and land use projects	250,000	-
North Island/ Imperial Beach and Urban Airport Land Use Plans	(130,000)	-
Quieter Home Program	(220,905)	-
Other, net	(39,904)	6,500
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(140,809)</b>	<b>6,500</b>
<b>Total Increase / (Decrease)</b>	<b>(31,136)</b>	<b>70,633</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 18,598,486</b>	<b>\$ 18,669,119</b>



## Airport Planning & Noise Mitigation Department Goals

### FY 2015 Progress Report

1. **The Airport Development Plan (ADP) will define future airport facilities through the year 2035. By May 31, 2015, the ADP technical document and the Administrative Draft Environmental Impact Report (EIR) will be complete.**

**Progress:** The Airport Development Plan (ADP) team prepared a series of alternatives for replacing Terminal 1. The alternatives included preliminary phasing and cost estimates. The information was shared with airport and regional stakeholders in over 100 briefings, to educate people and to receive feedback on the information. In January 2015, the Board was briefed on all of the information and their input was received. This goal will have the greatest impact on our vision going forward.

**Sustainability Goal:** Operational excellence.

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

2. **By May 31, 2015, the draft Airport Land Use Compatibility Plan (ALUCP) for Naval Outlying Field (NOLF) Imperial Beach and the draft ALUCP for Naval Air Station North Island will be complete.**

**Progress:** A management decision was made at the beginning of the fiscal year to postpone any further progress on the ALUCPs for NOLF Imperial Beach and Naval Air Station North Island until February 2015.

**Sustainability Goal:** Operational excellence.

**Authority Strategy:** Strategy #1: Be a trusted and highly responsive regional agency.

3. **Maintain the Quieter Home Program (residential sound insulation) levels of acceleration and spending so that at least the same amount of funding and a similar number of homes are attenuated in FY 2015 as in FY 2014.**

**Progress:**

- The Quieter Home Program has proceeded on schedule, with the 3,000<sup>th</sup> home being sound attenuated in the most recent quarter.
- During the first half of the fiscal year, the team attenuated more homes in 2014 than in 2013, while spending less money. During this period in 2014, 330 homes were attenuated, while 278 homes were attenuated in 2013.

**Sustainability Goal:** Operational excellence and social responsibility.

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

## Airport Planning & Noise Mitigation Department Goals

### FY 2016 – FY 2017 Goals

1. **The Airport Development Plan (ADP) will define future airport facilities through the year 2035. By May 31, 2016, the ADP technical document will be complete and the Administrative Draft Environmental Impact Report (EIR) will be underway.**

**Initiative:** Developing a sustainable long term capital plan.

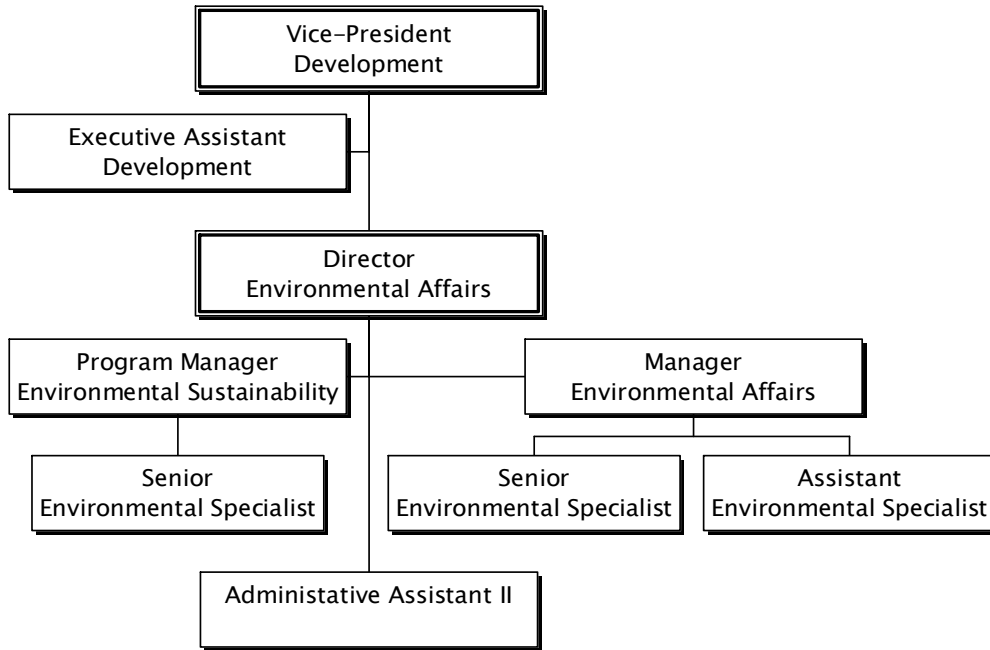
2. **By May 31, 2016, the draft Airport Land Use Compatibility Plan (ALUCP) for Naval Outlying Field Imperial Beach will be complete and the initial community outreach plan will complete for the Naval Air Station North Island ALUCP.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

3. **Maintain the Quieter Home Program (residential sound insulation) levels of acceleration and spending so that at least the same amount of funding and a similar number of homes are attenuated in FY 2016 as in FY 2015.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

**Environmental Affairs**  
**FY 2016 – FY 2017 Organizational Structure**



## Environmental Affairs

### FY 2016 Proposed – FY 2016 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 658,047	\$ 890,892	\$ 917,439	\$ 959,464	\$ 68,572	7.7%	\$ 42,025	4.6%	\$ 988,248	\$ 28,784	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	263,288	453,847	476,728	451,483	(2,363)	-0.5%	(25,245)	-5.3%	474,246	22,763	5.0%
Subtotal	921,336	1,344,739	1,394,167	1,410,947	66,208	4.9%	16,780	1.2%	1,462,494	51,547	3.7%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>921,336</b>	<b>1,344,739</b>	<b>1,394,167</b>	<b>1,410,947</b>	<b>66,208</b>	<b>4.9%</b>	<b>16,780</b>	<b>1.2%</b>	<b>1,462,494</b>	<b>51,547</b>	<b>3.7%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	943,460	1,616,450	1,683,450	1,683,450	67,000	4.1%	-	0.0%	1,756,579	73,129	4.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	21	1,000	1,000	1,000	-	0.0%	-	0.0%	1,020	20	2.0%
Maintenance	524,061	550,000	600,000	600,000	50,000	9.1%	-	0.0%	612,000	12,000	2.0%
Operating Equipment & Systems	3,131	1,000	1,000	1,000	-	0.0%	-	0.0%	1,020	20	2.0%
Operating Supplies	4,051	6,100	6,100	6,100	-	0.0%	-	0.0%	6,220	120	2.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	239,055	172,850	172,850	183,850	11,000	6.4%	11,000	6.4%	187,424	3,574	1.9%
Business Development	34,505	55,275	55,275	63,275	8,000	14.5%	8,000	14.5%	64,381	1,106	1.7%
Equipment Rentals & Repairs	-	2,000	2,000	2,000	-	0.0%	-	0.0%	2,040	40	4.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>1,748,284</b>	<b>2,404,675</b>	<b>2,521,675</b>	<b>2,540,675</b>	<b>136,000</b>	<b>5.7%</b>	<b>19,000</b>	<b>0.8%</b>	<b>2,630,684</b>	<b>90,009</b>	<b>3.5%</b>
<b>Total Operating Expenses</b>	<b>2,669,619</b>	<b>3,749,414</b>	<b>3,915,842</b>	<b>3,951,622</b>	<b>202,208</b>	<b>5.4%</b>	<b>35,780</b>	<b>0.9%</b>	<b>4,093,178</b>	<b>141,555</b>	<b>3.6%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,669,619</b>	<b>3,749,414</b>	<b>3,915,842</b>	<b>3,951,622</b>	<b>202,208</b>	<b>5.4%</b>	<b>35,780</b>	<b>0.9%</b>	<b>4,093,178</b>	<b>141,555</b>	<b>3.6%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,669,619</b>	<b>\$ 3,749,414</b>	<b>\$ 3,915,842</b>	<b>\$ 3,951,622</b>	<b>\$ 202,208</b>	<b>5.4%</b>	<b>\$ 35,780</b>	<b>0.9%</b>	<b>\$ 4,093,178</b>	<b>\$ 141,555</b>	<b>3.6%</b>

## Environmental Affairs

### Major Drivers of FY 2015 Proposed Budget & FY 2016 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 3,749,414</b>	<b>\$ 3,951,622</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	68,572	28,784
Burden (benefits & employer taxes) for current staff	(2,363)	22,763
<b>Total Increase / (Decrease) in personnel costs</b>	<b>66,208</b>	<b>51,547</b>
Stormwater management program	117,000	14,500
Environmental management system	75,000	(50,000)
Sustainability program development	75,000	-
Water quality, San Diego bay sediment quality	(150,000)	100,000
Other, net	19,000	25,509
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>136,000</b>	<b>90,009</b>
<b>Total Increase / (Decrease)</b>	<b>202,208</b>	<b>141,555</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 3,951,622</b>	<b>\$ 4,093,178</b>

## Environmental Affairs Department Goals

### FY 2015 Progress Report

#### 1. Revise and update Environmental Management System (EMS) Plan to incorporate Global Report Initiative (GRI) environmental performance indicators by December 31, 2014.

**Progress:** 2015 Environmental sustainability management system plan.

Two factors have developed since this goal was presented that need to be taken into consideration before moving forward, which include: 1) the transition from the GRI-G3 reporting format to the new GRI-G4 version; and, 2) the decision to proceed with the development of an Airport Sustainability Management Plan with potential for FAA-funding for the project. This goal will be rolled under into the FY 2016 departmental goals.

**Sustainability Goal:** Operational excellence, natural resource conservation and social responsibility.

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

#### 2. Development of site-wide strategic CIP Storm water Drainage Master Plan by June 30, 2015.

**Progress:** 2015 Storm water drainage master plan.

- The existing drainage facilities have been mapped and a hydrologic model of the drainage system has been completed.
- Technical memos have are currently being developed regarding Storm water Storage and Reuse, Water Quality, and the impacts of Climate Change.
- The technical memos and a final report are projected for completion by the end of the 3<sup>rd</sup> quarter of FY15.

**Sustainability Goal:** Operational excellence, natural resource conservation and social responsibility.

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

**3. Ensure the development of a storm water-monitoring program that will evaluate the efficacy of the Green Build structural BMPs, both airside and landside, while also addressing the requirements of the Municipal Permit and Industrial Permit by December 31, 2014.**

**Progress:** 2015 Storm water monitoring program.

- The Wet Weather and Dry Weather Sampling Plans have been revised to address the requirements of the recently adopted Industrial General Permit and the San Diego Municipal Permit.
- On-going studies, first begun in 2006, of the effectiveness of best management practices (BMPs) deployed to prevent storm water pollution, have been expanded in the Wet Weather Sampling Plan to evaluate the performance and effectiveness of structural and non-structural treatment control BMPs developed as part of the Green Build Expansion Project. Several storm water runoff sampling sites have been relocated to incorporate evaluation of the performance of the new Green Build BMPs.
- Based upon the directives of San Diego Regional Water Quality Control Board (RWQCB) Draft Investigative Order (IO) No. R9-2012-009 and final IO R9-2014-0007, the Wet Weather Sampling Plan has been revised to include analysis of polychlorinated biphenyls (PCBs), polycyclic aromatic hydrocarbons (PAHs), chlordane (a pesticide). The IO addresses the contamination of sediments in the Laurel-Hawthorne Embayment, an area of San Diego Bay that encompasses the Downtown Anchorage, and a part of San Diego Bay to which portions of the airport drain.
- Based on a review of the Clean Water Act Section 303(d) list of impaired portions of San Diego Bay to which the airport drains, the Wet Weather Sampling Plan has also been revised to include the analysis of additional pollutants that have been named or implicated in the impairments of water quality in relevant portions of San Diego Bay.
- By the middle of FY15, 3 wet weather sampling events had been completed in accordance with the revised plan. Dry weather sampling has not yet been conducted in FY15.

**Sustainability Goal:** Operational excellence, natural resource conservation and social responsibility.

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

## Environmental Affairs Department Goals

### FY 2016 – FY 2017 Goals

1. **Revise and update the Sustainability Report using the new Global Reporting Initiative (GRI), Version G4 and complete report by June 30, 2016.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

2. **Develop an Airport Sustainability Management Plan by June 30, 2016.**

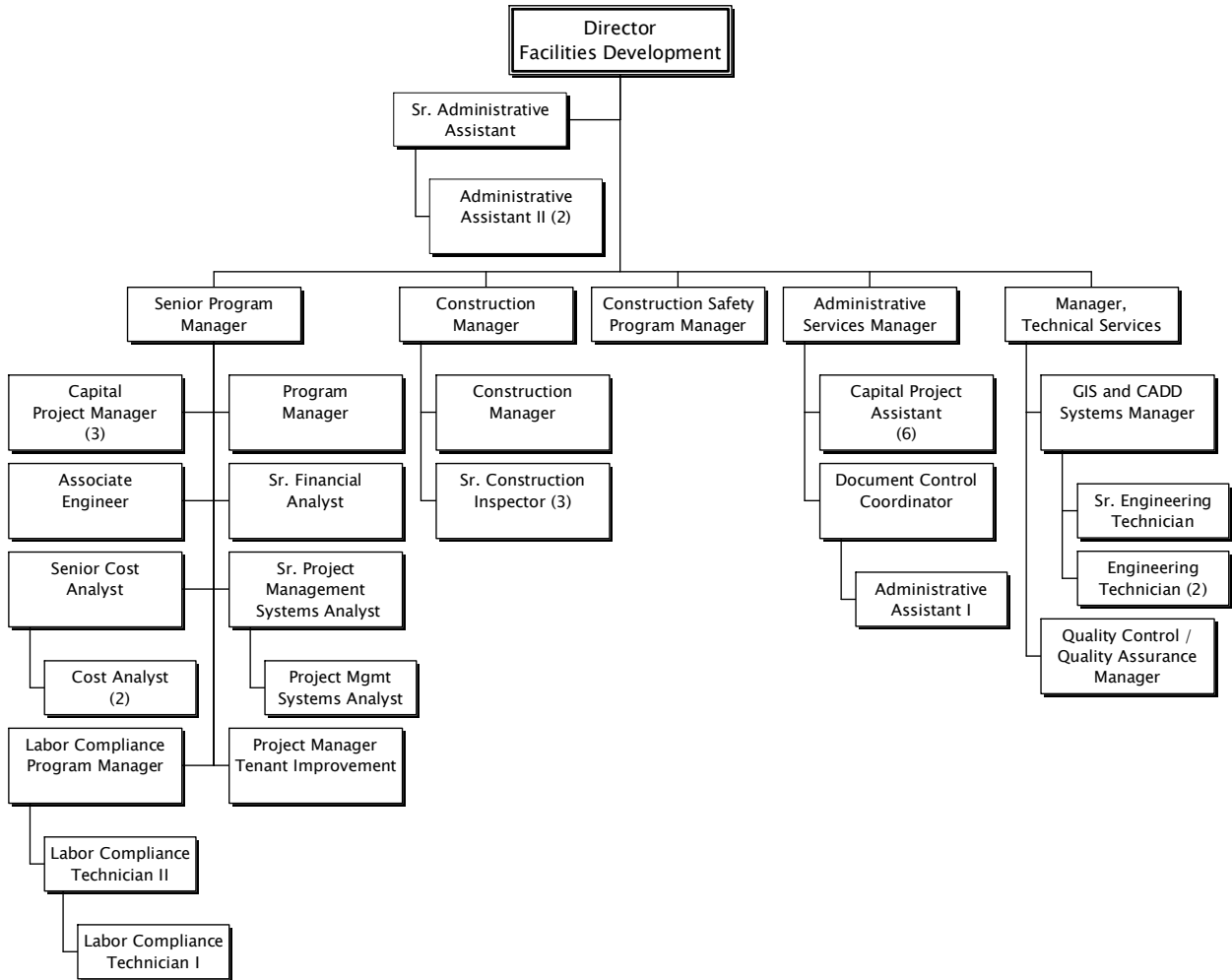
**Initiative:** Focus on revenue generation and cost control strategically engaging our employees in sustainable business practices.

3. **Implement the Authority's San Diego Bay Water Quality Improvement Plan to reduce the concentrations of copper and zinc in storm water runoff.**

**Initiative:** Focus on revenue generation and cost control strategically engaging our employees in sustainable business practices.



# Facilities Development FY 2016 – FY 2017 Organizational Structure



## Facilities Development

### FY 2016 proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 2,324,035	\$ 3,123,890	\$ 3,217,246	\$ 3,180,852	\$ 56,962	1.8%	\$ (36,394)	-1.1%	\$ 3,275,918	\$ 95,066	3.0%
Premium Overtime	31,250	20,000	20,000	20,000	-	0.0%	-	0.0%	20,500	500	2.5%
Employee Benefits	1,148,316	1,600,195	1,685,723	1,553,451	(46,744)	-2.9%	(132,272)	-7.8%	1,655,562	102,111	6.6%
Subtotal	3,503,601	4,744,085	4,922,970	4,754,304	10,218	0.2%	(168,666)	-3.4%	4,951,980	197,677	4.2%
<i>Less: Capitalized Labor</i>	<i>(3,269,665)</i>	<i>(3,900,449)</i>	<i>(4,056,417)</i>	<i>(4,041,011)</i>	<i>(140,561)</i>	<i>3.6%</i>	<i>15,406</i>	<i>-0.4%</i>	<i>(4,209,030)</i>	<i>(168,019)</i>	<i>4.2%</i>
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	<i>(19,216)</i>	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>214,720</b>	<b>843,636</b>	<b>866,553</b>	<b>713,293</b>	<b>(130,343)</b>	<b>-15.5%</b>	<b>(153,260)</b>	<b>-17.7%</b>	<b>742,950</b>	<b>29,658</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,076,680	205,139	206,230	392,164	187,025	91.2%	185,934	90.2%	392,224	60	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	125	100	100	13,100	13,000	13000.0%	13,000	13000.0%	15,100	2,000	15.3%
Maintenance	12,012	288,690	110,000	110,000	(178,690)	-61.9%	-	0.0%	112,200	2,200	2.0%
Operating Equipment & Systems	6,920	1,838	1,858	(6,635)	(8,473)	-461.0%	(8,493)	-457.1%	(8,245)	(1,610)	24.3%
Operating Supplies	16,472	3,703	3,741	7,875	4,172	112.7%	4,134	110.5%	8,033	158	2.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	6,928	3,412	3,447	7,978	4,566	133.8%	4,531	131.4%	8,140	162	2.0%
Business Development	7,817	20,338	20,338	20,338	-	0.0%	-	0.0%	20,756	418	2.1%
Equipment Rentals & Repairs	132,036	33,696	(52,222)	40,549	6,853	-100.4%	92,771	-95.0%	32,537	(8,012)	-34.2%
Tenant Improvements	-	1,000,000	1,000,000	900,000	(100,000)	-10.0%	(100,000)	-10.0%	920,000	20,000	2.2%
<b>Total Non-Personnel Expenses</b>	<b>1,258,990</b>	<b>1,556,916</b>	<b>1,293,492</b>	<b>1,485,369</b>	<b>(71,547)</b>	<b>-4.6%</b>	<b>191,877</b>	<b>14.8%</b>	<b>1,500,744</b>	<b>15,375</b>	<b>1.0%</b>
<b>Total Operating Expenses</b>	<b>1,473,710</b>	<b>2,400,552</b>	<b>2,160,045</b>	<b>2,198,661</b>	<b>(201,891)</b>	<b>-8.4%</b>	<b>38,617</b>	<b>1.8%</b>	<b>2,243,694</b>	<b>45,033</b>	<b>2.0%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	151,855	200,000	200,000	200,000	-	0.0%	-	0.0%	204,000	4,000	2.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>151,855</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>204,000</b>	<b>4,000</b>	<b>2.0%</b>
<b>Total Expenses</b>	<b>1,625,565</b>	<b>2,600,552</b>	<b>2,360,045</b>	<b>2,398,661</b>	<b>(201,891)</b>	<b>-7.8%</b>	<b>38,617</b>	<b>1.6%</b>	<b>2,447,694</b>	<b>49,033</b>	<b>2.0%</b>
<b>Equipment Outlay</b>	<b>133,815</b>	<b>80,000</b>	<b>10,000</b>	<b>10,000</b>	<b>(70,000)</b>	<b>-87.5%</b>	<b>-</b>	<b>0.0%</b>	<b>10,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,759,381</b>	<b>\$ 2,680,552</b>	<b>\$ 2,370,045</b>	<b>\$ 2,408,661</b>	<b>\$ (271,891)</b>	<b>-10.1%</b>	<b>\$ 38,617</b>	<b>1.6%</b>	<b>\$ 2,457,694</b>	<b>\$ 49,033</b>	<b>2.0%</b>

## Facilities Development

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 2,680,552</b>	<b>\$ 2,408,661</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	56,962	95,566
Burden (benefits & employer taxes) for current staff	(46,744)	102,111
Capitalized labor	(140,561)	(168,019)
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(130,343)</b>	<b>29,658</b>
Facility Development Outside Professional Services	186,025	(340)
Tenant improvement	(100,000)	20,000
Major maintenance	(178,690)	2,200
Other, net	(48,883)	(2,485)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(141,547)</b>	<b>19,375</b>
<b>Total Increase / (Decrease)</b>	<b>(271,891)</b>	<b>49,033</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 2,408,661</b>	<b>\$ 2,457,694</b>

## Facilities Development Department Goals

### FY 2015 Progress Report

- 1. In order to achieve an 80% favorable rating on Employee Engagement, hold bi-weekly meetings with FDD Authority staff to discuss Authority and departmental policies and matters related to accountability, performance, and responsibility within the Authority's established Strategies and Sustainability goals.**

**Progress:** 2015 Employee Engagement:

- FDD holds bi-weekly meetings to discuss employee commitment and performance goals.
- Lean construction techniques and lesson (typical examples):
  - Proactively managing project resources without authority
  - How to Develop and Understand Affinity Diagrams
  - How to Develop Cause and Effect Analysis developing Fishbone Diagrams
  - Learning Earned Value Management
  - Describing Project Value Using a Business Case
  - Techniques to Get Back on Budget using "Zero Tolerance" Scope Change Management, Budget Contingencies, and Process Improvement
  - Quality Control (inspection) and Quality Assurance (prevention)
  - Challenges of Proving the Value of Project Management
- Review FY 2015 -2016 Authority, Division & FDD Goals.

**Sustainability Goal:** Social responsibility.

**Authority Strategy (include strategy number):** Strategy #4: Ensure the highest level of employee commitment & performance.

- 2. Execute and deliver 100% of the Capital Improvement Program (CIP) projects, including projects that support the Northside development, on time and within budget in order to achieve milestones by June 30, 2015.**

**Progress:** Rolling 5-year Capital Improvement Program Budget:

- Current CIP Budget \$530.6million (excluding RCC).
- 55 projects.
- Projects on Scope, Schedule, and Budget. Any changes to the scope, schedule, and budget approved by CIC committee.
- Current projects are within Board approved Capital Improvement Program.

**Sustainability Goal:** Economic viability, operational excellence, and social responsibility.

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

**3. By June 30, 2015, prepare draft standard technical specifications that incorporate lessons learned from past Authority projects in order to mitigate risk and avoid change orders on future projects.**

**Progress:** Numerous past projects have been reviewed to identify technical specifications for landside/airside projects that resulted in successful projects. Approximately 100 standard specifications have been prepared, improved by further review by technical experts, and presented to FDD's Project Management team.

In January 2015, the final version of the standard specifications for landside/airside projects was presented to Project Management staff from FDD and ADC. Following are some of the major categories of standard specifications developed:

- Part 1 – Division One (FAA)
- Part 2 – Preparatory Construction Activities
- Part 3 – Earthworks
- Part 4 – Subgrade and Stabilization Treatment, Sub-base
- Part 5 – Flexible Base Courses
- Part 6 – Rigid Base Courses
- Part 7 – Flexible Surface Courses
- Part 8 – Rigid Pavement
- Part 9 – Prime and Tack Coats
- Part 10 – Concrete
- Part 11 – Painting and Grooving
- Part 12 – Pavement Surface Seals
- Part 13 – Fencing
- Part 14 – Drainage
- Part 15 – Lighting Installation
- Part 16 – Turfing

**Sustainability Goal:** Economic viability, operational excellence, and social responsibility.

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

**4. By June 30, 2015, upgrade the Authority's internal GIS system to categorize the property space information to identify airline spaces, public spaces and unleased areas in order to meet the needs of various Authority departments for maximizing revenue enhancement, improving information for bond rating agencies and planning for future airport facilities.**

**Progress:** Numerous meetings have been held with various Authority departments to determine their needs for property space information and data. As a result, the internal GIS terminal floor plans have been subdivided into areas showing the following categories and subcategories:

- Leasable
  - Concessions
    - Food and Beverages

- Office/Support
- Service
- Retail
- Storage Miscellaneous
- Vacant
- Airlines
  - CUPPS
  - Exclusive Use
  - Joint Use
  - Shared Use
  - Airline Clubs
  - Vacant
- Other
  - Government
  - SDCRAA
  - Ground Lease
  - Miscellaneous
  - Public/Private
  - Vacant
- Non-Leasable
  - Public
    - Food Court
    - Building Core
    - Other
  - Non-Public
    - SDCRAA
    - Building Core
    - Other

**Sustainability Goal:** Economic viability, operational excellence, and social responsibility

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

## Facilities Development Department Goals

### FY 2016 – FY 2017 Goals

1. Execute and deliver 100% of the Capital Improvement Program (CIP) projects on time and within budget in order to achieve milestones by June 30, 2016.

**Initiative:** Developing a sustainable long term capital plan.

2. To ensure the highest level of employee commitment and performance, hold bi-weekly meetings with FDD Authority staff to engage our employees in sustainable business practices, including lean construction techniques, in order to develop a collaborative and harmonious work environment.

**Initiative:** Strategically engaging our employees in sustainable business practices.

3. By June 30, 2016, fully implement E-Project Management System to effectively manage the Capital Improvement Program, thereby improving process efficiency, and increasing collaboration between project teams, consultants and contractors. When fully implemented, the E-Project Management System will serve as a single software solution, enabling consistent data collection, reporting and forecasting. Additionally, the system will have the capability to upload project documentation electronically which will decrease process time, cost of postage, courier services and reduction of paper.

**Initiative:** Developing a sustainable long term capital plan.

4. In order to maintain productivity, retain the average chargeability ratio for FDD above 75% and maintain an overhead factor of 2.0 or less.

**Initiative:** Developing a sustainable long term capital plan.

# **Finance & Asset Management Division**



## Finance & Asset Management Division Overview

The **Finance and Asset Management Division's** five departments are responsible for providing the accounting, business management, business development, procurement, information and technology services, small business participation, financial planning, budgeting, capital funding, treasury, real estate and property management and concession development for the organization.

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

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

The **Business & Financial Management Department** is responsible for the effective utilization and management of Authority resources. Primary functions include calculating rates, fees and charges, developing and administering the Operating and Capital Budgets and serving as the landlord of San Diego International Airport and other Authority controlled property and facilities.

The department strives to maintain a fiscally sound and sustainable organization that conforms to financial management best practices; provides for beneficial treasury management; enhances operational efficiency and stability through the acquisition, management and disposal of Authority facilities; maintains an effective debt management program; and delivers financial advisory services to all Authority departments.

To accomplish these commitments the department forecasts revenue and expenditures; identifies, analyzes and implements revenue enhancement and costs containment strategies; manages Authority investments and cash; administers Grants, Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) revenue; and issues and manages Long-term and Short-term debt. Additionally, the department calculates and negotiates terminal rental rates, landing fees and other revenue from tenants and other users of Authority property; serves as the Authority's representative in acquiring property rights; develops and implements real estate-related agreements and manages the business relationships of tenant and public activities including those of passenger and cargo carriers, car rental companies, concessionaires, parking, ground servicing companies, fixed base operators, government entities and other lessees.

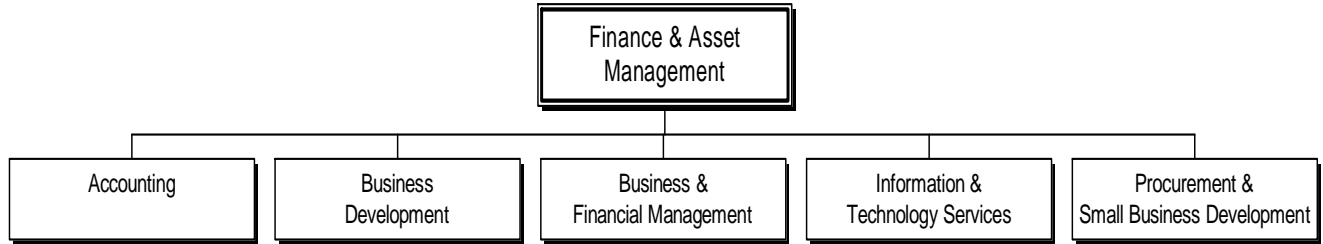
The **Business Development Department** identifies reviews & prioritizes new business opportunities for the Authority. The focus is on opportunities that will drive incremental revenue and/or reduce costs and those that enhance the overall passenger experience.

The **Information & Technology Services Department (I&TS)** establishes and manages the Authority's information technology infrastructure, including hardware, software and communications technology. The department provides information technology services to all Authority departments, with network connectivity, internet services, desktop computing, telephone connection and hosted system services. I&TS provides the airlines with common use services (CUSS kiosks, CUPPS workstations) at the elevated departure roadway, gates and ticket counters and Flight Information Display System (FIDS). Passengers

are served by FIDS, free Wi-Fi, Paging and the SAN.ORG website maintained by I&TS with content provided by Vision, Voice and Engagement.

The **Procurement and Small Business Development Department** manages the business outreach, solicitation and contract award process in a legal, ethical and transparent manner. The team is committed to ensuring that local, small, historically underutilized, disabled veteran and emerging businesses have every opportunity to do business with the Airport. Department responsibilities include providing research on resources, trends, products and service options, business outreach, providing small business development services, negotiating contracts and price agreements. Additional responsibilities include managing the procurement card program, shipping, receiving and warehouse operations.

## Finance & Asset Management Division Organizational Structure



## Division Personnel Summary

	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget Transfers	FY 2016 Budget New/ (Eliminated)	FY 2016 Budget Funded/ (Unfunded)	FY 2016 Budget	FY 2017 Budget New/ (Eliminated)	FY 2017 Budget
<b>Finance &amp; Asset Management</b>								
Business & Financial Management	26	25	1	-	-	26	-	26
Accounting	13	12	-	-	-	12	-	12
Information & Technology Services	24	27	1	1	-	29	-	29
Procurement & Small Business Development	17	15	-	-	-	15	-	15
Business Development	1	1	-	-	-	1	-	1
<b>Total Authorized Funded Positions</b>	<b>81</b>	<b>80</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>83</b>
Authorized and Unfunded Positions	1	1	-	-	(1)	-	-	-
<b>Total Authorized Positions</b>	<b>82</b>	<b>81</b>	<b>2</b>	<b>1</b>	<b>(1)</b>	<b>83</b>	<b>-</b>	<b>83</b>

## Finance & Asset Management Division

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 6,223,564	\$ 6,788,358	\$ 7,011,203	\$ 7,055,974	\$ 267,616	3.9%	\$ 44,771	0.6%	\$ 7,346,526	\$ 290,553	4.1%
Premium Overtime	161,712	150,000	150,000	150,000	-	0.0%	-	0.0%	150,000	-	0.0%
Employee Benefits *	2,885,519	11,231,018	3,815,043	3,527,243	(7,703,775)	-68.6%	(287,799)	-7.5%	3,792,107	264,864	7.5%
Subtotal	9,270,795	18,169,376	10,976,246	10,733,217	(7,436,159)	-40.9%	(243,029)	-2.2%	11,288,633	555,416	5.2%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses **</b>	<b>9,270,795</b>	<b>18,169,376</b>	<b>10,976,246</b>	<b>10,733,217</b>	<b>(7,436,159)</b>	<b>-40.9%</b>	<b>(243,029)</b>	<b>-2.2%</b>	<b>11,288,633</b>	<b>555,416</b>	<b>5.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	1,759,097	2,056,420	2,130,384	2,995,831	939,411	45.7%	865,447	40.6%	3,012,631	16,800	0.6%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	10,478,262	10,449,096	10,423,381	10,427,314	(21,782)	-0.2%	3,933	0.0%	10,190,250	(237,064)	-2.3%
Utilities	347,190	466,000	466,000	407,200	(58,800)	-12.6%	(58,800)	-12.6%	407,200	-	0.0%
Maintenance	19,086	19,650	19,650	20,240	590	3.0%	590	3.0%	20,000	(240)	-1.2%
Operating Equipment & Systems	497,803	340,547	394,269	274,000	(66,547)	-19.5%	(120,269)	-30.5%	274,000	-	0.0%
Operating Supplies	102,610	91,580	92,914	96,950	5,370	5.9%	4,036	4.3%	97,600	650	0.7%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	204,823	177,725	179,565	187,450	9,725	5.5%	7,885	4.4%	200,050	12,600	6.7%
Business Development	106,872	148,975	149,279	152,500	3,525	2.4%	3,221	2.2%	147,500	(5,000)	-3.3%
Equipment Rentals & Repairs	1,898,047	2,043,143	2,102,725	2,226,879	183,736	-21.6%	124,154	-25.6%	2,234,916	8,037	9.1%
Tenant Improvements	402,305	200,000	200,000	150,000	(50,000)	-25.0%	(50,000)	-25.0%	100,000	(50,000)	-33.3%
<b>Total Non-Personnel Expenses</b>	<b>15,816,096</b>	<b>15,993,136</b>	<b>16,158,167</b>	<b>16,938,364</b>	<b>945,228</b>	<b>5.9%</b>	<b>780,197</b>	<b>4.8%</b>	<b>16,684,147</b>	<b>(254,217)</b>	<b>-1.5%</b>
<b>Total Operating Expenses</b>	<b>25,086,891</b>	<b>34,162,512</b>	<b>27,134,413</b>	<b>27,671,582</b>	<b>(6,490,931)</b>	<b>-19.0%</b>	<b>537,169</b>	<b>2.0%</b>	<b>27,972,781</b>	<b>301,199</b>	<b>1.1%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</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>25,086,892</b>	<b>34,162,512</b>	<b>27,134,413</b>	<b>27,671,582</b>	<b>(6,490,931)</b>	<b>-19.0%</b>	<b>537,169</b>	<b>2.0%</b>	<b>27,972,781</b>	<b>301,199</b>	<b>1.1%</b>
<b>Equipment Outlay</b>	<b>744,453</b>	<b>-</b>	<b>-</b>	<b>375,000</b>	<b>375,000</b>	<b>0.0%</b>	<b>375,000</b>	<b>0.0%</b>	<b>375,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 25,831,345</b>	<b>\$ 34,162,512</b>	<b>\$ 27,134,413</b>	<b>\$ 28,046,582</b>	<b>\$ (6,115,931)</b>	<b>-17.9%</b>	<b>\$ 912,169</b>	<b>3.4%</b>	<b>\$ 28,347,781</b>	<b>\$ 301,199</b>	<b>1.1%</b>

\* Reflects the reduction in Unfunded Actuarial Liability of \$7.6M budgeted for FY 2015

\*\* Includes Vacancy Savings

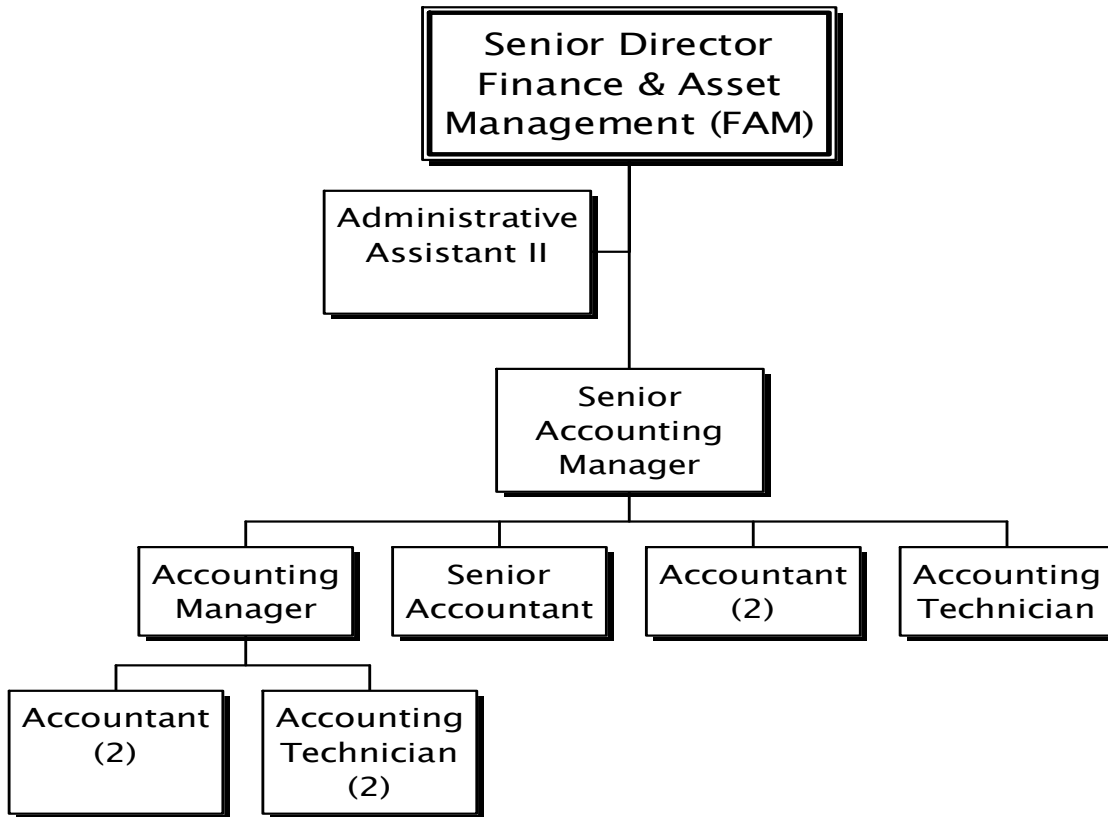
## Finance & Asset Management Division

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 34,162,512</b>	<b>\$ 28,046,582</b>
<b>Personnel costs</b>		
1 New Position of Cyber Security Specialist (salaries, benefits & employer taxes)	69,135	-
1 Position transferred from Facilities Management (salaries, benefits & employer taxes)	110,337	-
Salary adjustments and pay-for-performance	141,665	290,553
Burden (benefits & employer taxes) for current staff	(157,296)	264,864
SDCERS Unfunded Actuarial Liability (GASB change)	(7,600,000)	-
<b>Total Increase / (Decrease) in personnel costs*</b>	<b>(7,436,159)</b>	<b>555,416</b>
Parking Credit card fees	750,000	37,500
Ground Transportation Systems	205,000	-
Information & Technology (IT) Help Desk Technicians	200,000	-
Terminal 2 East CUPPS Expansion	146,000	-
Space rental	(21,782)	(237,064)
Other, net	41,010	(54,653)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>1,320,228</b>	<b>(254,217)</b>
<b>Total Increase / (Decrease)</b>	<b>(6,115,931)</b>	<b>301,199</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 28,046,582</b>	<b>\$ 28,347,781</b>

\*Personnel cost include vacancy saving

**Accounting**  
**FY 2016 – FY 2017 Organizational Structure**



*No personnel changes planned for FY 2017.*

## Accounting

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 868,107	\$ 838,454	\$ 863,608	\$ 883,318	\$ 44,863	5.4%	\$ 19,710	2.3%	\$ 909,817	\$ 26,500	3.0%
Premium Overtime	2,527	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	469,319	501,390	525,819	478,427	(22,963)	-4.6%	(47,392)	-9.0%	511,200	32,773	6.9%
Subtotal	1,339,953	1,339,844	1,389,427	1,361,745	21,900	1.6%	(27,682)	-2.0%	1,421,018	59,273	4.4%
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>1,339,953</b>	<b>1,339,844</b>	<b>1,389,427</b>	<b>1,361,745</b>	<b>21,900</b>	<b>1.6%</b>	<b>(27,682)</b>	<b>-2.0%</b>	<b>1,421,018</b>	<b>59,273</b>	<b>4.4%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	338,990	175,500	246,500	175,500	0	0.0%	(71,000)	-28.8%	208,000	32,500	18.5%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	9	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	3,111	2,000	2,000	2,000	-	0.0%	-	0.0%	2,000	-	0.0%
Operating Supplies	15,876	13,500	13,500	12,300	(1,200)	-8.9%	(1,200)	-8.9%	12,300	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	10,850	8,300	9,300	10,300	2,000	24.1%	1,000	10.8%	12,400	2,100	20.4%
Business Development	24,482	29,100	29,100	31,800	2,700	9.3%	2,700	9.3%	31,800	-	0.0%
Equipment Rentals & Repairs	12	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>393,329</b>	<b>228,400</b>	<b>300,400</b>	<b>231,900</b>	<b>3,500</b>	<b>1.5%</b>	<b>(68,500)</b>	<b>-22.8%</b>	<b>266,500</b>	<b>34,600</b>	<b>14.9%</b>
<b>Total Operating Expenses</b>	<b>1,733,281</b>	<b>1,568,244</b>	<b>1,689,827</b>	<b>1,593,645</b>	<b>25,400</b>	<b>1.6%</b>	<b>(96,182)</b>	<b>-5.7%</b>	<b>1,687,518</b>	<b>93,873</b>	<b>5.9%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,733,282</b>	<b>1,568,244</b>	<b>1,689,827</b>	<b>1,593,645</b>	<b>25,400</b>	<b>1.6%</b>	<b>(96,182)</b>	<b>-5.7%</b>	<b>1,687,518</b>	<b>93,873</b>	<b>5.9%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 1,733,282</b>	<b>\$ 1,568,244</b>	<b>\$ 1,689,827</b>	<b>\$ 1,593,645</b>	<b>\$ 25,400</b>	<b>1.6%</b>	<b>\$ (96,182)</b>	<b>-5.7%</b>	<b>\$ 1,687,518</b>	<b>\$ 93,873</b>	<b>5.9%</b>

## Accounting

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 1,568,244</b>	<b>\$ 1,593,645</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	44,863	26,500
Burden (benefits & employer taxes) for current staff	(22,963)	32,773
<b>Total Increase / (Decrease) in personnel costs</b>	<b>21,900</b>	<b>59,273</b>
Auditing Services	(15,000)	50,000
Other, net	18,500	(15,400)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>3,500</b>	<b>34,600</b>
<b>Total Increase / (Decrease)</b>	<b>25,400</b>	<b>93,873</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 1,593,645</b>	<b>\$ 1,687,518</b>



## Accounting Department Goals

### FY 2015 Progress Report

**1. Less than three audit findings for FY 2014 audit with new auditors.**

**Progress:** Completed with no audit findings.

**Sustainability Goal:** Social responsibility.

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

**2. Implement the Enterprise Content Management System (ECMS) in conjunction with the Board Services Department by May 2015.**

**Progress:** This is on target with training scheduled in February.

**Sustainability Goal:** Social responsibility.

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

**3. Achieve highest level of employee performance and commitment as evidenced by at least an 80% Employee Opinion Survey (EOS) engagement score.**

**Progress:** This is ongoing with the survey scheduled in the spring.

**Sustainability Goal:** Economic viability and operational excellence.

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

**4. Identify and implement potential areas of revenue enhancement and cost savings (beyond budget) through all divisions. Accounting can accurately and consistently record expenses for correct cost recovery. Accounting can also work more closely with Finance and Business & Financial Management to identify additional recovery costs and costs pools, also set up training on capital versus expense for accurate budgeting.**

**Progress:** The accounting manager is looking for opportunities to insert Accounting in the budgeting process to train on accounting requirements to align the development of the budget. Also Accounting wants to be aware of the departmental budgets to ensure correct accounting. Accounting will schedule with Finance to have training on the rates, fees and charges to ensure the importance of cost recovery.

**Sustainability Goal:** Economic viability.

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

## Accounting Department Goals

### FY 2016 – FY 2017 Goals

1. **Successfully complete the FY 2015 audit with less than two audit findings.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

2. **Develop an engagement plan between Accounting and Financial Management departments to enhance communication and understanding between departments on financial and operating issues by November 2015 with implementation of the plan continuing until June 2016. Examples may include cost recovery on concession expenses, tracking of Customer Facility Charges, refinement of GASB 68 versus budget requirements, etc.**

**Initiative:** Pursuing revenue generation and cost control opportunities, strategically engaging our employees in sustainable business practices.

3. **Strengthen controls and improve communication with internal customers. Success equals:**

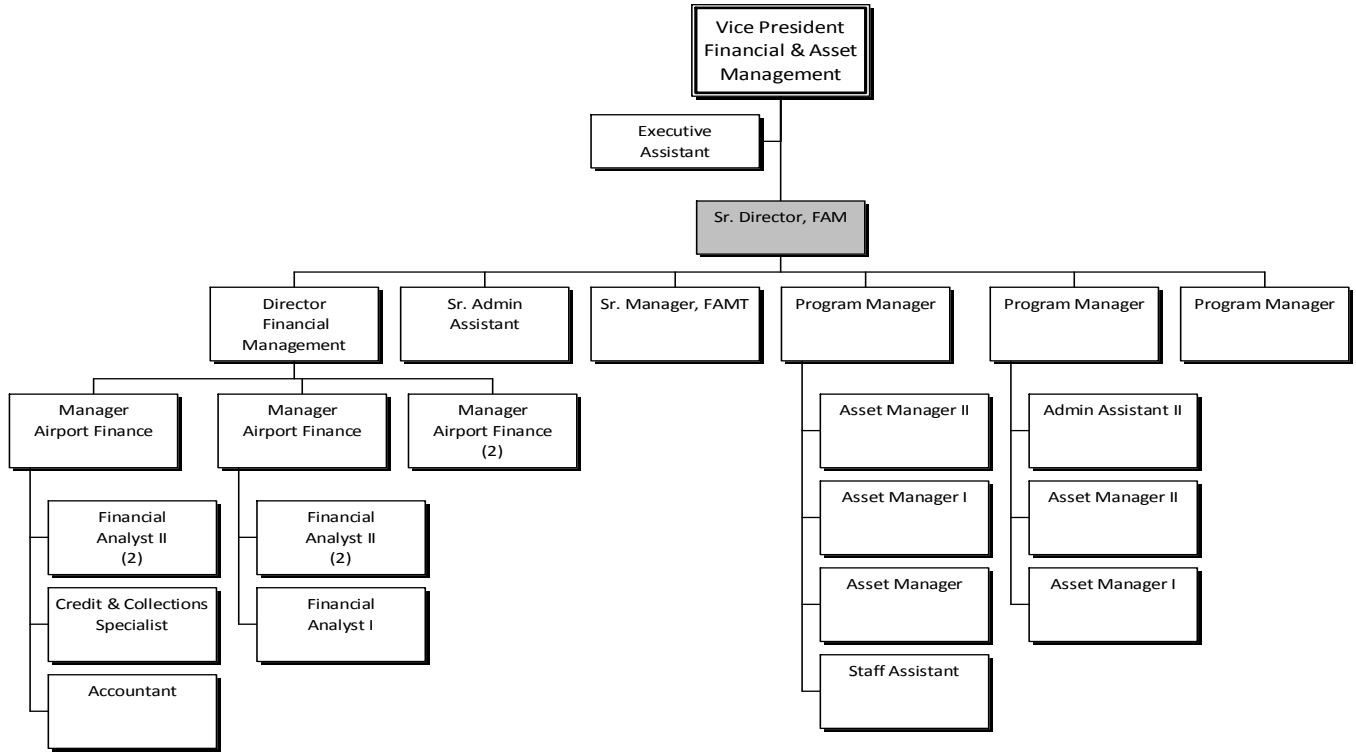
- a. **Work with Procurement, Internal Audit, and other stakeholders to review procurement, p-card, receiving, inventory, and payment procedures.**
- b. **Recommend and implement enhancements if/when appropriate.**
- c. **Provide additional training to Authority staff on existing policies and procedures and any modifications implemented.**

**Initiatives:** Strategically engage our employees in sustainable business practices. Focus on revenue generation and cost control.

4. **Promote high levels of employee performance and commitment by creating and piloting a job shadowing and training program. Identification of the pilot program participants, structure and desired outcomes will be determined by October 2015 with the pilot program continuing until June 2016.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

**Business and Financial Management  
FY 2016 – FY 2017 Organizational Structure**



*\*Position in grey resides in the Accounting Department and is shown for structural purposes. No personnel changes planned for FY 2017.*

## Business and Financial Management

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 2,255,585	\$ 2,440,979	\$ 2,520,208	\$ 2,460,481	\$ 19,502	0.8%	\$ (59,727)	-2.4%	\$ 2,581,485	\$ 121,005	4.9%
Premium Overtime	80	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	930,918	1,210,962	1,270,291	1,183,910	(27,052)	-2.2%	(86,381)	-6.8%	1,275,315	91,404	7.7%
Subtotal	3,186,583	3,651,941	3,790,499	3,644,391	(7,550)	-0.2%	(146,108)	-3.9%	3,856,800	212,409	5.8%
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>3,186,583</b>	<b>3,651,941</b>	<b>3,790,499</b>	<b>3,644,391</b>	<b>(7,550)</b>	<b>-0.2%</b>	<b>(146,108)</b>	<b>-3.9%</b>	<b>3,856,800</b>	<b>212,409</b>	<b>5.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	494,906	494,920	502,884	1,278,100	783,180	158.2%	775,216	154.2%	1,312,400	34,300	2.7%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	10,478,262	10,449,096	10,423,381	10,427,314	(21,782)	-0.2%	3,933	0.0%	10,190,250	(237,064)	-2.3%
Utilities	1,447	2,900	2,900	2,900	-	0.0%	-	0.0%	2,900	-	0.0%
Maintenance	19,021	19,650	19,650	20,240	590	3.0%	590	3.0%	20,000	(240)	-1.2%
Operating Equipment & Systems	15,821	7,000	7,000	7,000	(0)	0.0%	-	0.0%	7,000	-	0.0%
Operating Supplies	11,178	12,180	12,514	12,350	170	1.4%	(164)	-1.3%	12,500	150	1.2%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	58,939	63,575	63,815	71,600	8,025	12.6%	7,785	12.2%	71,600	-	0.0%
Business Development	40,094	43,650	43,954	48,850	5,200	11.9%	4,896	11.1%	48,850	-	0.0%
Equipment Rentals & Repairs	21,709	21,576	21,576	1,000	(20,576)	-100.0%	(20,576)	-100.0%	1,000	-	0.0%
Tenant Improvements	402,305	200,000	200,000	150,000	(50,000)	-25.0%	(50,000)	-25.0%	100,000	(50,000)	-33.3%
<b>Total Non-Personnel Expenses</b>	<b>11,543,682</b>	<b>11,314,547</b>	<b>11,297,674</b>	<b>12,019,354</b>	<b>704,807</b>	<b>6.2%</b>	<b>721,680</b>	<b>6.4%</b>	<b>11,766,500</b>	<b>(252,854)</b>	<b>-2.1%</b>
<b>Total Operating Expenses</b>	<b>14,730,265</b>	<b>14,966,487</b>	<b>15,088,173</b>	<b>15,663,745</b>	<b>697,258</b>	<b>4.7%</b>	<b>575,572</b>	<b>3.8%</b>	<b>15,623,300</b>	<b>(40,445)</b>	<b>-0.3%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>14,730,265</b>	<b>14,966,487</b>	<b>15,088,173</b>	<b>15,663,745</b>	<b>697,258</b>	<b>4.7%</b>	<b>575,572</b>	<b>3.8%</b>	<b>15,623,300</b>	<b>(40,445)</b>	<b>-0.3%</b>
<b>Equipment Outlay</b>	<b>420,639</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>\$ 15,150,904</b>	<b>\$ 14,966,487</b>	<b>\$ 15,088,173</b>	<b>\$ 15,663,745</b>	<b>\$ 697,258</b>	<b>4.7%</b>	<b>\$ 575,572</b>	<b>3.8%</b>	<b>\$ 15,623,300</b>	<b>\$ (40,445)</b>	<b>-0.3%</b>

## Business and Financial Management

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 14,966,487</b>	<b>\$ 15,663,745</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	19,502	121,005
Burden (benefits & employer taxes) for current staff	(27,052)	91,404
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(7,550)</b>	<b>212,409</b>
Parking Credit Card fees	750,000	37,500
Space rental	(21,782)	(237,064)
Other, net	(23,411)	(53,290)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>704,807</b>	<b>(252,854)</b>
<b>Total Increase / (Decrease)</b>	<b>697,258</b>	<b>(40,445)</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 15,663,745</b>	<b>\$ 15,623,300</b>

## Business and Financial Management Department Goals

### FY 2015 Progress Report

1. **Propose cost savings or revenue enhancement ideas worth at least \$500,000 and implement all approved ideas.**

**Progress:** The department is working closely with the Business Development department and others to identify opportunities for revenue enhancement. In conjunction with Business Development, Information & Technology Services and Ground Transportation, implementation of proposed parking operations improvements have begun and will continue over the next several years. It is anticipated that the improvements to the current parking revenue stream could result in over \$1 million in enhanced revenue. The department is continuing to develop and research cost savings or revenue enhancement ideas and will do so throughout the remainder of the fiscal year.

**Sustainability Goal:** Economic viability.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Authority.

2. **Sustain high levels of employee performance and commitment as evidenced by sustaining at least a 78%-81% score in both engagement as well as strategic engagement scores as measured by the FY 2015 Employee Opinion Survey (EOS).**

**Progress:** This is ongoing with the survey scheduled in the spring.

**Sustainability Goal:** Social responsibility.

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

3. **Identify and prioritize the most beneficial automation opportunities, including analysis of the financial implications and operational benefits.**

**Progress:** This effort is ongoing. To date, the department has collaborated closely with the Facilities Development Department (FDD) to incorporate space tracking requirements into the GIS database maintained by FDD whereby staff may query existing Authority space usage and attributes via the GIS system thereby eliminating extensive manual research of space related data. The department is collaborating with FDD on the implementation of the *PMWeb* software to ensure that the financial aspects of capital improvement projects are updated within the software and that the software is programmed to provide standard and ad hoc reports as needed. Additionally, the department is collaborating with Accounting and Information Technologies Services to develop electronic invoicing capability which will increase efficiency in accounts receivables process and provide a higher level of service to Authority tenants. Completion of these efforts is expected by the end of FY 2015. As part of the implementation on these efforts, the operational benefits and any possible fiscal savings are being documented. The final benefit of these efforts won't be fully realized until the project are complete and in use.

**Sustainability Goal:** Economic viability, operational excellence, and natural resource conservation.

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

**4. Support the business development function through analyzing and prioritizing ideas and meeting all implementation milestones for approved ideas.**

**Progress:** A substantial increase in the amount and relevance of information provided to the business development function was achieved through early stakeholder engagement, subject matter expert input and collaboration with various departments. As a result, several obstacles to implementation were identified early in the process and adjustments were easily made to ensure that the approved idea proceeded as envisioned.

**Sustainability Goal:** Economic viability and operational excellence.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Authority. Customer Strategy: Achieve the highest level of internal and external customer satisfaction.

## Business and Financial Management Department Goals

### FY 2016 – FY 2017 Goals

1. Support a sustainable long term capital plan (e.g. Airport Development Plan, 20 Year Capital Plan) to maintain our infrastructure and enhance the customer experience through development and recommendation of a financially resilient funding strategy by October 2015 and initial implementation by June 2016.

**Initiative:** Developing a sustainable long term capital plan.

2. Promote high levels of employee performance and commitment by creating and piloting a job shadowing and training program. Identification of the pilot program participants, structure and desired outcomes will be determined by October 2015 with the pilot program continuing until June 2016.

**Initiative:** Strategically engaging our employees in sustainable business practices.

3. Support the financial analysis, prioritization and business decision making process for Information Technology Master Plan projects and all Business Development opportunities in accordance with approved project schedules.

**Initiative:** Pursuing revenue generation and cost control opportunities, developing a sustainable long term capital plan.

4. Develop an engagement plan (identification of participants, structure and desired outcomes) to enhance communication and understanding between departments on financial and operating issues by November 2015 with implementation of the plan continuing until June 2016. Examples may include establishment of teams between Terminal & Tenants and Business Management on concession ideas and airline relocations, Rental Car Center Activation, Airport Development Plan, etc.

**Initiative:** Pursuing revenue generation and cost control opportunities, strategically engaging our employees in sustainable business practices.



**Business Development**  
**FY 2016 – FY 2017 Organizational Structure**

Director  
Business Development

*No personnel changes planned for FY 2017.*

## Business Development

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 60,363	\$ 98,706	\$ 101,487	\$ 94,210	\$ (4,496)	-4.6%	\$ (7,277)	-7.2%	\$ 97,036	\$ 2,826	3.0%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	13,474	29,385	30,506	21,693	(7,692)	-26.2%	(8,813)	-28.9%	28,837	7,144	32.9%
Subtotal	73,837	128,091	131,993	115,903	(12,188)	-9.5%	(16,090)	-12.2%	125,873	9,970	8.6%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>73,837</b>	<b>128,091</b>	<b>131,993</b>	<b>115,903</b>	<b>(12,188)</b>	<b>-9.5%</b>	<b>(16,090)</b>	<b>-12.2%</b>	<b>125,873</b>	<b>9,970</b>	<b>8.6%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	-	200,000	175,000	200,000	-	0.0%	25,000	14.3%	150,000	(50,000)	-25.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	117	1,500	1,500	-	(1,500)	-100.0%	(1,500)	-100.0%	-	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	3,815	9,200	9,200	-	(9,200)	-100.0%	(9,200)	-100.0%	-	-	0.0%
Business Development	127	8,500	8,500	5,000	(3,500)	-41.2%	(3,500)	-41.2%	-	(5,000)	-100.0%
Equipment Rentals & Repairs	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>4,059</b>	<b>219,200</b>	<b>194,200</b>	<b>205,000</b>	<b>(14,200)</b>	<b>-6.5%</b>	<b>10,800</b>	<b>5.6%</b>	<b>150,000</b>	<b>(55,000)</b>	<b>-26.8%</b>
<b>Total Operating Expenses</b>	<b>77,896</b>	<b>347,291</b>	<b>326,193</b>	<b>320,903</b>	<b>(26,388)</b>	<b>-7.6%</b>	<b>(5,290)</b>	<b>-1.6%</b>	<b>275,873</b>	<b>(45,030)</b>	<b>-14.0%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>77,896</b>	<b>347,291</b>	<b>326,193</b>	<b>320,903</b>	<b>(26,388)</b>	<b>-7.6%</b>	<b>(5,290)</b>	<b>-1.6%</b>	<b>275,873</b>	<b>(45,030)</b>	<b>-14.0%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 77,896</b>	<b>\$ 347,291</b>	<b>\$ 326,193</b>	<b>\$ 320,903</b>	<b>\$ (26,388)</b>	<b>-7.6%</b>	<b>\$ (5,290)</b>	<b>-1.6%</b>	<b>\$ 275,873</b>	<b>\$ (45,030)</b>	<b>-14.0%</b>

## Business Development

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 347,291</b>	<b>\$ 320,903</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	(4,496)	2,826
Burden (benefits & employer taxes) for current staff	(7,692)	7,144
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(12,188)</b>	<b>9,970</b>
Outside professional services	-	(50,000)
Other, net	(14,200)	(5,000)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(14,200)</b>	<b>(55,000)</b>
<b>Total Increase / (Decrease)</b>	<b>(26,388)</b>	<b>(45,030)</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 320,903</b>	<b>\$ 275,873</b>

## Business Development Department Goals

### FY 2015 Progress Report

1. **Identify, propose and do a business plan for a minimum of 3 potential projects to drive incremental revenue and/or reduce costs (beyond budget),**

**Progress:** Business plans completed & approved for 4 new products/services to drive revenue and improve customer service:

- Mobile app using Beacons
- Parking reservation and other parking proposals
- Fuel rod portable charge
- Charging for filming rights

**Sustainability Goal:** Economic viability.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Authority.

2. **Execute customer research to help identify areas of opportunity to enhance the passenger experience (and ideally drive revenue at the same time).**

**Progress:** Customer research completed for parking, broader research in progress.

**Sustainability Goal:** Operational excellence and economic viability.

**Authority Strategy:** Customer Strategy: Achieve the highest level of internal and external customer satisfaction. Financial Strategy: Enhance the financial position of the Authority.

3. **Engage SAN employees in business development process, as appropriate.**

**Progress:** Business development has engaged employees by presenting an overview of the Business Development process at the various department meetings. This included sharing the current list of ideas, getting feedback on these and bringing all employees into the Business Development process.

**Sustainability Goal:** Social responsibility.

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

## Business Development Department Goals

### FY 2016 – FY 2017 Goals

1. Promote high levels of employee performance and commitment by participating in the piloting of a job shadowing and training program. Identification of the pilot program participants, structure and desired outcomes will be determined by October 2016 with the pilot program continuing until June 2016.

**Initiative:** Strategically engaging our employees in sustainable business practices.

2. Execute consumer research including focus groups and customer surveys and obtain the data necessary to identify areas of opportunity to enhance passenger service and/or drive incremental revenue.

**Initiative:** Pursuing revenue generation and cost control opportunities.

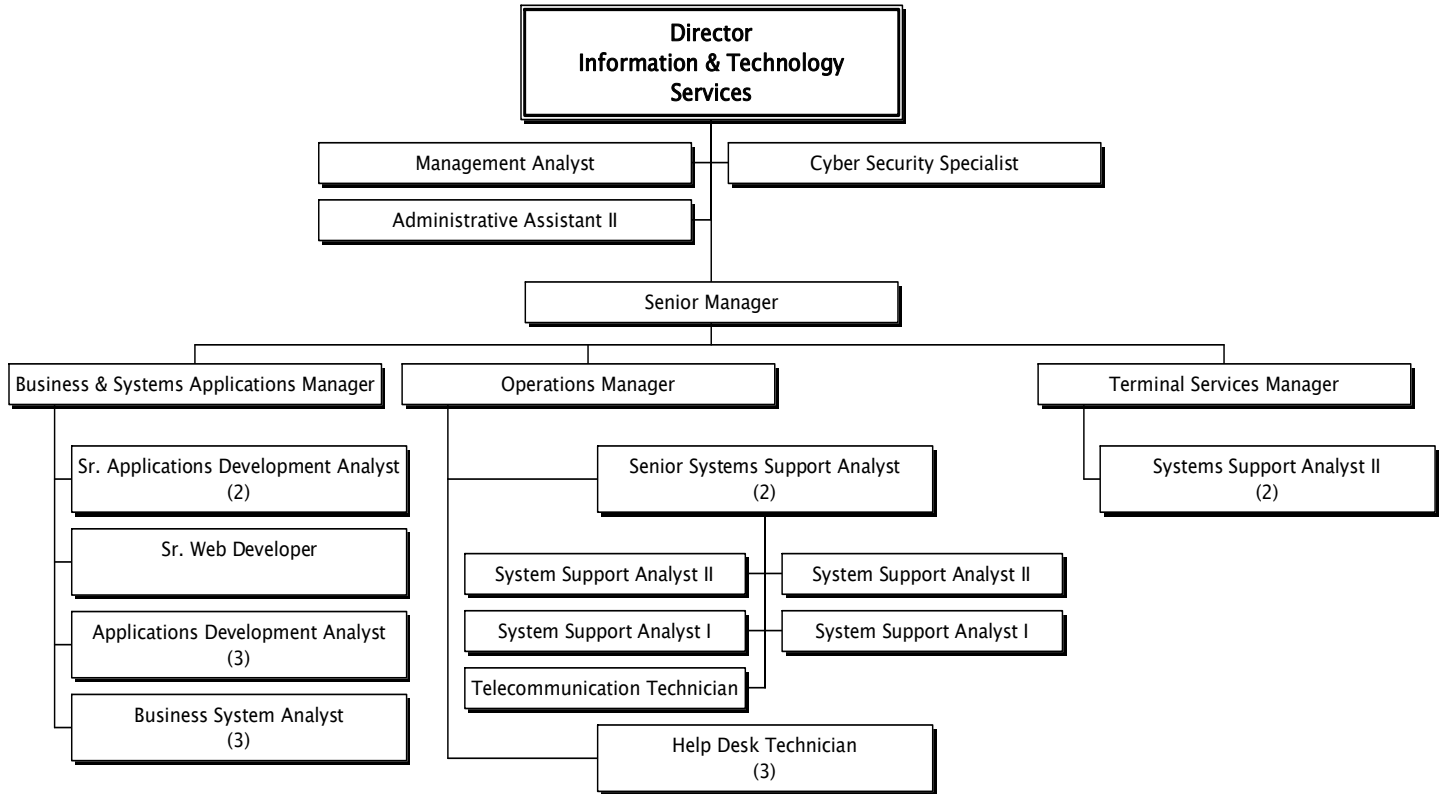
3. Collaborate with internal stakeholders to develop business plans and present recommendations for at least 3 new business concepts aimed at driving incremental revenue and/or reducing costs beyond that budgeted for Fiscal Year 2016.

**Initiative:** Pursuing revenue generation and cost control opportunities.

4. Support the implementation of approved business concepts in partnership with project owners (e.g., Business & Financial Management, Ground Transportation, and Information & Technology Services) in accordance with approved project schedules.

**Initiative:** Pursuing revenue generation and cost control opportunities.

**Information & Technology Services**  
**FY 2016 – FY 2017 Organizational Structure**



*No personnel changes planned for FY 2017.*

## Information & Technology Services

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,908,639	\$ 2,183,299	\$ 2,273,968	\$ 2,322,558	\$ 139,260	6.4%	\$ 48,590	2.1%	\$ 2,441,001	\$ 118,442	5.1%
Premium Overtime	159,105	150,000	150,000	150,000	-	0.0%	-	0.0%	150,000	-	0.0%
Employee Benefits	958,164	1,233,850	1,308,288	1,260,519	26,670	2.2%	(47,768)	-3.7%	1,362,862	102,342	8.1%
Subtotal	3,025,908	3,567,149	3,732,256	3,733,078	165,929	4.7%	822	0.0%	3,953,862	220,785	5.9%
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>3,025,908</b>	<b>3,567,149</b>	<b>3,732,256</b>	<b>3,733,078</b>	<b>165,929</b>	<b>4.7%</b>	<b>822</b>	<b>0.0%</b>	<b>3,953,862</b>	<b>220,785</b>	<b>5.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	668,731	905,000	935,000	1,061,231	156,231	17.3%	126,231	13.5%	1,061,231	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	345,636	463,000	463,000	404,200	(58,800)	-12.7%	(58,800)	-12.7%	404,200	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	477,623	331,547	385,269	265,000	(66,547)	-20.1%	(120,269)	-31.2%	265,000	-	0.0%
Operating Supplies	66,624	53,800	53,800	61,900	8,100	15.1%	8,100	15.1%	61,900	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	109,169	62,400	62,400	74,700	12,300	19.7%	12,300	19.7%	79,700	5,000	6.7%
Business Development	4,513	8,100	8,100	8,100	-	0.0%	-	0.0%	8,100	-	0.0%
Equipment Rentals & Repairs	1,817,207	1,971,067	2,030,649	2,175,379	204,312	-16.9%	144,730	-20.9%	2,178,916	3,537	0.2%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>3,489,502</b>	<b>3,794,914</b>	<b>3,938,218</b>	<b>4,050,510</b>	<b>255,596</b>	<b>6.7%</b>	<b>112,292</b>	<b>2.9%</b>	<b>4,059,047</b>	<b>8,537</b>	<b>0.2%</b>
<b>Total Operating Expenses</b>	<b>6,515,410</b>	<b>7,362,063</b>	<b>7,670,474</b>	<b>7,783,588</b>	<b>421,525</b>	<b>5.7%</b>	<b>113,114</b>	<b>1.5%</b>	<b>8,012,910</b>	<b>229,322</b>	<b>2.9%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>6,515,410</b>	<b>7,362,063</b>	<b>7,670,474</b>	<b>7,783,588</b>	<b>421,525</b>	<b>5.7%</b>	<b>113,114</b>	<b>1.5%</b>	<b>8,012,910</b>	<b>229,322</b>	<b>2.9%</b>
<b>Equipment Outlay</b>	<b>323,814</b>	<b>-</b>	<b>-</b>	<b>375,000</b>	<b>375,000</b>	<b>0.0%</b>	<b>375,000</b>	<b>0.0%</b>	<b>375,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 6,839,224</b>	<b>\$ 7,362,063</b>	<b>\$ 7,670,474</b>	<b>\$ 8,158,588</b>	<b>\$ 796,525</b>	<b>10.8%</b>	<b>\$ 488,114</b>	<b>6.4%</b>	<b>\$ 8,387,910</b>	<b>\$ 229,322</b>	<b>2.8%</b>

## Information & Technology Services

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 7,362,063</b>	<b>\$ 8,158,588</b>
<b>Personnel costs</b>		
1 New Position of Cyber Security Specialist (salaries, benefits & employer taxes)	114,431	-
1 Position transferred from Facilities Management (salaries, benefits & employer taxes)	110,337	-
Salary adjustments and pay-for-performance	(25,630)	118,442
Burden (benefits & employer taxes) for current staff	(33,208)	102,342
<b>Total Increase / (Decrease) in personnel costs</b>	<b>165,929</b>	<b>220,785</b>
Ground Transportation Systems	205,000	-
Information & Technology (IT) Help Desk Technicians	200,000	-
Terminal 2 East CUPPS Expansion	146,000	-
Other, net	79,596	8,537
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>630,596</b>	<b>8,537</b>
<b>Total Increase / (Decrease)</b>	<b>796,525</b>	<b>229,322</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 8,158,588</b>	<b>\$ 8,387,910</b>



## Information & Technology Services Department Goals

### FY 2015 Progress Report

1. **Continue working with the RCC team to ensure successful opening of the RCC facility in FY 2016, and other north side development, with all necessary Authority technology systems operating properly and delivering telecommunications services to the north side developments.**

**Progress:** Information & Technology Services Department continues to work with the RCC team to ensure that all telecommunications services are delivered in support of the north side development projects. To date, we have coordinated installation of the network connectivity, as well as working with the project team to install a Distributed Antenna System (DAS) which will be compatible with our terminal DAS. The progress to date is allowing the Authority to recognize savings on future projects by reducing the need to install additional telecommunications infrastructure in future projects.

**Sustainability Goal:** Operational excellence.

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

2. **Implement the Enterprise Content Management System (ECMS) in conjunction with the Board Services Department by May 2015.**

**Progress:** I&TS continues to work with Corporate Information Governance to implement the ECMS. The ECMS rollout is anticipated to begin in late summer, but all development, configuration, and testing will be completed prior to May. I&TS developed a solution which will allow the ECMS to operate at a high performance level, improving the employee experience.

**Sustainability Goal:** Operational excellence.

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

3. **Continue to work with other departments to develop IT-related non-airline revenue opportunities (such as Wi-Fi advertising revenue), by implementing or improving at least one new technology related non-airline revenue income stream, by May 2015.**

**Progress:** I&TS is providing support to other departments in the procurement of revenue enhancing opportunities. I&TS worked with Business Development to develop and roll out the Fuel Rod pilot, as well as the Beacon project currently under way. I&TS is also working with Business Management to select various revenue producing solutions such as pay phone operators, CNN television, and renewal of the Wi-Fi advertising product.

**Sustainability Goal:** Economic viability.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Authority.

4. **Provide technical training for IT personnel to ensure that they have the appropriate skills to maintain a high level of expertise to be able to meet the goals in items 1, 2, and 3 above.**

**Progress:** I&TS personnel are focusing on continuing education opportunities and the budget is being refined to provide each section within I&TS the budget necessary for their training needs.

**Sustainability Goal:** Operational excellence and social responsibility.

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

## Information & Technology Services Department Goals

### FY 2016 – FY 2017 Goals

1. **Identify opportunities for information technology solutions to increase non-aeronautical revenue sources, or create cost containment solutions. Coordinate with Business development, the Technology Steering Committee, and other Authority departments to implement. Identify three opportunities for implementation by December 2015.**

**Initiative:** Developing a sustainable long term capital plan; pursuing revenue generation and cost control opportunities.

2. **Promote high levels of employee performance and commitment by creating and piloting a job shadowing and training program. Identification of the pilot program participants, structure and desired outcomes will be determined by October 2015 with the pilot program continuing until June 2016.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

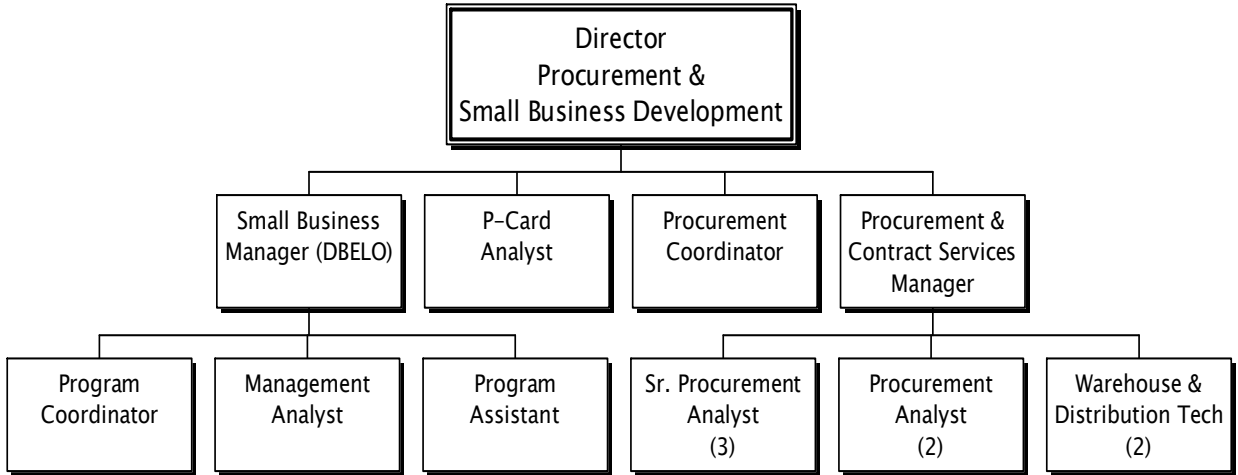
3. **Develop the Information Technology Master Plan and define an implementation roadmap for identified projects and priorities by June, 2016.**

**Initiative:** Pursuing revenue generation and cost control opportunities, developing a sustainable long term capital plan.

4. **Identify opportunities for partnering and improving collaboration with other departments by developing an engagement plan (identification of components, processes, etc.) by November 2015 with implementation of the plan continuing until June 2016.**

**Initiative:** Pursuing revenue generation and cost control opportunities, strategically engaging our employees in sustainable business practices.

**Procurement & Small Business Development  
FY 2016 – FY 2017 Organizational Structure**



*No personnel changes planned for FY 2017.*

## Procurement & Small Business Development FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,138,568	\$ 1,040,049	\$ 1,071,251	\$ 1,114,111	\$ 74,061	7.1%	\$ 42,860	4.0%	\$ 1,141,354	\$ 27,243	2.4%
Premium Overtime	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	546,882	608,706	638,453	582,205	(26,500)	-4.4%	(56,248)	-8.8%	619,470	37,265	6.4%
Subtotal	1,685,450	1,648,755	1,709,704	1,696,316	47,561	2.9%	(13,388)	-0.8%	1,760,824	64,508	3.8%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,685,450</b>	<b>1,648,755</b>	<b>1,709,704</b>	<b>1,696,316</b>	<b>47,561</b>	<b>2.9%</b>	<b>(13,388)</b>	<b>-0.8%</b>	<b>1,760,824</b>	<b>64,508</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	256,471	281,000	271,000	281,000	-	0.0%	10,000	3.7%	281,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	98	100	100	100	-	0.0%	-	0.0%	100	-	0.0%
Maintenance	65	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1,248	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Supplies	8,815	10,600	11,600	10,400	(200)	-1.9%	(1,200)	-10.3%	10,900	500	4.8%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	22,051	34,250	34,850	30,850	(3,400)	-9.9%	(4,000)	-11.5%	36,350	5,500	17.8%
Business Development	37,656	59,625	59,625	58,750	(875)	-1.5%	(875)	-1.5%	58,750	-	0.0%
Equipment Rentals & Repairs	59,119	50,500	50,500	50,500	-	0.0%	-	0.0%	55,000	4,500	8.9%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>385,524</b>	<b>436,075</b>	<b>427,675</b>	<b>431,600</b>	<b>(4,475)</b>	<b>-1.0%</b>	<b>3,925</b>	<b>0.9%</b>	<b>442,100</b>	<b>10,500</b>	<b>2.4%</b>
<b>Total Operating Expenses</b>	<b>2,070,974</b>	<b>2,084,830</b>	<b>2,137,379</b>	<b>2,127,916</b>	<b>43,086</b>	<b>2.1%</b>	<b>(9,463)</b>	<b>-0.4%</b>	<b>2,202,924</b>	<b>75,008</b>	<b>3.5%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>2,070,974</b>	<b>2,084,830</b>	<b>2,137,379</b>	<b>2,127,916</b>	<b>43,086</b>	<b>2.1%</b>	<b>(9,463)</b>	<b>-0.4%</b>	<b>2,202,924</b>	<b>75,008</b>	<b>3.5%</b>
<b>Equipment Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 2,070,974</b>	<b>\$ 2,084,830</b>	<b>\$ 2,137,379</b>	<b>\$ 2,127,916</b>	<b>\$ 43,086</b>	<b>2.1%</b>	<b>\$ (9,463)</b>	<b>-0.4%</b>	<b>\$ 2,202,924</b>	<b>\$ 75,008</b>	<b>3.5%</b>

## Procurement & Small Business Development

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 2,084,830</b>	<b>\$ 2,127,916</b>
<b>Personnel costs</b>		
Salary adjustments and pay-for-performance	74,061	27,243
Burden (benefits & employer taxes) for current staff	(26,500)	37,265
<b>Total Increase / (Decrease) in personnel costs</b>	<b>47,561</b>	<b>64,508</b>
Other, net	(4,475)	10,500
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>(4,475)</b>	<b>10,500</b>
<b>Total Increase / (Decrease)</b>	<b>43,086</b>	<b>75,008</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 2,127,916</b>	<b>\$ 2,202,924</b>

## Procurement & Small Business Development Department Goals

### FY 2015 Progress Report

1. **Achieve an overall cost savings of 8% through increased competition and negotiations and report on department revenue generated in FY 2015.**

**Progress:** The Procurement Department continues to achieve cost savings through increased competition and negotiations. Contract negotiations also results in value added services and operational efficiencies for the Authority. A savings of 18% has been achieved through increased competition and a savings of 10% has been achieved through contract negotiations.

**Sustainability Goal:** Economic viability.

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

2. **Improve customer service to the business community through education, outreach and transparency. Success equals:**

- **Host a minimum of 10 opportunity awareness events and participate in a minimum of 15 meetings and events with regional agencies and local business associations in FY 2015.**
- **Document small and local business participation achieved in FY 2015 through an open, competitive solicitation process.**
- **Implement enhancements to the Small Business Compliance Program in FY 2015.**
- **Develop and launch a tutorial on Electronic Submissions in FY 2015.**

**Progress:** The team continues to host opportunity awareness and training events monthly. On January 28, 2015 over 250 attendees came to learn about opportunities with the RCC, Parking Plaza and general bids and service opportunities at the Airport. Staff actively participates in meetings and events throughout San Diego County in conjunction with other government agencies and various San Diego County business associations with a focus on those organizations that support small, minority, women and veteran business enterprises.

All of the solicitations in FY15 document small and local business participation. Outreach plans include preferences under policies 5.12 and 5.14 as applicable. During the first 2 quarters of FY15; 437 new vendors registered in the Authority's Vendor Database as a result of outreach by Procurement and Small Business. 1472 vendors have actively participated in a solicitation by downloading the opportunity; 29% are certified SBEs, 43% are self-declared LBEs, 9.2% are DBE certified and 2.2% are DVB certified.

Staff continues to initiate enhancements to the Small Business Compliance Program. Enhancements include automating prompt payment reporting, launching a new ACDBE compliance and monitoring program for airport concessions and working with the Facilities Development Division to educate vendors about State registration requirements under SB854. In an effort to contain costs, the department has purchased a license to create tutorials for "Doing Business with the Authority" and "Electronic Submissions" in-house.

**Sustainability Goal:** Social responsibility.

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

**3. Continue to develop staff and promote employee engagement and best practices. Success equals:**

- **Sustain high levels of employee performance and commitment as evidenced by sustaining at least a 78%-81% score in employee engagement as measured by the FY 2015 Employee Opinion Survey (EOS).**
- **Receive the Achievement of Excellence in Procurement Award for FY 2014 by obtaining a high score of at least 120 points based on standardized criteria designed to measure innovation, professionalism, e-procurement, productivity and leadership attributes of the procurement function.**

**Progress:** To achieve high levels of employee performance and commitment, Department leaders effectively utilize the various tools and resources provided by the Authority (COMPASS, performance management system and conversations, employee recognition program, etc.) in day to day actions to inspire and engage staff. The Employee Opinion Survey will be released in March 2015 to measure results.

The updated criteria and application for the FY2014 Achievement of Excellence in Procurement Award was released in January. Staff is actively working together on the submission.

**Sustainability Goal:** Operational excellence.

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

**4. Improve communication with internal customers by increasing customer training. Success equals:**

- **Ensure 100% annual training for p-card holders and approvers by June 2015.**
- **Provide 2 internal training sessions specific to Procurement and Small Business Development in FY 2015.**
- **Update the solicitation checklist and samples available to employees on the intranet by May 2015.**

**Progress:** In addition to working with Accounting and Audit to tighten controls, the Annual training for p-card holders and approvers will be complete by June 2015. Any p-card holders or approvers that do not complete training and pass a comprehension exam will lose their p-card privileges until both the training and exam are complete.

In an effort to improve communication with our internal customers, the second internal training workshop specific to Procurement and Small Business Development is scheduled for February 26, 2015. An updated solicitation checklist is available to employees on the intranet and the department is on schedule to update samples and a new procurement procedures manual in FY15.

**Sustainability Goal:** Operational excellence.

**Authority Strategy:** Customer Strategy: To achieve the highest level of internal and external customer satisfaction.



## Procurement & Small Business Development Department Goals

### FY 2016 – FY 2017 Goals

1. Achieve an overall cost savings of 8% through increased competition and negotiations in FY2016.

**Initiative:** Pursuing revenue generation and cost control opportunities.

2. Enhance and improve customer service to the business community through education, outreach and transparency.

- a. Evaluate outreach programs and business support services provided by the Authority and implement enhancements to increase small, local, veteran and disadvantaged business participation in FY 2016.

- b. Document small, local, disadvantaged and disabled veteran owned business participation and track awards of subcontractors on major construction contracts achieved in FY 2016.

**Initiative:** Developing a sustainable long term capital plan.

3. Promote high levels of employee performance and commitment by creating and piloting a job shadowing and training program. Identification of the pilot program participants, structure and desired outcomes will be determined by October 2015 with the pilot program continuing until June 2016.

**Initiative:** Strategically engaging our employees in sustainable business practices.

4. Strengthen controls and improve communication with internal customers. Success equals:

- a. Work with Accounting, Internal Audit, and other stakeholders to review procurement, p-card, receiving, inventory, and payment procedures.

- b. Recommend and implement enhancements if/when appropriate.

- c. Provide additional training to Authority staff on existing policies and procedures and any modifications implemented.

**Initiatives:** Strategically engaging our employees in sustainable business practices. Pursuing revenue generation and cost control opportunities.

# Operations Division

## Operations Division Overview

The **Operations Division** is responsible for complying with legislative mandates and operating requirements for San Diego International Airport and the Airport Authority. These include compliance with local, state and federal laws, state and federal aviation security rules and regulations. The division frequently coordinates with regulatory agencies to accomplish the Authority's goals. The division is also responsible for meeting the safety and operational needs of the traveling public, both landside and airside, including concession operations and daily tenant interactions. The division consists of four departments with distinctly different goals and responsibilities.

The **Airside Operations, Aviation Security & Public Safety Department** oversees the myriad of daily activities occurring on the airfield and is responsible for maintaining a safe, secure environment in which the Airport's tenants can operate. The department manages these activities in accordance with Federal and State regulations, local ordinances and the Airport's Rules and Regulations. Trained Duty Managers monitor conditions on the airfield and in the terminals around the clock; direct remedial action to repair inoperative systems; and summon fire, police and life safety responders to urgent situations or potential emergencies. The department also develops, administers and implements the Airport Certification Manual (ACM).

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

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

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

The **Ground Transportation Department** is responsible for operations from the terminal curb and roadways to the parking lots. There are two on-airport and four off-airport parking lots that require shuttle bus services. Additionally, the three terminals at SDIA are serviced by the Airport Loop shuttle bus. The department regulates the Airport's commercial transportation service providers, including, taxicabs, shuttles, limousines and courtesy vehicles.

The department also:

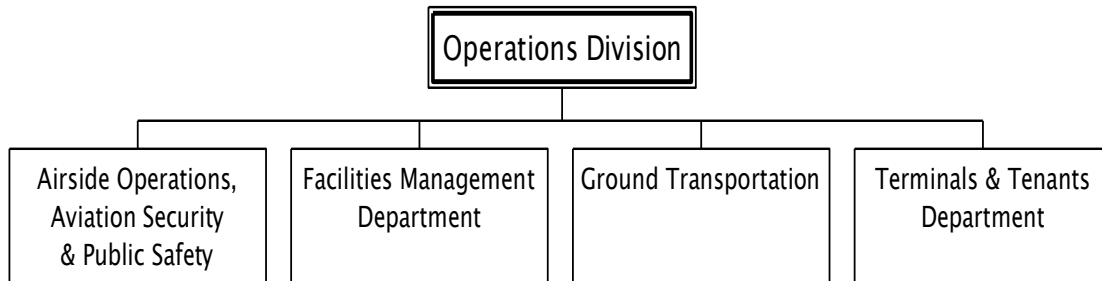
- Manages Transportation Islands at Terminal 1 and Terminal 2 for travelers.
- Issues permits for all ground transportation service provider vehicles.
- Permits and completes security checks for taxicab and shuttle drivers.

- Manages airport parking card program for external and internal stakeholders.
- Manages employee parking lots and employee shuttles.

The **Terminals & Tenants Department** oversees the airport terminal buildings and select facilities. Participates in the inspection of Terminal buildings and select facilities to identify any maintenance and safety deficiencies to ensure operating standards are being met; ensures the prompt reporting of any deficiencies identified; oversees the administration of contracts for custodial and waste collection services to ensure contract requirements are met.

- Oversees the operations of the airport concession program ensuring operational lease compliance and oversight of tenant development/improvement projects.
- Oversees customer service activities and services for both tenants and the traveling public; manages and directs the development and administration of service programs focused on travelers and other consumers; oversees and participates in the resolution of complaints involving terminal operations from customers and tenants.
- Oversees the airport's terminal assets and ensures management oversight of tenant activities.

## Operations Division FY 2016 – FY 2017 Organizational Structure



## Division Personnel Summary

	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget Transfers	FY 2016 Budget New/ (Eliminated)	FY 2016 Budget Funded/ (Unfunded)	FY 2016 Budget	FY 2017 Budget New/ (Eliminated)	FY 2017 Budget
<b>Operations</b>								
Terminal Operations & Tenant Relations	14	14	-1	1	0	14	0	14
Aviation Security & Public Safety	11	11	0	1	0	12	0	12
Airside Operations	16	17	0	1	0	18	0	18
Ground Transportation	60	60	0	4	0	64	0	64
Facilities Management	83	83	-1	2	0	84	1	85
<b>Total Authorized Funded Positions</b>	<b>184</b>	<b>185</b>	<b>-2</b>	<b>9</b>	<b>0</b>	<b>192</b>	<b>1</b>	<b>193</b>
Authorized and Unfunded Positions	2	1	0	0	-1	0	0	0
<b>Total Authorized Positions</b>	<b>186</b>	<b>186</b>	<b>-2</b>	<b>9</b>	<b>-1</b>	<b>192</b>	<b>1</b>	<b>193</b>

## Operations Division

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

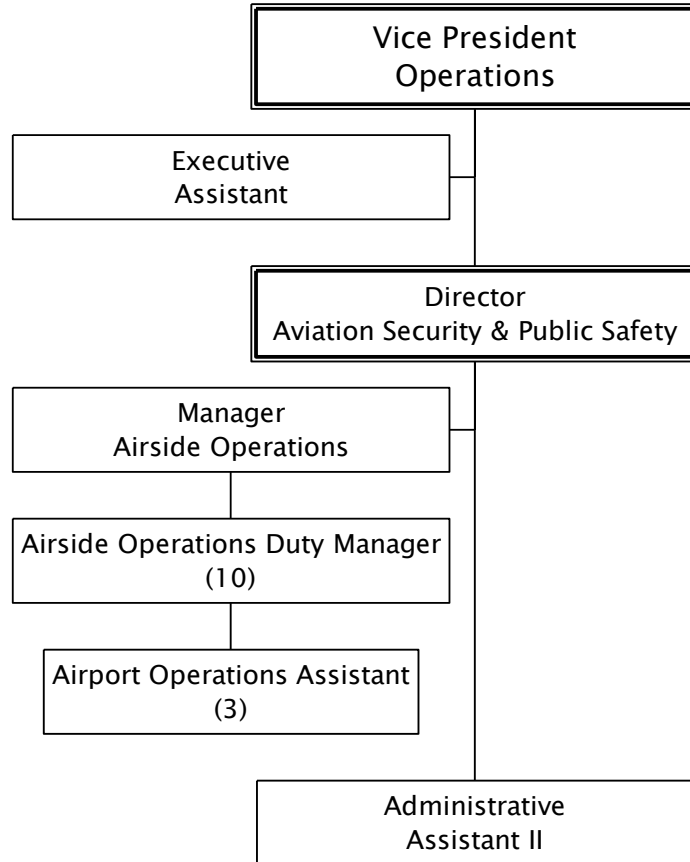
	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 11,267,423	\$ 12,207,019	\$ 12,772,204	\$ 13,024,805	\$ 817,786	6.7%	\$ 252,601	2.0%	\$ 13,544,335	\$ 519,530	4.0%
Premium Overtime	762,209	671,000	671,000	529,500	(141,500)	-21.1%	(141,500)	-21.1%	530,500	1,000	0.2%
Employee Benefits	6,267,384	7,264,161	7,693,910	7,225,587	(38,573)	-0.5%	(468,322)	-6.1%	7,745,425	519,837	7.2%
Subtotal	18,297,016	20,142,180	21,137,113	20,779,892	637,712	3.2%	(357,221)	-1.7%	21,820,259	1,040,367	5.0%
Less: Capitalized Labor	(185,025)	(100,000)	(100,000)	(100,000)	-	0.0%	-	0.0%	(100,000)	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>18,111,991</b>	<b>20,042,180</b>	<b>21,037,113</b>	<b>20,679,892</b>	<b>637,712</b>	<b>3.2%</b>	<b>(357,221)</b>	<b>-1.7%</b>	<b>21,720,259</b>	<b>1,040,367</b>	<b>5.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	23,178,709	24,171,209	29,076,718	27,054,373	2,883,163	11.9%	(2,022,345)	-7.0%	29,954,613	2,900,240	10.7%
Safety and Security	24,150,563	25,001,794	25,794,332	25,704,383	702,589	2.8%	(89,948)	-0.3%	26,399,553	695,170	2.7%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	8,332,346	9,071,786	9,943,849	12,696,713	3,624,927	40.0%	2,752,864	27.7%	14,377,382	1,680,669	13.2%
Maintenance	13,421,637	15,227,108	14,639,855	13,923,431	(1,303,677)	-8.6%	(716,425)	-4.9%	15,391,899	1,468,468	10.5%
Operating Equipment & Systems	85,751	181,200	206,500	218,300	37,100	20.5%	11,800	5.7%	162,350	(55,950)	-25.6%
Operating Supplies	248,171	262,150	264,150	262,350	200	0.1%	(1,800)	-0.7%	265,400	3,050	1.2%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	169,633	232,910	222,360	280,050	47,140	20.2%	57,690	25.9%	279,250	(800)	-0.3%
Business Development	319,692	411,917	333,695	525,095	113,178	27.5%	191,400	57.4%	528,195	3,100	0.6%
Equipment Rentals & Repairs	211,562	144,730	145,750	234,164	89,434	202.9%	88,414	201.7%	235,931	1,768	1.8%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>70,118,064</b>	<b>74,704,804</b>	<b>80,627,209</b>	<b>80,898,858</b>	<b>6,194,054</b>	<b>8.3%</b>	<b>271,649</b>	<b>0.3%</b>	<b>87,594,573</b>	<b>6,695,715</b>	<b>8.3%</b>
<b>Total Operating Expenses</b>	<b>88,230,055</b>	<b>94,746,984</b>	<b>101,664,323</b>	<b>101,578,750</b>	<b>6,831,766</b>	<b>7.2%</b>	<b>(85,572)</b>	<b>-0.1%</b>	<b>109,314,833</b>	<b>7,736,082</b>	<b>7.6%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>88,230,055</b>	<b>94,746,984</b>	<b>101,664,323</b>	<b>101,578,750</b>	<b>6,831,766</b>	<b>7.2%</b>	<b>(85,572)</b>	<b>-0.1%</b>	<b>109,314,833</b>	<b>7,736,082</b>	<b>7.6%</b>
<b>Equipment Outlay</b>	<b>744,978</b>	<b>47,000</b>	<b>254,000</b>	<b>542,000</b>	<b>495,000</b>	<b>1053.2%</b>	<b>288,000</b>	<b>113.4%</b>	<b>400,000</b>	<b>(142,000)</b>	<b>-26.2%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 88,975,033</b>	<b>\$ 94,793,984</b>	<b>\$ 101,918,323</b>	<b>\$ 102,120,750</b>	<b>\$ 7,326,766</b>	<b>7.7%</b>	<b>\$ 202,428</b>	<b>0.2%</b>	<b>\$ 109,714,833</b>	<b>\$ 7,594,082</b>	<b>7.4%</b>

## Operations Division

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 94,793,984</b>	<b>\$ 102,120,750</b>
<b>Personnel costs</b>		
Salary adjustments,contracted wage increases and pay for performance	272,766	468,048
4 New Air Traffic Officers position (salaries, benefits & employer taxes)	260,146	-
2 New positions of Carpenter/Locksmith and Maintenance Mechanic(salaries, benefits & employer taxes)	163,037	-
1 New position of Airside Operations Duty Mgr II (salaries, benefits & employer taxes)	105,613	-
1 New Security & Public Safety Analyst position (salaries, benefits & employer taxes)	100,389	-
1 New Staff Assistant position (salaries, benefits & employer taxes)	69,813	-
1 New Program Coordinator position (salaries, benefits & employer taxes)	-	75,438
1 Position transferred to IT department (salaries, benefits & employer taxes)	(110,337)	-
Burden (benefits & employer taxes) for current staff	(223,714)	496,881
<b>Total Increase / (Decrease) in personnel costs</b>	<b>637,713</b>	<b>1,040,367</b>
Utilities	3,625,927	1,680,669
Rental Car Center(RCC) busing	2,866,409	2,909,958
Law enforcement costs - Harbor Police Department	339,999	519,112
Access Control System maintenance	307,450	650,000
Security guard services	250,000	-
Parking and shuttles operations	245,605	122,855
Vehicles replacement	200,000	-
12kV maintenance	(513,000)	-
Airfield pavement and striping	(861,000)	193,000
Other annual repair and services contracts	(60,227)	572,808
Other, net	287,890	(94,686)
<b>Total Increase/ (Decrease) in non-personnel costs</b>	<b>6,689,053</b>	<b>6,553,715</b>
<b>Total Increase/ (Decrease)</b>	<b>7,326,766</b>	<b>7,594,082</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 102,120,750</b>	<b>\$ 109,714,833</b>

**Airside Operations  
FY 2016 – FY 2017 Organizational Structure**



*No personnel changes planned for FY 2017.*



## Airside Operations

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 1,434,749	\$ 1,435,190	\$ 1,478,246	\$ 1,550,768	\$ 115,577	8.1%	\$ 72,522	4.9%	\$ 1,597,291	\$ 46,523	3.0%
Premium Overtime	12,803	15,000	15,000	16,000	1,000	6.7%	1,000	6.7%	17,000	1,000	6.3%
Employee Benefits	796,380	794,738	821,708	816,266	21,528	2.7%	(5,442)	-0.7%	869,383	53,117	6.5%
Subtotal	2,243,933	2,244,928	2,314,954	2,383,034	138,106	6.2%	68,079	2.9%	2,483,674	100,640	4.2%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>2,243,933</b>	<b>2,244,928</b>	<b>2,314,954</b>	<b>2,383,034</b>	<b>138,106</b>	<b>6.2%</b>	<b>68,079</b>	<b>2.9%</b>	<b>2,483,674</b>	<b>100,640</b>	<b>4.2%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	755,313	890,000	815,000	842,000	(48,000)	-5.4%	27,000	3.3%	832,000	(10,000)	-1.2%
Safety and Security	4,380,961	4,853,030	4,998,620	4,998,620	145,590	3.0%	0	0.0%	5,153,678	155,058	3.1%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	15,597	31,200	31,500	31,600	400	1.3%	100	0.3%	31,650	50	0.2%
Operating Supplies	24,569	11,600	11,600	11,600	-	0.0%	-	0.0%	11,650	50	0.4%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	34,339	52,650	47,400	47,600	(5,050)	-9.6%	200	0.4%	53,100	5,500	11.6%
Business Development	9,757	21,842	23,720	29,270	7,428	34.0%	5,550	23.4%	31,370	2,100	7.2%
Equipment Rentals & Repairs	867	97,730	102,050	67,264	(30,467)	-95.9%	(34,787)	-96.0%	69,131	1,868	3.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>5,221,403</b>	<b>5,958,052</b>	<b>6,029,890</b>	<b>6,027,954</b>	<b>69,902</b>	<b>1.2%</b>	<b>(1,936)</b>	<b>0.0%</b>	<b>6,182,579</b>	<b>154,626</b>	<b>2.6%</b>
<b>Total Operating Expenses</b>	<b>7,465,336</b>	<b>8,202,980</b>	<b>8,344,844</b>	<b>8,410,987</b>	<b>208,007</b>	<b>2.5%</b>	<b>66,143</b>	<b>0.8%</b>	<b>8,666,253</b>	<b>255,266</b>	<b>3.0%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>7,465,336</b>	<b>8,202,980</b>	<b>8,344,844</b>	<b>8,410,987</b>	<b>208,007</b>	<b>2.5%</b>	<b>66,143</b>	<b>0.8%</b>	<b>8,666,253</b>	<b>255,266</b>	<b>3.0%</b>
<b>Equipment Outlay</b>	<b>22,319</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>\$ 7,487,655</b>	<b>\$ 8,202,980</b>	<b>\$ 8,344,844</b>	<b>\$ 8,410,987</b>	<b>\$ 208,007</b>	<b>2.5%</b>	<b>\$ 66,143</b>	<b>0.8%</b>	<b>\$ 8,666,253</b>	<b>\$ 255,266</b>	<b>3.0%</b>

## Airside Operations

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
	<hr/>	<hr/>
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 8,202,980</b>	<b>\$ 8,410,987</b>
<b>Personnel costs</b>		
1 New position of Airside Operations Duty Mgr II (salaries, benefits & employer taxes)	105,613	-
Salary adjustments and pay for performance	40,596	47,523
Burden (benefits & employer taxes) for current staff	(8,103)	53,117
<b>Total Increase / (Decrease) in personnel costs</b>	<b>138,106</b>	<b>100,640</b>
Aircraft Rescue Fire Fight (ARFF) contract costs	145,590	155,058
Other, net	(75,689)	(432)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>69,902</b>	<b>154,626</b>
<b>Total Increase / (Decrease)</b>	<b>208,007</b>	<b>255,266</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 8,410,987</b>	<b>\$ 8,666,253</b>

**FY 2015 Progress Report**

- 1. Sponsor airfield capital projects to enhance airfield safety and efficiency. Projects include the Runway 9 displaced threshold/ILS antenna relocation project (to include the installation of a Runway 9 Precision Approach Path Indicator) as well as the rehabilitation of Taxiway B8 and terminal aprons. Planning and design for these projects continued in FY 2014 with construction expected to start in May 2015 for the Runway 9 displaced threshold and completion of Taxiway B8 and the terminal aprons by June 2016.**

**Progress:** Planning efforts in support of the displaced threshold project continues. The project has been bid and a contractor has been identified, pending Board approval. Currently we are working with Federal Development Department (FDD) to finalize the projects reimbursable agreement with the Federal Agronomics Administration (FAA). This project has a significant impact on the airports overall operational safety and efficiency since we will acquire a FAA standard glideslope angle, install a precision approach path indicator on Rwy 9, and we will see a significant improvement to the weather minimums for the Rwy 9 Instrument Landing System approach, ultimately resulting in fewer missed approaches and diverted flights.

Planning efforts continue with respect to the rehabilitation of Twy B8 and around Terminal 1. We will consolidate multiple runway projects during the runway hard closures driven by displaced threshold project to minimize the impact to our carriers.

**Sustainability Goal:** Operational excellence.

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

- 2. Ensure that SDIA is operated and maintained in compliance with all FAR Part 139 regulatory requirements. Success will be measured via the annual FAA Certification Inspection with a goal of no more than one noted discrepancy. Completion date is August 29, 2014.**

**Progress:** The 2014 Annual FAR Part 139 inspection was completed and the Inspector identified four minor items during the inspection. Those items were rectified and documented back to the Inspector.

**Sustainability Goal:** Operational excellence.

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

3. **Work with internal and external stakeholders to safely facilitate numerous airfield construction projects while minimizing negative impacts to our tenants and ATC operations. These projects include the FBO taxiway installation and tie-in to Taxiway Charlie, terminal link roadway Triturator/GSE wash facility construction. Completion of these projects is expected by December 2014.**

**Progress:** The new Fixed Based Operations (FBO) taxiway opened last summer and the new triturate and wash rack facility opened on January 26, 2015. Work continues on the new terminal link roadway project which is scheduled for completion later this summer. Both of these projects were critical to in order to meet construction deadlines associated with the north side development projects.

**Sustainability Goal:** Operational excellence.

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

## Airside Operations Department Goals

### FY 2016 – FY 2017 Goals

1. Oversee the planning, coordination, and construction activities to displace the threshold of Runway 9 an additional 300 feet and complete the ancillary runway projects (PAPI installation, paint removal and rehabilitation of Taxiway B8) that will take place during the runway hard closures between May and September of 2015.

**Initiative:** Strategically engaging employees in sustainable business practices.

2. Oversee the planning, coordination and construction activities to install Taxiway Juliet south of the Landmark Aviation ramp. This work will take place between April and November of 2015.

**Initiative:** Strategically engaging employees in sustainable business practices.

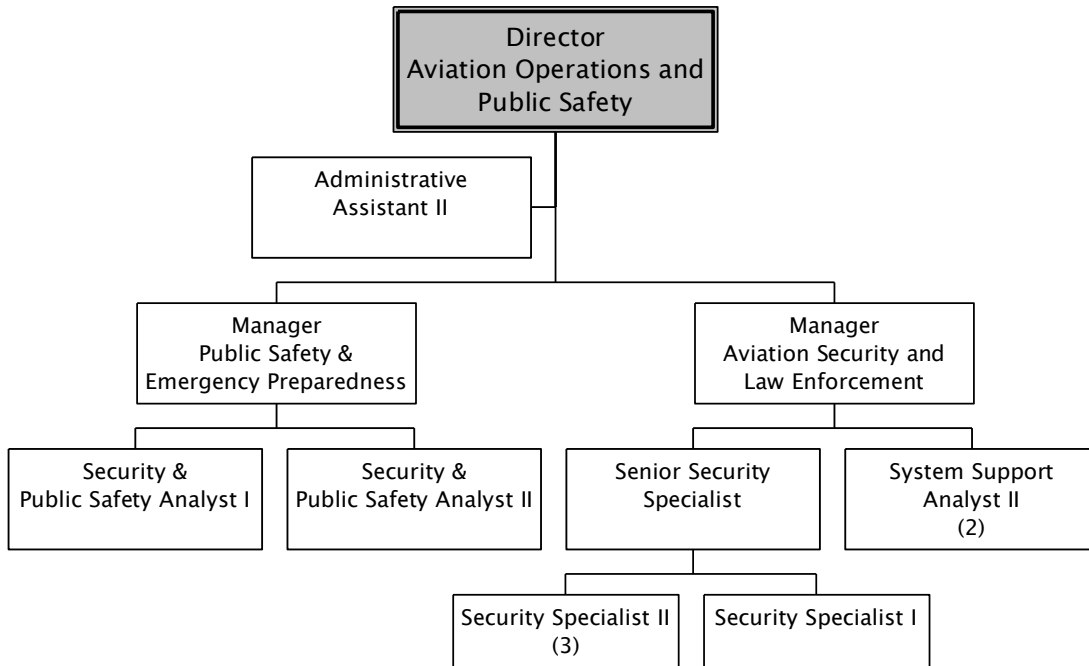
3. Ensure that SDIA is operated in compliance with FAA FAR Part 139 requirements. Success for this goal will be achieved if both 1) the annual FAA Certification inspection does not identify any Part 139 violations that are subject to civil penalty, and 2) there are no SDIA airfield incidents/accidents attributed to Part 139 compliance.

**Initiative:** Strategically engaging employees in sustainable business practices.

4. The department staff will continue to participate in the ADP. Staff will participate in meetings and provide input and comments for design concepts and phasing plans. The department will focus on aircraft ground movements, aircraft parking, fueling operations, airfield vehicle service roads, ARFF facilities and equipment, as well as Part 77 and TERPS impacts.

**Initiative:** Strategically engaging employees in sustainable business practices.

**Aviation Security & Public Safety**  
**FY 2016 – FY 2017 Organizational Structure**



*\*Position in grey resides in the Airside Operations Department and is shown for structural purposes.  
 No personnel changes planned for FY 2017.*

## Aviation Security & Public Safety

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 808,217	\$ 808,056	\$ 832,298	\$ 916,818	\$ 108,761	13.5%	\$ 84,520	10.2%	\$ 944,322	\$ 27,505	3.0%
Premium Overtime	47,171	40,000	40,000	40,000	-	0.0%	-	0.0%	40,000	-	0.0%
Employee Benefits	404,746	459,170	481,316	465,387	6,217	1.4%	(15,929)	-3.3%	495,160	29,773	6.4%
Subtotal	1,260,134	1,307,227	1,353,614	1,422,205	114,978	8.8%	68,590	5.1%	1,479,483	57,278	4.0%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,260,134</b>	<b>1,307,227</b>	<b>1,353,614</b>	<b>1,422,205</b>	<b>114,978</b>	<b>8.8%</b>	<b>68,590</b>	<b>5.1%</b>	<b>1,479,483</b>	<b>57,278</b>	<b>4.0%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	464,592	689,500	698,700	756,568	67,068	9.7%	57,868	8.3%	704,568	(52,000)	-6.9%
Safety and Security	19,769,602	20,148,764	20,795,712	20,705,763	556,999	2.8%	(89,948)	-0.4%	21,245,875	540,112	2.6%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Maintenance	1,006,226	1,242,550	1,550,000	1,350,000	107,450	8.6%	(200,000)	-12.9%	2,000,000	650,000	48.1%
Operating Equipment & Systems	20,513	44,200	84,200	89,000	44,800	101.4%	4,800	5.7%	56,000	(33,000)	-37.1%
Operating Supplies	88,733	121,200	121,200	121,200	-	0.0%	-	0.0%	121,200	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	8,613	23,350	23,550	38,800	15,450	66.2%	15,250	64.8%	24,000	(14,800)	-38.1%
Business Development	3,601	41,250	11,250	11,250	(30,000)	-72.7%	-	0.0%	11,250	-	0.0%
Equipment Rentals & Repairs	31,150	27,000	27,000	27,000	-	0.0%	-	0.0%	27,000	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>21,393,030</b>	<b>22,337,814</b>	<b>23,311,612</b>	<b>23,099,581</b>	<b>761,767</b>	<b>3.4%</b>	<b>(212,030)</b>	<b>-0.9%</b>	<b>24,189,893</b>	<b>1,090,312</b>	<b>4.7%</b>
<b>Total Operating Expenses</b>	<b>22,653,164</b>	<b>23,645,041</b>	<b>24,665,226</b>	<b>24,521,786</b>	<b>876,745</b>	<b>3.7%</b>	<b>(143,440)</b>	<b>-0.6%</b>	<b>25,669,376</b>	<b>1,147,590</b>	<b>4.7%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>22,653,164</b>	<b>23,645,041</b>	<b>24,665,226</b>	<b>24,521,786</b>	<b>876,745</b>	<b>3.7%</b>	<b>(143,440)</b>	<b>-0.6%</b>	<b>25,669,376</b>	<b>1,147,590</b>	<b>4.7%</b>
<b>Equipment Outlay</b>	<b>325,237</b>	<b>21,000</b>	<b>104,000</b>	<b>334,000</b>	<b>313,000</b>	<b>1490.5%</b>	<b>230,000</b>	<b>221.2%</b>	<b>200,000</b>	<b>(134,000)</b>	<b>-40.1%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 22,978,401</b>	<b>\$ 23,666,041</b>	<b>\$ 24,769,226</b>	<b>\$ 24,855,786</b>	<b>\$ 1,189,745</b>	<b>5.0%</b>	<b>\$ 86,560</b>	<b>0.3%</b>	<b>\$ 25,869,376</b>	<b>\$ 1,013,590</b>	<b>4.1%</b>

## Aviation Security & Public Safety

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 23,666,041</b>	<b>\$ 24,855,786</b>
<b>Personnel costs</b>		
1 New Security & Public Safety Analyst position (salaries, benefits & employer taxes)	100,389	-
Salary adjustments and pay for performance	37,027	27,505
Burden (benefits & employer taxes) for current staff	(22,438)	29,773
<b>Total Increase / (Decrease) in personnel costs</b>	<b>114,978</b>	<b>57,278</b>
Law enforcement costs - Harbor Police Department	339,999	519,112
Access Control System maintenance	307,450	650,000
Security guard services	250,000	-
Other, net	177,318	(212,800)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>1,074,767</b>	<b>956,312</b>
<b>Total Increase / (Decrease)</b>	<b>1,189,745</b>	<b>1,013,590</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 24,855,786</b>	<b>\$ 25,869,376</b>



## Aviation Security & Public Safety Department Goals

### FY 2015 Progress Report

1. **Ensure that SDIA continues to comply with all applicable federal, state and local regulations to achieve excellence in the areas of Public Safety, Emergency/Disaster Preparedness and Airport Certification. This will be done by planning and conducting a full-scale mass-casualty field exercise in compliance with FAR Part 139.325(h) by second quarter FY 2015 (November 2014) and a Tabletop Exercise in compliance with FAR Part 139.325(g)(4) by second quarter FY 2016 (November 2015).**

**Progress:** SDIA complied with FAR Part 139.325(h) by conducting our triennial full-scale mass-casualty field exercise and our family reception center exercise on October 8, 2014. SDIA also conducted a related EOC functional exercise on October 29, 2014. SDIA will continue to comply with all applicable federal regulations to achieve excellence in the areas of Public Safety, Emergency Disaster Preparedness and Airport Certification by conducting our annual FAR 139 Tabletop by October 31, 2015.

**Sustainability Goal:** Operational excellence and social responsibility.

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

2. **Ensure that SDIA remains at the forefront of implementing operational efficiencies that benefit both the Authority and its stakeholders by implementing computer-based training for security and driver training required by TSA and FAA regulations by third quarter FY 2015 (March 2015).**

**Progress:** AVSEC/PS has completed a review of all training modules; and expects the burn-in phase of implementation by March 2015; with full implementation by June 2015.

**Sustainability Goal:** Operational excellence.

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

- 3. Restructure the Aviation Security & Public Safety (AVSEC & PS) Department roles and responsibilities and relocate the Access Control Office (ACO). Implement role and responsibilities changes recommended by the Business Planning and Workforce Planning Departments. The ACO staff has outgrown their current office space. A new location for the office will be identified and a relocation plan will be established and implemented.**

**Progress:** AVSEC/PS roles and responsibilities, particularly with respect to support of the Ground Transportation function have been completed. Decisions by the Executive Team have temporarily interrupted any plans to move the Access Control Office.

**Sustainability Goal:** Operational excellence.

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

## Aviation Security & Public Safety Department Goals

### FY 2016 – FY 2017 Goals

1. Ensure that SDIA continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness, and Airport Certification by planning and conducting tabletop exercises in compliance with FAR Part 139.325(g)(4) for FY 2016 (November 2015) and FY 2017 (November 2016).

**Initiative:** Strategically engaging employees in sustainable business practices.

2. Enhance Emergency/Disaster Preparedness training of Authority staff and appropriate agencies by conducting an Emergency Operations Center (EOC) Functional Exercise, to be completed by the second quarter of FY 2016.

**Initiative:** Strategically engaging employees in sustainable business practices.

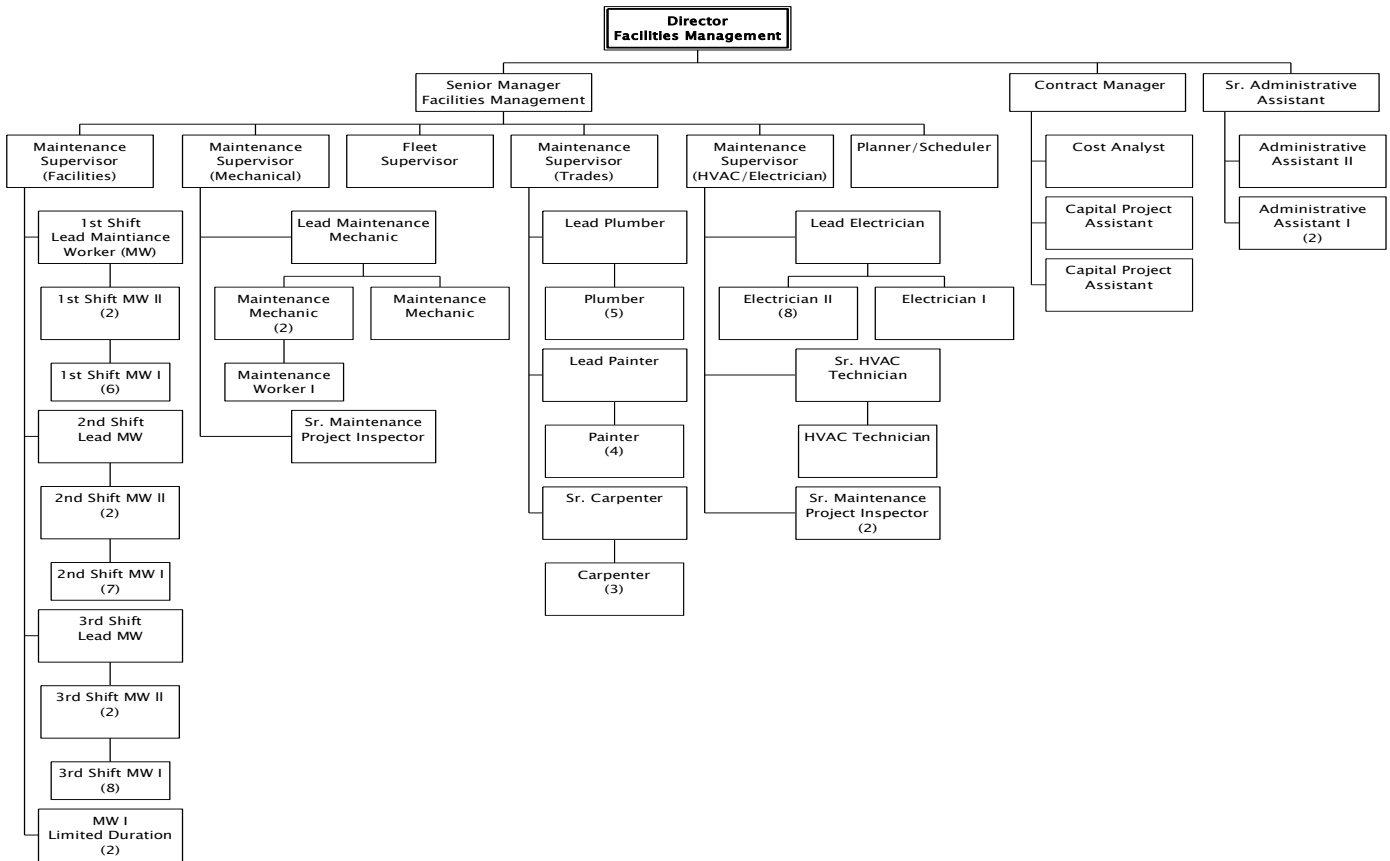
3. Implement a computer-based training for TSA security and FAA driver training programs. This new training delivery system will reduce Access Control Office (ACO) staff training time while maintaining training quality and effectiveness. Computer-based training will also allow the ACO staff to provide recurrent security training on a more regular and timely basis. The system will be implemented in the first quarter of FY2016. Increasing the use of technology allows the staff to assume increased workloads without increasing department headcount.

**Initiative:** Strategically engaging employees in sustainable business practices. Focus on revenue generation and cost control.

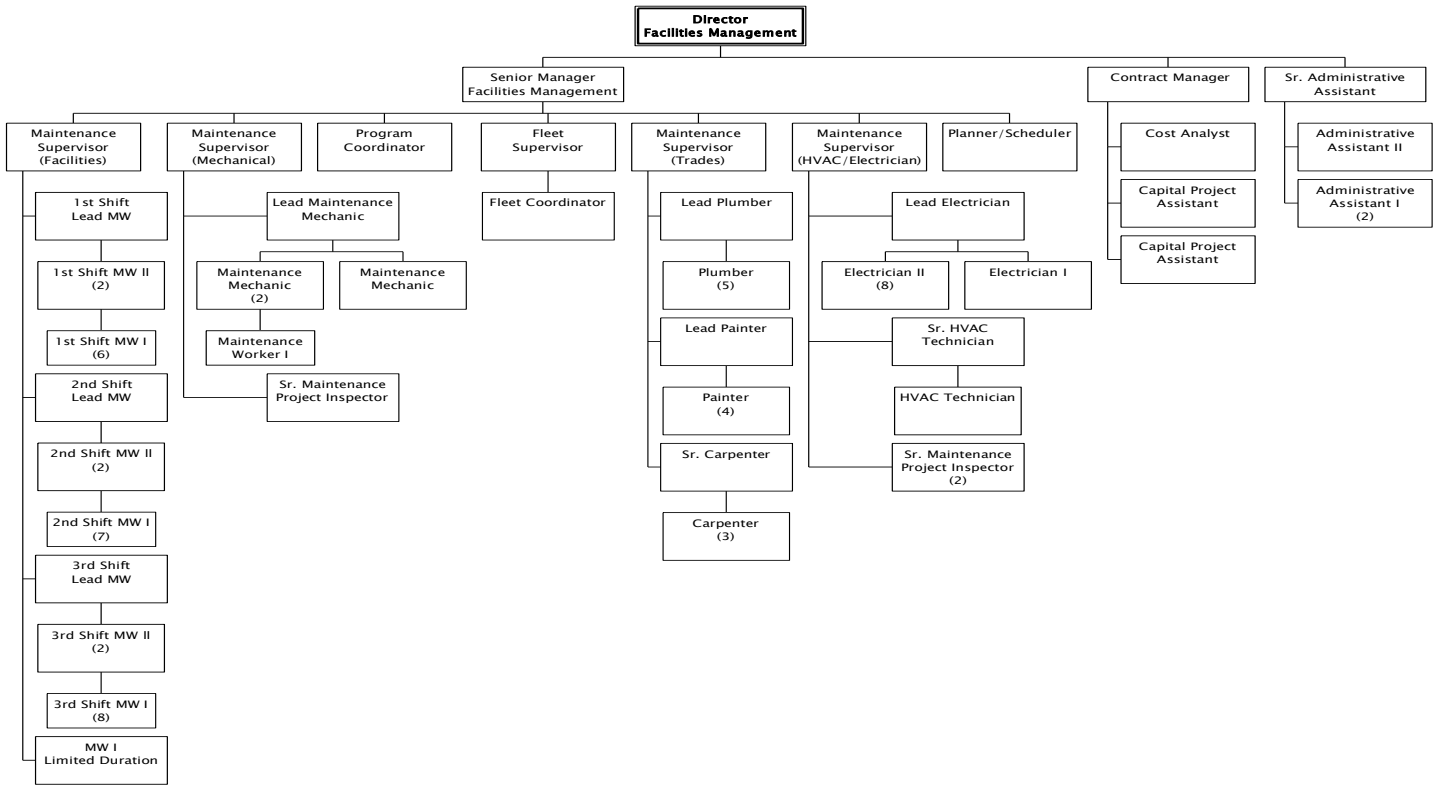
4. Implement a credential management system (CMS) for the Access Control Office (ACO). This system will reduce ACO staff time spent with each SAN I D badge applicant. The system will also increase efficiency in data entry and retrieval. More efficient data retrieval and reporting will reduce the amount of time that the ACO staff spends on TSA credential audits. Increasing the use of technology allows the staff to assume increased workloads without increasing department headcount.

**Initiative:** Strategically engaging employees in sustainable business practices. Focus on revenue generation and cost control.

# Facilities Management FY 2016 Organizational Structure



# Facilities Management FY 2017 Organizational Structure



## Facilities Management

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 4,955,942	\$ 5,545,282	\$ 5,775,113	\$ 5,753,109	\$ 207,827	3.7%	\$ (22,004)	-0.4%	\$ 6,051,644	\$ 298,535	5.2%
Premium Overtime	452,071	450,000	450,000	427,500	(22,500)	-5.0%	(22,500)	-5.0%	427,500	-	0.0%
Employee Benefits	2,757,462	3,290,325	3,479,471	3,195,210	(95,116)	-2.9%	(284,262)	-8.2%	3,446,929	251,719	7.9%
Subtotal	8,165,475	9,285,607	9,704,584	9,375,819	90,212	1.0%	(328,765)	-3.4%	9,926,073	550,254	5.9%
Less: Capitalized Labor	(185,025)	(100,000)	(100,000)	(100,000)	-	0.0%	-	0.0%	(100,000)	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>7,980,450</b>	<b>9,185,607</b>	<b>9,604,584</b>	<b>9,275,819</b>	<b>90,212</b>	<b>1.0%</b>	<b>(328,765)</b>	<b>-3.4%</b>	<b>9,826,073</b>	<b>550,254</b>	<b>5.9%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	126,209	111,000	111,000	85,000	(26,000)	-23.4%	(26,000)	-23.4%	85,000	-	0.0%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	8,329,348	9,070,636	9,942,699	12,696,563	3,625,927	40.0%	2,753,864	27.7%	14,377,232	1,680,669	13.2%
Maintenance	12,415,412	13,984,558	13,089,855	12,573,431	(1,411,127)	-10.1%	(516,425)	-3.9%	13,391,899	818,468	6.5%
Operating Equipment & Systems	7,813	30,000	15,000	15,000	(15,000)	-50.0%	-	0.0%	15,000	-	0.0%
Operating Supplies	51,107	57,850	59,850	59,850	2,000	3.5%	-	0.0%	59,850	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	52,192	71,910	71,410	76,500	4,590	6.4%	5,090	7.1%	76,500	-	0.0%
Business Development	3,950	4,675	4,675	6,425	1,750	37.4%	1,750	37.4%	6,425	-	0.0%
Equipment Rentals & Repairs	123,403	12,300	9,000	12,300	-	0.0%	3,300	0.0%	12,300	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>21,109,435</b>	<b>23,342,929</b>	<b>23,303,490</b>	<b>25,525,069</b>	<b>2,182,140</b>	<b>9.3%</b>	<b>2,221,579</b>	<b>9.5%</b>	<b>28,024,206</b>	<b>2,499,137</b>	<b>9.8%</b>
<b>Total Operating Expenses</b>	<b>29,089,885</b>	<b>32,528,536</b>	<b>32,908,074</b>	<b>34,800,888</b>	<b>2,272,352</b>	<b>7.0%</b>	<b>1,892,814</b>	<b>5.8%</b>	<b>37,850,278</b>	<b>3,049,391</b>	<b>8.8%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>29,089,885</b>	<b>32,528,536</b>	<b>32,908,074</b>	<b>34,800,888</b>	<b>2,272,352</b>	<b>7.0%</b>	<b>1,892,814</b>	<b>5.8%</b>	<b>37,850,278</b>	<b>3,049,391</b>	<b>8.8%</b>
<b>Equipment Outlay</b>	<b>322,341</b>	<b>26,000</b>	<b>150,000</b>	<b>208,000</b>	<b>182,000</b>	<b>700.0%</b>	<b>58,000</b>	<b>38.7%</b>	<b>200,000</b>	<b>(8,000)</b>	<b>-3.8%</b>
<b>Total Authority Expenses incl Equip Outlay</b>	<b>\$ 29,412,225</b>	<b>\$ 32,554,536</b>	<b>\$ 33,058,074</b>	<b>\$ 35,008,888</b>	<b>\$ 2,454,352</b>	<b>7.5%</b>	<b>\$ 1,950,814</b>	<b>5.9%</b>	<b>\$ 38,050,278</b>	<b>\$ 3,041,391</b>	<b>8.7%</b>

## Facilities Management

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 32,554,536</b>	<b>\$ 35,008,888</b>
<b>Personnel costs</b>		
2 New positions of Carpenter/Locksmith and Maintenance Mechanic(salaries, benefits & employer taxes)	163,037	-
Salary adjustments,contracted wage increases and pay for performance	149,058	246,053
1 New positions of Program Coordinator (salaries, benefits & employer taxes)	-	75,438
1 Position transferred to IT department (salaries, benefits & employer taxes)	(110,337)	-
Burden (benefits & employer taxes) for current staff	(111,546)	228,763
<b>Total Increase / (Decrease) in personnel costs</b>	<b>90,212</b>	<b>550,254</b>
Utilities	3,625,927	1,680,669
Vehicles replacement	200,000	-
12kV maintenance	(513,000)	-
Airfield pavement and striping	(861,000)	193,000
Other annual repair and services contracts	(60,227)	572,808
Other, net	(27,561)	44,660
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>2,364,140</b>	<b>2,491,137</b>
<b>Total Increase / (Decrease)</b>	<b>2,454,352</b>	<b>3,041,391</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 35,008,888</b>	<b>\$ 38,050,278</b>

## Facilities Management Department Goals

### FY 2015 Progress Report

#### 1. Develop and administer familiarization department meetings (internal/external) of Facilities Management policies and procedures.

Progress would be identified in two phases –

- Develop/write a familiarization plan for internal and external staff by December 31<sup>st</sup>, 2014.
- Conduct meetings with each Authority and air carrier departments by May 30<sup>th</sup>, 2014.

**Progress:** Each year we receive numerous inquiries through work orders, e-mail, text's and voicemails from internal and external customers asking for information i.e. help in writing work requests, where can blank work requests be found in the computer, why does it take so long to receive a response, why can't a broken chair be fixed ASAP, there are some plants in my cube that are dying so could someone from maintenance water them, can someone bring more ice to the break room before lunch and, and the list goes on. There are many other requests that simply just need a quick yes or no answer.

- It was apparent to our department we needed to cut down on the uninformed callers so we could focus our attention to matters that made a difference in how our airport functions.
- Our goal this year is to present classes on airport maintenance 101 and our core responsibility. We would introduce members of our staff, cover differences in maintenance worker crafts, how the work order process works, things we can and cannot do, why it may take longer to receive service, what the tenant is responsible for and end with a Q&A.
- Our goal is to have a well-run, well maintained facility with highly responsive staff to service all our internal and external customers. Better communication above all is the one greatest impact on our vision.
- Our mid-year goal is work in progress with end of year goal in sight of completion.

**Sustainability Goal:** Operational excellence and social responsibility.

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



**2. Develop a customer service survey measurement tool that identifies the strengths and weaknesses of the Facility Management department.**

**The survey will be administered in two phases –**

- **Develop questions that better identifies areas to focus on. Administer survey with results setting the bar in which to start from.**
- **Six months administer the second survey with results compared to where the bar was set of a 20% improvement in satisfaction.**

**Progress:** We found there were some internal and external customers that felt our department's follow-up communication to them regarding work order status was poor at best. We spoke to the maintenance workers, solicited their feedback and ideas in how we could improve our way of doing business.

- Next we developed a survey and reached out to the customers who submitted work orders asking them some basic questions i.e. how satisfied are you with the work order process, do you receive updates on work status, are you made aware when a job is completed etc.. The results were average, some surveys came back with glowing praise and others were much more dissatisfied.
- We took those results, brainstormed until we came up with a plan of better communication between the actual maintenance worker completing the work and the person who submitted the work request. A form was developed introducing the maintenance worker to the requestor, how long the work should take and when the work is completed and closed.
- Since the introduction of this procedure we have received numerous positive results and we are anxious to send out another survey before fiscal year ends. Our goal is to improve our survey results by 20% compared to the first survey we administered this past fall.

**Sustainability Goal:** Operational excellence and social responsibility.

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

## Facilities Management Department Goals

### FY 2016 – FY 2017 Goals

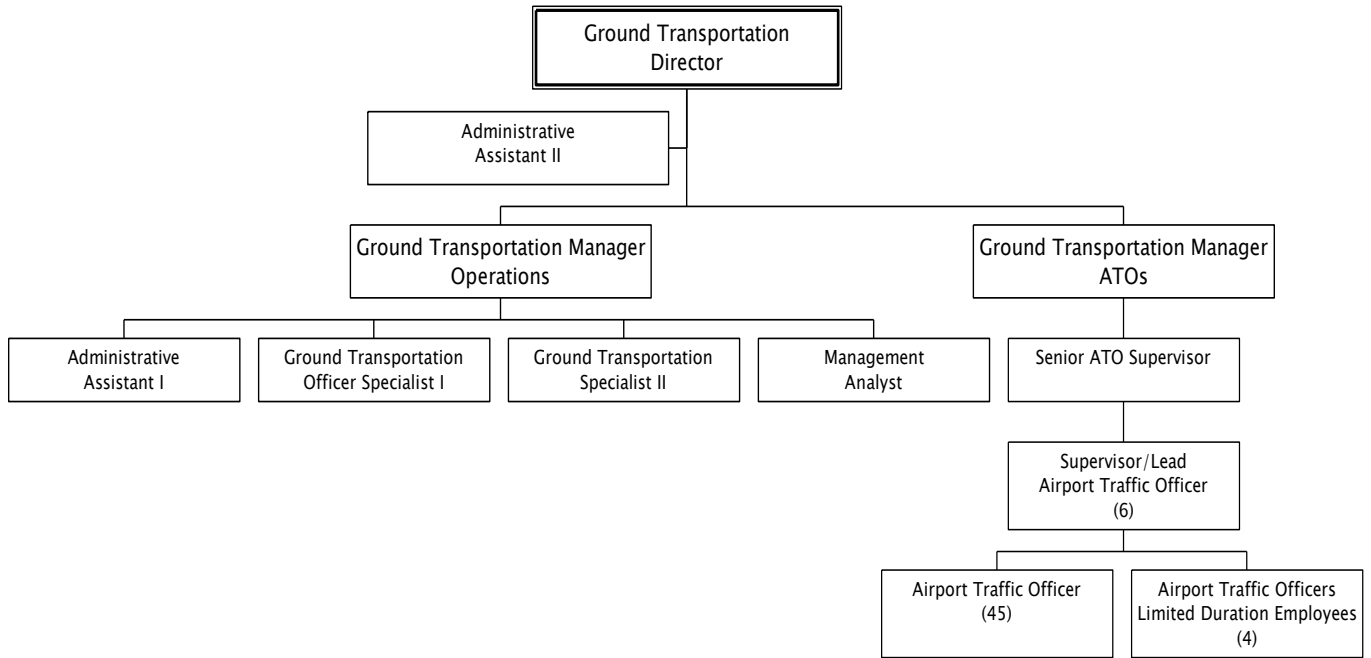
1. During Fiscal Year 2016 FMD is planning to implement a Computerized Maintenance Management System (CMMS). The CMMS consists of an advanced software package that enhances the existing E-1 system allowing FMD to manage the maintenance of equipment and facilities in a more efficient and sustainable process. This CMMS enhancement should improve productivity, lower overall operating costs, and store valuable information about maintenance functions at the Airport.

**Initiative:** Developing a sustainable long term capital plan, focus on revenue generation and cost control, strategically engaging our employees in sustainable business practices.

2. During Fiscal Year 2016 FMD will be conducting a Facility Condition Assessment (FCA) for all of our buildings. The FCA will document the conditions of the facilities and estimate the costs of needed repairs and renovations. Other benefits of the FCA include the ability to forecast facility conditions and funding scenarios and maintain data in a system that allows users to develop future budgets.

**Initiative:** Developing a sustainable long term capital plan, focus on revenue generation and cost control, strategically engaging our employees in sustainable business practices.

**Ground Transportation  
FY 2016 – FY 2017 Organizational Structure**



*No personnel changes planned for FY 2017.*

## Ground Transportation

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 3,133,469	\$ 3,313,620	\$ 3,500,969	\$ 3,686,684	\$ 373,063	11.3%	\$ 185,714	5.3%	\$ 3,806,308	\$ 119,625	3.2%
Premium Overtime	246,217	166,000	166,000	46,000	(120,000)	-72.3%	(120,000)	-72.3%	46,000	-	0.0%
Employee Benefits	1,883,358	2,115,387	2,252,136	2,162,119	46,732	2.2%	(90,017)	-4.0%	2,309,260	147,141	6.8%
Subtotal	5,263,044	5,595,008	5,919,106	5,894,802	299,795	5.4%	(24,303)	-0.4%	6,161,568	266,766	4.5%
<i>Less: Capitalized Labor</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<i>Less: QHP - Labor/Burden/Labor Overhead</i>	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>5,263,044</b>	<b>5,595,008</b>	<b>5,919,106</b>	<b>5,894,802</b>	<b>299,795</b>	<b>5.4%</b>	<b>(24,303)</b>	<b>-0.4%</b>	<b>6,161,568</b>	<b>266,766</b>	<b>4.5%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	12,850,749	13,307,155	18,007,489	16,300,794	2,993,639	22.5%	(1,706,695)	-9.5%	19,279,906	2,979,113	18.3%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	2,757	1,000	1,000	-	(1,000)	-100.0%	(1,000)	-100.0%	-	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	7,719	3,100	3,100	7,000	3,900	125.8%	3,900	125.8%	7,000	-	0.0%
Operating Supplies	55,576	54,300	54,300	55,800	1,500	2.8%	1,500	2.8%	58,800	3,000	5.4%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	53,268	54,650	54,650	70,450	15,800	28.9%	15,800	28.9%	76,450	6,000	8.5%
Business Development	18,748	18,000	18,000	15,500	(2,500)	-13.9%	(2,500)	-13.9%	14,000	(1,500)	-9.7%
Equipment Rentals & Repairs	48,002	1,500	1,500	121,500	120,000	8000.0%	120,000	8000.0%	121,500	-	0.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>13,036,820</b>	<b>13,439,705</b>	<b>18,140,039</b>	<b>16,571,044</b>	<b>3,131,339</b>	<b>23.3%</b>	<b>(1,568,995)</b>	<b>-8.6%</b>	<b>19,557,656</b>	<b>2,986,613</b>	<b>18.0%</b>
<b>Total Operating Expenses</b>	<b>18,299,864</b>	<b>19,034,712</b>	<b>24,059,145</b>	<b>22,465,846</b>	<b>3,431,134</b>	<b>18.0%</b>	<b>(1,593,299)</b>	<b>-6.6%</b>	<b>25,719,225</b>	<b>3,253,378</b>	<b>14.5%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>18,299,864</b>	<b>19,034,712</b>	<b>24,059,145</b>	<b>22,465,846</b>	<b>3,431,134</b>	<b>18.0%</b>	<b>(1,593,299)</b>	<b>-6.6%</b>	<b>25,719,225</b>	<b>3,253,378</b>	<b>14.5%</b>
<b>Equipment Outlay</b>	<b>27,035</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>\$ 18,326,899</b>	<b>\$ 19,034,712</b>	<b>\$ 24,059,145</b>	<b>\$ 22,465,846</b>	<b>\$ 3,431,134</b>	<b>18.0%</b>	<b>\$ (1,593,299)</b>	<b>-6.6%</b>	<b>\$ 25,719,225</b>	<b>\$ 3,253,378</b>	<b>14.5%</b>

## Ground Transportation

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 19,034,712</b>	<b>\$ 22,465,846</b>
<b>Personnel costs</b>		
4 New Air Traffic Officers position (salaries, benefits & employer taxes)	260,146	-
Salary adjustments,contracted wage increases and pay for performance	81,089	119,625
Burden (benefits & employer taxes) for current staff	(41,441)	147,141
<b>Total Increase / (Decrease) in personnel costs</b>	<b>299,795</b>	<b>266,766</b>
Rental Car Center(RCC) busing	2,866,409	2,909,958
Parking and shuttles operations	245,605	122,855
Other, net	19,325	(46,200)
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>3,131,339</b>	<b>2,986,613</b>
<b>Total Increase / (Decrease)</b>	<b>3,431,134</b>	<b>3,253,378</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 22,465,846</b>	<b>\$ 25,719,225</b>

## Ground Transportation Department Goals

### FY 2015 Progress Report

1. **Integrate and implement the planned ground transportation technologies e.g., taxicab trip coupon and dispatch system, commercial vehicle automated vehicle identification (AVI) system and commercial vehicle and driver management software to improve and enhance the Airport's commercial vehicle transportation management and operations.**

#### **Progress:**

- Commercial Vehicle Management System (CVMS) Software upgrade- Installation complete, in use.
- Terminal Parking and Revenue Control system- Upgrade and install T1 parking and revenue control equipment completed April 2015, replacing end-of- life equipment, minimizing repair costs, downtime and customer dissatisfaction.
- Commercial Vehicle and Driver self-permitting website enabling commercial vehicle operators and permit holders to maintain their data thus reducing overall time to create and administer permits.
- Automated Vehicle Identification (AVI) system scheduled to be installed on the airport roadway March-April 2015 and the Taxicab/VFH Hold Lot by March 2016 to collect and reconcile commercial vehicle trips.
- Automated Trip Coupon (ATC) system consisting of 1) Trip count collection and reconciliation (AVI system); 2) Trip payment calculations; 3) Operator Invoicing; and 4) Operator payment and disputes by June 2015.

#### **Construction and Infrastructure development:**

- Rental Car Center (RCC) Bus Procurement- May 2015 delivery of sixteen (16) 40ft. CNG advanced technology buses.
- Employee Parking Lot expansion- 30% Design.
- Taxicab and VFH Hold Lot- 30% Design.
- T2 Parking Plaza- Initial facility operation and technical requirements.

#### **Other:**

- Passenger Queue Time Management employs equipment and software analytics to record, analyze and notify staff of greater than 10 minute passenger wait times for taxicabs.

**Sustainability Goal:** Economic viability and operational excellence.

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

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

2. **Extend the current Taxicab Memorandum of Agreement (MOA) to October 31, 2014 and include specific performance measures and data collection methods for customer satisfaction, taxi cab availability, and passenger wait times, vehicle appearance and driver professionalism; recommend a strategy and plan for the Taxicab MOA agreement after October 31, 2014.**

**Progress:** Airport taxicab MOA requirements and consequences were signed December 2014 to commence January 1, 2015. The requirements of 1) Vehicle safety, condition and appearance; 2) Driver training, customer service and professionalism; 3) Taxicab availability; 4) Passenger wait times; 5.1) Taxicab modernization- systems, equipment, operations; 5.2) Taxicab modernization-conversion; 6) Dispatch Operations and Customer Service Representative (“CSR”) Personnel; 7) Americans with Disability Act (“ADA”) Services; and 8) Industry Communication and Collaboration.

**Sustainability Goal:** Economic viability and operational excellence.

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

3. **Devise a workable business plan/operational model/plan for the Airport Vehicle for Hire (VFH) commercial vehicle operators; implement recommendations and actions based on Board (May 2014) Meeting.**

**Progress:** Vehicle MOA requirements and consequences were signed December 2014 to commence January 1, 2015. The requirements of 1) Vehicle safety, condition and appearance; 2) Driver training, customer service and professionalism; 3) Taxicab availability; 4) Passenger wait times; 5.1) VFH modernization- systems, equipment, operations; 5.2) VFH modernization-conversion; 6) Dispatch Operations and Customer Service Representative (“CSR”) Personnel; 7) Americans with Disability Act (“ADA”) Services; and 8) Industry Communication and Collaboration.

**Sustainability Goal:** Economic viability and operational excellence.

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

4. **Manage the Rental Car Center (RCC) Bus Procurement and Operation contract implementation plan to achieve the June 2015 bus delivery and storage facility start-up.**

**Progress:**

- RCC bus procurement on schedule with vehicles scheduled for delivery to the Authority mid-May 2015.
- RCC bus staging and storage facility currently at 90% Design including paved area and dispatch building with completion by late September 2015.

**Sustainability Goal:** Economic viability and operational excellence.

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

## Ground Transportation Department Goals

### FY 2016 – FY 2017 Goals

1. Through June 30, 2016, implement and manage the Transportation Network Company (TNC) Pilot Program to ensure the desired level of customer service is provided, that operational efficiency is attained, airport trip fees are fully accounted for and that required records and data are compliant with the airport permit.

**Initiative:** Focus on revenue generation and cost control.

2. Through June 30, 2016, ensure the effective and efficient planning, startup and implementation Rental Car Center Bus Operations by working closely with the RCC Bus contractor to define the requisite bus operating procedures, parameters and customer service standards.

**Initiative:** Focus on revenue generation and cost control.

3. Through June 30, 2016, fulfill commitments and manage compliance with the Taxicab and VFH Memorandum of Agreement (MOA) including VFH CSR transition, ground transportation technology and infrastructure improvements and trip fee transitions.

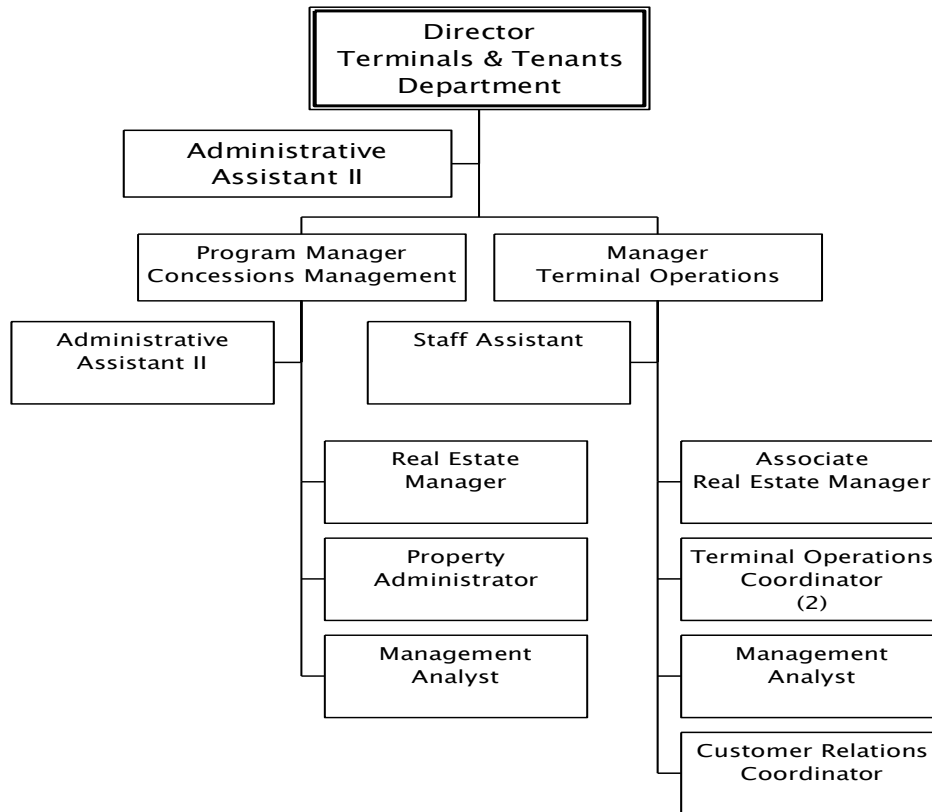
**Initiative:** Focus on revenue generation and cost control.

4. By August 2015, replace the currently in use, but outdated ticket issuing devices with newer software and hardware technology to reduce equipment's maintenance and operating costs, eliminate citation errors and enhance ATO productivity.

**Initiative:** Focus on revenue generation and cost control.



## Terminals & Tenants FY 2016 – FY 2017 Organizational Structure



*No personnel changes planned for FY 2017.*

## Terminals & Tenants

### FY 2016 Proposed – FY 2017 Proposed Conceptual Budget Expense Summary

	FY 2014 Actuals	FY 2015 Budget	FY 2016 Conceptual Budget	FY 2016 Proposed Budget	Inc/(Dec) FY16 Budget vs FY15 Budget	% Change	Inc/(Dec) FY16 Proposed vs FY16 Conceptual	% Change	FY 2017 Proposed Conceptual Budget	Inc/(Dec) FY17 Conceptual vs FY16 Budget	% Change
<b>Operating Expenses:</b>											
<b>Personnel Expenses</b>											
Salaries and Wages	\$ 935,046	\$ 1,104,870	\$ 1,185,578	\$ 1,117,427	\$ 12,557	1.1%	\$ (68,151)	-5.7%	\$ 1,144,770	\$ 27,343	2.4%
Premium Overtime	3,947	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Benefits	425,438	604,540	659,277	586,606	(17,935)	-3.0%	(72,672)	-11.0%	624,693	38,087	6.5%
Subtotal	1,364,431	1,709,410	1,844,855	1,704,032	(5,378)	-0.3%	(140,822)	-7.6%	1,769,462	65,430	3.8%
Less: Capitalized Labor	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Less: QHP - Labor/Burden/Labor Overhead	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Personnel Expenses</b>	<b>1,364,431</b>	<b>1,709,410</b>	<b>1,844,855</b>	<b>1,704,032</b>	<b>(5,378)</b>	<b>-0.3%</b>	<b>(140,822)</b>	<b>-7.6%</b>	<b>1,769,462</b>	<b>65,430</b>	<b>3.8%</b>
<b>Non-Personnel Expenses</b>											
Contractual Services	8,981,846	9,173,555	9,444,529	9,070,011	(103,544)	-1.1%	(374,518)	-4.0%	9,053,139	(16,872)	-0.2%
Safety and Security	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Utilities	241	150	150	150	-	0.0%	-	0.0%	150	-	0.0%
Maintenance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Operating Equipment & Systems	34,109	72,700	72,700	75,700	3,000	4.1%	3,000	4.1%	52,700	(23,000)	-30.4%
Operating Supplies	28,185	17,200	17,200	13,900	(3,300)	-19.2%	(3,300)	-19.2%	13,900	-	0.0%
Insurance	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Employee Programs	21,220	30,350	25,350	46,700	16,350	53.9%	21,350	84.2%	49,200	2,500	5.4%
Business Development	283,635	326,150	276,050	462,650	136,500	41.9%	186,600	67.6%	465,150	2,500	0.5%
Equipment Rentals & Repairs	8,140	6,200	6,200	6,100	(100)	-50.0%	(100)	-50.0%	6,000	(100)	-100.0%
Tenant Improvements	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Expenses</b>	<b>9,357,376</b>	<b>9,626,305</b>	<b>9,842,179</b>	<b>9,675,211</b>	<b>48,906</b>	<b>0.5%</b>	<b>(166,968)</b>	<b>-1.7%</b>	<b>9,640,239</b>	<b>(34,972)</b>	<b>-0.4%</b>
<b>Total Operating Expenses</b>	<b>10,721,807</b>	<b>11,335,715</b>	<b>11,687,033</b>	<b>11,379,243</b>	<b>43,528</b>	<b>0.4%</b>	<b>(307,790)</b>	<b>-2.6%</b>	<b>11,409,701</b>	<b>30,458</b>	<b>0.3%</b>
<b>Non-Operating Expenses:</b>											
Joint Studies/Sound Attenuation	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
Legal Settlements Expense	-	-	-	-	-	0.0%	-	0.0%	-	-	0.0%
<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>10,721,807</b>	<b>11,335,715</b>	<b>11,687,033</b>	<b>11,379,243</b>	<b>43,528</b>	<b>0.4%</b>	<b>(307,790)</b>	<b>-2.6%</b>	<b>11,409,701</b>	<b>30,458</b>	<b>0.3%</b>
<b>Equipment Outlay</b>	<b>48,046</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>\$ 10,769,853</b>	<b>\$ 11,335,715</b>	<b>\$ 11,687,033</b>	<b>\$ 11,379,243</b>	<b>\$ 43,528</b>	<b>0.4%</b>	<b>\$ (307,790)</b>	<b>-2.6%</b>	<b>\$ 11,409,701</b>	<b>\$ 30,458</b>	<b>0.3%</b>

## Terminals & Tenants

### Major Drivers of FY 2016 Proposed Budget & FY 2017 Proposed Conceptual Budget

	Inc/(Dec) FY16 vs FY15	Inc/(Dec) FY17 Conceptual vs FY16
<b>FY 2015 Budget / FY 2016 Budget</b>	<b>\$ 11,335,715</b>	<b>\$ 11,379,243</b>
<b>Personnel costs</b>		
1 New Staff Assistant position (salaries, benefits & employer taxes)	69,813	-
Salary adjustments and pay for performance	(35,005)	27,343
Burden (benefits & employer taxes) for current staff	(40,186)	38,087
<b>Total Increase / (Decrease) in personnel costs</b>	<b>(5,378)</b>	<b>65,430</b>
Concessions Marketing Program	172,400	-
Custodial contract	90,394	(87,739)
Hood vent cleaning for concessioners	(160,342)	596
Other, net	(53,546)	52,170
<b>Total Increase / (Decrease) in non-personnel costs</b>	<b>48,906</b>	<b>(34,972)</b>
<b>Total Increase / (Decrease)</b>	<b>43,528</b>	<b>30,458</b>
<b>FY 2016 Budget / FY 2017 Conceptual Budget</b>	<b>\$ 11,379,243</b>	<b>\$ 11,409,701</b>

## Terminals & Tenants Departmental Goals

### FY 2015 Progress Report

- 1. Centralize facility inspection programs under the Terminal Operations Department. Assume inspection oversight of airfield, terminals, concessions, tenant leaseholds, pest control, preventative maintenance, security, ramp walks, construction, storm water, prohibited items inventory, public safety, airport facilities, equipment and systems. Receives findings from all inspectors and manage centralized repository of inspection data. Coordinate all inspections. Act as single point of contact for inspections for airport tenants. Introduce LAMC briefing module by December 2014.**

**Progress:** Terminals & Tenants staff has facilitated stakeholder meetings with the goal of developing a uniform software/platform to be used across types of inspections. Concession inspections have commenced, all other inspections are slated to begin by the end of the fiscal year. This accomplishment is critical to maintaining the Authority's assets in a sustainable fashion over the next 10 years and beyond.

**Sustainability Goal:** Operational excellence.

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

- 2. Ensure regulatory compliance with city, state and federal ordinances on waste diversion and recycling. Work with new concession tenants on commercial food waste recycling system. Meet monthly with janitorial service providers, restaurateurs, recycling hauler and SDCRAA staff to review and reinforce BMPs. Reduce waste disposal costs and increase airport wide waste diversion by 10% by June, 30 2015.**

**Progress:** The State has passed a new legislation, AB1826 making mandatory the diversion of yard and food waste commencing April 1, 2016. In November of 2014 the Terminals and Tenants Department completed the implementation of a post-consumer food recycling program with all food and beverage (F&B) concessioners at SAN. Food Recycling Program highlights includes:

- Participation by 4 master Food & Beverage concessioners at over 40 restaurants and prep-kitchens.
- Over 600 F&B employees trained on how to participate in the Food Recycling Program.
- Recycling and waste diversion of over 7 tons of food per week.
- Compliance with AB1826 requirements eighteen months before implementation of the new law.
- Recognized as Recycler of the Year for the 11<sup>th</sup> Year running

On February 17, 2015 Terminals and Tenants attended the 2nd annual Zero Waste San Diego Symposium. Representatives of the State CalRecycle and from the City of San Diego will be presenting principles on; source reduction and reuse strategies, policy and compliance with new state legislation.

We continue to work with our janitorial service provider, restaurateurs, recycling hauler and SDCRAA staff to review and reinforce BMPs. This goal has assisted in reducing waste disposal costs and the Authority is forecast to meet our goal of increasing airport wide waste diversion by 10% by the end of the fiscal year. This accomplishment was selected because it aligns with our mission to protect quality of life in the region.

**Sustainability Goal:** Economic viability, operational excellence, and social responsibility.

**Authority Strategy:** Financial Strategy: Enhance the financial position of the Authority. Operational Strategy: Operate our airport in a safe, secure, environmentally-sound, effective and efficient manner. Community Strategy: Be a trusted and highly responsive regional agency.

**3. Quarterly property inspections of all tenancies in the airport.**

**Progress:** Quarterly inspections of all concessions have commenced, inspections of all other tenancies will commence once new inspection software/platform is operational by the end of the fiscal year. This accomplishment is critical to maintaining the Authority's assets in a sustainable fashion over the next 10 years and beyond.

**Sustainability Goal:** Operational excellence.

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

## Terminals & Tenants Departmental Goals

### FY 2016 – FY 2017 Goals

**1. Contracted waste and recycling fees are scheduled to increase in FY16. We plan to decrease the number of annual waste and recycling disposal removal trips by 5%. A reduction in trip numbers will help reduce traffic on the airfield and on Harbor Drive.**

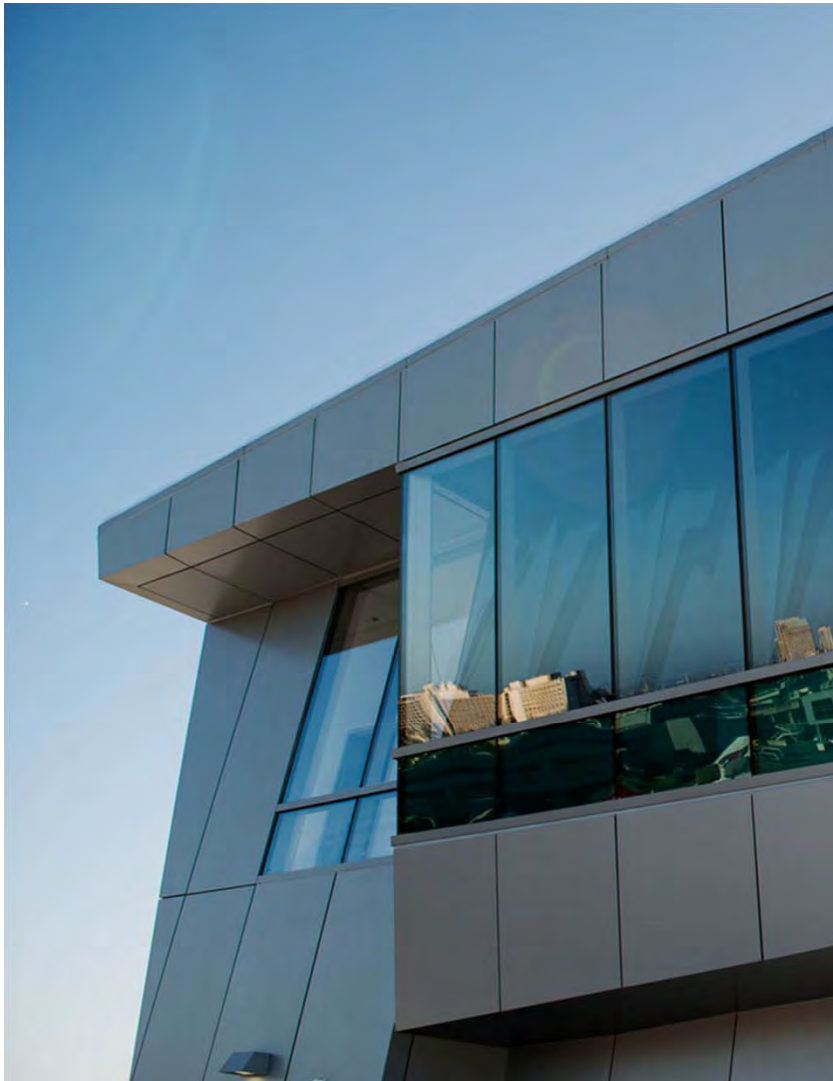
**Initiative:** Focus on revenue generation and cost control.

**2. Ensure biannual property inspections of all terminal tenancies on the airport. By completing thorough inspections and implementing corrective action on all findings the SDIA terminal assets will serve our stakeholders and customers through a full life cycle.**

**Initiative:** Strategically engaging our employees in sustainable business practices.

**3. Working with the SAN Concessionaire Marketing Advisory Committee, Authority Vision Voice and Engagement department and Authority marketing agency, develop a Concession Marketing Strategy to pursue measurable on-airport and digital marketing initiatives which can directly attribute to a 5 % increase in overall sales per enplanement vs FY15.**

**Initiative:** Focus on revenue generation and cost control.



# Capital Program Budget Fiscal Years 2016-2020



# Capital Program Overview

- 5 Year Program
- Approved by the Board Annually
  - Capital Improvement Program Oversight Committee (CIPOC)
- Managed by:
  - Capital Improvement Committee (CIC)
    - CEO & Vice Presidents
- Current CIP Program - 69 Projects - \$846 Million
- Current - The Green Build - \$820 Million
- Current Total Capital Program - \$1.67 Billion



# Proposed Capital Program

## FY2016 – FY2020 program total includes:

- Immediate need projects which have been defined and are ready to execute by Facilities Development Department
- Potential Projects with placeholder amounts to be refined pending Facilities Condition Assessment (FCA) completion
- Small projects to be performed by sponsor departments

## Current CIP Projects – Project Status

Project Location	Planning	Design	Construction	Closeout/Closed	Program*
Airside	6	3	2	7	-
Terminal	1	2	6	9	-
Landside/Ancillary	3	11	6	6	-
Administrative	-	3	2	1	2
<b>Totals</b>	<b>10</b>	<b>19</b>	<b>16</b>	<b>23</b>	<b>2</b>

\*Public Art Allowance and Capital Project Allowance

# Current/Proposed Capital Program – Project Location

Capital Program Budget:           \$846,769,570                           \$814,326,662

Project Location	FY2015-2019	FY2016-2020
Airside	18	14
Terminal	17	24
Landside/Ancillary	26	27
Administrative	8	12
<b>Totals</b>	<b>69</b>	<b>77</b>

# Capital Program Budget Summary

FY 2015 – 2019 Capital Improvement Program	\$ 530,645,466
Rental Car Center (CIP)	316,124,104
The Green Build	<u>820,000,000</u>
<b>FY 2015 – 2019 Capital Program Budget</b>	<b>\$1,666,769,570</b>
FY 2015 – 2019 CIP Project Closeouts & Adjustments	\$ (127,116,438)
The Green Build Closeout (except roof and PV elements)	<u>(812,821,670)</u>
FY 2015 – 2019 Capital Program Balance	\$ 726,831,462
Proposed FY 2016 – 2020 CIP Projects & Adjustments	<u>87,495,200</u>
<b>Proposed FY 2016-2020 Capital Program Budget</b>	<b>\$ <u>814,326,662</u></b>

## Proposed New FY2016-2020 CIP Projects

	Description	Estimated Cost
1)	Replace 3 ARFF Vehicles	\$ 4,080,000
2)	Expand Wi-Fi Coverage in Terminals	2,839,500
3)	Terminal Paging System Upgrade	2,330,000
4)	T2E Improvements	4,170,000
5)	HVAC Modernization	16,549,000
6)	Electrical Modernization	5,590,000
7)	Modernize Vertical Conveyance T1 & T2W	4,431,700
8)	Construct Janitorial Wash Areas in Terminals	740,000

## Proposed New FY2016-2020 CIP Projects

	Description	Estimated Cost
9)	Observation Area at Palm Street	\$ 2,250,000
10)	World Trade Center Demolition	1,310,000
11)	Commuter Terminal 1 <sup>st</sup> Floor Build-out	1,500,000
12)	Widen Sassafras Street Intersection	6,000,000
13)	Construct McCain Road Parking Lot	650,000
14)	Develop Mitigation Plan for Least Terns	2,000,000
15)	Ground Transportation Systems Phase 3	1,100,000
16)	Update IT Master Plan	250,000

## Proposed New FY2016-2020 CIP Projects

	Description	Estimated Cost
17)	T2W Restroom Remodel (near 1 <sup>st</sup> floor Lost & Found)	\$ 1,200,000
18)	Facilities Condition Assessment	800,000
19)	Fire Suppression System (pending FCA)	3,000,000
20)	T1 & T2E Roof Replacement (pending FCA)	15,000,000
21)	CT Roof Replacement (pending FCA)	3,000,000
22)	CT - Replace 2 Boilers (pending FCA)	<u>1,500,000</u>
	<b>Total FY2016-2020 Proposed New CIP Projects</b>	<b>\$ 80,290,200</b>

## Proposed FY2016-2020 Capital Project Adjustments

	Description	Estimated Cost
1)	NSU - Storm Drain Trunk	\$ 1,400,000
2)	Solid Waste Disposal & Recycling Facility	600,000
3)	FY16 Capital Project Allowance	5,000,000
4)	FY16 Public Art Allowance	<u>205,000</u>
	<b>Total Proposed Current CIP Project Adjustments</b>	<b>\$ 7,205,000</b>
<b>Total FY2016-2020 Proposed New CIP Projects &amp; Adjust.</b>		<b>\$ <u>87,495,200</u></b>



## Replace 3 ARFF Vehicles



# Replace 3 ARFF Vehicles

## SCOPE:

- Replace Rescue 1 (2002) as soon as possible due to cost of continuing repairs
- Replace Rescue 3 (1999) immediately after R1 replacement due to escalating repair cost
- Replace Rescue 5 (2008) – tentative replacement for 2018 dependent upon vehicle condition and maintenance cost

## Strategies :

- Financial, customer, and operations

Estimated Cost	Duration
\$4,080,000	24 months

# Expand Wi-Fi Coverage



# Expand Wi-Fi Coverage

## SCOPE:

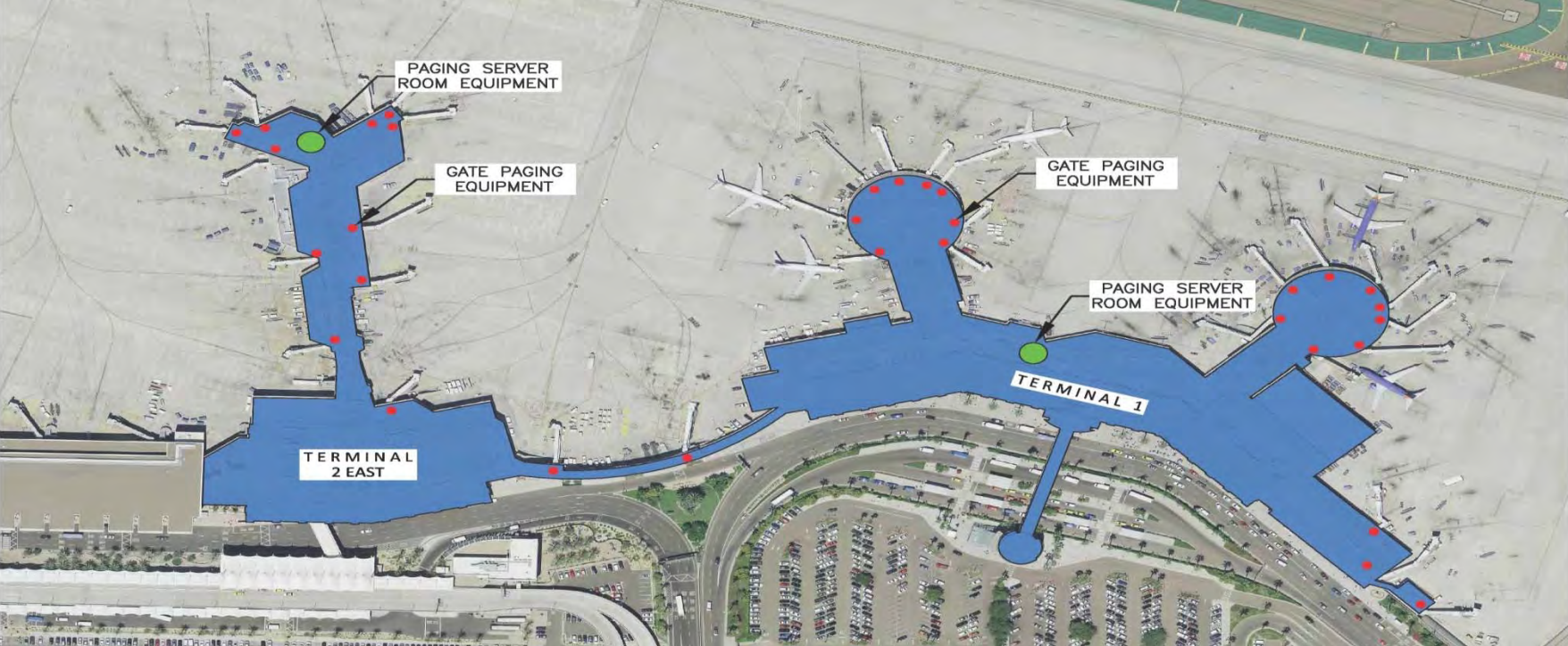
- Provide denser Wi-Fi coverage throughout passenger spaces and ramp area
- Increase customer usability and satisfaction
- Facilitate future business needs such as indoor geo-location

## Strategies :

- Operations and customer

Estimated Cost	Duration
\$2,839,500	24 months

# Terminal Paging System Upgrade



# Terminal Paging System Upgrade

## SCOPE:

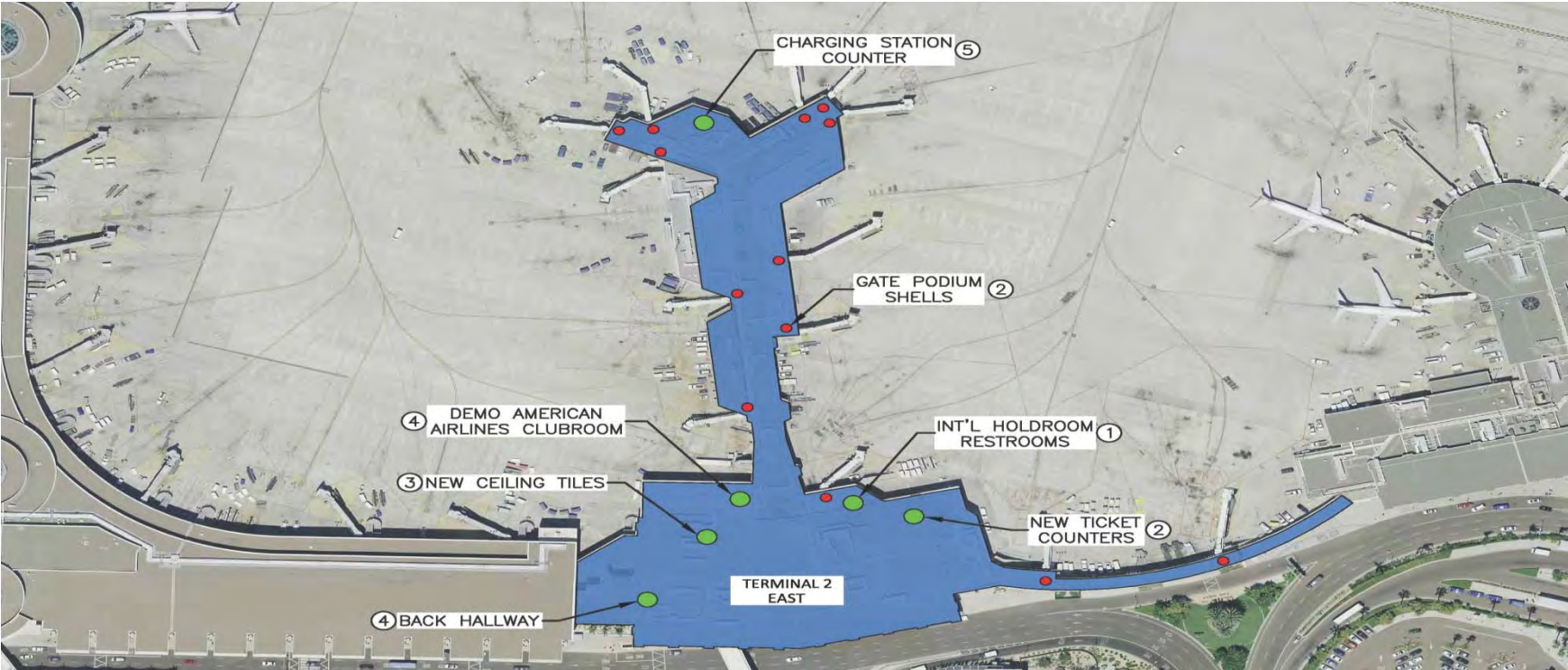
- Replace 18 year-old amplifiers that will integrate with T2 west
- Integrate configuration of T1 paging system with Green Build paging zoning configuration
- Increase reliability and lessen disruption of airline operations

## Strategies :

- Operations and customer

Estimated Cost	Duration
\$2,330,000	24 months

# Terminal 2 East Improvements



# Terminal 2 East Improvements

## SCOPE:

- Ticket Lobby – ceiling tiles and ticket counter
- Main Concourse – new gate podia shells and back walls, monitors, lights, charging station counters
- Int'l Hold room – new restrooms to serve large # of passengers

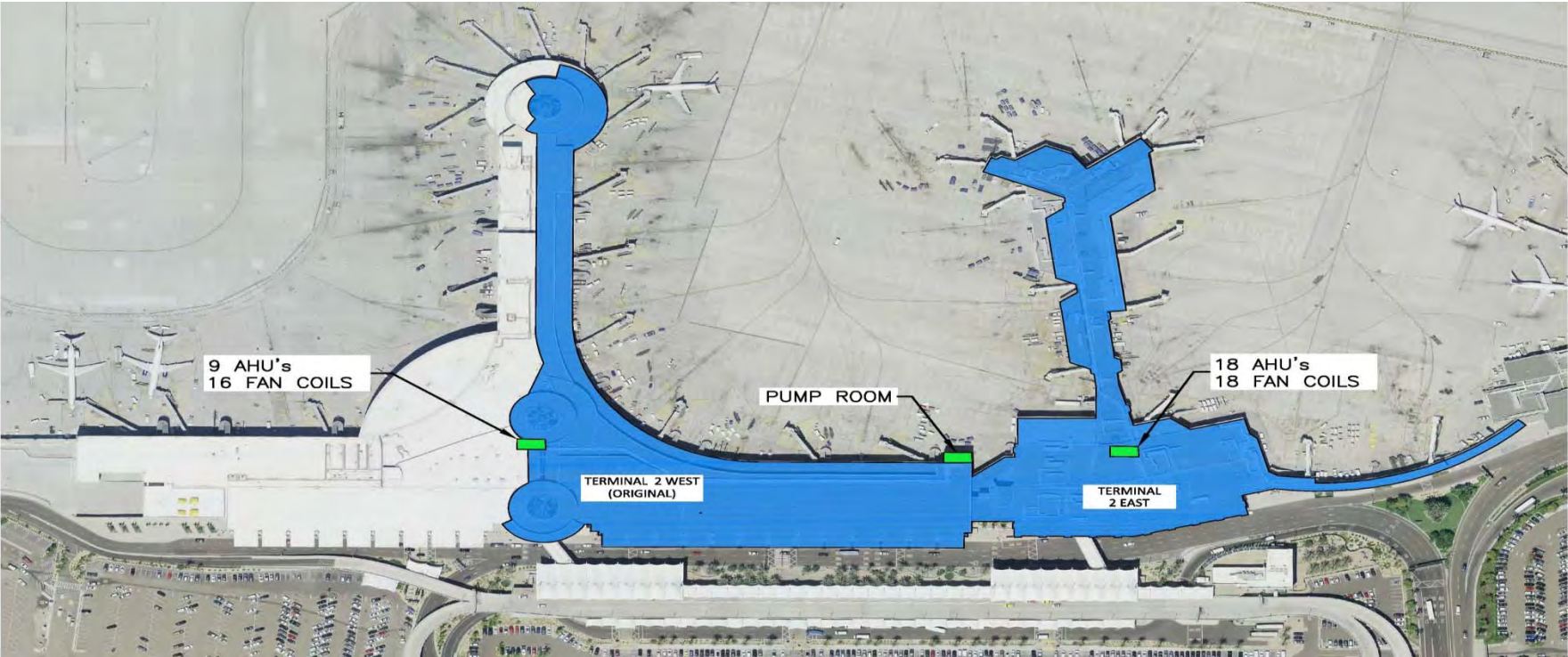
## Strategies :

- Customer and operations

Estimated Cost	Duration
\$4,170,000	21 months



# HVAC Modernization in T2E & T2W



# HVAC Modernization in T2E & T2W

## SCOPE:

- Upgrade air handler units and fan coils in T2E & T2W
- Modernize T2W existing pump room

## Strategies :

- Financial and customer

Estimated Cost	Duration
\$16,549,000	60 months

# Electrical Modernization in T2W



# Electrical Modernization in T2W

## SCOPE:

- Replace electrical switchgear panels, transformers and generator
- Current equipment is at end of useful life

## Strategies :

- Financial and Operations

Estimated Cost	Duration
\$5,590,000	60 months

# Modernize Vertical Conveyance – T1 & T2



# Modernize Vertical Conveyance – T1 & T2

## SCOPE:

- Replace hydraulics in escalators in T1W, T2E and T2W
- Replace hydraulics and doors on elevators in T1, T2E and T2W

## Strategies :

- Financial, operational, and customer

Estimated Cost	Duration
\$4,431,700	24 months

# Construct Janitorial Wash Areas in Terminals



# Construct Janitorial Wash Areas in Terminals

## SCOPE:

- Provide 3 centrally-located wash areas in T1, T2E and T2W for janitorial service provider and tenants
- Address possible safety issues by providing area to wash mats, trash cans and service items
- Allows for IPM compliance of premises, equipment and materials

## Strategies :

- Operational and financial

Estimated Cost	Duration
\$740,000	12 months



# Observation Area at Palm Street



# Observation Area at Palm Street

## SCOPE:

- Develop observation area and art park at former Landmark location
- Enable community to observe aircraft

## Strategies :

- Customer and community

Estimated Cost	Duration
\$2,250,000	22 months

# World Trade Center Demolition



# World Trade Center Demolition

## SCOPE:

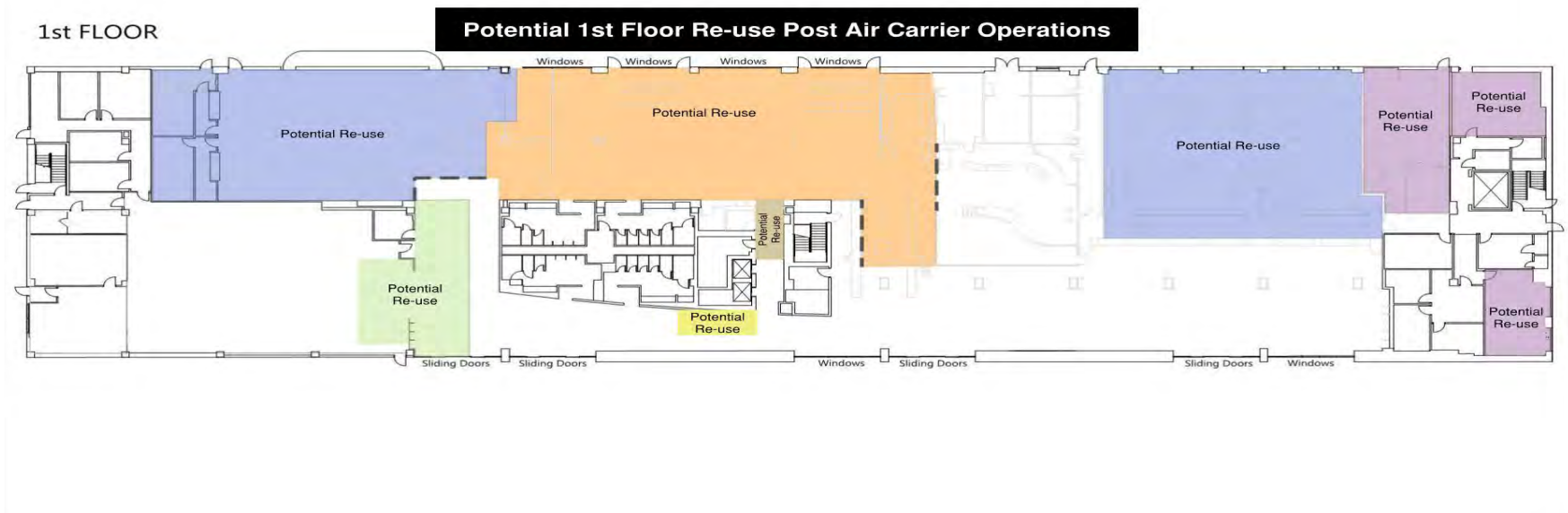
- Demo Building including asbestos/lead abatement, foundation and underground utilities
- Enable development of site for future use

## Strategies :

- Customer and operations

Estimated Cost	Duration
\$1,310,000	22 months

# Commuter Terminal 1<sup>st</sup> Floor Build-out



# Commuter Terminal 1<sup>st</sup> Floor Build-out

## SCOPE:

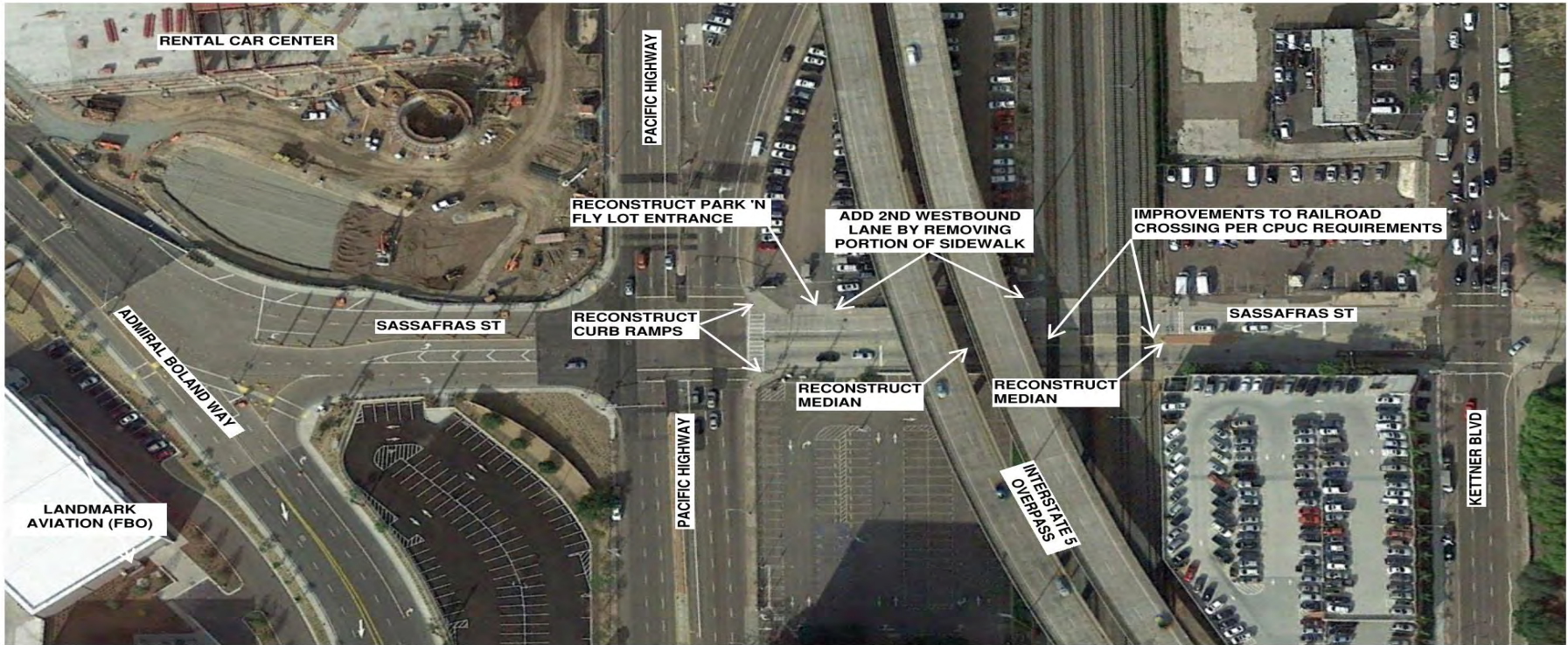
- Potential re-use of 1<sup>st</sup> floor space post air carrier operations

## Strategies :

- Operations and customer

Estimated Cost	Duration
\$1,500,000	12 months

# Widen Sassafras Street Intersection



# Widen Sassafras Street Intersection

## SCOPE:

- To mitigate traffic impacts due to RCC opening, increased FBO tenants and future cargo use
- Increase width of Sassafras St. between Pacific Hwy. & Kettner up to railroad crossing
- Coordination with the city, Caltrans, CPUC, NCTD & MTS

## Strategies :

- Operations, customer, and community

Estimated Cost	Duration
\$6,000,000	36 months



# Construct McCain Road Parking Lot



# Construct McCain Road Parking Lot

## SCOPE:

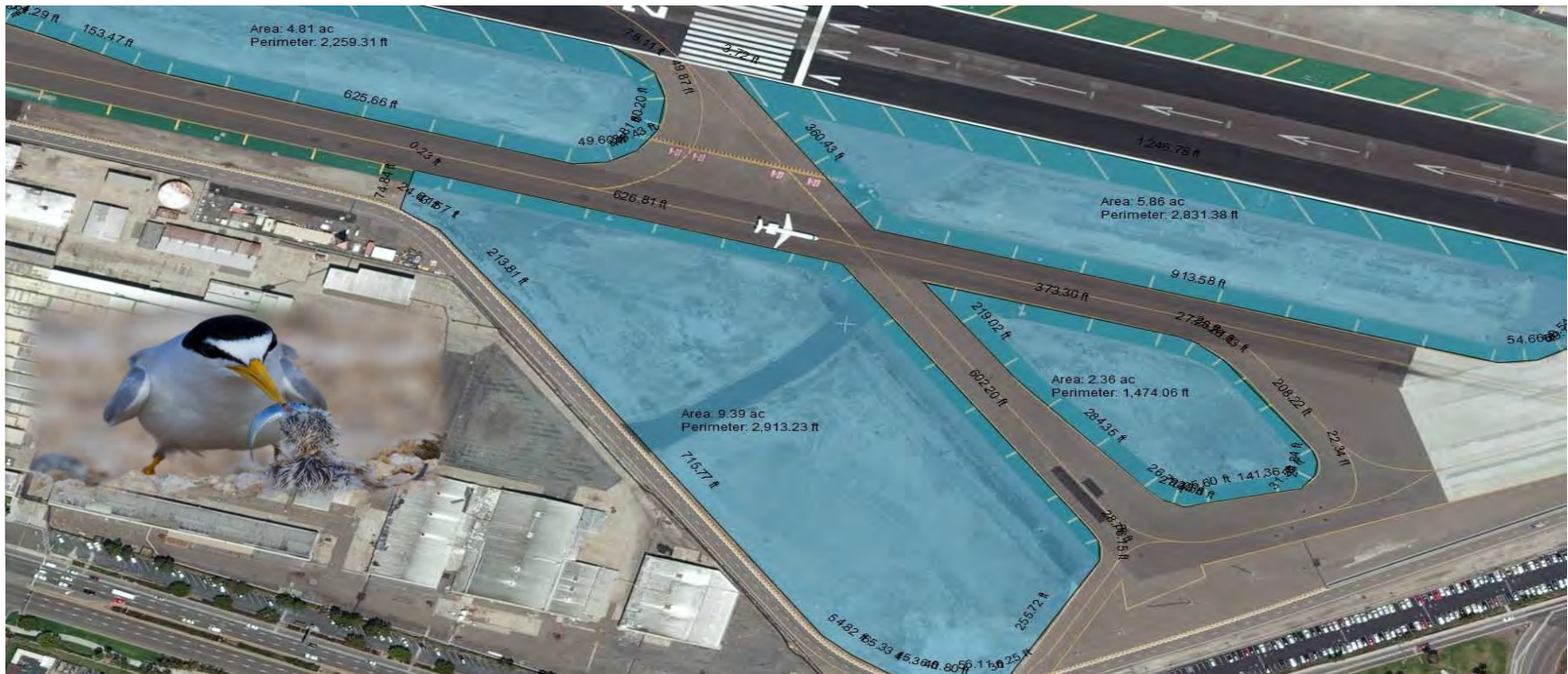
- Demolish taxi building and construct 56 stall parking lot
- Construct two speed bumps on west end of Spruance Road
- Install exterior lighting with conduit for future EV charger

## Strategies :

- Financial, operations and customer

Estimated Cost	Duration
\$650,000	12 months

# Develop Mitigation Plan for Least Terns



# Develop Mitigation Plan for Least Terns

## SCOPE:

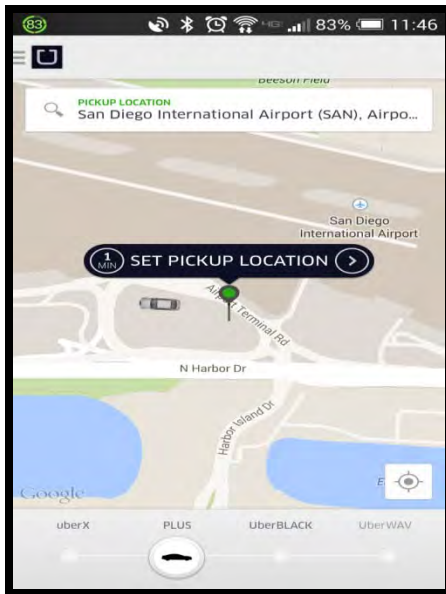
- Prepare mitigation plan to secure & prepare site for Least Terns
- Secure & Prepare site location with suitable nesting habitat
- Mitigate potential impacts from proposed SAN airfield improvements including Taxiway B, ADP and Runway 9/27 reconstruction

## Strategies :

- Financial, operations, and community

Estimated Cost	Duration
\$2,000,000	24 months

# Ground Transportation Systems Phase 3



# Ground Transportation Systems Phase 3

## SCOPE:

- Implement the “virtual hold lot” concept to efficiently locate and identify airport-permitted commercial vehicles off airport premises
- Advanced hardware/software needed to ensure minimal response time
- True cost recovery to include commercial vehicle passenger drop offs

## Strategies :

- Financial, operations and customer

Estimated Cost	Duration
\$1,100,000	21 months

# Update IT Master Plan



# Update IT Master Plan

## SCOPE:

- Update IT Master Plan produce in 2008 – typically done every 3-5 years
- Includes data, security, hardware & software applications
- Maximize IT investment in and management of technology

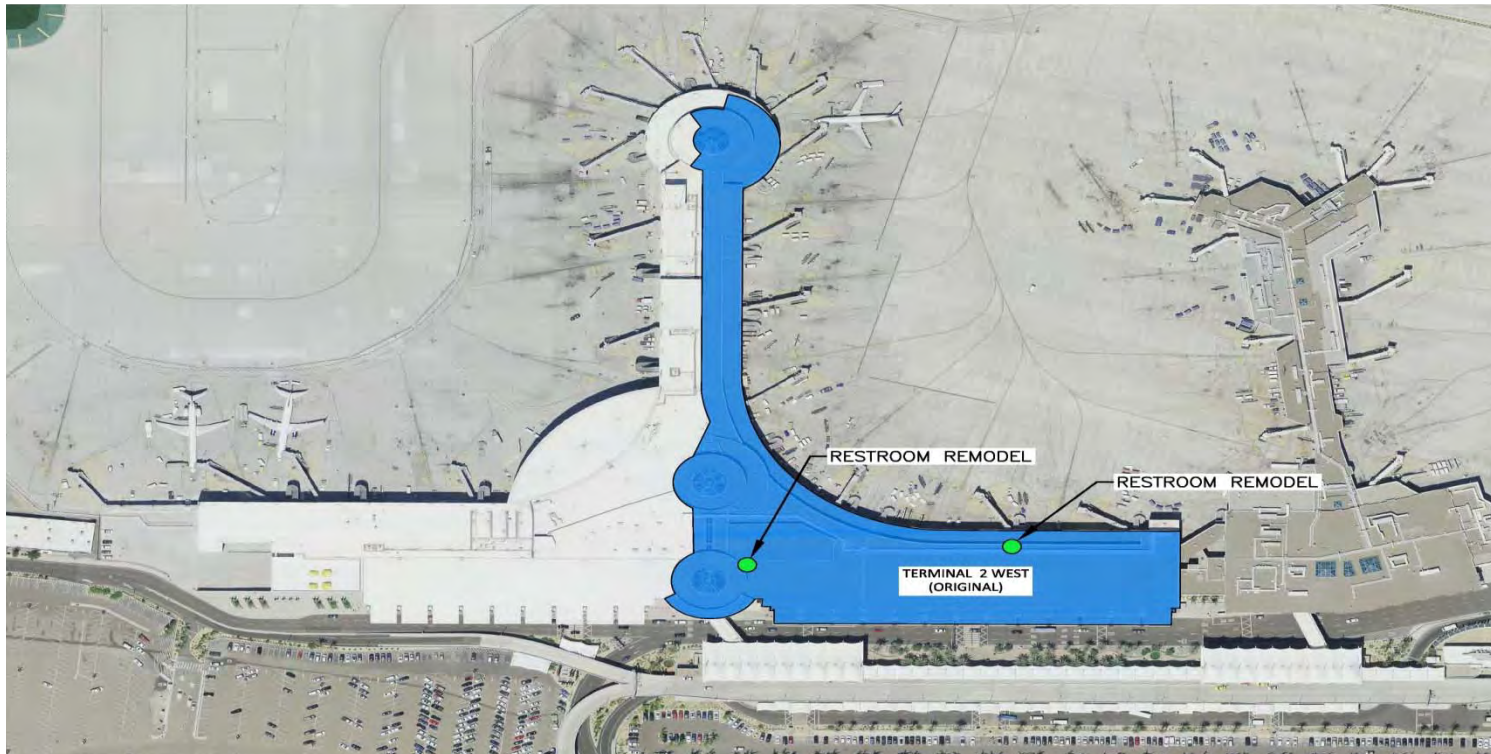
## Strategies :

- Financial, operations and customer

Estimated Cost	Duration
\$250,000	12 months



# T2W Restroom Remodel



# T2W Restroom Remodel

## SCOPE:

- Remodel of two sets of restrooms located on the 1<sup>st</sup> floor and T2W
- Upgrade interior finishes, fixtures & accessories, lighting, toilet partitions
- Upon competition, all non-green build public restrooms will have been completed
- End of useful life replacement

## Strategies :

- Operations and customers

Estimated Cost	Duration
\$1,200,000	12 months

# Facilities Condition Assessment



# Facilities Condition Assessment

## SCOPE:

- Provide a roadmap towards the 20 –yr. strategic planning endeavor
- Provide Definitive long & short range understanding of cost associated with facilities maintenance and/or replacement
- Improve PM scheduling, establishment of annual maintenance budgets & long term replacement cost

## Strategies :

- Financial and operations

Estimated Cost	Duration
\$800,000	18 months

# Fire Suppression System



# Fire Suppression System

## SCOPE:

- Replace 18 year-old amplifiers that will integrate with T2 west
- End of useful life replacement

## Strategies :

- Operations and customer

Estimated Cost	Duration
\$3,000,000	12 months

# T1 & T2E Roof Replacement



# T1 & T2E Roof Replacement

## SCOPE:

- Replacement of roof waterproofing/roofing membrane in T1 &T2E
- End of useful life replacement

## Strategies :

- Operations and customer

Estimated Cost	Duration
\$15,000,000	12 months



# CT Roof Replacement



# CT Roof Replacement

## SCOPE:

- Replacement of rood waterproofing/roofing membrane with 10 yr. life
- End of useful life replacement

## Strategies :

- Operations and Customer

Estimated Cost	Duration
\$3,000,000	12 months

## CT – Replace 2 Boilers



# CT – Replace 2 Boilers

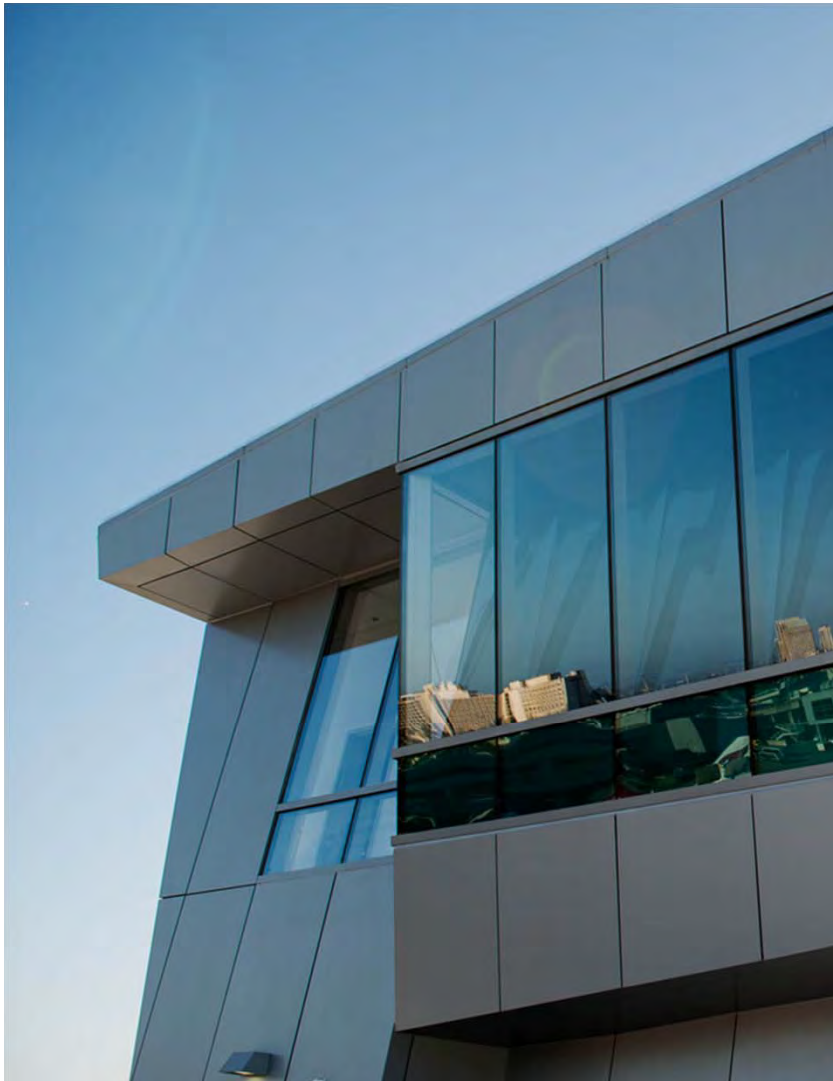
## SCOPE:

- Replacement of two boilers at the CUP
- End of useful life replacement

## Strategies :

- Operations and customer

Estimated Cost	Duration
\$1,500,000	12 months



# Plan of Finance Fiscal Years 2016-2020



## Uses of Funds by Location

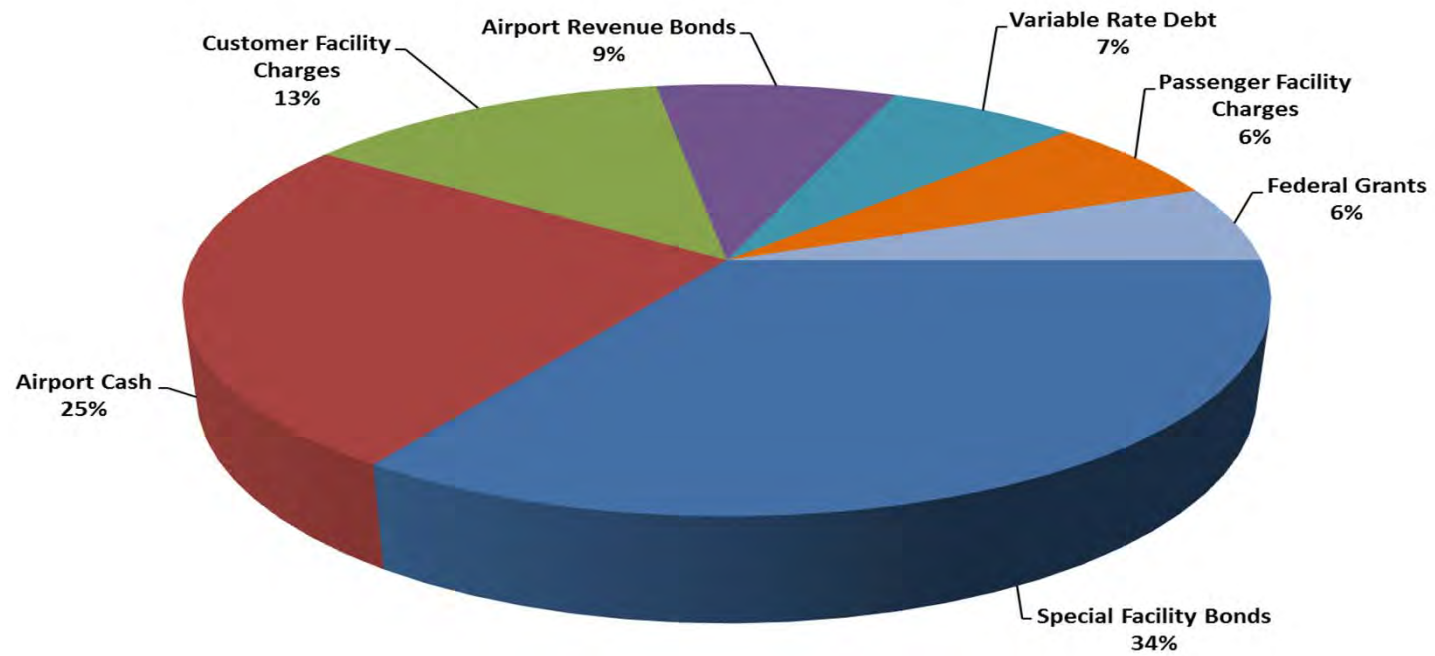
<b>Total Use of Funds by Location</b>	
Pre FY2016 - FY 2020	
(in thousands)	
<u>Location</u>	<u>Capital Program</u>
Landside and Ancillary	\$ 552,096
Terminal	122,919
Airside	117,467
Admin	21,845
Finance Costs	73,820
<b>Total</b>	<b>\$ 888,147</b>

## Uses and Sources of Funds

<i>(in thousands)</i>	<u>Total Use of Funds</u>						
	Pre FY2016	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Capital Program	\$ 359,667	\$ 229,160	\$ 99,499	\$ 56,033	\$ 26,940	\$ 43,028	\$814,327
Finance Costs	73,820	-	-	-	-	-	73,820
<b>Total</b>	<b>\$ 433,487</b>	<b>\$ 229,160</b>	<b>\$ 99,499</b>	<b>\$ 56,033</b>	<b>\$ 26,940</b>	<b>\$ 43,028</b>	<b>\$888,147</b>

<i>(in thousands)</i>	<u>Total Sources of Funds</u>						
	Pre FY2016	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Special Facility Bonds	\$ 263,240	\$ 42,639	\$ -	\$ -	\$ -	\$ -	\$305,879
Airport Cash	32,156	54,218	51,060	49,737	23,458	11,575	222,204
Customer Facility Charges	62,918	52,893	-	-	-	-	115,811
Airport Revenue Bonds	66,411	9,412	-	-	-	-	75,823
Variable Rate Debt	-	26,217	33,583	-	-	-	59,800
Passenger Facility Charges	1,194	32,189	10,246	4,360	871	8,357	57,217
Federal Grants	7,567	11,592	4,610	1,936	2,612	23,096	51,413
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 433,487</b>	<b>\$ 229,160</b>	<b>\$ 99,499</b>	<b>\$ 56,033</b>	<b>\$ 26,940</b>	<b>\$ 43,028</b>	<b>\$888,147</b>

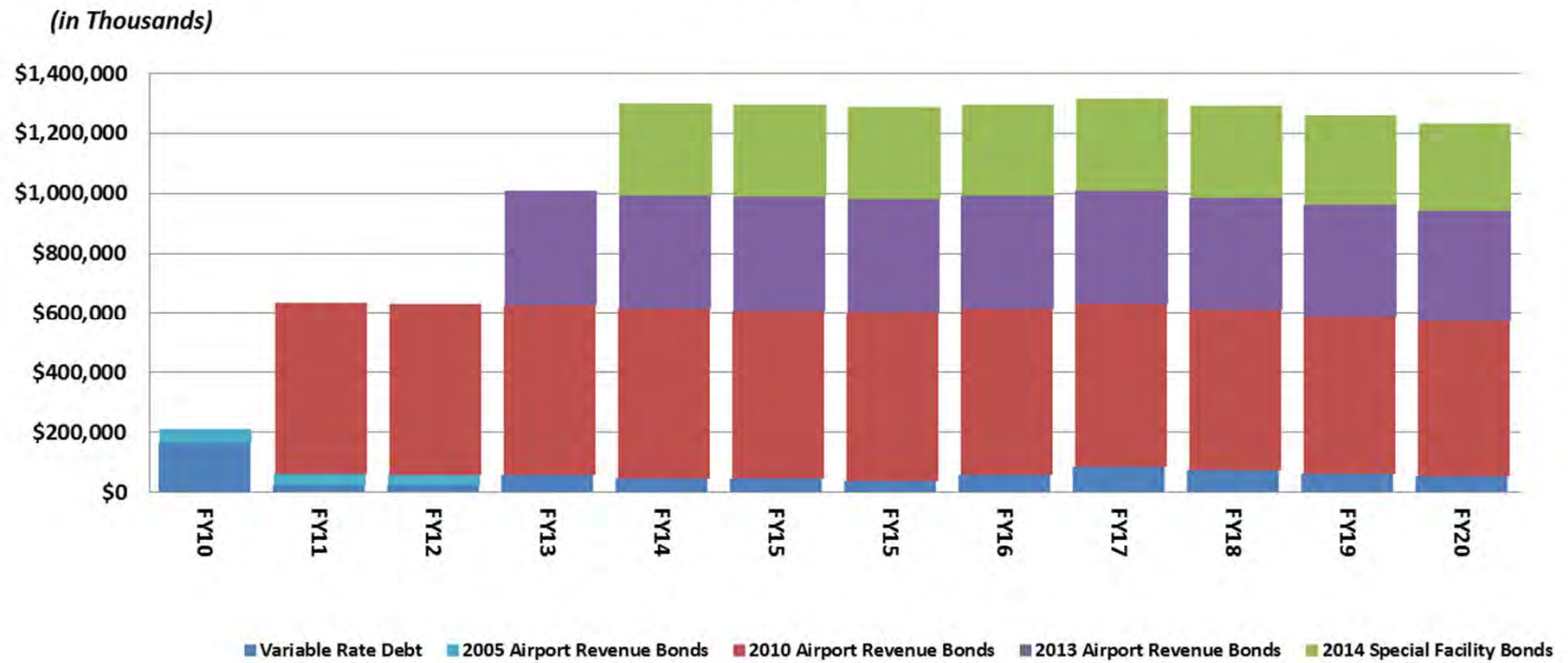
# Total Sources of Funds Pre FY2016-FY2020



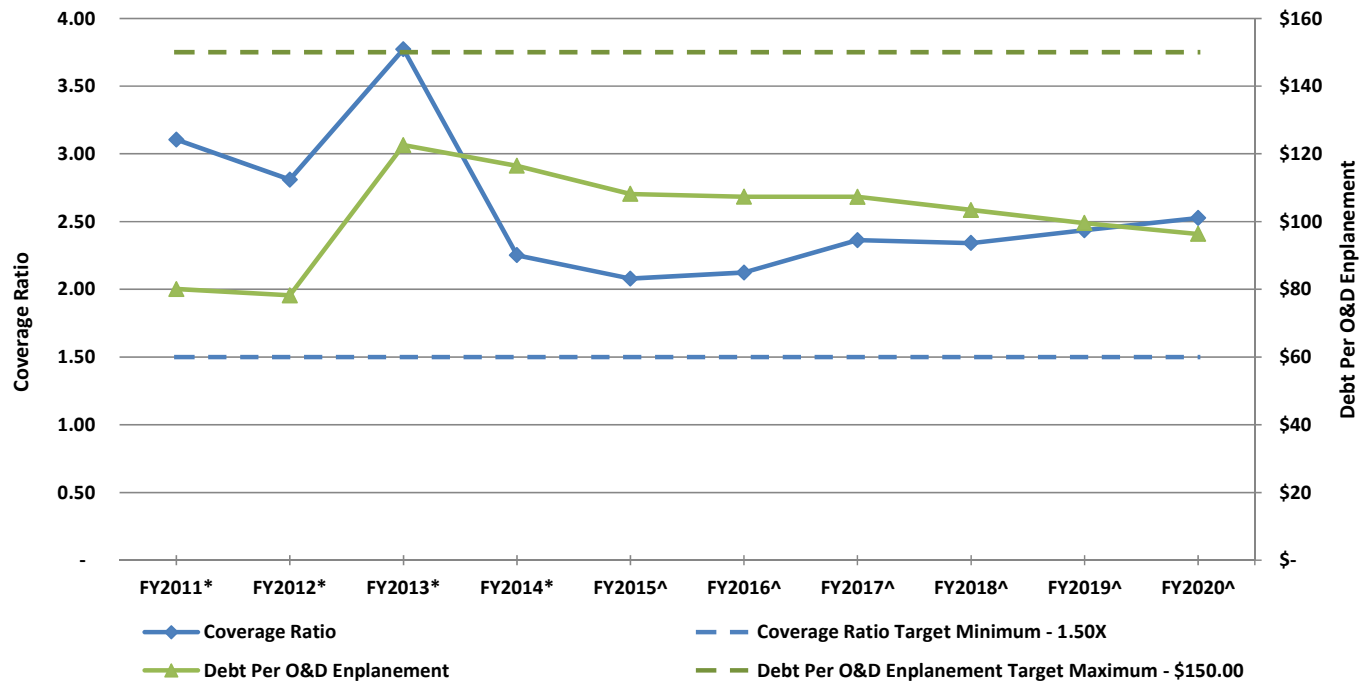


# Aggregate Debt

FY2010 - FY2020



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



\* Actuals  
^ Forecast

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

Fiscal Year	Enplanements	Enplanement Growth	Outstanding Debt <sup>1</sup>	Debt per O&D EPAX <sup>2</sup>	Debt Coverage <sup>3</sup>
FY2011*	8,441,120	-0.2%	\$ 635,298,000	80.07	3.11
FY2012*	8,575,475	1.6%	\$ 630,538,000	78.22	2.81
FY2013*	8,737,617	1.9%	\$ 1,006,595,572	122.56	3.77
FY2014*	9,082,244	3.9%	\$ 994,338,572	116.47	2.25
FY2015^	9,663,523	6.4%	\$ 982,374,572	108.15	2.08
FY2016^	9,828,000	1.7%	\$ 991,772,677	107.35	2.12
FY2017^	9,995,000	1.7%	\$ 1,008,132,572	107.30	2.36
FY2018^	10,125,000	1.3%	\$ 984,292,572	103.42	2.34
FY2019^	10,256,000	1.3%	\$ 959,738,572	99.55	2.44
FY2020^	10,380,000	1.2%	\$ 939,973,572	96.34	2.53

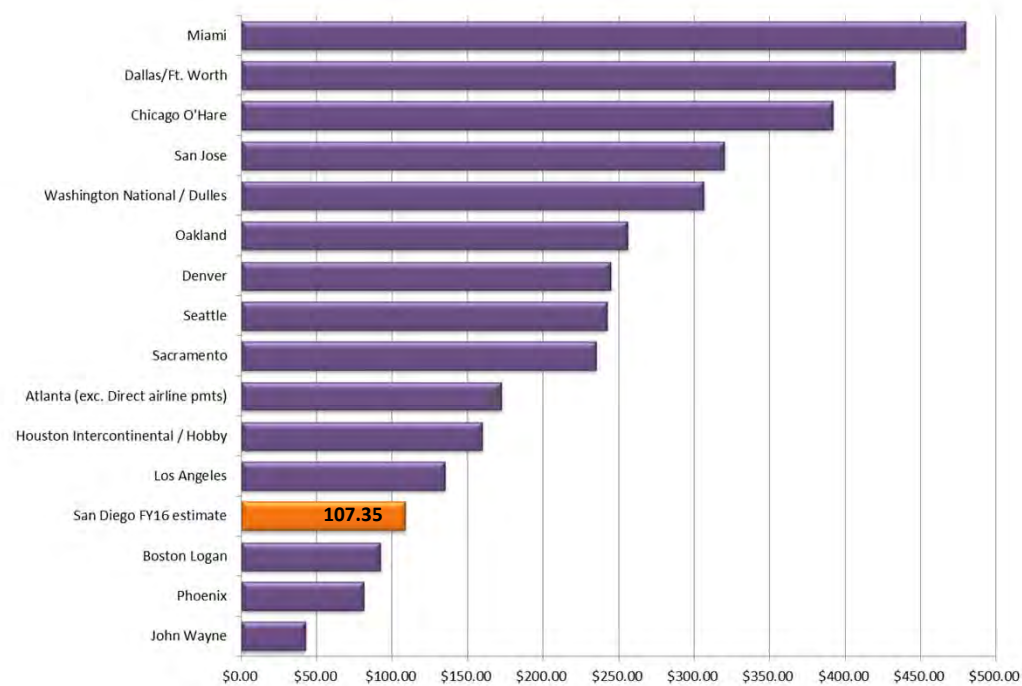
<sup>1</sup> Debt excludes Special Facility bonds

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

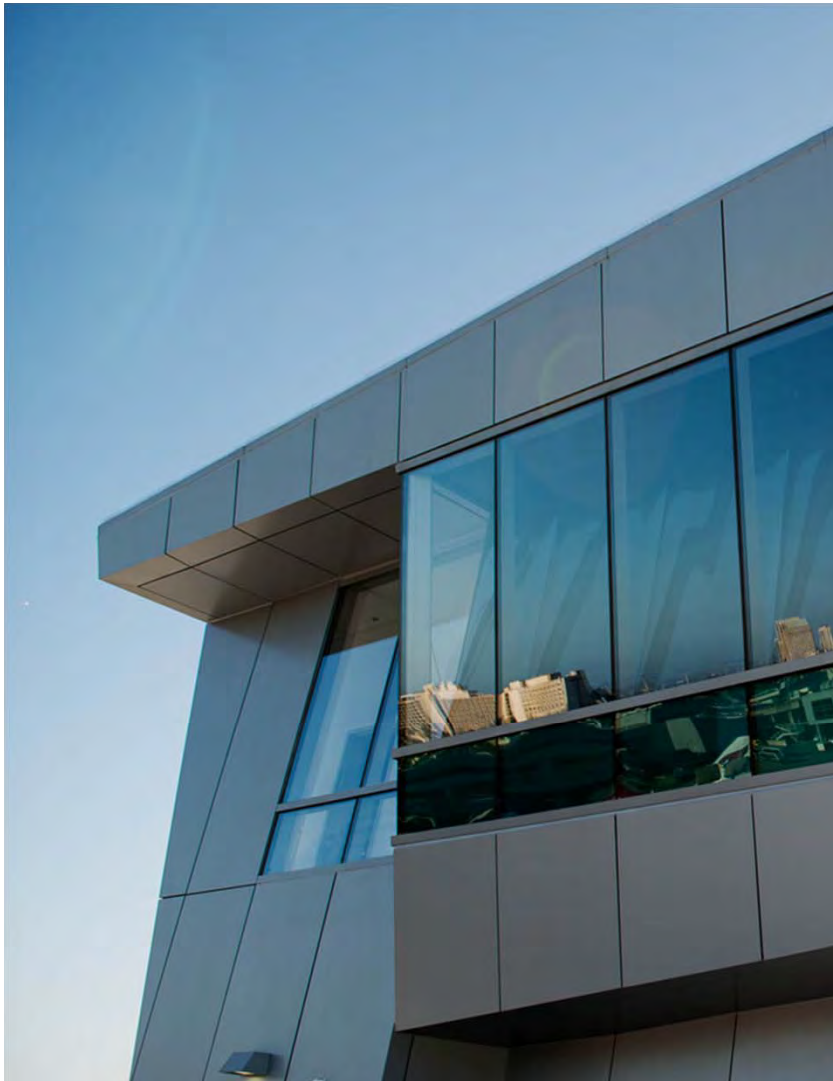
<sup>3</sup> Target minimum per Debt Policy: 1.50x

\* Actuals  
^ Forecast

# Airline Debt Per Origin & Destination (O&D) Enplanements by Select Airports



**Median (\$235.00) for the above selected Moody's rated airports**  
**Source: Moody's Investor Service, MFRA Database, as of April, 2015**



# Conclusion

# Conclusion

- Honors the Authority's legislative and regulatory mandates
- Provides necessary resources to accomplish the Authority's Strategies and Initiatives
- Enhances the financial position of the Authority through revenue enhancement and cost reduction/ containment
- Demonstrates the conservatism necessary to remain a sustainable enterprise
- Supports regional transportation partnerships and community outreach
- Maintains competitive rates for airline tenants and airport users
- Supports continued efforts to create sustainable Long Term Capital Plan and addresses facility maintenance needs