

**San Diego County Regional Airport Authority**  
**FY 2025 ADOPTED BUDGET &**  
**FY 2026 APPROVED CONCEPTUAL BUDGET**  
San Diego, California



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# Introductory Letter & Executive Summary



August 23, 2024

Gil Cabrera, Airport Authority Board Chair  
James Sly, Vice Chair  
Lidia S. Martinez  
Steve Vaus  
Esther C. Sanchez  
Rafael Perez  
Whitney Benzian  
Monica Montgomery Steppe  
Marni von Wilpert

Ex-Officio Members

Colonel Thomas M. Bedell  
Everett Townsend  
Michelle Perrault

Dear Airport Authority Board Members:

Establishing the budget is a systematic and deliberative process reflecting the Airport Authority Board's continuous leadership and direction as expressed through the San Diego County Regional Airport Authority's (SDCRAA, or Airport Authority) Strategic Plan. This year, the Airport Authority looks to record levels of passenger traffic and the addition of new Airlines at San Diego International Airport (SAN). At the same time, we continue to manage the construction of the New Terminal 1 Program (The New T1).

Amid the rapid changes and uncertainty of the economy, the Airport Authority remains committed to continuing the execution of our Strategic Plan. This Plan guides the Airport Authority to create an exceptional airport experience for our community and the world. It does so by aligning leadership and staff in their efforts to plan and build an enduring, resilient enterprise through effective management of financial, social, and environmental risks, opportunities, and obligations. Staff continue exploring creative methods to advance execution while cost-effectively utilizing resources.

Submitted herein is the Airport Authority's adopted Operating and Capital Budget for the Fiscal Year 2025 and approved Conceptual Budget for Fiscal Year 2026. The budget is the culmination of an extensive, collaborative effort, which included workshops with members of the Airport Authority Board and staff that evaluated the organization's operating and capital improvement needs and obligations. Multi-year budgeting aims to facilitate the integration of strategic and financial planning and resource allocation. Last year, the Airport Authority Board approved the Fiscal Year 2025 Conceptual Budget, which was revised through this year's budget process. Passenger activity has returned to historic levels, and as the Airport Authority looked deeply at the organization's needs and business prospects, we incorporated revenue and expense assumptions accordingly. After completing the Airport Authority's budget preparation and evaluation process, a revised Fiscal Year 2025 Budget was presented and

## Executive Summary

discussed with the Airport Authority Board at the May 18, 2024, Budget Workshop and at the June 1, 2024 formal adoption. In addition, the Fiscal Year 2026 Conceptual Budget was approved and will be revised to reflect any changes in initiatives, the aviation industry, and economic and geopolitical events next year.

The budget ensures adherence to the master and subordinate bond indenture requirements governing the Airport Authority's outstanding indebtedness and considers its obligations under state and federal law. It supports operating San Diego International Airport as a world-class facility while maintaining the fiscal conservatism necessary to remain financially strong. In addition to supporting the Airport Authority's financial and operational requirements, the budget, to the extent prudent and practicable, also addresses the organization's responsibilities related to meeting the long-term aviation needs of the region:

- ➔ Studying, planning, and implementing capital improvements to meet SAN's current and future facility requirements, including the New Terminal 1 (see [Capital Program](#)).
- ➔ Serving as the region's Airport Land Use Commission (ALUC), a responsibility that includes developing comprehensive land use plans for the public-use and military airports in San Diego County.
- ➔ Strategically directing the allocation of resources to enable the Airport Authority to operate SAN in a manner that exceeds customer expectations while simultaneously executing its legislative mandates and regulatory requirements.

The Fiscal Year 2025 Budget and Conceptual Fiscal Year 2026 Operating budget ("Budget") of \$468.9 million and \$520.9 million, respectively, marks the Airport Authority's 22<sup>nd</sup> fiscal year operating budget. The Fiscal Year 2025 and Conceptual Fiscal Year 2026 total Revenue budgets are \$683.6 million and \$704.4 million, respectively.

The Capital Program comprises; 1) The New Terminal 1 (New T1), and 2) The Capital Improvement Program (CIP). Collectively, these programs address SAN's current and future facility requirements and are budgeted at approximately \$4.3 billion.

Additional details are provided in the *Executive Summary*.

Maintaining the Airport Authority's strong and resilient financial position is essential; this budget accomplishes that initiative. Accordingly, every effort has been made to ensure that the Fiscal Year 2025 Budget and the Fiscal Year 2026 Conceptual Budget reflect the resources required to execute the Airport Authority's Strategic Plan initiatives as supported and directed by the Airport Authority Board.

Respectfully submitted,



**Kimberly J. Becker**

President | Chief Executive Officer



**Scott M. Brickner, CPA**

Vice President | Chief Financial Officer

## Executive Summary

### Strategic Plan

Our Strategic Plan is a blueprint that defines our initiatives and actions, which will advance the organization's purpose of creating an exceptional airport experience for our community and the world.

1. It gives clear directions to reach our destination.
2. Helps prioritize so we can do the right things at the right time.
3. Creates a clear plan and allows the team to track progress.

Our current strategic plan will extend at least through the completion of the first phase of the New Terminal 1 (New T1).

The Fiscal Year 2025 (FY 2025) and Fiscal Year 2026 (FY 2026) Conceptual Budgets reflect our aligned efforts based on four overarching Focus Areas: Advance Airport Development, Transform the Customer Experience, Optimize Ongoing Business, and Cultivating Our Culture. Corresponding Strategic Plan initiatives are listed below each Focus Area below:

#### **Advance Airport Development**

- Align facilities to meet demand, both international and domestic.
- Develop strategic workforce plans and associated hiring strategies to prepare for the New T1 activation.
- Evaluate multiple funding methods for the Capital Program (New T1 and CIP).
- Use technology to advance airport development.

#### **Transform the Customer Experience**

- Define and deliver a seamless, unique, consistent airport and product experience.
- Develop a future regional airport transportation plan that embraces technological advances.
- Enhance the arts and cultural program through strategic community partnerships.
- Raise awareness of significant projects.
- Invest/participate in innovation that improves efficiency or enhances revenue.
- Use technology to transform the customer experience.

#### **Optimize Ongoing Business**

- Attract domestic and international airlines and passengers.
- Implement the Sustainability Management Program.
- Partner with state and federal wildlife agencies to address growth and protect the least tern habitat.
- Execute regional engagement and education plan to communicate SAN's role in economic growth.
- Continue to focus on programs to reduce noise impacts.
- Ensure the Plan of Finance is flexible, nimble, and able to proactively address future changes.
- Evaluate contracts and partnerships for opportunities to improve revenue and expense profile.
- Institute business planning and strategic marketing process that evaluates return on investment.
- Manage ongoing business effectively through change.



## Executive Summary

- Use technology to optimize ongoing business.

### Cultivating Our Culture

- Create an effective succession and transition plan for ongoing leadership changes.
- Develop leaders to be better coaches who enable independent decision-making.
- Train and develop business-driven, agile, and collaborative capabilities.
- Attract a new generation of diverse employees and leaders.
- Develop compensation and benefits programs for a multi-generational workforce that recognizes individual strategic contributions.

Additional details are provided in the section titled ***Airport Authority Overview***.

## Passenger Satisfaction

At San Diego International Airport (SAN), passenger satisfaction is a top priority, and this is written into our Purpose Statement: creating an exceptional airport experience for our community and the world.

The Airport Authority launched an Airports Council International (ACI) Airport Service Quality survey in 2023 to gain insights into Terminal 2 passengers' travel behaviors and preferences, gathering valuable information to help improve the SAN customer experience. Based on ACI requirements, 350 passengers are surveyed per quarter, answering questions about modes of travel to/from the airport, experience with services at the airport, and interest in future amenities, among other topics.

## Economic and Operational Trends Affecting the Budget

Economic and industry trends drive passenger traffic and airline operations at SAN, directly impacting our operating environment and airport finances. Therefore, the enplaned passenger projections used in preparing this Budget were determined by evaluating Federal Aviation Administration (FAA) forecasts, recent operational trends, and airline schedules and service announcements.

US economic indicators indicate growth in Calendar Year (CY) 2024 compared to CY 2023. The drivers include more robust personal consumption expenditures and nonresidential investment. We continually monitor global, national, and local economic trends to evaluate potential impacts on Airport activity, revenues, and expenses. The current Bloomberg consensus estimate for CY 2023 US GDP growth is 2.5% (see *Figure 61 in Supplemental Data*).

The air trade area for SAN includes San Diego County, portions of neighboring Orange, Imperial, and Riverside Counties, and Baja California, Mexico. The Census Bureau estimates the population of San Diego County to be 3.27 million as of July 2023. The county is the second largest in California in terms of population, and the City of San Diego ranks as the second-largest city in the state. The majority of the county's population is concentrated in its western portion, adjacent to the ocean.

San Diego County enjoyed a relatively stable economic climate during the years leading up to the recent pandemic, the region economic recovery has been solid. The US Bureau of Labor Statistics notes that the county's average unemployment rate for June 2024 was 4.5%, compared to 5.3% for the State of California.

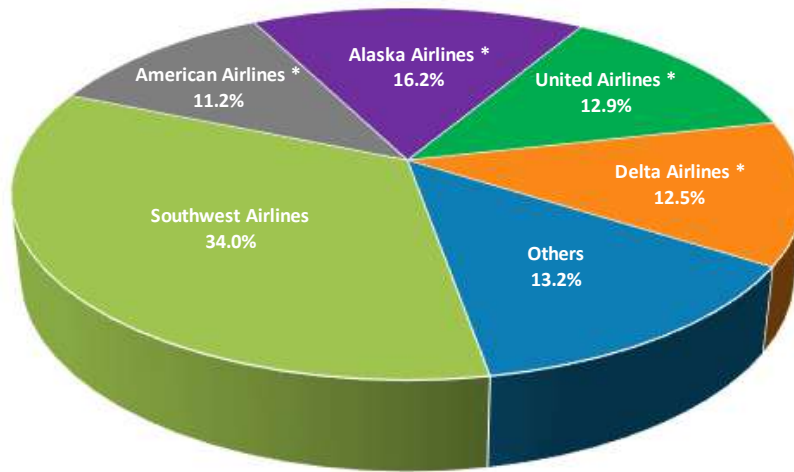
## Executive Summary

Based on experience, future airline traffic at SAN will likely continue to be affected by various forces and events. These include local, national, and international economic policies, geopolitical events, world health emergencies, federal regulatory and legislative actions, the financial health of the airline industry, fuel prices, and natural disasters. The Airport Authority cannot accurately predict these factors' long-term operational and financial effects on air travel. As a result, any long-term forecast the Airport Authority makes may vary materially from the actual results.

Given these uncertainties, it is beneficial for an airport to be served by a diverse carrier base that includes both legacy carriers and low-cost carriers. SAN is an origin-and-destination airport where no single carrier dominates and where multiple low-cost carriers serve the market. In CY 2023, air service was provided by 21 passenger airlines. Southwest Airlines, the largest carrier, served 34.0% of the passengers who traveled through SAN (see *Figure 1*); its lead in market share is expected to continue.

In CY 2023, low-cost carriers accounted for 8.8% of seat capacity and 9.0% of enplaned passengers. Their presence in certain markets stimulates pricing competition among all carriers, typically stimulating demand through lower fares.

**SAN Enplaned Passengers in CY 2023**



*\*Including regional affiliates*

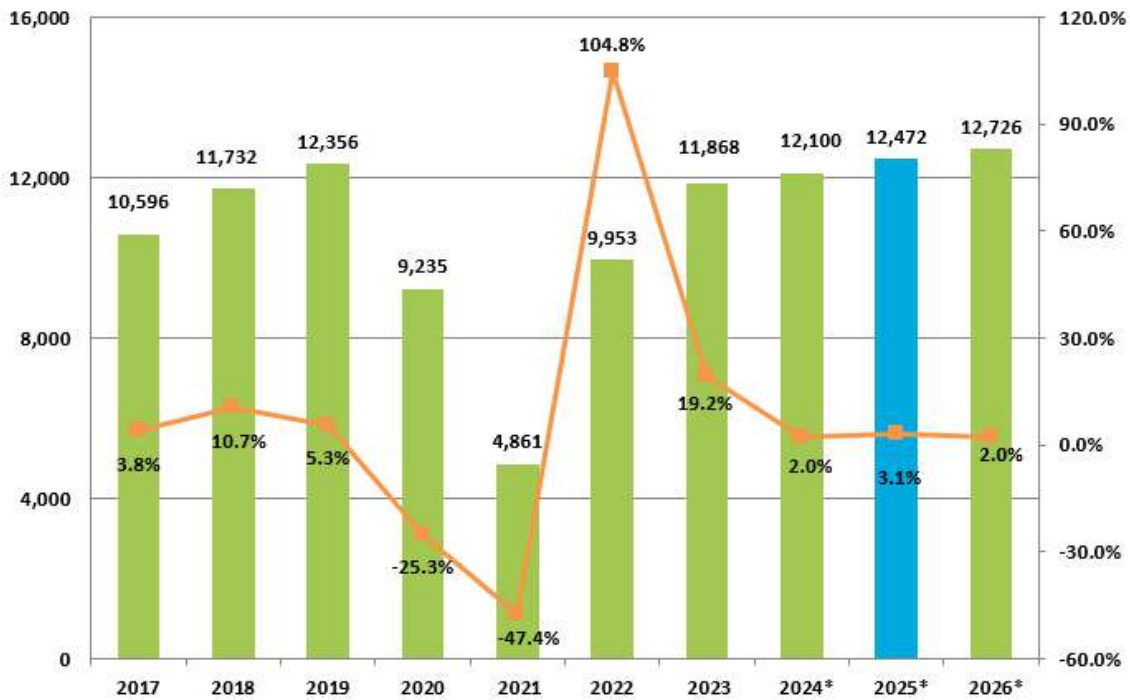
**Figure 1 – SAN Enplaned Passengers by Carrier**

## Executive Summary

In FY 2024, the airport saw the addition/resumption of nonstop service to Munich, Germany and to seven (7) additional domestic non-stop flight destinations including Cincinnati, OH; Jacksonville, FL; Norfolk, VA; Raleigh-Durham, NC; and Pittsburgh, PA. Additionally, Breeze Airways offers daily one-stop/no plane change “BreezeThru” flight service to Providence, RI and Hartford, CT. In FY 2024, SAN offered nonstop service to 73 domestic and 11 international destinations (including seasonal service). The Airport Authority’s Air Service Development team continues to pursue recovery of and expand international and domestic opportunities.

The aforementioned economic and industry factors are reflected in the FY 2025 Budget and the FY 2026 Conceptual Budget, which are predicated on the current trend of passenger enplanements, as shown in *Figure 2*. In FY 2025, enplaned passenger traffic at SAN is projected to increase to 12.5 million. Likewise, enplaned passengers are projected to increase by 2.0% to 12.7 million in the FY 2026 Conceptual Budget.

**Enplaned Passengers and Annual Growth by Fiscal Year**



\* Budgeted FY 2024, FY 2025, & FY 2026

**Figure 2 – Enplaned Passenger and Annual Growth**

## Executive Summary

### Budget Process

The Airport Authority operates on a July 1 through June 30 Fiscal Year. The annual budget cycle includes the preparation of two budgets: one for adoption by the Airport Authority Board for the upcoming fiscal year, and a conceptual budget for the subsequent fiscal year, which the Airport Authority Board approves but does not formally adopt. The budgeting process typically begins in October, with senior management collaborating with the Airport Authority Board to review the progress of the Strategic Plan, discuss strategy and policy, and update initiatives aimed at enhancing business and operational performance. From October to January, the management team engages in cross-functional discussions to make key decisions and to align divisional requirements and action plans with Strategic Plan initiatives. The Airport Authority Board is consulted frequently to gather input and direction throughout this period. Strategic planning workshops and detailed briefings on the proposed Operating and Capital Program Budgets are held with the Airport Authority Board as needed.

In January, the budget staff reviews financial results for the first six months of the fiscal year. In February and March, departments submit budget requests reflecting their needs to execute Strategic Plan initiatives. Meetings are conducted with each division's leadership to review their budget requests and assess the cost/benefit impact.

The next phase of the budgeting process is the creation of the Revenue Budget, which consists of Airline Revenue and Non-Airline Revenue. The Finance team first forecasts enplanements and landed weight in collaboration with Air Service Development. These forecasts are crucial for determining other revenue streams. Additionally, Finance reviews the current revenue trends and works with the Revenue Generation Department to project future trends in non-airline revenue. The expense budget, amortization, and debt service allocations are then incorporated into the Airline Rates, Fees and Charges model to calculate Airline Revenue. To complete the process, the Finance team reviews revenue and expense projections to ensure that the total budget supports a strong financial position.

From April to June, proposed operational and capital program budgets are distributed to the Airport Authority Board. During this period, a Board Budget Workshop, which is open to the public for comment, is held to review the budgets for input and guidance. The Airport Authority Board adopts the Budget as a whole, with the option to amend it throughout the year with Airport Authority Board approval.

## Executive Summary

Calendar Period	Action
<p><b>October – February</b></p>	<p>Review, update and formulate Authority strategies, goals and initiatives.</p> <p>Strategic Budget Workshops held with the Board, as appropriate.</p> <p>Cross-functional meetings to balance divisional operating requirements with strategies, goals and initiatives.</p>
<p><b>February – March</b></p>	<p>Departments draft objectives consistent with overall Authority strategies, goals and initiatives.</p> <p>Divisions update operating and capital budget plans and needs.</p> <p>Finance &amp; Risk Management staff reviews prior year's conceptual budget and prepares initial version of revenue budget and subsequent year's conceptual revenue budget.</p> <p>Departments develop and submit budget.</p> <p>Finance &amp; Risk Management staff consolidates results and evaluates major variances between the approved conceptual budget and the preliminary budget proposal.</p> <p>Budget meetings with divisions and CFO to review and discuss staffing and expense requests.</p> <p>Proposed staffing levels and proposed expenditures are reviewed and evaluated, and changes are made to requests in formulating the budget.</p>
<p><b>March – April</b></p>	<p>Budget meetings with President/CEO to review and discuss staffing and expense requests.</p> <p>Analysis prepared showing the major variance from the last adopted budget and approved conceptual budget to the preliminary budget proposal.</p>
<p><b>April – June</b></p>	<p>Final draft of the budget, and subsequent year's conceptual budget, is reviewed with CEO.</p> <p>Meeting held with airlines to present operating and capital budgets and resulting proposed airline rates and charges.</p> <p>Proposed operational and capital program budgets are distributed to Authority Board for review and direction.</p> <p>Budget workshop held with the Authority Board to review proposed budgets and provide input and guidance.</p> <p>Formal budget document is submitted to Authority Board for adoption.</p> <p>Formal budget is adopted and subsequent year conceptual budget is approved by the Authority Board.</p>

**Figure 3 – SDCRAA Budget Calendar**

## Executive Summary

### Financial Plan

The financial plan includes the FY 2025 Budget and the FY 2026 Conceptual Budget, which is influenced by several key factors. These include, the Authority's Purpose and Strategic Plan, Capital Program, the Airline Operating Lease Agreement (AOLA), and the master and subordinate bond indentures. Additionally, various grant opportunities through the Federal Aviation Administration (FAA) and other government agencies play a role. The Airport Authority signed a 10-year agreement with its airline partners, effective July 1, 2019, through June 30, 2029. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their airport use. Additional details are provided on page 19.

The Airport Authority derives its operating revenue from airline and non-airline revenue. The airline agreement discussed later in this narrative section provides further details on rates and charges. Non-airline operating revenue budgeted numbers were based on analysis of current agreements, recent trends, projected future events, enplanement growth, and historic revenue patterns.

Non-operating revenue of the Airport Authority is comprised of interest income, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and grant reimbursements).

The Airport Authority's debt management policy is designed to ensure compliance with the master and subordinate bond indentures, which dictate the terms of the Airport Authority's outstanding debt and establishes various reserves, as described in the Fund Balance and Debt Service sections of the Budget book.

Detailed descriptions are provided in the section titled ***Overview of Financial Policies and Guidelines.***

## Executive Summary

### Budget Summary

The following table summarizes the forecasted revenue and expenses of the FY 2025 Budget and FY 2026 Conceptual Budget before depreciation, bond principal repayment, and capital equipment outlay.

<i>(In Thousands)</i>	FY 2023 Actuals	FY 2024 Budget	FY 2025 Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY 2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Budget	% Change
<b>Operating Revenue</b>								
<b>Airline Revenue</b>								
Landing Fees	\$ 44,741	\$ 53,621	\$ 62,874	\$ 9,253	17.3%	\$ 68,467	\$ 5,593	8.9%
Aircraft Parking Fees	11,189	13,405	15,718	2,313	17.3%	17,117	1,398	8.9%
Building Rentals	129,744	148,651	156,370	7,719	5.2%	178,566	22,196	14.2%
Security Surcharge	-	-	-	-	0.0%	-	-	0.0%
Common Use Fees	10,951	10,185	10,507	322	3.2%	13,388	2,882	27.4%
Other Aviation Revenue	(3,828)	(2,343)	(1,454)	889	-37.9%	(748)	707	-48.6%
<b>Total Airline Revenue</b>	<b>192,797</b>	<b>223,519</b>	<b>244,015</b>	<b>20,496</b>	<b>9.2%</b>	<b>276,791</b>	<b>32,776</b>	<b>13.4%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent Non-Airline	2,729	2,589	2,745	156	6.0%	2,754	9	0.3%
Terminal Concessions	31,850	32,697	33,281	584	1.8%	37,837	4,556	13.7%
Rental Car License Fees	43,124	40,951	44,019	3,068	7.5%	45,210	1,191	2.7%
License Fees - Other	8,661	8,299	9,364	1,064	12.8%	9,542	178	1.9%
Parking Revenue	46,325	52,215	63,006	10,791	20.7%	69,004	5,998	9.5%
Ground Transportation Permits and Citations	19,090	20,287	20,603	317	1.6%	21,579	976	4.7%
Ground Rentals	26,195	25,832	26,741	908	3.5%	27,278	537	2.0%
Grant Reimbursements	292	296	-	(296)	-100.0%	-	-	0.0%
Other Operating Revenue	3,443	1,789	1,861	72	4.0%	2,053	192	10.3%
<b>Total Non-Airline Revenue</b>	<b>181,708</b>	<b>184,955</b>	<b>201,620</b>	<b>16,664</b>	<b>9.0%</b>	<b>215,256</b>	<b>13,637</b>	<b>6.8%</b>
<b>Total Operating Revenue</b>	<b>374,505</b>	<b>408,474</b>	<b>445,634</b>	<b>37,160</b>	<b>9.1%</b>	<b>492,047</b>	<b>46,413</b>	<b>10.4%</b>
<b>Operating Expenses</b>								
Personnel Costs	51,231	58,215	63,076	4,862	8.4%	68,276	5,200	8.2%
Contractual Services	45,581	55,775	59,897	4,122	7.4%	66,979	7,082	11.8%
Safety and Security	33,043	37,248	39,828	2,580	6.9%	42,809	2,981	7.5%
Space Rental	10,805	10,573	11,024	451	4.3%	11,033	9	0.1%
Utilities	17,567	21,566	23,433	1,867	8.7%	32,000	8,567	36.6%
Maintenance	16,417	12,767	16,242	3,475	27.2%	14,838	(1,403)	-8.6%
Operating Equipment & Systems	922	355	441	86	24.3%	477	36	8.2%
Operating Supplies	661	765	823	58	7.6%	967	144	17.4%
Insurance	1,997	2,219	2,568	349	15.7%	3,267	699	27.2%
Employee Development	681	949	1,007	59	6.2%	1,046	38	3.8%
Business Development	1,916	3,193	3,908	715	22.4%	4,295	386	9.9%
Equipment Rentals and Repairs	3,392	4,223	4,623	400	9.5%	4,884	260	5.6%
Tenant Improvements	734	857	1,178	322	37.6%	1,226	47	4.0%
<b>Total Operating Expenses before Depreciation &amp; Amortization</b>	<b>184,946</b>	<b>208,703</b>	<b>228,050</b>	<b>19,347</b>	<b>9.3%</b>	<b>252,097</b>	<b>24,047</b>	<b>10.5%</b>
<b>Income from Operations before Depreciation &amp; Amortization</b>	<b>189,558</b>	<b>199,772</b>	<b>217,584</b>	<b>17,813</b>	<b>8.9%</b>	<b>239,950</b>	<b>22,366</b>	<b>10.3%</b>
<b>Non-Operating Revenue/(Expenses)</b>								
Passenger Facility Charges	46,755	45,854	49,120	3,266	7.1%	50,103	982	2.0%
Customer Facility Charges	34,375	34,544	35,438	895	2.6%	36,147	709	2.0%
QHP Revenue	19,024	19,663	20,028	365	1.9%	11,760	(8,268)	-41.3%
QHP Expense	(21,075)	(21,763)	(23,028)	(1,265)	5.8%	(14,700)	8,328	-36.2%
BAB Interest Rebate	-	-	-	-	0.0%	-	-	0.0%
Interest Income	45,387	43,915	89,258	45,342	103.2%	55,210	(34,047)	-38.1%
Interest Expense	(154,154)	(169,711)	(192,959)	(23,249)	13.7%	(233,131)	(40,171)	20.8%
Bond Amortization Costs	26,690	26,072	25,125	(947)	-3.6%	24,424	(701)	-2.8%
Other Non Operating Revenue/(Expense)	10,022	(25)	(250)	(225)	900.0%	-	250	-100.0%
<b>Total Non-Operating Revenue/(Expenses), Net</b>	<b>7,024</b>	<b>(21,450)</b>	<b>2,732</b>	<b>24,182</b>	<b>-112.7%</b>	<b>(70,186)</b>	<b>(72,918)</b>	<b>-2669.2%</b>
<b>Income/ (Loss) before Capital Grant Contributions and Federal Relief</b>	<b>196,582</b>	<b>178,322</b>	<b>220,316</b>	<b>41,994</b>	<b>23.5%</b>	<b>169,764</b>	<b>(50,552)</b>	<b>-22.9%</b>
Capital Grant Contributions	52,287	65,934	44,160	(21,774)	-33.0%	59,158	14,998	34.0%
<b>Net Income/ (Loss) before Federal Relief</b>	<b>248,869</b>	<b>244,256</b>	<b>264,476</b>	<b>20,220</b>	<b>8.3%</b>	<b>228,922</b>	<b>(35,554)</b>	<b>-13.4%</b>
Federal Relief	-	-	-	-	0.0%	-	-	0.0%
<b>Net Income/ (Loss) before Depreciation, Principal &amp; Capital Outlay</b>	<b>\$ 248,869</b>	<b>\$ 244,256</b>	<b>\$ 264,476</b>	<b>\$ 20,220</b>	<b>8.3%</b>	<b>\$ 228,922</b>	<b>\$ (35,554)</b>	<b>-13.4%</b>

\* Excludes principal payments on debt and capital outlay  
(Table excludes GASB non-cash entries)

## Executive Summary

Total Operating revenues for FY 2025 are budgeted at \$445.6 million, an increase of \$37.2 million (9.1%) over the FY 2024 Budget. This revenue reflects two sources: 1) Airline revenue of \$244.0 million and 2) Non-Airline revenue of \$201.6 million. Airline revenue primarily comes from landing fees, aircraft parking fees, building rentals, common-use fees, and other aviation related sources. Non-Airline revenue includes public parking and ground transportation fees, terminal and other concessions, rental car fees, ground rents, and other operating revenues. FY 2026, operating revenues are budgeted at \$492.0 million, an increase of \$46.4 million (10.4%). Of this, \$276.8 million is from Airline revenue and \$215.3 million is from Non-Airline revenue.

Total FY 2025 Airline revenue includes an increase of \$20.5 million (9.2%) compared to the FY 2024 Budget. This increase is driven primarily by a reduction of \$10.5 million in federal relief funds being applied to reduce Airline Rents, Fees, and Charges as compared to FY 2024 and a \$16.2 million increase in operating and maintenance expenses, including utilities and contracted services offset by savings of \$6.4M in debt service on 2010 bond refunding.

Total FY 2026 Airline revenue is budgeted to increase by \$32.8 million (13.4%) compared to FY 2025. This increase is mainly due to a \$10.9M increased operating and maintenance expenses related to the increased campus size with the opening of Phase 1 of New T1. Also \$16.9M of increased debt service expenses as new debt comes online.

Total FY 2025 Non-Airline revenue projects a net increase of \$16.7 million (9.0%) from the FY 2024 Budget. The increases are primarily driven by: 1) a \$3.1 million increase in rental car license revenue and a \$0.6 million increase in concessions revenue, reflecting a revenue budget based on a percentage of gross sales; 2) a \$10.8 million increase in parking revenue due to increased passenger activity and additional parking capacity following the opening of phase 1 of the New T1 parking plaza in early FY 2025; 3) a \$1.0 million increase in in-flight and ground handling license fee revenue, driven by higher activity levels from increased enplanements and expanded services; and 4) a \$0.9 million increase in ground rentals revenue attributable to rising consumer price index (CPI) adjustments.

Total FY 2026 Non-Airline revenue is budgeted to increase by \$13.6 million (6.8%) compared to FY 2025. The increase is driven by an increase of \$6.0 million in parking revenue due to the full operation of the New T1 parking plaza in FY 2026, \$4.6 million increase in concessions revenue, increases of \$1.0 million in ground transportation revenue, and \$1.2 million in rental car license revenue.

The divisional and departmental operating expense budgets of \$228.1 million, which address the Airport Authority's overall strategies, initiatives, and mandated obligations, reflect an increase of \$19.3 million (9.3%) in the FY 2025 operating expense Budget from the FY 2024 Budget. In addition, FY 2026 operating expenses are projected to increase by \$24.0 million (10.5%) over the FY 2025 Budget.

The FY 2025 Operating Expense increase of \$19.3 million (9.3%) is driven by several factors. First, salaries and wages, including overtime and benefits, are projected to increase by \$5.2 million (7.9%) over the FY 2024 Budget, reflecting increases due to pay-for-performance adjustments, contracted wage increases, and staffing level growth with the addition of 23 new positions. Additionally, higher capitalized labor expenses have contributed to a net increase of \$4.9 million (8.4%) in personnel expenses for the FY 2025 Budget compared to FY 2024.

In FY 2025, Contractual Services is budgeted to increase of \$4.1 million (7.4%) from the FY 2024 Budget, reflecting an increase in parking, shuttle operations, and other contractual increases. FY 2025 Utility costs are projected to increase by \$1.9 million (8.7%) due to rate increases, and Maintenance costs are expected to increase by \$3.5 million (27.2%).



## Executive Summary

FY 2026 Operating Expenses are budgeted to increase by \$24.0 million (10.5%); this increase reflects staffing level increases with the addition of 11 new positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. In addition, the increase in non-personnel expenses is primarily driven by utilities, contractual services, and safety and security costs. These increases are largely due to the opening of Phase 1 of the New T1 in late summer 2025.

FY 2025 Non-Operating revenue/(expense) is projected to decrease by \$24.2 million (112.7%) from the FY 2024 Budget, primarily reflecting an increase of \$45.3 million in interest income offset by a \$23.M decrease in interest expense due to Bonds issuance. Other increases include increased Passenger Facility Charges (PFCs) and Customer Facility Charges (CFCs). Capital Grant contributions are budgeted to decrease by \$21.8M due to fewer expected Federal grants associated with the New T1.

FY 2026 Non-Operating revenue/(expense) is budgeted to decrease by \$72.9 million versus the FY 2025 Budget, mainly due to higher interest expenses from new Bonds issuance and lower interest income due to draw down of cash from the 2023 Bonds to fund construction of New T1. This is partly offset by increase of \$15.0M in capital Grant contributions associated with the New T1.

## Projected Fund Balance

The Airport Authority Fund Balance is generally defined as the difference between its assets and liabilities. The Airport Authority's fund balance statement projects that FY 2025 cash and investments will decrease by \$724.7 million to \$1,813.6 million versus the FY 2024 Projected balance of \$2,538.3 million. This decrease of 28.5% from the FY 2024 Projected balance reflects spending of funds received in FY 2024 from the Series 2023 bond issuance. FY 2026 cash and investments are projected to increase by \$196.3 million (10.8%) to \$2,009.9 million, mainly reflecting a further anticipated New T1 bond issuance, partially offset by capital expenditures.

## Capital Program

The Airport Authority maintains a five-year Capital Program that is intended to address critical improvements and asset preservation of SAN. Capital Expenditures are defined as anything with a useful life of more than one year and a cost greater than \$5,000. The Airport Authority's current Capital Program includes projects started before FY 2025, as well as new projects to be undertaken at SAN between FY 2025 and FY 2029, including the New Terminal 1 (New T1), at an estimated total cost of approximately \$4,264.3 million (see additional information in Replacement of Terminal 1 (New T1) section below).

Potential capital projects are developed and evaluated based on both their compatibility with the Strategic Plan, as well as their consistency with the following criteria:

- Safety
- Security
- Regulatory
- Capacity
- Customer Service
- Cost Containment
- Revenue Enhancement

Funding sources for projects in the Capital Program include the Federal Aviation Administration's Airport Improvement Program (AIP), Transportation Security Administration (TSA) reimbursable agreements, Passenger

## Executive Summary

Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport operating revenues, Airport revenue bonds, Special Facility Bonds and short-term borrowing using a revolving line of credit.

### Sources of Funds

*In thousands*

Airport Revenue Bonds	\$3,341,874
Airport Cash	516,455
Federal Grants	328,730
Major Maintenance Fund	60,104
Other	16,991
Passenger Facility Charges	185
<b>Total Sources of Funds</b>	<b>\$4,264,339</b>

### Uses of Funds by Location

*In thousands*

Terminal	\$3,072,503
Landside & Ancillary	557,829
Airside	450,033
Administrative	183,974
<b>Total Use of Funds</b>	<b>\$4,264,339</b>

The projected FY 2025 Capital Program expenditures total \$914.4 million, and the projected FY 2026 expenditures are \$579.6 million. The section titled **Capital Program** discusses these expenditures and provides detailed descriptions.

### Replacement of Terminal 1 (New T1)

While we pride ourselves on providing first-class passenger experience, we acknowledge that is not always possible in the 55-year-old Terminal 1. That is why the Airport Authority is continuing progress with the New T1 program which will replace Terminal 1 with a larger, more efficient facility that enhances the airport experience. The New T1 project includes airfield enhancements, significant improvements to roadways serving the airport, and a designated transit station area on airport property that will allow the airport to connect to a regional transportation solution that will ultimately be identified by our regional partners.

The New T1 program will optimize the 661-acre airport site to accommodate increasing demand while maintaining high passenger satisfaction levels. Construction began in the second half of 2021—the first phase is scheduled to open in late summer 2025, and the project is scheduled to be completed in early 2028.

# Executive Summary

## Airline Operating Lease Agreement (AOLA)

The Airport Authority has Airline Operating Lease Agreements (AOLA) with passenger airlines and cargo carriers operating at SAN. The AOLAs cover rate-setting mechanisms for the airfield and terminal facilities at SAN. The term commenced on July 1, 2019, and terminates on June 30, 2029.

The agreement establishes the following fees for signatory airlines:

	Unit	FY 2025 Budget	FY 2026 Conceptual Budget
Landing Fee	1,000 lbs	\$4.38	\$4.68
Aircraft Parking Position Rental Rate	per space	\$217,411	\$236,752
Aircraft Parking Position Turn Fee	per turn	\$180.74	\$192.96
Aircraft Parking Position Overnight Fee	per overnight	\$542.23	\$578.89
Terminal Rental Rate	sq ft.	\$303.44	\$324.09
Joint Use Fee (90%)	per enplanement	\$6.82	\$9.45
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$803,342	\$1,135,243
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$189,468	\$267,746
Common Use Fee	per enplanement	\$1.20	\$1.13
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00

*Non-signatory airlines will pay a 120% premium on the above rates except for FIS fees.*

**Figure 4 – Airline Rates, Fees, and Charges**

Based on the fees above, the airline cost per enplaned passenger is projected to be \$18.79 for FY 2025 and \$20.94 for the FY 2026 Conceptual Budget.

The section titled **Budget Overview: Revenue** provides additional details about the agreement and rates, fees, and charges.

The agreement has no provisions that grant the airlines direct approval rights over capital projects, except for certain transportation projects exceeding a total of \$350 million, as defined in the AOLA. It also allows flexibility to meet the demands of varying airline activity and capacity for new entrant carriers. The terms of the agreement financially support the execution of the New T1.

## Outstanding Debt

As of July 1, 2024, the Airport Authority’s outstanding long-term debt will consist of \$ 3,801.1 million of subordinate airport revenue bonds (Series 2017, 2019, 2020, 2021, and 2023 Bonds) and \$262.0 million of senior special facility revenue bonds. The Airport Authority does not have a legal debt limit. The master bond indenture requires the Airport Authority to establish certain reserves and to maintain net revenues (after the payment of operation and maintenance expenses) equal to at least 1.25 times annual senior lien debt service and subordinate net revenues at 1.10 times annual subordinate lien debt service. The Airport Authority Board-approved debt

## Executive Summary

policy calls for minimum aggregate of 1.40 times. The Airport Authority Board-approved target includes PFCs used to pay debt service and any federal relief used to pay the debt as Net Revenues, rather than deducting these items from debt service (the revenue method).

In July 2021, the Airport Authority and Bank of America NA agreed to a \$200.0M Subordinate Revolving Credit Agreement. This agreement renewed with a Revised and Restated Agreement on July 18, 2024. As of the date of the Revised and Restated Revolving Credit agreement there was no outstanding balance.

Further discussion of the Airport Authority’s debt is provided in the Debt Service section of this document. Debt service coverage (consisting of operating revenue minus operating expenses divided by principal and interest requirements for the fiscal year) is displayed in *Figure 5*. For FY 2025, debt service coverage on revenue method aggregate debt is projected to be 3.25 times and 2.02 times for FY 2026.

The following table shows debt service coverage on aggregate, senior and subordinate lien debt. The subordinate lien debt includes Series 2017, 2019, 2020, 2021, and 2023 Bond.

	FY 2023 Actuals	FY 2024 Budget	FY 2025 Budget	FY 2026 Conceptual Budget
Aggregate Debt Service Coverage - Revenue Method (x)	2.33	2.48	3.25	2.02
Senior Lien Debt Service Coverage (x)	n/a	n/a	75.15	16.87
Subordinate Lien Debt Service Coverage (x)	2.33	2.48	3.35	2.91

**Figure 5 – Debt Service Coverage**

## Nineteenth Consecutive Award of the GFOA Distinguished Budget Presentation Award

The Airport Authority received its nineteenth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual Budget for the fiscal year beginning July 1, 2023. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments in preparing budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

A governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device to receive this award.

This award is valid for one year only. However, we believe our current Budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**San Diego County Regional Airport Authority  
California**

For the Fiscal Year Beginning

**July 01, 2023**

*Christopher P. Morill*

Executive Director

# Airport Authority Overview



## **Airport Authority Overview**

### **Board of Directors**

**Gil Cabrera, Airport Authority Board Chair**

**James Sly, Vice Chair**

**Lidia S. Martinez**

**Steve Vaus**

**Esther C. Sanchez**

**Rafael Perez**

**Whitney Benzian**

**Monica Montgomery Steppe**

**Marni von Wilpert**

### **Ex-Officio Members**

**Col. Thomas M. Bedell**

**Everett Townsend**

**Michele Perrault**

## Airport Authority Overview

### Executive Management Team

#### **Kimberly Becker**

PRESIDENT / CHIEF EXECUTIVE OFFICER

#### **Amy Gonzalez**

GENERAL COUNSEL

#### **Lee Parravano**

CHIEF AUDITOR

#### **Scott Brickner**

VICE PRESIDENT / CHIEF FINANCIAL OFFICER

*Finance Division*

#### **Hampton Brown**

VICE PRESIDENT / CHIEF REVENUE OFFICER

*Revenue Management & Innovation Division*

#### **Rick Francis**

VICE PRESIDENT / CHIEF OPERATIONS OFFICER

*Operations Division*

#### **Angela Shafer-Payne**

VICE PRESIDENT / CHIEF DEVELOPMENT OFFICER

*Development Division*



## Airport Authority Overview

### Director Staff

#### **Monty Bell**

DIRECTOR

*Human Resources*

#### **Jessica Bishop**

DIRECTOR

*Information & Technology Services*

#### **Bob Bolton**

DIRECTOR

*Airport Design & Construction*

#### **Michelle Brega**

SENIOR DIRECTOR

*External Relations*

#### **Andre Bruckner**

DIRECTOR

*Business Intelligence*

#### **Maya Dayan**

DIRECTOR

*Capital Financial Planning & Airline Relations*

#### **John Dillon**

DIRECTOR

*Finance & Risk Management*

#### **Jon Graves**

DIRECTOR

*Marketing, Arts, & Air Service Development*

#### **Matt Harris**

DIRECTOR

*Government Relations*

#### **Jonathan Heller**

DIRECTOR

*Communications*

#### **Sjohnna Knack**

DIRECTOR

*Planning, Noise, & Environmental*

#### **Stephen Mosca**

DIRECTOR

*Facilities Management*

#### **Mark Nichols**

DIRECTOR

*Ground Transportation*

#### **Brendan Reed**

SENIOR DIRECTOR

*Operational Readiness, Activation, & Transition*

#### **Elizabeth Stewart**

DIRECTOR

*Accounting*

#### **Jana Vargas**

DIRECTOR

*Procurement*

#### **Clint Welch**

DIRECTOR

*Aviation Security & Public Safety*

#### **Deanna Zachrisson**

DIRECTOR

*Revenue Generation & Partnership Development*

#### **Vacant**

DIRECTOR

*Airside & Terminal Operations*

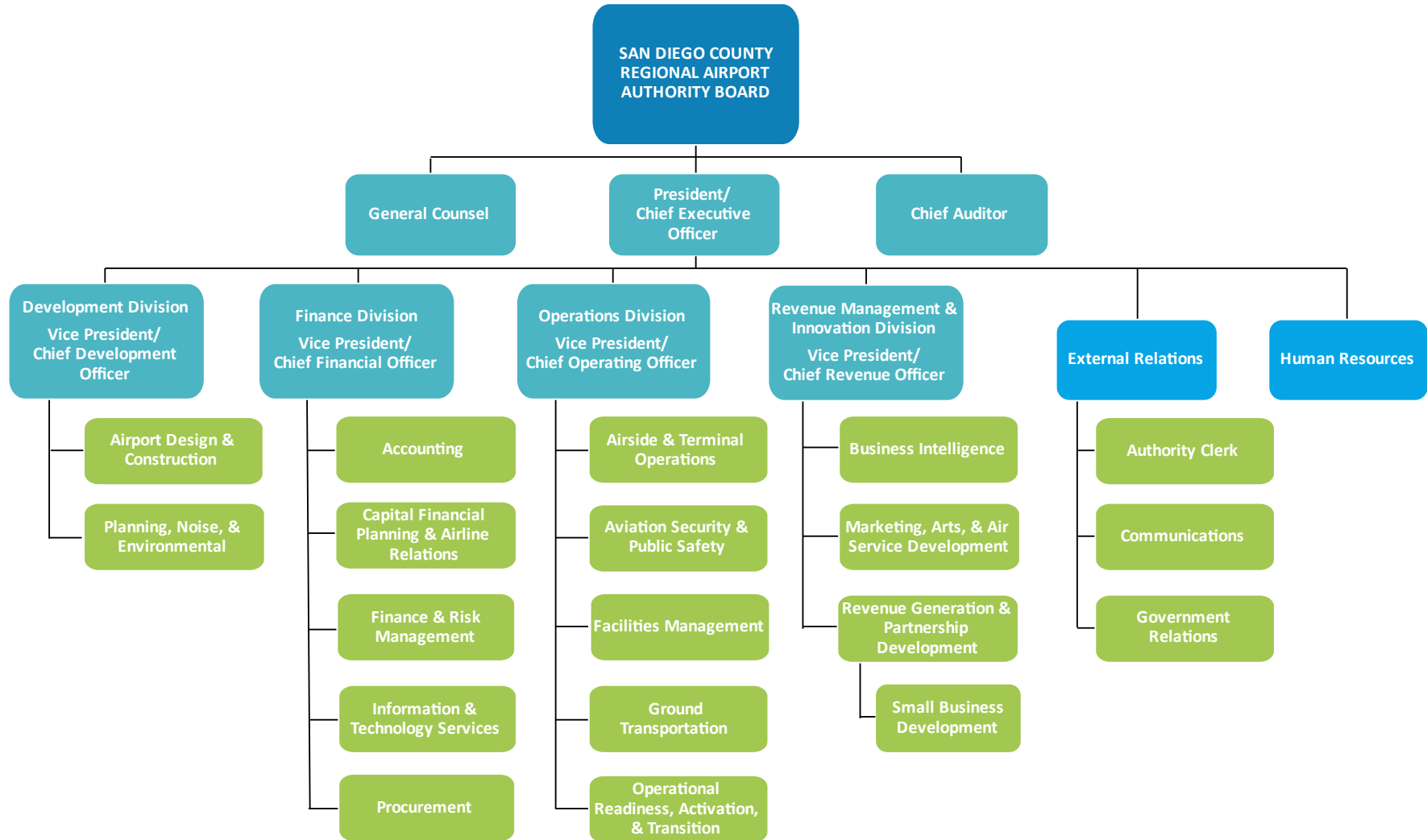
#### **Vacant**

DIRECTOR

*Authority Clerk*

# Airport Authority Overview

## SDCRAA Organizational Structure



## Airport Authority Overview

### Purpose, Culture & Leadership Mindsets

In fiscal year 2023, the Executive Leadership team and Authority Senior leaders collaboratively developed a vision for the future. After an extensive period of collaboration, they crafted our Purpose Statement. This process involved input from all levels of staff. Following the creation of the Purpose Statement, the team also formulated a Culture Statement and our Leadership Mindsets. Let us look at these three statements:

**Purpose Statement** Creating an exceptional airport experience for our community and the world.

**Culture Statement** At SDCRAA, culture begins with diversity. Together, we build trust and a sense of belonging by empowering our teams to grow.

**Leadership Mindset** We embrace inclusivity, believe in the best in people, actively listen, collaborate, show empathy, and make thoughtful decisions.

### Organizational Strategies and Initiatives

Regarding organizational strategies and initiatives, the Airport Authority has made significant progress in executing its strategic plan, reaffirming its long-term goals. Originally set to expire in FY 2022, the plan was extended due to the pandemic and the construction of the New T1. In FY 2023, the Executive Leadership Team and Airport Authority Senior Leaders collaborated to refresh the Strategic Plan and update strategic initiatives. The following four focus areas, along with their associated initiatives, serve as guiding principles for allocating scarce and restricted resources to SAN programs during the annual budget process.

#### Advance Airport Development

Address the future air service needs of our region through the development of facilities that support the Airport Authority's Capital Program, including the New T1.

#### Initiatives:

- Align facilities to meet demand, both international and domestic.
- Develop strategic workforce plans and associated hiring strategy in preparation for the New T1 activation.
- Evaluate multiple funding methods for the Capital Program (New T1 and CIP).
- Use technology to advance airport development.

## Airport Authority Overview

### Transform the Customer Experience

Implement innovative technologies, programs, and services that provide an exceptional airport experience for our customers.

#### Initiatives:

- Define and deliver a seamless, unique, consistent airport and product experience.
- Develop a future regional airport transportation plan that embraces technological advances.
- Solicit champions to tell our story.
- Enhance the arts and cultural program through strategic community partnerships.
- Raise awareness of significant projects.
- Invest/participate in innovation that improves efficiency or enhances revenue.
- Use technology to transform the customer experience.

### Optimize Ongoing Business

Identify, invest, and integrate programs that will allow the airport to operate efficiently, and proactively address the future needs of the airport.

#### Initiatives:

- Attract domestic and international airlines and passengers.
- Implement the Sustainability Management Program.
- Implement a sustainable 20-year capital plan.
- Partner with state and federal wildlife agencies to address growth and protect the least tern habitat.
- Execute regional engagement and education plan to communicate SAN's role in economic growth.
- Continue to focus on programs to reduce noise impacts.
- Ensure the Plan of Finance is flexible, nimble, and able to proactively address future changes.
- Evaluate contracts and partnerships for opportunities to improve revenue and expense profile.
- Institute business planning and strategic marketing process that evaluates return on investment.
- Manage ongoing business effectively through change.
- Use technology to optimize ongoing business.

## Airport Authority Overview

### Cultivating Our Culture

Our culture starts with diversity and together we build trust and a sense of belonging by empowering our teams to grow.

#### Initiatives:

- Create an effective succession and transition plan for ongoing leadership changes.
- Develop leaders to be better coaches who enable independent decision-making.
- Train and develop business-driven, agile, and collaborative capabilities.
- Attract a new generation of diverse employees and leaders.
- Develop compensation and benefits programs for a multi-generational workforce that recognizes individual strategic contributions.
- Use technology to cultivate our culture.

These focus areas are guiding department goal setting efforts and guiding our budgeting process for the upcoming fiscal cycle.

# Overview of Financial Policies & Guidelines



## Financial Policies and Guidelines

### Overview

The Airport Authority operates as an Enterprise Fund and prepares its budget on the accrual basis of accounting. The Airport Authority's annual audited financial statements are also prepared on the accrual basis. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Airport Authority has a single fund with multiple revenue sources and operates as a separate and independent, local government entity.

The Airport Authority's budget process actively incorporates various financial policies and guidelines articulated by the Board and Executive Staff. The budget process and outcome are performance-based and focused on strategic focus areas, initiatives, and key operating financial indicators. The adopted budget gives the Airport Authority the legal basis for which to expend funds. The operating and capital budgets are discrete documents; however, there are certain expenses within the operating budget that support the capital budget. The incremental effect on the operating budget of capital projects is projected and taken into consideration when the operating budget and forecasts are developed.

All Airport Authority codes and policies can be accessed on the Airport Authority website at:

<https://www.san.org/airport-authority/codes-policies>

**Balanced Budget:** The Airport Authority will prepare a budget on an annual basis. The Airport Authority's definition of a balanced budget is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds. A balanced budget is an integral part of maintaining the Airport Authority's financial position. Strategies employed to attain this balance include cost reductions, personnel, and service efficiencies, developing and diversifying non-airline revenues and increasing fees to match program expenses.

**Revenue:** The Airport Authority will seek to maintain a diversified revenue stream with the goal of keeping airline rates and charges as reasonable as possible. The Airport Authority will establish, fix, prescribe and collect rates, fees, rentals, and charges in connection with the Airport System so that during each fiscal year net revenues (generally defined as operating revenue less operating expenses) equal at least 140% of aggregate annual debt service on outstanding bonds.

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

**Debt Management:** Debt enables the funding for the Airport Authority to build projects that will subsequently be repaid from future revenues. The term "debt" is used in the policy to describe numerous types of financial obligations of the Airport Authority, which may include bonds, subordinate obligations, special facility obligations and other financings of the Airport Authority. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent fiscal management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Airport Authority's access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity.

On May 6, 2010, the Airport Authority adopted a "Debt Issuance and Management Policy" to govern the debt issuance and management policies and practices of the Airport Authority. The policy is reviewed and updated annually by the Board. The policy stipulates that the Airport Authority's debt issuance and management objectives be to:

## Financial Policies and Guidelines

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing bond covenant.
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost.
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Airport Authority.
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described in the policy.
- Provide the required secondary market disclosure to the rating agencies, institutional and retail investors via appropriate repositories.
- Comply with all federal and state laws and regulations, as well as bond indenture, tax compliance and reimbursement agreement covenants.
- Protect the assets and funds entrusted to the Airport Authority.

The Airport Authority reviews its outstanding debt, at least annually, for determining refinancing or restructuring opportunities, commensurate with applicable tax laws, to lessen its debt service costs. In order to consider refunding of an issue for economic purposes, a present value analysis must be prepared and minimum threshold for savings must be met. The Airport Authority will only issue long-term debt if it meets the required covenants of the outstanding bond indenture including the additional bonds test and reserve requirements.

When the Airport Authority finances capital projects by issuing long-term debt, it will pay back the bonds within a period not to exceed the estimated useful life of the project. The Airport Authority will not use long-term debt for current operations. The Airport Authority will maintain good communications with the bond rating agencies regarding its financial condition and will follow a policy of full disclosure in every financial report and offering prospectus. For Senior Lien Airport Revenue Bonds, it will strive to maintain ratings from at least two of the leading rating agencies and at a minimum seeks to maintain a rating in the highest category of “A” (e.g., A1 and A+).

On September 6, 2007, the Airport Authority adopted a “Policy Regarding the Use and Management of Derivative Products.” A derivative is a financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values. Derivative products can be an important interest rate management tool that, when used properly, can increase the Airport Authority’s financial flexibility, provide opportunities for interest rate savings, alter the pattern of debt service payments, create variable rate exposure, change variable rate payments to fixed rate and otherwise limit or hedge variable rate payments.

This Derivatives Policy was constructed by Airport Authority staff and its financial advisor after obtaining and evaluating the policies of more than 25 major issuers, including airports and counties throughout the country. In addition, sources such as the Government Finance Officers Association, the national trade association for governmental entities and the credit rating agencies, who have written reports on the evaluation of credit risks associated with derivative products, were consulted.

The adopted policy provides for the following:

- Allows the Airport Authority to use derivatives to increase its financing flexibility.
- Ensures that derivatives are used appropriately and not for speculative purposes.
- Provides detailed and conservative criteria regarding qualifications of firms making swap payments (counterparties) or providing financial guarantees, including collateral requirements and exposure limits, to



## Financial Policies and Guidelines

ensure that the Airport Authority maintains maximum flexibility and security when negotiating a specific derivative agreement.

- Provides detailed monitoring and evaluation on an ongoing basis to identify all actual and potential risks associated with outstanding and anticipated derivative agreements.
- Requires Board approval of each agreement based upon guidelines provided for in the policy.
- Enhances price transparency by requiring derivative products to be competitively bid (unless the Board approves an alternative method).
- Allows the Board the flexibility to change the policy in the future in response to market conditions, new products, or other factors.

To date, the Airport Authority has not entered into any derivative contracts associated with its current bond issues.

**Liquidity/Reserves:** The Airport Authority will maintain prudent unrestricted reserves as a backstop necessary to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Airport Authority’s budgeting and capital planning process.

The Airport Authority’s unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year (see *Figure 49* in Performance Indicators).

(in thousands)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Projected
Unrestricted & Undesignated Cash and Available Funds	\$ 229,731	\$ 292,336	\$ 386,267	\$ 322,300	\$ 390,719	\$ 517,197	\$ 358,041
Unrestricted & Designated for Specific Capital Projects & Other Commitments	\$ 39,294	\$ 26,209	\$ 11,686	\$ 22,494	\$ 16,190	\$ 16,004	\$ 90,739
O&M and R&R Reserves	\$ 62,346	\$ 62,912	\$ 63,145	\$ 62,380	\$ 65,948	\$ 69,675	\$ 69,675
Total Unrestricted & Available Funds per Board Policy	\$ 331,371	\$ 381,457	\$ 461,098	\$ 407,175	\$ 472,857	\$ 602,876	\$ 518,455
Operating Expenses	\$ 157,674	\$ 166,376	\$ 152,679	\$ 139,602	\$ 156,925	\$ 178,214	\$ 194,609
<b>Days Cash on Hand</b>	<b>767</b>	<b>837</b>	<b>1,102</b>	<b>1,065</b>	<b>1,100</b>	<b>1,235</b>	<b>972</b>

**Figure 6 – FY 2018 to FY 2024 Projected and Historical Liquidity**

**Budgetary Control:** The Finance Committee of the Board oversees the financial performance and condition of the Airport Authority and reviews the operating and capital budget and financial plan, and major financial policies or actions of the Airport Authority. Board policy stipulates that the Finance Committee shall meet at least quarterly each year; however, the practice has been monthly reviews of the Airport Authority’s financial performance by both the Finance Committee and the full Board.

**Investments:** The Airport Authority invests public funds in a manner that will provide the highest level of security while meeting the daily cash needs of the Airport Authority. The investment policies and practices of the Airport Authority are based upon prudent money management precepts and conform to all state and local statutes governing the investment of public funds.

## Financial Policies and Guidelines

The Airport Authority's Investment policy is reviewed annually and adopted by the Board. This annual review is performed to ensure the Airport Authority Board has continued oversight and approval of the policies, rules, and performance regarding the investment of Airport Authority funds. The policy adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§ 16429.1 and 53600 et seq. ("Code"). In addition, the Board delegates the Airport Authority to invest and manage the funds of the Airport Authority to the Airport Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. The existence of an approved investment policy demonstrates that the Airport Authority Board and staff are fiducially responsible, thereby promoting the trust and confidence of the public that it serves.

**Capital Program:** The capital program provides for the orderly development of the Airport Authority. Each year the President/Chief Executive Officer (CEO) submits to the Airport Authority Board a development program of desirable capital improvement projects that are within the Airport Authority's financial funding capability. The President/CEO identifies each capital improvement project as to its need. Factors to be considered may include, but are not necessarily limited to public need, useful life, and return on investment, maintenance and operating costs, construction costs, possible alternatives, and sources of funding.

# Overview of Projected Fund Balance



## Overview of Projected Fund Balance

The Airport Authority Fund Balance is generally defined as the difference between its assets and liabilities. The Airport Authority's fund balance statement projects that FY 2025 cash and investments will decrease by \$724.7 million to \$1,813.6 million versus the FY 2024 Projected balance of \$2,538.3 million. This decrease of 28.5% from the FY 2024 Projected balance is mostly due to the draw down of bond funds to pay for the New T1 project. FY 2026 cash and investments are projected to increase by \$196.3 million (10.8%) to \$2,009.9 million, mainly reflecting a further anticipated New T1 bond issuance, partially offset by capital expenditures.

<i>(in thousands)</i>	FY 2023 Actual	FY 2024 Budget	FY 2024 Projected	FY 2025 Budget	FY 2026 Conceptual Budget
<b>Beginning Fund Balance:</b>	<b>\$2,768,725</b>	<b>\$2,316,357</b>	<b>\$2,338,975</b>	<b>\$2,538,315</b>	<b>\$1,813,635</b>
<b>Source of Funds</b>					
<b>Operating Revenue:</b>					
Receipts from customers	362,505	408,475	409,316	445,634	492,047
<b>Total Operating Revenue</b>	<b>362,505</b>	<b>408,475</b>	<b>409,316</b>	<b>445,634</b>	<b>492,047</b>
<b>Non-Operating Revenue &amp; Other Financing:</b>					
Federal Grants received (excluding Quieter Home Program)	56,758	65,934	131,067	44,160	59,158
Passenger Facility Charges Receipts	43,905	45,854	47,805	49,120	50,103
Customer Facility Charges Receipts	34,090	34,544	34,559	35,438	36,147
Bond Proceeds	-	914,100	1,061,980	-	877,262
Principal Payments received on Notes Receivable	4,767	2,541	2,634	2,732	2,833
Interest Received from Notes Receivable & Investments	39,206	43,915	72,300	89,378	55,185
Other Funding Sources	3,738	4,774	5,338	3,436	10,642
Hydrant Fuel Cost Recovery	2,437	2,437	2,523	3,364	3,364
<b>Total Non-Operating Revenue</b>	<b>184,901</b>	<b>1,114,099</b>	<b>1,358,207</b>	<b>227,628</b>	<b>1,094,693</b>
<b>Total Revenues</b>	<b>547,406</b>	<b>1,522,574</b>	<b>1,767,523</b>	<b>673,262</b>	<b>1,586,740</b>
<b>Use of Funds</b>					
<b>Operating Expenses:</b>					
Payments to Suppliers & Employees	(176,116)	(193,122)	(194,681)	(213,107)	(236,480)
Pension contribution					
<b>Total Operating Expenses</b>	<b>(176,116)</b>	<b>(193,122)</b>	<b>(194,681)</b>	<b>(213,107)</b>	<b>(236,480)</b>
<b>Non-Operating Expenses:</b>					
Capital Expenditures	(130,395)	(130,480)	(236,624)	(185,670)	(139,357)
Capital Expenditures Financed from Bond Proceeds	(449,000)	(882,779)	(801,150)	(712,792)	(430,395)
Capital Expenditures Financed from Major Maintenance Fund	(18,096)	(13,336)	(4,854)	(26,439)	(19,964)
Debt Refunding	-	-	(111,981)	-	(262,000)
Quieter Home Program, net and Joint Studies	(2,051)	(150)	(3,781)	(3,126)	(2,940)
Customer Facility Charges (CFC) Expenditures	(7,787)	(10,386)	(13,933)	(14,551)	(15,079)
Principal on Bonds and Variable rate debt paid	(40,360)	(43,385)	(43,385)	(38,915)	(34,500)
Interest and Debt Fees Paid (excl PFC funding)	(73,916)	(78,333)	(78,890)	(85,560)	(145,172)
Capitalized Interest Debt Service Payment	(76,324)	(76,437)	(79,947)	(119,904)	(106,617)
Airline Support Building Tenant Improvement	-	-	-	-	-
Payment of capital lease	(554)	(877)	(878)	(877)	(877)
<b>Total Non-Operating Expenses</b>	<b>(801,040)</b>	<b>(1,236,138)</b>	<b>(1,373,502)</b>	<b>(1,184,834)</b>	<b>(1,153,962)</b>
<b>Total Expenses</b>	<b>(977,156)</b>	<b>(1,429,260)</b>	<b>(1,568,183)</b>	<b>(1,397,941)</b>	<b>(1,390,442)</b>
<b>Excess (Deficit) of Source over Use of Funds</b>	<b>(429,751)</b>	<b>93,314</b>	<b>199,340</b>	<b>(724,679)</b>	<b>196,297</b>
<b>Ending Fund Balance</b>	<b>\$2,338,975</b>	<b>\$2,409,671</b>	<b>\$2,538,315</b>	<b>\$1,813,635</b>	<b>\$2,009,933</b>
Unrestricted Cash and Investments	\$517,309	\$611,641	\$509,861	\$490,957	\$306,858
<b>Total Bonds Reserves</b>	<b>1,518,466</b>	<b>1,405,959</b>	<b>1,625,099</b>	<b>844,300</b>	<b>1,173,000</b>
<b>Total Other Restricted Funds</b>	<b>303,200</b>	<b>392,072</b>	<b>403,354</b>	<b>478,378</b>	<b>530,075</b>
<b>Ending Fund Balance</b>	<b>\$2,338,975</b>	<b>\$2,409,672</b>	<b>\$2,538,315</b>	<b>\$1,813,635</b>	<b>\$2,009,933</b>

(Table excludes GASB non-cash entries)

# Financial Projections



## Financial Projections

Based on the actual results experienced by the Airport Authority during FY 2023 and the budgets for FY 2024, FY 2025 and FY 2026, the following table shows projections for FY 2027.

Achievements of these projections are dependent upon the occurrence of a variety of future events, many of which are beyond the Airport Authority's control. Therefore, variations are to be expected and may be material.

*(in thousands)*

	FY 2023 Actuals	FY 2024 Budget	FY 2025 Budget	FY 2026 Conceptual Budget	FY 2027 Projected
<b>Total Airline Revenue</b>	\$ 192,797	\$ 223,519	\$ 244,015	\$ 276,791	\$ 294,400
<b>Total Non-Airline Revenue</b>	181,708	184,955	201,620	215,256	210,497
<b>Total Operating Revenue</b>	374,505	408,474	445,634	492,047	504,897
<b>Total Operating Expenses before Depreciation &amp; Amortization</b>	184,946	208,703	228,050	252,097	260,793
<b>Income from Operations before Depreciation &amp; Amortization</b>	189,558	199,772	217,584	239,950	244,104
<b>Non-Operating Revenue/(Expenses)</b>					
Passenger Facility Charges	46,755	45,854	49,120	50,103	51,663
Customer Facility Charges	34,375	34,544	35,438	36,147	36,870
Quieter Home Program (Net) & Joint Studies	(2,051)	(2,100)	(3,000)	(2,940)	(2,940)
BAB Interest Rebate	-	-	-	-	-
Interest Income	45,387	43,915	89,258	55,210	35,316
Interest Expense	(154,154)	(169,711)	(192,959)	(233,131)	(229,570)
Bond Amortization Costs	26,690	26,072	25,125	24,424	23,803
Other Non Operating Revenue/(Expense)	10,022	(25)	(250)	-	-
<b>Total Other Non-Operating Revenue, Net</b>	<b>7,024</b>	<b>(21,450)</b>	<b>2,732</b>	<b>(70,186)</b>	<b>(84,857)</b>
<b>Income before Capital Grant Contributions</b>	<b>196,582</b>	<b>178,322</b>	<b>220,316</b>	<b>169,764</b>	<b>159,246</b>
Capital Grant Contributions	52,287	65,934	44,160	59,158	40,260
<b>Net Income/ (Loss) before Federal Relief</b>	<b>248,869</b>	<b>244,256</b>	<b>264,476</b>	<b>228,922</b>	<b>199,506</b>
Federal Relief	-	-	-	-	-
<b>Net Income before Depreciation, Principal &amp; Capital Outlay</b>	<b>\$ 248,869</b>	<b>\$ 244,256</b>	<b>\$ 264,476</b>	<b>\$ 228,922</b>	<b>\$ 199,506</b>

*(Table excludes GASB non-cash entries)*

## Financial Projections

	Unit	FY 2023 Actuals	FY 2024 Budget	FY 2025 Budget	FY 2026 Conceptual Budget
Landing Fee	1,000 lbs	\$3.22	\$3.69	\$4.38	\$4.68
Aircraft Parking Position Rental Rate	per space	\$154,286	\$186,363	\$217,411	\$236,752
Aircraft Parking Position Turn Fee	per turn	\$118.24	\$190.60	\$180.74	\$192.96
Aircraft Parking Position Overnight Fee	per overnight	\$354.73	\$571.81	\$542.23	\$578.89
Terminal Rental Rate	sq ft.	\$264.46	\$292.56	\$303.44	\$324.09
Joint Use Fee (90%)	per enplanement	\$5.90	\$6.76	\$6.82	\$9.45
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$675,998	\$793,846	\$803,342	\$1,135,243
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$155,954	\$182,075	\$189,468	\$267,746
Common Use Fee	per enplanement	\$1.35	\$1.30	\$1.20	\$1.13
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00	\$10.00	\$10.00
Cost Per Enplanement		\$15.84	\$17.83	\$18.79	\$20.94
Debt Service Coverage		2.33	2.48	3.25	2.02
Enplanements *		11,868	12,100	12,472	12,721
% Increase in Enplanements versus prior year		-47.4% <sup>(1)</sup>	2.0%	3.1%	2.0%

Non-signatory airlines will pay 120% premium on the above rates except for FIS fees

\* In thousands

<sup>1</sup> Comparison to prior year actuals

**Figure 7 – FY 2023 Actuals to FY 2026 Conceptual Budget**

# Budget Overview: Revenue





## Revenue Overview

### FY 2025 Revenue Budget – FY 2026 Conceptual Revenue Budget

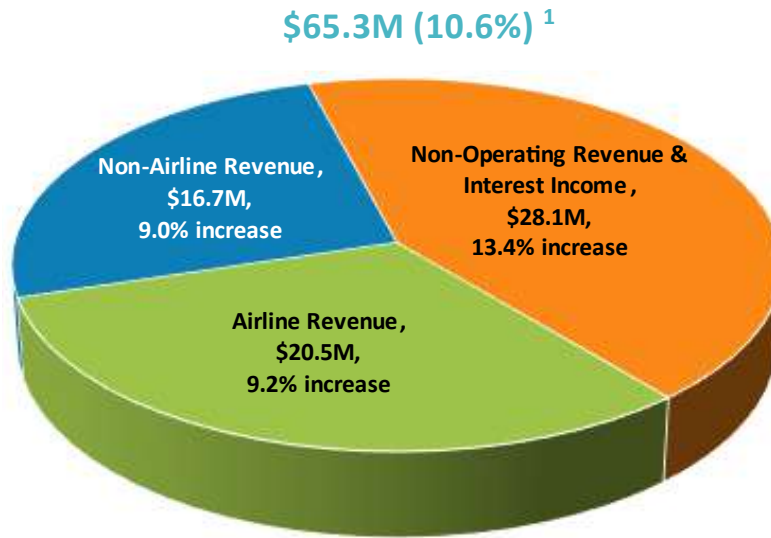
<i>(in thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Proposed vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Budget	% Change
<b>Operating Revenue</b>								
<b>Airline Revenue</b>								
Landing Fees	\$44,741	\$53,621	\$62,874	\$9,253	17.3%	\$68,467	\$5,593	8.9%
Aircraft Parking Fees	11,189	13,405	15,718	2,313	17.3%	17,117	1,398	8.9%
Building Rentals	129,744	148,651	156,370	7,719	5.2%	178,566	22,196	14.2%
Common Use Fees	10,951	10,185	10,507	322	3.2%	13,388	2,882	27.4%
Other Aviation Revenue	(3,828)	(2,343)	(1,454)	889	-37.9%	(748)	707	-48.6%
<b>Total Airline Revenue</b>	<b>192,797</b>	<b>223,519</b>	<b>244,015</b>	<b>20,496</b>	<b>9.2%</b>	<b>276,791</b>	<b>32,776</b>	<b>13.4%</b>
<b>Non-Airline Revenue</b>								
Terminal Rent Non-Airline	2,729	2,589	2,745	156	6.0%	2,754	9	0.3%
Terminal Concessions	31,850	32,697	33,281	584	1.8%	37,837	4,556	13.7%
Rental Car License Fees	43,124	40,951	44,019	3,068	7.5%	45,210	1,191	2.7%
License Fees - Other	8,661	8,299	9,364	1,064	12.8%	9,542	178	1.9%
Parking Revenue	46,325	52,215	63,006	10,791	20.7%	69,004	5,998	9.5%
Ground Transportation Permits and Citations	19,090	20,287	20,603	317	1.6%	21,579	976	4.7%
Ground Rentals	26,195	25,832	26,741	908	3.5%	27,278	537	2.0%
Grant Reimbursements	292	296	-	(296)	-100.0%	-	-	0.0%
Other Operating Revenue	3,443	1,789	1,861	72	4.0%	2,053	192	10.3%
<b>Total Non-Airline Revenue</b>	<b>181,708</b>	<b>184,955</b>	<b>201,620</b>	<b>16,664</b>	<b>9.0%</b>	<b>215,256</b>	<b>13,637</b>	<b>6.8%</b>
<b>Total Operating Revenue</b>	<b>374,505</b>	<b>408,474</b>	<b>445,634</b>	<b>37,160</b>	<b>9.1%</b>	<b>492,047</b>	<b>46,413</b>	<b>10.4%</b>
<b>Interest Income</b>	<b>45,387</b>	<b>43,915</b>	<b>89,258</b>	<b>45,342</b>	<b>103.2%</b>	<b>55,190</b>	<b>(34,067)</b>	<b>-38.2%</b>
<b>Non-Operating Revenue</b>								
Passenger Facility Charges	46,755	45,854	49,120	3,266	7.1%	50,103	982	2.0%
Customer Facility Charges	34,375	34,544	35,438	895	2.6%	36,147	709	2.0%
Quieter Home Program	19,024	19,663	20,028	365	1.9%	11,760	(8,268)	-41.3%
Capital Grant Contributions	52,287	65,934	44,160	(21,774)	-33.0%	59,158	14,998	34.0%
Other Non Operating Revenue	11,922	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Revenue</b>	<b>164,363</b>	<b>165,995</b>	<b>148,747</b>	<b>(17,248)</b>	<b>-10.4%</b>	<b>157,167</b>	<b>8,421</b>	<b>5.7%</b>
<b>Total Revenue</b>	<b>\$584,255</b>	<b>\$618,385</b>	<b>\$683,638</b>	<b>\$65,254</b>	<b>10.6%</b>	<b>\$704,405</b>	<b>20,766</b>	<b>3.0%</b>

*(Table excludes GASB non-cash entries)*

## Revenue Overview

### FY 2025 Revenue Budget Increase vs FY 2024 Budget

(in millions)

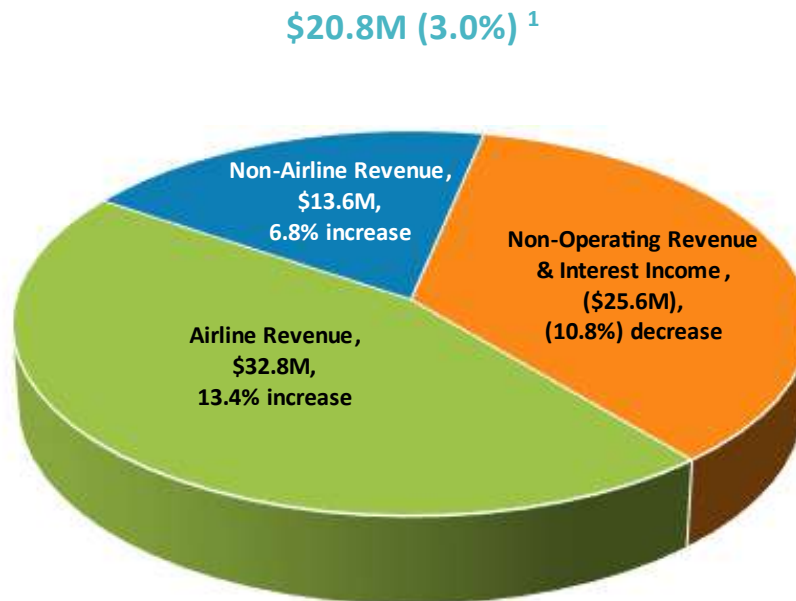


<sup>1</sup> Total may differ due to rounding.

Figure 8 – FY 2025 Revenue Variance

### FY 2026 Revenue Budget Increase vs FY 2025 Budget

(in millions)



<sup>1</sup> Total may differ due to rounding.

Figure 9 – FY 2026 Revenue Variance

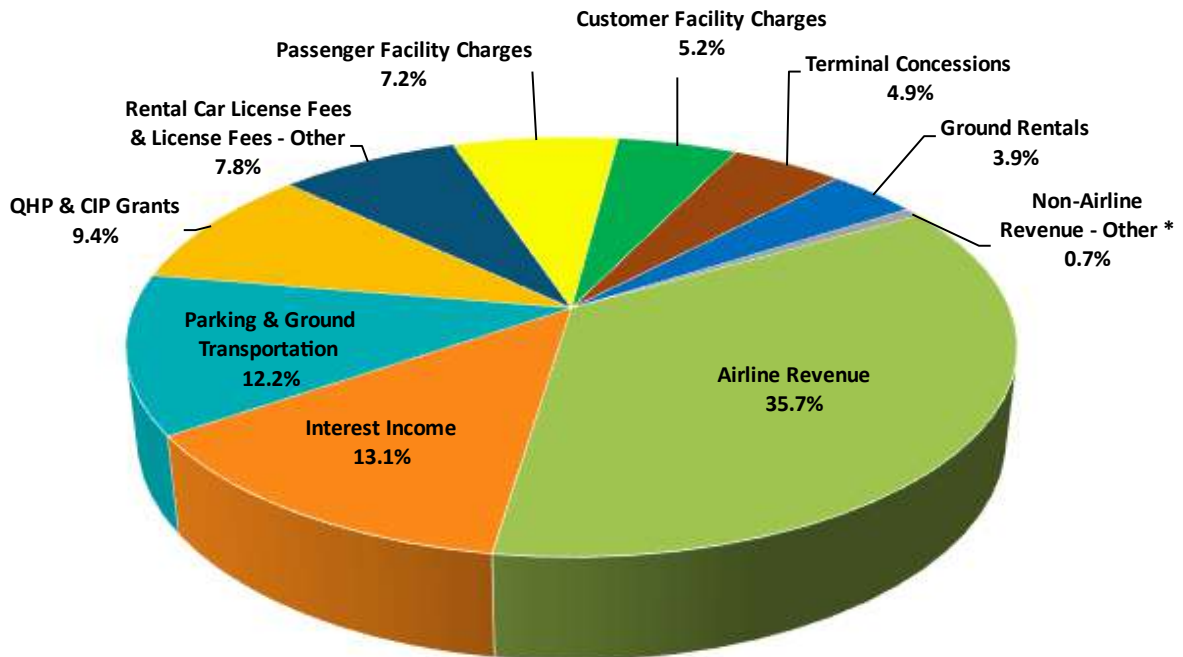
## Revenue Overview

### FY 2025 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2025 Budget
Airline Revenue	244,015
Interest Income	89,258
Parking & Ground Transportation	83,609
QHP & CIP Grants	64,188
Rental Car License Fees & License Fees - Other	53,383
Passenger Facility Charges	49,120
Customer Facility Charges	35,438
Terminal Concessions	33,281
Ground Rentals	26,741
Non-Airline Revenue - Other *	4,605
<b>Total Revenue <sup>1</sup></b>	<b>\$683,638</b>

<sup>1</sup>Total may differ due to rounding



\*Non-Airline Revenue – Other includes finger printing fees, utilities reimbursements, service charges, equipment rentals, terminal rent non-airline, and miscellaneous other revenue

Figure 10 – FY 2025 Revenue Budget by Sources

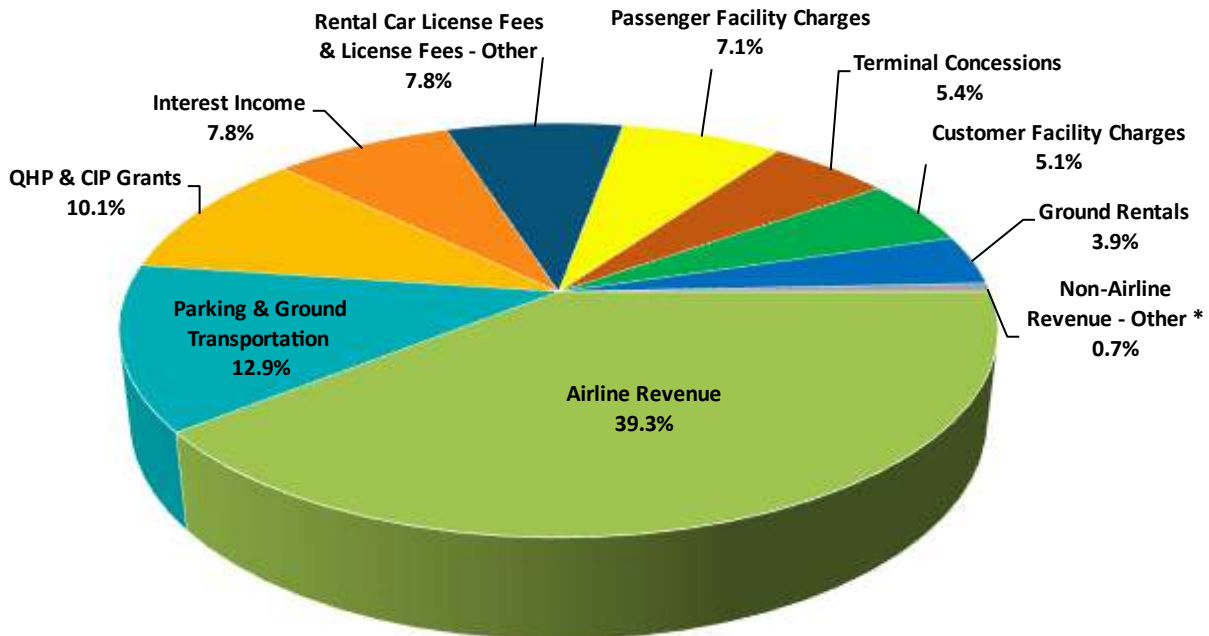
## Revenue Overview

### FY 2026 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2026 Conceptual Budget
Airline Revenue	276,791
Parking & Ground Transportation	90,583
QHP & CIP Grants	70,918
Interest Income	55,190
Rental Car License Fees & License Fees - Other	54,752
Passenger Facility Charges	50,103
Terminal Concessions	37,837
Customer Facility Charges	36,147
Ground Rentals	27,278
Non-Airline Revenue - Other *	4,806
<b>Total Revenue <sup>1</sup></b>	<b>\$704,405</b>

<sup>1</sup>Total may differ due to rounding



\*Non-Airline Revenue – Other includes finger printing fees, utilities reimbursements, service charges, equipment rentals, terminal rent non-airline, and miscellaneous other revenue

Figure 11 – FY 2026 Revenue Budget by Sources

## Revenue Overview

### Overview

Operating and Non-Operating revenues for FY 2025 are projected to be \$683.6M, an increase of \$65.3M (10.6%) above the FY 2024 Budget. FY 2026 Conceptual Operating and Non-Operating revenues are budgeted to increase by \$20.8M (3.0%) over the FY 2025 Budget.

### Airline Operating Revenue

The Authority signed a 10-year Airline Operating and Lease Agreements (AOLA) with passenger airlines and cargo carriers operating at SAN. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport. The AOLA term commenced on July 1, 2019 and terminates on June 30, 2029, unless terminated earlier pursuant to the terms.

Pursuant to the AOLA, the landing fees at SAN are established based on a residual rate-setting methodology, and the terminal rental rates are established based on a compensatory rate-setting methodology.

The AOLA includes signatory and non-signatory rate structures. Air carriers that signed a non-signatory agreement are charged a 20% premium on all signatory rates, fees, and charges, except for FIS fee.

### Landing Fees

Landing Fees are revenues from passenger and cargo carriers for commercial aircraft landings at the Airport. The fee is set to recover 80% of the direct and allocated costs of the airfield, including maintenance and operation expenses, airfield security costs, debt service and amortization of capital investments, major maintenance fees (MMF), and coverage charges. The remaining 20% of airfield cost is recovered from aircraft parking fees (see the following section on Aircraft Parking and Turn Fees).

In FY 2025, landing fee revenues are projected to increase to \$62.9M, \$9.3M (17.3%) above the FY 2024 Budget due to increased airfield costs and the elimination of federal relief funds applied to offset costs. Federal relief funding related to COVID-19 has ended and will not be applied beyond FY 2024. Estimated landed weight for FY 2025 is projected to decrease to 14,309 (million-pound units), a (1.3%) decrease from 14,503 (million pound units) in the FY 2024 Budget.

The FY 2025 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to be \$4.38, an 18.8% increase over the FY 2024 Budget.

In FY 2026, landing fee revenues are projected to increase by \$5.6M (8.9%) to \$68.5M over the FY 2025 Budget. The increase in fees is due to increased airfield costs.

The FY 2026 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$4.68, a 6.8% increase over the FY 2025 budgeted landing fee, reflecting a combination of increased net airfield costs and a 1.9% increase in projected landed weight to 14,586 (million-pound units).

### Aircraft Parking and Turn Fees

Aircraft parking fees are projected to recover 20% of the direct and allocated costs of the airfield, including maintenance and operation expenses, airfield security, debt service, amortization of capital investments, Major Maintenance Fund (MMF), and coverage charges. This charge is assessed based on the number of aircraft parking positions assigned to each air carrier at the terminal gates and in remote positions, and the number of turns made on common use gates. Aircraft parking positions are a scarce resource at SAN. This cost recovery method

## Revenue Overview

rewards carriers who efficiently use their gates and schedule flights with departures outside the morning peak period.

In FY 2025, aircraft parking and turn fees are projected to generate revenues of \$15.7M, a \$2.3M (17.3%) increase over the FY 2024 Budget due to increased airfield operations expenses. FY 2025 aircraft position rental signatory rate is \$217,411.00 annually per space, aircraft parking position signatory turn fee is \$180.74 per turn, and aircraft parking position signatory overnight fee is \$542.23 per overnight stay.

In FY 2026, aircraft parking and turn fees are projected to increase by \$1.4M (8.9%) over the FY 2025 Budget due to increases in net airfield costs.

## Building Rentals

Building Rental revenue reflects recovery of terminal building costs, including terminal security, allocated to airline occupied facilities, debt service, amortization of capital investments, Major Maintenance Funds (MMF), joint use fees, and coverage charges (If required).

In FY 2025, Budget Building Rentals revenues are projected to increase to \$156.4M, an increase of \$7.7M (5.2%) over the FY 2024 Budget. FY 2025 Building Rentals revenues reflect increases in terminal operations expenses, debt service, and bond reserves requirement contributions. The FY 2025 signatory terminal rental rate is \$303.44 per square foot, and the joint use fee is \$6.82 per enplanement.

In FY 2026, Building Rentals revenue is projected to increase by \$22.2M (14.2%) over the FY 2025 Budget due to higher operating and maintenance expenses, debt service, and MMF. The FY 2026 terminal rental signatory rate is projected to increase to \$324.09 per square foot, and the joint use fee is \$9.45 per enplanement.

## Common Use Fees

Common Use Fees include terminal rent of common use premises, common use systems, operating and maintenance expenses, debt service, and amortization of capital investments. Airlines located in common use equipped terminals will pay these fees.

FY 2025 Common Use Fee revenue is projected to be \$10.5M, an increase of \$0.3M (3.2%) to FY 2024 Budget. The increase in FY 2025 Common Use Fee revenue is due to the increase in the terminal rental rate applied to common use space. FY 2025 common use signatory fee is \$1.20 per enplanement.

In FY 2026, the Common Use Fee revenue is projected to increase by \$2.8M (27.4%) over the FY 2025 Budget due to the related increases in the terminal rate applied to common use space and the expanded square footage following the opening of New T1. The FY 2026 common use signatory fee is \$1.13 per enplanement.

## Other Aviation Revenue

Other Aviation Revenue includes Air Service Incentive Program credits and Fuel Franchise Fees.

Fuel Franchise Fees include fees on fuel delivered to aircraft by the Fixed Base Operator (FBO) and by the airline fuel consortium to airlines that are not members of the fuel consortium.

In FY 2025, Other Aviation Revenue is projected to be (\$1.5M), an increase of \$0.9M (37.9%) over the FY 2024 Budget due to the Air Service Incentive Program. The Air Service Incentive Program provides operating credits to airlines that are new to serving SAN or who are serving previously unserved markets with non-stop service from SAN. The credits are reflected as a reduction in revenue.

## Revenue Overview

In FY 2026, Other Aviation revenue is projected to increase by \$0.7M (48.6%) over the FY 2025 Budget.

### Non-Airline Operating Revenue

The Non-Airline Operating revenue budget was derived by analyzing current agreements, recent trends, projected future events, and historic revenue patterns, considering the projected FY 2025 enplaned passenger traffic.

The FY 2025 Budget assumes 12.5M enplaned passengers, a 3.1% increase over the FY 2024 Budget enplanements of 12.1M and a 1.6% increase over the FY 2024 year-end projected enplanements of 12.3M. FY 2026 enplanements are projected to grow to 12.7M, a 2.0% increase over the FY 2025 Budget enplanements.

### Terminal Rent Non-Airline

Terminal Rent Non-Airline includes revenue from non-airline tenants, including government tenants and tenants providing security contracting services to government tenants.

In FY 2025, Terminal Rent Non-Airline revenue is projected to be \$2.7M, a 6.0% increase over the FY 2024 Budget of \$2.6M.

In FY 2026, Terminal Rent Non-Airline revenue is projected to remain flat over the FY 2025 Budget.

### Terminal Concessions

Terminal Concession revenue is generated from food/beverage and retail (including Duty Free) concessions operate under exclusive agreements within the Concession Development Program (CDP). The retail and food/beverage services offered at SAN provide a world-class shopping and dining experience for the millions of passengers who use SAN each year.

Concession revenue is based on percentage rent charged on food, beverage and merchandise sales and fixed rent for concessionaire storage/support space. Cost Recovery revenue is also generated through reimbursement of marketing costs, operations/maintenance costs, and the costs to operate the Receiving and Distribution Center (RDC).

Other Concession revenue includes advertising, common use lounge service, Wi-Fi, bank ATMs, money exchange services, baggage cart rentals, and shoeshine stands.

The FY 2025 Budget for Terminal Concessions is \$33.3M, an increase of \$0.6M (1.8%) over the FY 2024 Budget, reflecting revenue based on gross sales. The increase is a result of increased passenger enplanements as demand for air travel has increased.

FY 2026 Terminal Concession revenues are budgeted at \$37.8M, an increase of \$4.6M (13.7%) over the FY 2025 Budget due to an increase in projected enplanements and expanded concession offerings when New T1 opens in early FY 2026.

### Rental Car License Fee

Rental Car License Fee revenue includes fees received from rental car companies that conduct business at the Airport and cost recovery of operations/maintenance costs of the Rental Car Center (RCC). The agreement calls for rental car companies to pay the Airport Authority a fee equaling 10% of gross sales or their minimum annual guarantee (MAG), whichever is higher.

## Revenue Overview

In FY 2025, rental car license fees are projected at \$44.0M, an increase of \$3.1M (7.5%) over the FY 2024 Budget, reflecting revenue based on gross sales. The increase is due to increased passenger activity as demand for air travel has increased.

FY 2026 revenues are projected at \$45.2M, an increase of \$1.2M (2.7%) in line with the projected increase in passenger enplanements.

### License Fees – Other

License Fees – Other revenue is derived from in-flight catering services and ground handling operators.

Estimated in-flight catering and ground handling revenue is based on a percentage of the companies' gross sales per their agreements with the Airport Authority.

FY 2025 revenues are budgeted at \$9.4M, an increase of \$1.1M (12.8%) from the FY 2024 Budget due to increased enplanements and expanded services provided.

In FY 2026, license fee revenues are projected to increase by \$0.2M (1.9%) to \$9.5M due to higher enplanements.

### Parking

Parking revenue is generated from Airport parking lots in front of the terminals, valet services and employee parking.

The FY 2025 revenue is budgeted at \$63.0M, an increase of \$10.8M (20.7%) from the FY 2024 Budget reflecting an increase in the number of available parking spaces following the opening of phase 1 of the New T1 Parking Plaza in early FY 2025.

The FY 2026 Budget is \$69.0M, a projected increase of \$6.0M (9.5%), primarily due to added capacity in New T1 Parking Plaza following the opening of phase 2 of the New T1 Parking Plaza in Summer of 2025.

### Ground Transportation Trip Fees and Citations

Ground Transportation revenue includes the taxis, shuttles, transportation network companies (TNC) and courtesy trip fees along with fees for permits issued to limousines and commercial drivers operating at the airport. Citation revenue is generated from parking citations issued by the Airport Traffic Officers (ATOs) on the Airport terminal roadways.

FY 2025 is budgeted at \$20.6M, \$0.3M (1.6%) over the FY 2024 Budget.

FY 2026 is budgeted at \$21.6M, \$1.0M (4.7%) over the FY 2025 Budget.

### Ground Rentals

Ground Rental fixed revenue consists of fixed rent received for RCC lease rent, leased cargo facilities, fixed base operations, and ancillary leases of various aviation and non-aviation uses.

FY 2025 revenue is budgeted at \$26.7M, an increase of \$0.9M (3.5%) over the FY 2024 Budget due to recognition of fuel farm projects cost recovery and CPI increase.

In FY 2026, revenues are budgeted at \$27.3M, an increase of \$0.5M (2.0%), primarily due to anticipated slight CPI increase assumptions on other agreements.



## Revenue Overview

### Grant Reimbursements (Operating)

The Airport Authority has historically received Grant Reimbursement revenue pursuant to an agreement with TSA to offset the cost of providing Law Enforcement Officers (LEO) at various TSA checkpoints and throughout the Airport.

In FY 2025 and FY 2026, there is no Grant Reimbursements revenue expected as the reimbursement funding authorization was discontinued by Congress effective April 2024

### Other Operating Revenues

Other Operating revenues primarily include revenues to process employee fingerprints for new tenants and any associated contractors or vendors who conduct business at the Airport. In addition, this category includes various miscellaneous revenues that do not fall into a specific category and are usually a one-time occurrence.

In FY 2025, these revenues are budgeted at \$1.9M, with an increase of \$0.1M (4.0%) over the FY 2024 Budget.

In FY 2026, other operating revenue is projected to increase \$0.2M (10.3%) over FY 2025 Budget due to increased hiring by Airport tenants with the opening of New T1.

## Interest Income

Interest Income revenue is derived from interest earned by the Airport Authority on discretionary funds and reserves established under the master trust indenture. This revenue also includes interest earned on notes paid by the Port District to the Airport Authority.

In FY 2025, interest income is budgeted at \$89.3M, a projected increase of \$45.3M (103.2%) from the FY 2024 Budget, reflecting an increase in cash balances due to higher construction fund and bond reserve fund balances resulting from the 2023 Bond issuance and an increase in interest rates on investments.

FY 2026 interest income revenues are projected to decrease by -\$34.1M (-38.2%) from the FY 2025 Budget due to anticipated increased spending on construction projects for New T1 .

## Non-Operating Revenue

### Passenger Facility Charges (PFC)

PFC revenue is comprised of a \$4.50 charge (net \$4.39 to the Airport after deduction of \$0.11 for the airline processing fee) paid by each ticketed passenger that boards an airplane at the Airport. The FY 2025 and FY 2026 Budget is based on the projected number of enplaned passengers at an estimated collection rate of 89.8%. Certain types of passengers, including military, are excluded from paying the PFCs.

FY 2025 PFC revenues are budgeted at \$49.1M, an increase of \$3.3M (7.1%) from the FY 2024 Budget due to higher enplaned passengers and assumed collection rate.

FY 2026 PFC revenue is projected to increase by \$1.0M (2.0%) over the FY 2025 Budget due to an increase in enplaned passengers.

## Revenue Overview

### Customer Facility Charges (CFC)

CFC revenue is collected by the car rental concessionaires and remitted to the Airport Authority according to state law to support the consolidated RCC development project. In January 2018, in accordance with state statute, the collection methodology changed from \$7.50 per rental car transaction to \$9.00 per rental day (up to a maximum of five days).

For FY 2025, CFC revenues are projected at \$35.4M, an increase of \$0.9M (2.6%) over the FY 2024 Budget reflecting an increase in enplanements.

In FY 2026, CFC revenues are budgeted at \$36.1M, an increase of \$0.7M (2.0%) over the FY 2025 Budget primarily due to higher enplanements.

### Quieter Home Program

The Quieter Home Program (QHP) is a residential sound insulation program for eligible single and multi-family dwellings located within the FAA-accepted SAN 65-decibel Community Noise Equivalent Level contour. The project is eligible for a maximum Airport Improvement Program (AIP) funding of 80.0%. The American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2) increased AIP grants in FY 2022 to 100%, thereby eliminating the local funding match requirement.

Recognized grant revenue is related to available funding under grant awards received and the level of expenditures made each year. It is anticipated that the FY 2025 QHP revenue will be \$20.0M and FY 2026 QHP revenue will be \$11.8M.

### Capital Grant Contribution

Capital grant contributions are FAA grant awards from a federal program that provides funding for approved capital projects. These projects are generally eligible for a maximum AIP funding of 75%.

The FY 2025 capital grant contributions decreased by (\$21.8M) (-33.0%) to \$44.2M due to grants related to the New T1 development project utilized in FY 2024.

FY 2026 capital grant contributions are budgeted to increase by \$15.0M (34.0%), reflecting further grant funding for the New T1 program.

# Budget Overview: Expenses



## Expense Overview

### FY 2025 Expense Budget – FY 2026 Conceptual Expense Budget

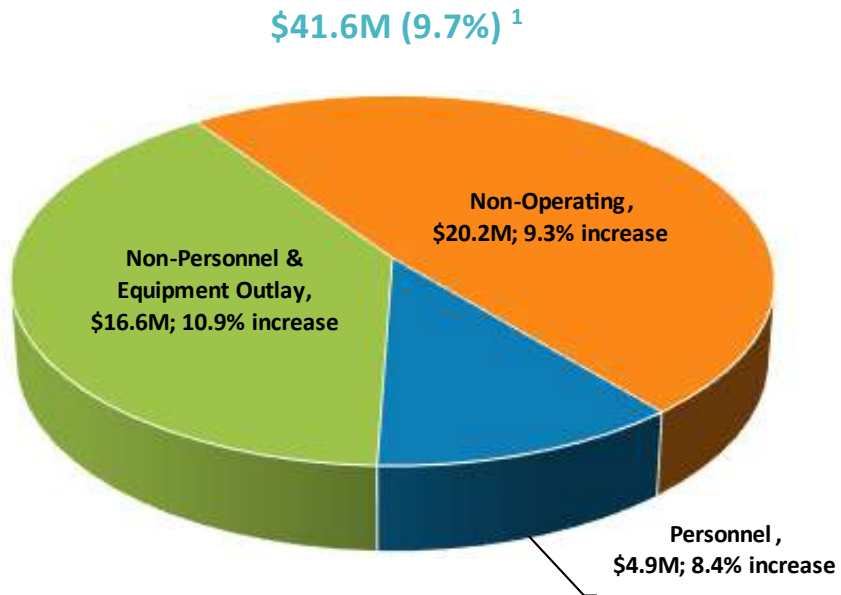
<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	41,076	44,381	48,475	4,094	9.2%	51,712	3,237	6.7%
Benefits	15,591	20,970	22,056	1,086	5.2%	24,476	2,420	11.0%
<b>Subtotal</b>	<b>56,667</b>	<b>65,351</b>	<b>70,531</b>	<b>5,180</b>	<b>7.9%</b>	<b>76,188</b>	<b>5,657</b>	<b>8.0%</b>
Less: Capitalized Labor Recharge	(4,769)	(6,472)	(6,955)	(483)	7.5%	(7,386)	(431)	6.2%
Less: QHP Labor Recharge	(667)	(665)	(500)	165	-24.8%	(526)	(26)	5.2%
<b>Total Personnel Costs</b>	<b>51,231</b>	<b>58,215</b>	<b>63,076</b>	<b>4,862</b>	<b>8.4%</b>	<b>68,276</b>	<b>5,200</b>	<b>8.2%</b>
Contractual Services	45,581	55,775	59,897	4,122	7.4%	66,979	7,082	11.8%
Safety and Security	33,043	37,248	39,828	2,580	6.9%	42,809	2,981	7.5%
Space Rental	10,805	10,573	11,024	451	4.3%	11,033	9	0.1%
Utilities	17,567	21,566	23,433	1,867	8.7%	32,000	8,567	36.6%
Maintenance	16,417	12,767	16,242	3,475	27.2%	14,838	(1,403)	-8.6%
Operating Equipment & Systems	922	355	441	86	24.3%	477	36	8.2%
Operating Supplies	661	765	823	58	7.6%	967	144	17.4%
Insurance	1,997	2,219	2,568	349	15.7%	3,267	699	27.2%
Employee Development	681	949	1,007	59	6.2%	1,046	38	3.8%
Business Development	1,916	3,193	3,908	715	22.4%	4,295	386	9.9%
Equipment Rentals and Repairs	3,392	4,223	4,623	400	9.5%	4,884	260	5.6%
Tenant Improvements	734	857	1,178	322	37.6%	1,226	47	4.0%
<b>Total Non-Personnel Costs</b>	<b>133,715</b>	<b>150,488</b>	<b>164,974</b>	<b>14,486</b>	<b>9.6%</b>	<b>183,821</b>	<b>18,847</b>	<b>11.4%</b>
<b>Total Operating Expenses</b>	<b>184,946</b>	<b>208,703</b>	<b>228,050</b>	<b>19,347</b>	<b>9.3%</b>	<b>252,097</b>	<b>24,047</b>	<b>10.5%</b>
Joint Studies / Sound Attenuation	21,075	21,763	23,028	1,265	5.8%	14,700	(8,328)	-36.2%
Debt Service	169,330	195,911	214,614	18,702	9.5%	251,527	36,914	17.2%
Legal Settlement Expense	243	25	250	225	900.0%	-	(250)	-100.0%
Other Non-Operating Expenses	1,658	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>192,306</b>	<b>217,699</b>	<b>237,892</b>	<b>20,192</b>	<b>9.3%</b>	<b>266,227</b>	<b>28,336</b>	<b>11.9%</b>
<b>Total Expenses</b>	<b>377,252</b>	<b>426,402</b>	<b>465,942</b>	<b>39,540</b>	<b>9.3%</b>	<b>518,324</b>	<b>52,382</b>	<b>11.2%</b>
<b>Equipment Outlay Expenditures</b>	<b>359</b>	<b>964</b>	<b>3,047</b>	<b>2,083</b>	<b>216.1%</b>	<b>2,610</b>	<b>(437)</b>	<b>-14.3%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>377,611</b>	<b>427,366</b>	<b>468,989</b>	<b>41,623</b>	<b>9.7%</b>	<b>520,934</b>	<b>51,945</b>	<b>11.1%</b>

*(Table excludes GASB non-cash entries)*

## Expense Overview

### FY 2025 Expense Budget Increase vs FY 2024 Budget

(in millions)

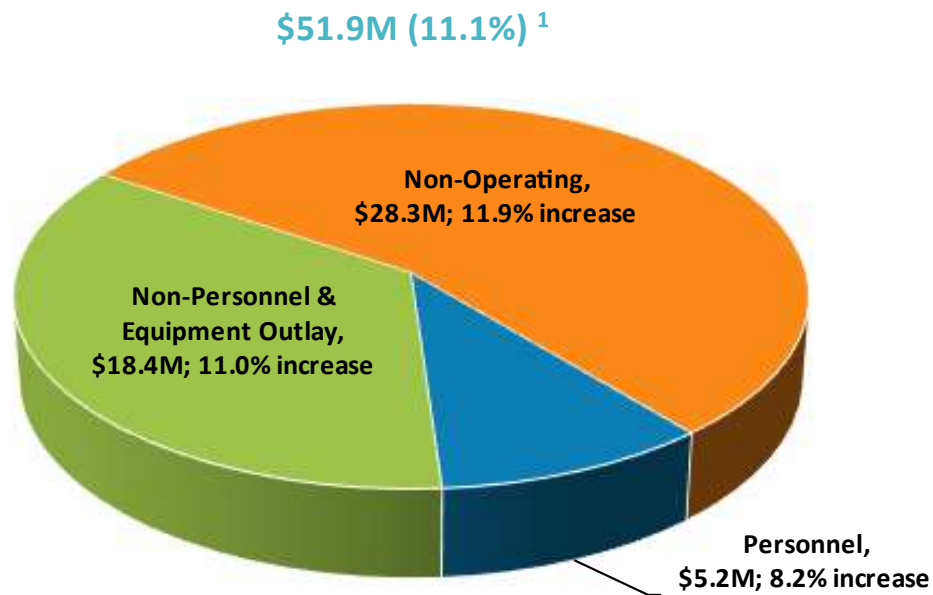


<sup>1</sup> Total may differ due to rounding.

**Figure 12 – FY 2025 Expense Variance**

### FY 2026 Expense Budget Increase vs FY 2025 Budget

(in millions)

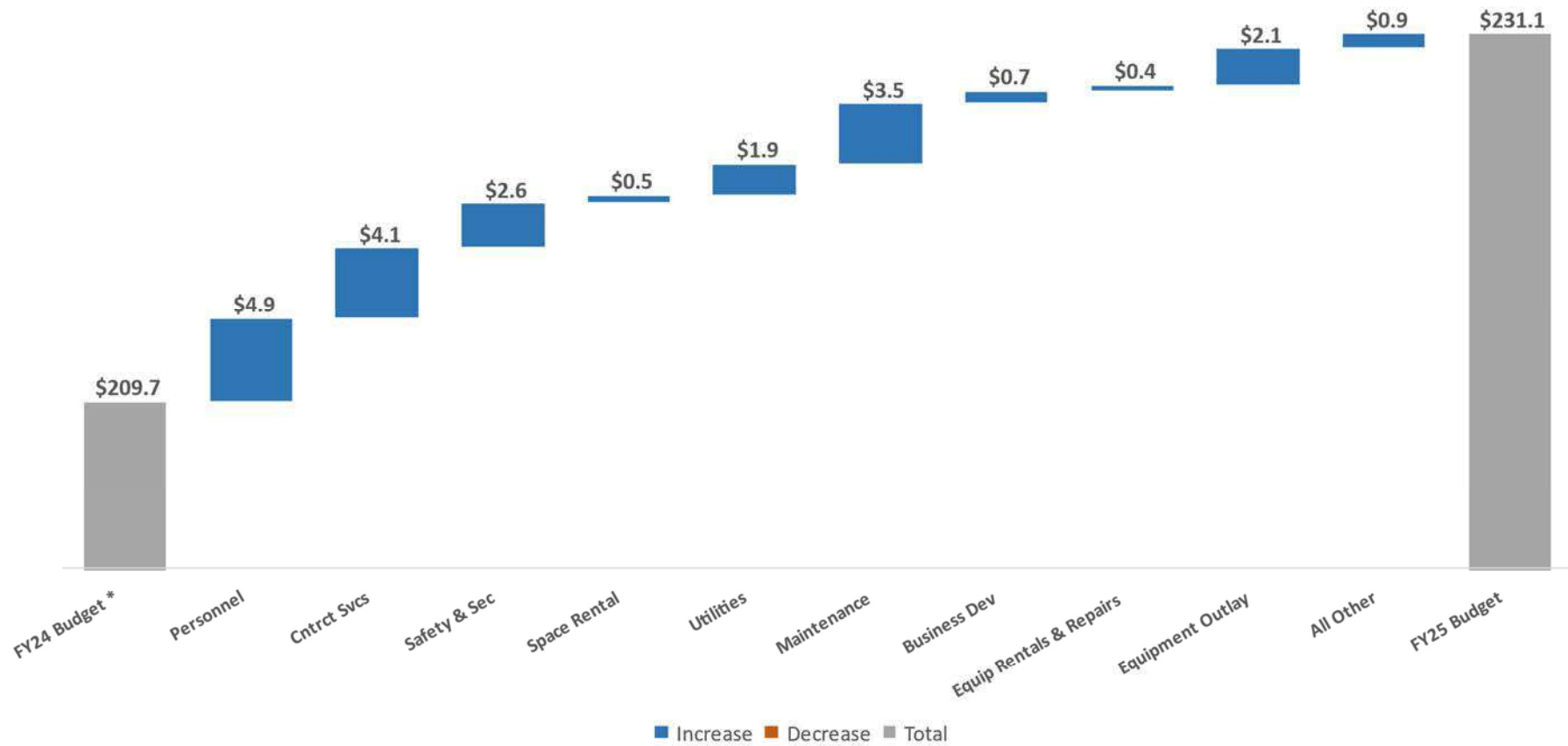


<sup>1</sup> Total may differ due to rounding.

**Figure 13 – FY 2026 Expense Variance**

## Expense Overview

### Major Drivers of FY 2025 Operating Expenses Budget



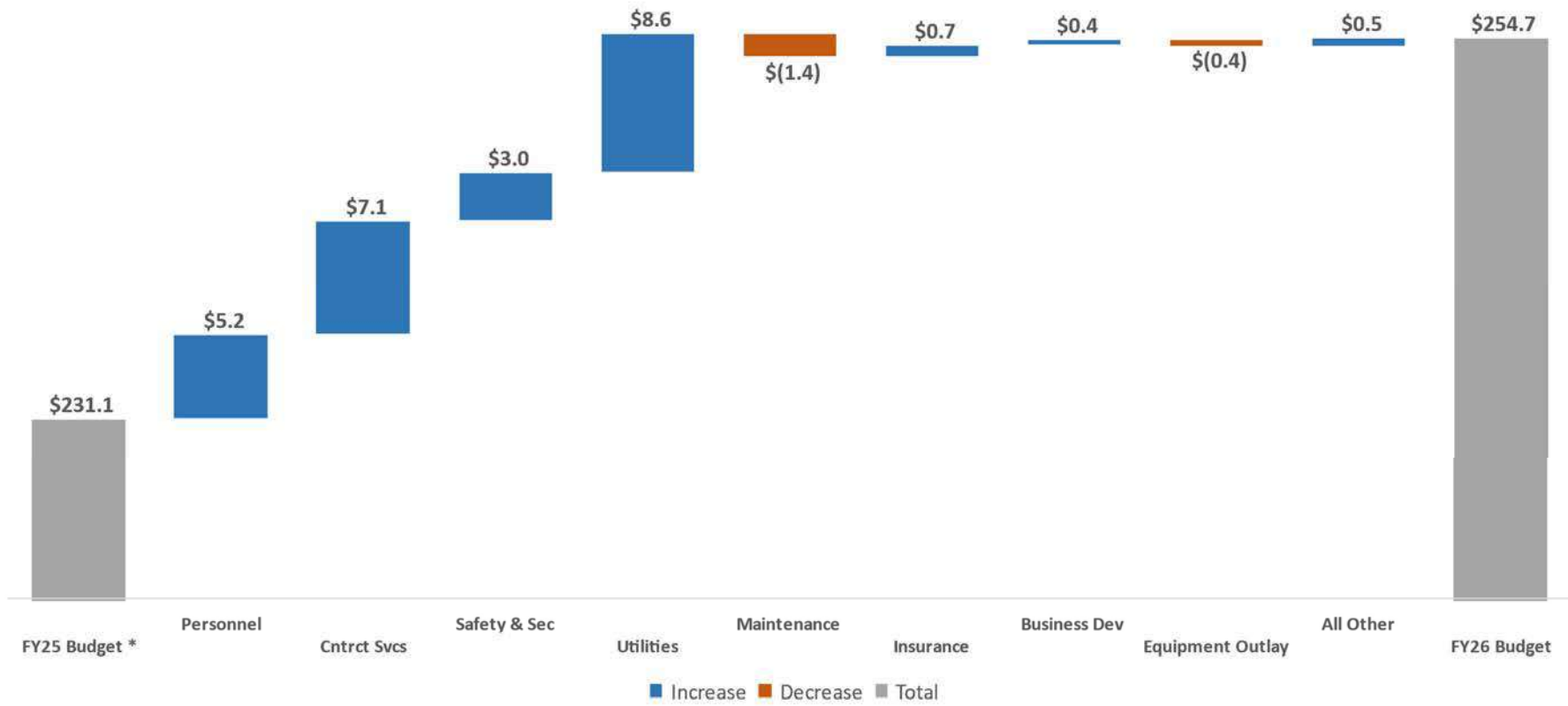
■ Increase ■ Decrease ■ Total

(in Millions)

\* Budget starting point not indicative of scale

## Expense Overview

### Major Drivers of FY 2026 Operating Expenses Conceptual Budget



(in Millions)

\* Budget starting point not indicative of scale

## Expense Overview

### Overview

In FY 2025, Authority total expenses, including debt service and equipment outlay, are projected to increase to \$469.0M from \$427.4M in the FY 2024 Budget. This represents an increase of \$41.6M (9.7%). The FY 2026 Conceptual Budget anticipates total expenses increasing to \$520.9M, representing an increase of \$51.9M (11.1%).

## Operating Expenses

### Personnel Expenses

Personnel Expenses include salary and wages, overtime and employee benefits, net of capitalized labor. Benefits include payroll taxes, retirement, health insurance, workers' compensation insurance, unemployment insurance, life insurance and short-term disability insurance.

In FY 2025, Salaries and Wages, including overtime, are projected to increase by \$4.1M (9.2%) over the FY 2024 Budget, reflecting 23 new positions, wage and salary increases required under union contract agreements, pay-for-performance increases for non-union employees and inclusion of New T1 personnel support. Employee benefits are projected to increase by \$1.1M (5.2%) from the FY 2024 Budget, primarily reflecting an increase in payroll taxes and retirement expenses. These combined factors, together with higher capitalized labor expenses, resulted in a net increase of \$4.9M (8.4%) in the FY 2025 Budget over the FY 2024 Budget for personnel expenses.

In FY 2026, Salaries and Wages, including overtime, are projected to increase by \$3.2M (6.7%), reflecting 11 new positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. Employee benefits expenses are projected to increase by \$2.4M (11.0%), primarily reflecting increased costs associated with retirement and health benefits. These combined factors along with higher capitalized labor expenses, are projected to result in a net increase of \$5.2M (8.2%) in FY 2026.

## Non-Personnel Expenses

### Contractual Services

Contractual Services expense includes various professional services such as operational, engineering, financial, legal, maintenance, and other services.

In FY 2025, Contractual Services are budgeted to have a net increase of \$4.1M (7.4%) over the FY 2024 Budget, primarily due to an increase in parking and shuttle operations and Rental Car Center (RCC) buses, waste disposal and janitorial contract expenses. These increases are predicated by increases in enplanements and expenses related to the New T1 program.

In FY 2026, Contractual Services are budgeted to increase by \$7.1M (11.8%), primarily due to increased parking, shuttle and terminal operations costs associated with the New T1 opening.

### Safety and Security

Safety and Security expenses include law enforcement, Aircraft Rescue and Fire Fighting (ARFF), emergency medical services, security inspection/guard services and other similar services. Law enforcement services are provided under a service legal agreement with the San Diego Unified Port District. Fire, rescue, and emergency response services are provided through a contract with City of San Diego.



## Expense Overview

In FY 2025, Safety and Security costs are projected to increase by \$2.6M (6.9%) over the FY 2024 Budget. This is primarily due to increases in Port District Harbor Police Department law enforcement and emergency medical services provided by the City of San Diego.

FY 2026 Safety and Security costs are projected to increase by \$3.0M (7.5%) over the FY 2025 Budget, reflecting increases in Port District Harbor Police Department law enforcement, ARFF, and guard services.

## Space Rental

Space Rental expense consists of lease payments for various properties contiguous to the Airport, including the former General Dynamics, Teledyne-Ryan (TDY), Harbor Island, and RCC/ACE Shuttle Bus Lease (Port Lease).

FY 2025 Space Rental expenses are projected to increase by \$0.5M (4.3%) from the FY 2024 Budget due to two newly leased parcels necessary for Airfield and Roadways.

FY 2026 Space Rental costs are projected to remain relatively flat over the FY 2025 Budget.

## Utilities

Utilities expenses include gas, electric, water, and telecommunication costs.

FY 2025 utility costs are projected to increase by \$1.9M (8.7%) from the FY 2024 Budget primarily due to electricity rate and increased usage related to higher enplanements.

FY 2026 utility costs are budgeted to increase by \$8.6M (36.6%) from the FY 2025 Budget due to anticipated electricity rate increase from SDG&E and increased usage related to the increased square footage of the New T1.

## Maintenance

Maintenance expenses include maintenance agreements, major maintenance projects, expendable stock, and other materials used to operate and maintain the Airport.

FY 2025 Maintenance expense is projected to increase by \$3.5M (27.2%) from the FY 2024 Budget primarily due to contractual increases and additional airfield repairs.

FY 2026 Maintenance expense is projected to decrease by \$1.4M (-8.6%) from the FY 2025 Budget primarily due to completion of airfield repairs in FY 2025.

## Operating Equipment and Systems

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

FY 2025 Operating Equipment and Systems expenses are projected to increase by \$0.1M (24.3%) from the FY 2024 Budget due planned purchase of Business Intelligence software.

FY 2026 Operating Equipment and Systems expenses are projected to stay relatively flat over the FY 2025 Budget.

## Operating Supplies

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

FY 2025 Operating Supplies expenses are projected to increase by \$0.08M (7.6%) from the FY 2024 budget.

FY 2026 Operating Supplies expenses are projected to increase by \$0.1M (17.4%) from the FY 2025 Budget.

## Expense Overview

### Insurance

Insurance provides financial protection for the Airport Authority's assets from property and liability losses.

FY 2025 Insurance expense is projected to increase by \$0.3M (15.7%) from the FY 2024 Budget, due to increases in premiums and increase in property values due to phased completion of miscellaneous CIP projects and increased replacement costs due to inflation.

FY 2026 Insurance expense is projected to increase by \$0.7M (27.2%) over the FY 2025 Budget, due to anticipated increases in premiums and property values due to the completion of phase one of the new Terminal One.

### Employee Development

Employee Development includes recruiting expenses, staff training and development, book and periodical subscriptions, trade and professional organizations memberships, seminars, registration fees, travel, tuition, and other staff-related expenses (e.g., service awards and uniforms).

FY 2025 Employee Development expense is projected to increase by \$0.06M (6.2%) from the FY 2024 Budget.

FY 2026 Employee Development expense is projected to increase by \$0.04M (3.8%) from the FY 2025 Budget.

### Business Development

Business Development includes marketing and promotional activity expenses related primarily to Airport Authority marketing programs and domestic and international air service development.

FY 2025 Business Development expense is projected to increase by \$0.7M (22.4%) from the FY 2024 Budget, primarily due to an increase in air service development, marketing, and advertising costs.

FY 2026 Business Development expense is projected to increase by \$0.4M (9.9%) from the FY 2025 Budget.

### Equipment Rentals and Repairs

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

FY 2025 Equipment Rentals and Repairs expense is projected to increase by \$0.4M (9.5%) from the FY 2024 Budget.

FY 2026 Equipment Rentals and Repairs expense is projected to increase by \$0.3M (5.6%) from the FY 2025 Budget.

### Tenant Improvements

Tenant Improvement costs include oversight of tenant improvement construction and modification of new or renovated facilities for tenants.

FY 2025 Tenant Improvements expense is projected to increase by \$0.3M (37.6%) from the FY 2024 Budget due to additional contract staffing to support additional tenant improvements on Airside, in Terminals, and Landside.

FY 2026 Tenant Improvements expense is projected to increase by \$0.05M (4.0%) from the FY 2025 Budget also due to additional tenant improvements.

## Expense Overview

### Non-Operating Expenses

#### Joint Studies / Sound Attenuation

The Joint-Studies/Sound Attenuation expenses are costs associated with Airport facilities studies and Quieter Home Program (QHP).

FY 2025 Joint-Studies/Sound Attenuation expense is projected to increase by \$1.3M (5.8%) from the FY 2024 Budget based on anticipated work schedules tied to available levels of grant funding.

FY 2026 Joint-Studies/Sound Attenuation expense is projected to decrease by \$8.3M (-36.2%) from the FY 2025 Budget.

#### Debt Service

Debt Service expenditures include interest and fees on the Airport Authority's variable debt program, interest, principal on outstanding Airport revenue bond debt, and trustee fees for both variable debt and revenue bonds.

FY 2025 Debt Service costs are projected to increase by \$18.7M (9.5%) from the FY 2024 Budget due to a full year of debt service for the Series 2023 bonds issued during FY 2024.

FY 2026 Debt Service costs are projected to increase by \$36.9M (17.2%) from the FY 2025 Budget, primarily due to the expectations of further debt issuance during FY 2026 to complete the New T1 funding.

#### Equipment Outlay

Equipment Outlay expense includes equipment requests costing \$5,000 or more, with a useful life of at least one year.

FY 2025 Equipment Outlay expenses are projected to increase by \$2.1M (216.1%) from the FY 2024 Budget due to laptop refresh, a new Identity Management System (IDMS), and security screening equipment for the Receiving and Distribution Center (RDC). .

FY 2026 Equipment Outlay expenses are projected to decrease by \$0.4M (-14.3%) from the FY 2025 Budget.

# Expense Overview

## FY 2025 Expense Budget by Division

(in thousands)

Divisions	FY 2025 Budget
Debt Service	\$214,614
Operations	157,201
Development	35,431
Revenue Management & Innovation	25,994
Finance	21,083
Executive	14,666
<b>Total <sup>1</sup></b>	<b>\$468,989</b>

<sup>1</sup>Total may differ due to rounding

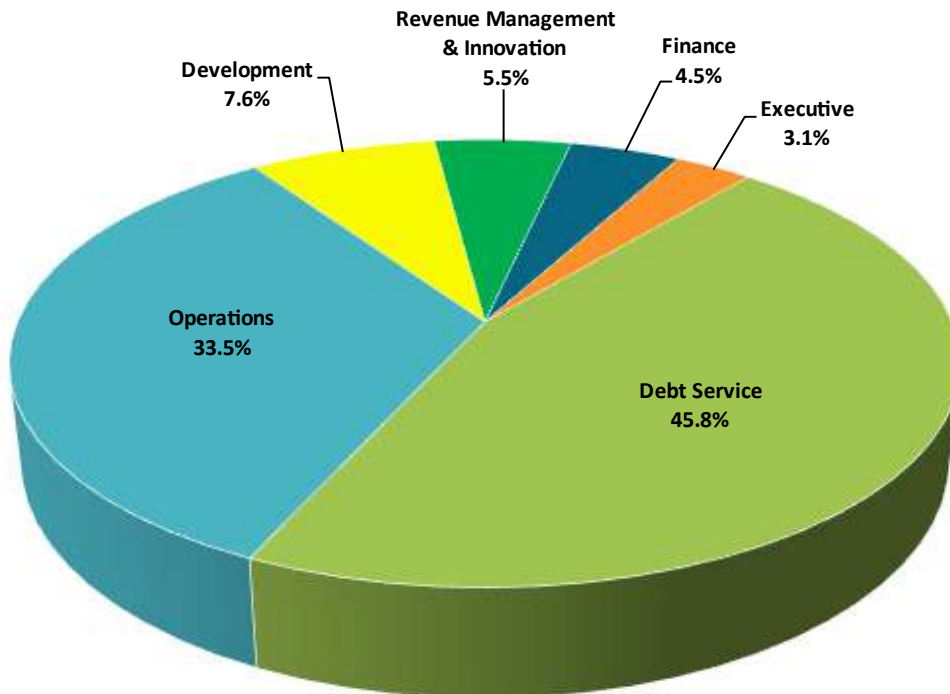


Figure 14 – FY 2025 Expense Budget by Department

## Expense Overview

### FY 2026 Expense Conceptual Budget by Division

(in thousands)

Divisions	FY 2026 Conceptual Budget
Debt Service	\$251,527
Operations	175,421
Development	27,564
Revenue Management & Innovation	27,859
Finance	23,570
Executive	14,993
<b>Total <sup>1</sup></b>	<b>\$520,934</b>

<sup>1</sup>Total may differ due to rounding

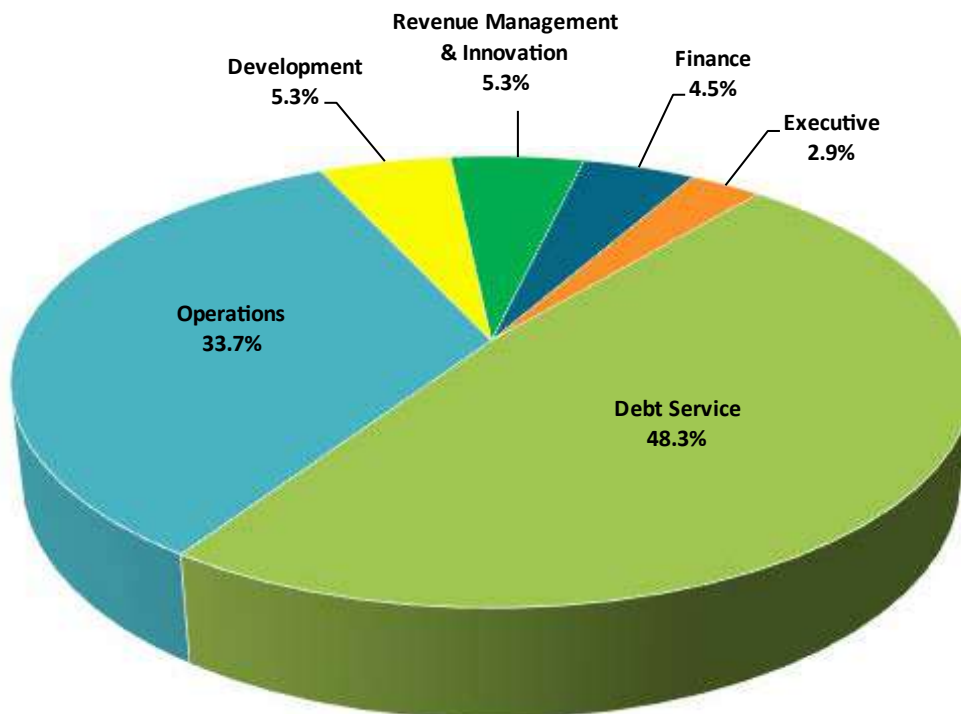


Figure 15 – FY 2026 Expense Conceptual Budget by Department

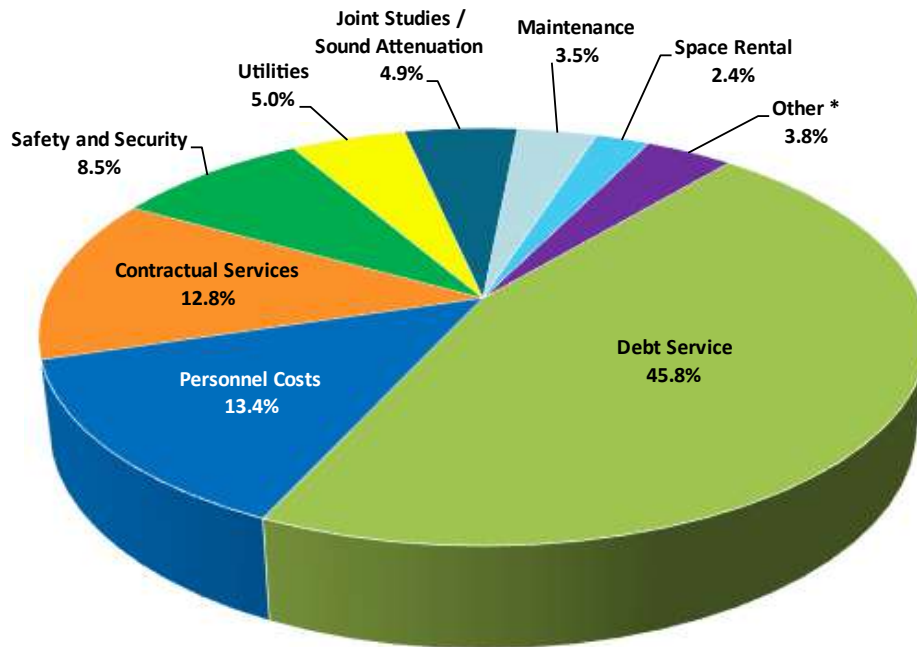
## Expense Overview

### FY 2025 Expense Budget by Category

(in thousands)

Category	FY 2025 Budget
Debt Service	\$214,614
Personnel Costs	63,076
Contractual Services	59,897
Safety and Security	39,828
Utilities	23,433
Joint Studies / Sound Attenuation	23,028
Maintenance	16,242
Space Rental	11,024
Other *	17,847
<b>Total <sup>1</sup></b>	<b>\$468,989</b>

<sup>1</sup>Total may differ due to rounding



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

Figure 16 – FY 2025 Expense Budget by Category

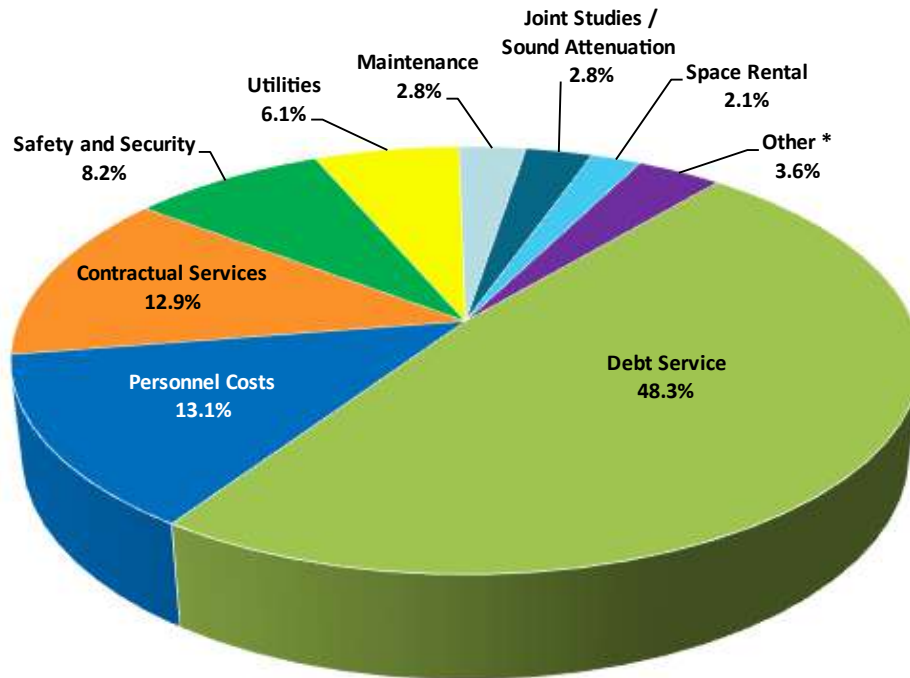
## Expense Overview

### FY 2026 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2026 Conceptual Budget
Debt Service	\$251,527
Personnel Costs	68,276
Contractual Services	66,979
Safety and Security	42,809
Utilities	32,000
Maintenance	14,838
Joint Studies / Sound Attenuation	14,700
Space Rental	11,033
Other *	18,771
<b>Total <sup>1</sup></b>	<b>\$520,934</b>

<sup>1</sup> Total may differ due to rounding



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

Figure 17 – FY 2026 Expense Conceptual Budget by Category

# Expense Overview

## Personnel Summary by Division

	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget Transfers	FY 2025 Budget New/ (Eliminated) ^	FY 2025 Budget	FY 2026 Budget New/ (Eliminated) ^	FY 2026 Conceptual Budget
<b>Executive Division</b>							
Authority Clerk	6	6	-	-	6	-	6
Chief Auditor	7	7	-	-	7	-	7
Communications	6	6	-	-	6	-	6
Executive Office	2	2	-	-	2	-	2
General Counsel	6	6	-	-	6	-	6
Government Relations	4	4	-	-	4	-	4
Human Resources	17	16	-	1	17	-	17
<b>Subtotal</b>	<b>48</b>	<b>47</b>	<b>0</b>	<b>1</b>	<b>48</b>	<b>-</b>	<b>48</b>
<b>Operations Division</b>							
Aviation Security & Public Safety	21	30	-	1	31	-	31
Airside & Terminal Operations	27	27	-	5	32	-	32
Operational Readiness, Activation & Transition	0	2	-	-	2	-	2
Ground Transportation	71	71	-	3	74	3	77
Facilities Management	86	86	-	5	91	-	91
<b>Subtotal</b>	<b>205</b>	<b>216</b>	<b>0</b>	<b>14</b>	<b>230</b>	<b>3</b>	<b>233</b>
<b>Finance Division</b>							
Capital Financial Planning and Airline Relations	7	7	-	-	7	-	7
Accounting	12	12	-	-	12	-	12
Information & Technology Services	29	29	-	3	32	7	39
Procurement	12	12	-	-	12	-	12
Finance & Risk Management	16	15	-	-	15	-	15
<b>Subtotal</b>	<b>76</b>	<b>75</b>	<b>0</b>	<b>3</b>	<b>78</b>	<b>7</b>	<b>85</b>
<b>Development Division</b>							
Airport Design & Construction	48	41	-	5	46	-	46
Planning, Noise, & Environmental	29	28	-	-	28	-	28
<b>Subtotal</b>	<b>77</b>	<b>69</b>	<b>0</b>	<b>5</b>	<b>74</b>	<b>-</b>	<b>74</b>
<b>Revenue Management &amp; Innovation Division</b>							
Business Intelligence	13	9	-	-	9	1	10
Marketing, Arts, & Air Service Development	11	14	-	-	14	-	14
Revenue Generation & Partnership Development	15	15	-	-	15	-	15
Small Business Development	3	3	-	-	3	-	3
<b>Subtotal</b>	<b>42</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>1</b>	<b>42</b>
<b>Total Positions</b>	<b>448</b>	<b>448</b>	<b>0</b>	<b>23</b>	<b>471</b>	<b>11</b>	<b>482</b>

^ New Postions: Added 23 positions in FY25; Added 11 positions in FY26



## Expense Overview

### FY 2025 Personnel Budget by Division

FY 2025 Total Authorized Positions: 471

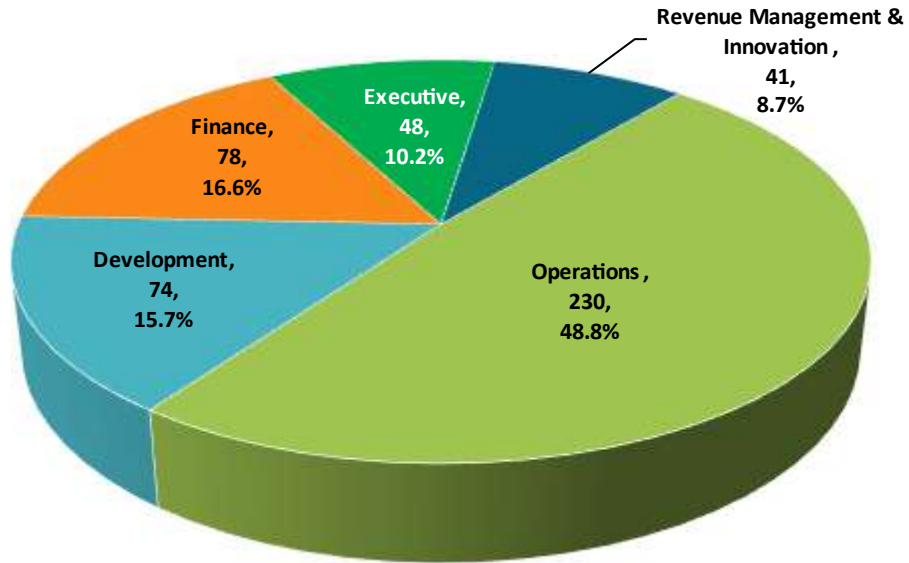


Figure 18 – FY 2025 Personnel Budget by Division

### FY 2026 Personnel Conceptual Budget by Division

FY 2026 Total Authorized Positions: 482

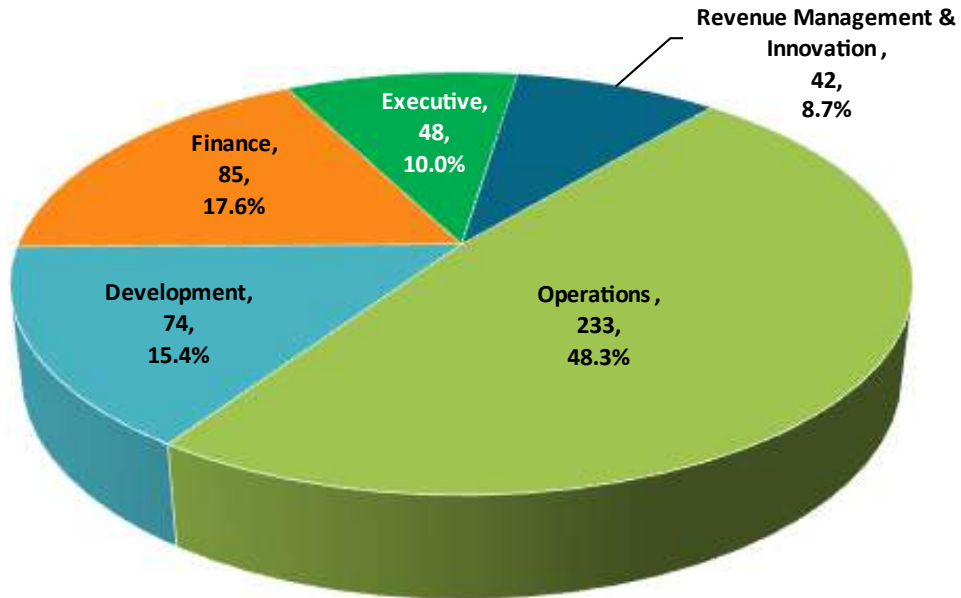


Figure 19 – FY 2026 Personnel Budget by Division

## Expense Overview

### FY 2025 Budget New Positions

<u>Division</u>	<u>Department</u>	<u>#</u>	<u>New Positions</u>
Executive	Human Resources	1	HR Operations Manager
Finance	Information & Technology Services	2	Help Desk Technician
Finance	Information & Technology Services	1	System Support Analyst I
Development	Airport Design & Construction	1	Cost Analyst
Development	Airport Design & Construction	1	Project Manager Architectural
Development	Airport Design & Construction	2	Project Manager, Civil
Development	Airport Design & Construction	1	Sr. Construction Inspector
Operations	Aviation Security & Public Safety	1	Security & Emergency Response Coordinator
Operations	Airside & Terminal Operations	1	Senior AODM--SMS Manager
Operations	Airside & Terminal Operations	2	Airside Operations Duty Manager II
Operations	Airside & Terminal Operations	2	Terminal Operations Coordinator
Operations	Ground Transportation	3	Airport Traffic Officer
Operations	Facilities Management	1	CMMS Administrator
Operations	Facilities Management	1	Fire Safety Coordinator
Operations	Facilities Management	1	Plumber II
Operations	Facilities Management	1	CMMS Document Control Coordinator
Operations	Facilities Management	<u>1</u>	CUP Engineer
	<b>Total FY 2025 new positions</b>	<b>23</b>	

Figure 20 – FY 2025 Budget New Positions

### FY 2026 Budget New Positions

<u>Division</u>	<u>Department</u>	<u>#</u>	<u>New Positions</u>
Finance	Information & Technology Services	6	Help Desk Technician
Finance	Information & Technology Services	1	System Support Analyst I
Operations	Ground Transportation	3	Airport Traffic Officer
Revenue Management & Innovation	Business Intelligence	<u>1</u>	Data Scientist
	<b>Total FY 2026 new positions</b>	<b>11</b>	

Figure 21 – FY 2026 Budget New Positions

# Executive Division



## Executive Division

### Overview

The **Executive Division** provides leadership and direction to Authority staff in accomplishing the twelve-member Authority Board's strategies and initiatives. The **Authority Board** consists of nine voting members and three *ex-officio* members and is responsible for setting policies related to airport and Authority operations, airport land-use planning and the future air transportation planning needs of the region.

The nine voting Board members are appointed to staggered three-year terms by 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. Compensation for each voting Board member 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.

The following are descriptions of each group within the Executive Division.

The **Executive Office** is accountable to the Board of Directors to direct and manage the operations, activities and services of the airport and its related economic development activities. The CEO, as the leader of the organization, is responsible for providing strategic vision for the airport, developing key relationships in the industry, designing marketing strategies, and working closely with all stakeholders in guiding the airport's overall success. Success is measured by ability to enhance the reputation and financial position of the airport while sustaining safe, secure and efficient operations.

The Executive Office also coordinates technical and staff support to the Authority Board; conducts outreach to promote positive collaborative relationships with its business partners and the community; approves all contracts, deeds, leases and agreements that contractually bind the Authority; and ensures that the region's long-term airport needs are identified and addressed.

The **Office of the General Counsel** provides professional legal advice, strategic counsel and representation to the Authority's Board and the various divisions and departments of the Authority. The Office of the General Counsel represents the Authority in all litigation and legal matters. It assists in the preparation and review of Authority leases, contracts, legal documents, ordinances and resolutions, Authority bonds and other instruments and approves as to legal form all such legal documents and instruments. The Office of the General Counsel advises the Board and management regarding compliance with applicable laws, codes, policies, regulations and requirements.

Further, the Office of the General Counsel selects and manages all outside legal counsel and advises with the objective to limit liability and exposure to claims and lawsuits. The General Counsel reports directly to the Authority Board.

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. It performs audits in accordance with current professional standards and provides recommendations to enhance the Authority's internal controls. As authorized by the Board, the Office of the Chief Auditor administers the Authority Ethics Program and confidential Hotline Reporting System.

The Office of the Chief Auditor also assists management in maintaining the financial and operational integrity of the Authority, and analyzes and assesses the Authority's financial data, operations and programs for compliance with applicable laws, policies, procedures and mandates.

## Executive Division

The **Human Resources** department provides talent and workforce strategic planning that guides and supports effective business decisions, enhances organizational capabilities, and creates a culture of inclusion. The department manages talent acquisition while advancing employee diversity, equity, and inclusion, performance management, learning and development, compensation and benefits, employee and labor relations, HR data/technology, safety, and organizational development. Through these services, the department assures continued organizational development, workforce engagement, and optimization.

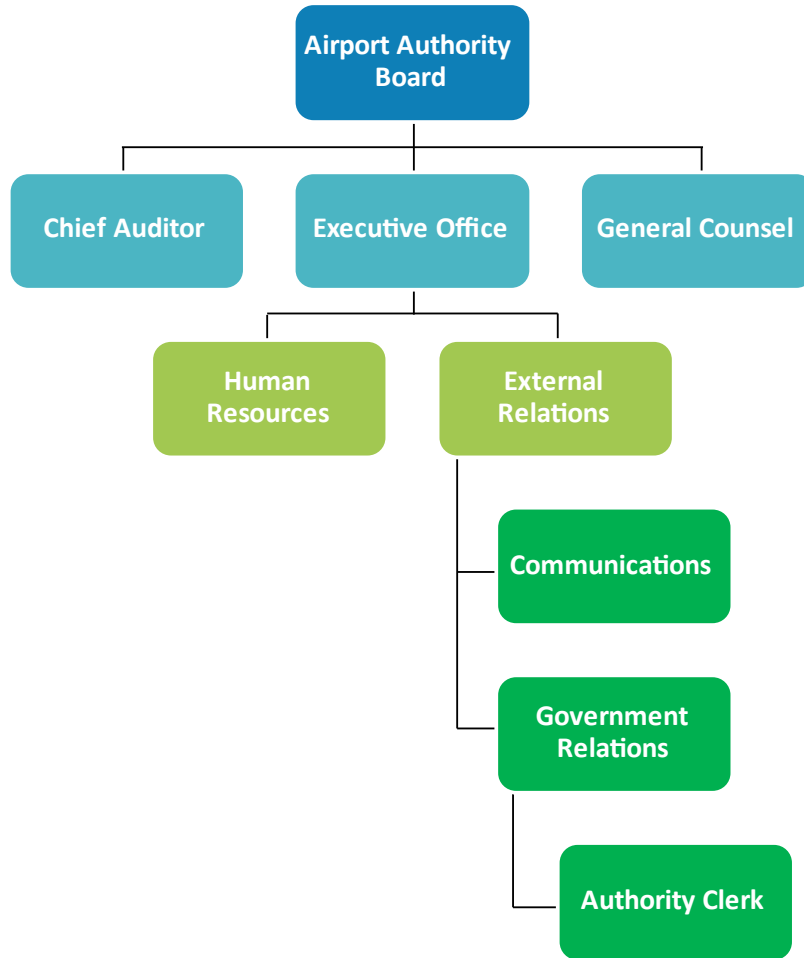
The **Communications** department develops and executes strategies for all communications and is the Airport Authority's designated point of contact for the media. Through public relations and community engagement programs, the department builds external relationships with various constituencies, including community and business leaders, the traveling public, and airport stakeholders. Department efforts are all aimed at helping shape public opinion on issues impacting the credibility, image, and reputation of the Airport Authority. The department is also responsible for coordinating public records requests.

The **Office of the Authority Clerk** department provides guidance and ensures compliance with state and local laws and Authority codes and policies pertaining to the administration of public Board and Committee meetings, conflict of interest disclosure, and records and information management. These laws include, but are not limited to, the Brown Act and Political Reform Act and the approved Records and Information Management Program. The department is also responsible for maintaining the Authority's Codes and Policies; coordinating communications with the Board of Directors, executive and senior staff; assuring an accountability framework and policies for, and management of, records and information governance; managing compliance with the Brown Act, as it relates to public Board and Committee meetings; managing Conflict of Interest filings and other filings required by the Political Reform Act; managing AB 1234 Ethics training as required by FPPC Regulations; and managing the Authority's Lobbyist Program. The department also include the Records and Information Management team, responsible for establishing and maintaining the Authority's records program and coordinating public records requests.

The **Government Relations** department develops and oversees strategy and policy initiatives designed to represent and protect the Authority's interests with local, state, and federal agencies and external stakeholders. The department develops and implements the Authority's legislative program and monitors and analyzes legislative and regulatory actions at the federal, state, and local levels. It also manages relationships with representatives and provides advocacy services, in conjunction with contracted advocates in Sacramento and Washington D.C., in support of important Authority initiatives and programs. The department is also responsible for building and sustaining relationships with key external stakeholders, including the business community, labor organizations, industry groups, community planning groups, and others.

## Executive Division

### FY 2025 – FY 2026 Organizational Structure



### Division Personnel Summary

	FY 2024 Budget	FY 2025 Budget Transfers	FY 2025 Budget New/ (Eliminated)	FY 2025 Budget	FY 2026 Budget New/ (Eliminated)	FY 2026 Conceptual Budget
<b>Executive Division</b>						
Authority Clerk	6	-	-	6	-	6
Chief Auditor	7	-	-	7	-	7
Communications	6	-	-	6	-	6
Executive Office	2	-	-	2	-	2
General Counsel	6	-	-	6	-	6
Government Relations	4	-	-	4	-	4
Human Resources	16	-	1	17	-	17
<b>Total</b>	<b>47</b>	<b>-</b>	<b>1</b>	<b>48</b>	<b>-</b>	<b>48</b>

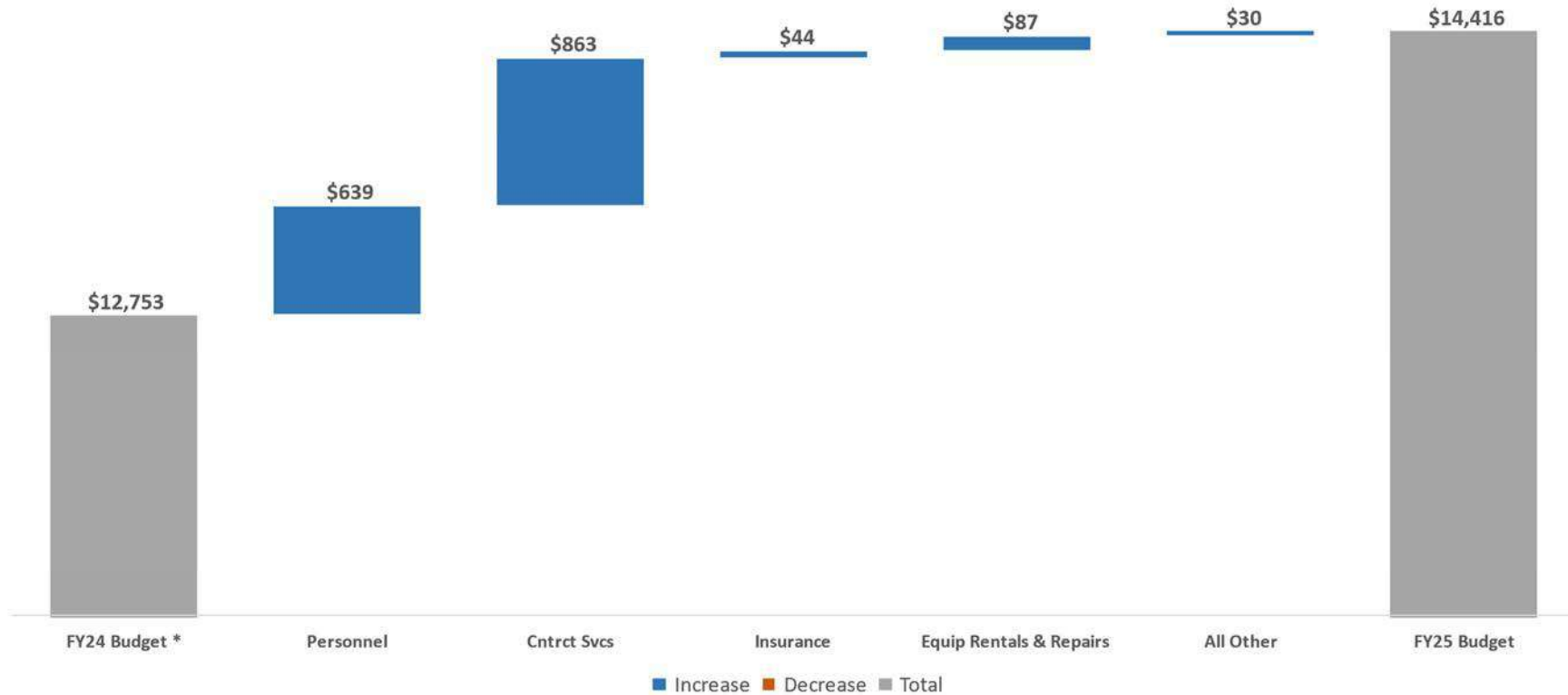
## Executive Division

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	5,769	6,399	6,911	512	8.0%	7,184	273	4.0%
Benefits	2,546	2,605	2,732	127	4.9%	2,961	229	8.4%
<b>Subtotal</b>	<b>8,315</b>	<b>9,004</b>	<b>9,643</b>	<b>639</b>	<b>7.1%</b>	<b>10,146</b>	<b>503</b>	<b>5.2%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>8,315</b>	<b>9,004</b>	<b>9,643</b>	<b>639</b>	<b>7.1%</b>	<b>10,146</b>	<b>503</b>	<b>5.2%</b>
Contractual Services	1,813	2,198	3,061	863	39.2%	3,125	64	2.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	0	5.0%	0	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	37	48	42	(6)	-12.9%	38	(4)	-9.1%
Operating Supplies	14	23	16	(7)	-28.5%	17	0	1.2%
Insurance	1	1	45	44	3128.6%	45	-	0.0%
Employee Development	289	369	396	27	7.2%	398	2	0.6%
Business Development	534	704	720	16	2.2%	740	20	2.8%
Equipment Rentals and Repairs	319	405	492	87	21.6%	483	(9)	-1.9%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>3,007</b>	<b>3,749</b>	<b>4,773</b>	<b>1,024</b>	<b>27.3%</b>	<b>4,847</b>	<b>74</b>	<b>1.5%</b>
<b>Total Operating Expenses</b>	<b>11,322</b>	<b>12,753</b>	<b>14,416</b>	<b>1,662</b>	<b>13.0%</b>	<b>14,993</b>	<b>577</b>	<b>4.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	233	25	250	225	900.0%	-	(250)	-100.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>233</b>	<b>25</b>	<b>250</b>	<b>225</b>	<b>900.0%</b>	<b>-</b>	<b>(250)</b>	<b>-100.0%</b>
<b>Total Expenses</b>	<b>11,555</b>	<b>12,778</b>	<b>14,666</b>	<b>1,887</b>	<b>14.8%</b>	<b>14,993</b>	<b>327</b>	<b>2.2%</b>
Equipment Outlay Expenditures	12	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>11,567</b>	<b>12,778</b>	<b>14,666</b>	<b>1,887</b>	<b>14.8%</b>	<b>14,993</b>	<b>327</b>	<b>2.2%</b>

## Executive Division

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Added one (1) position

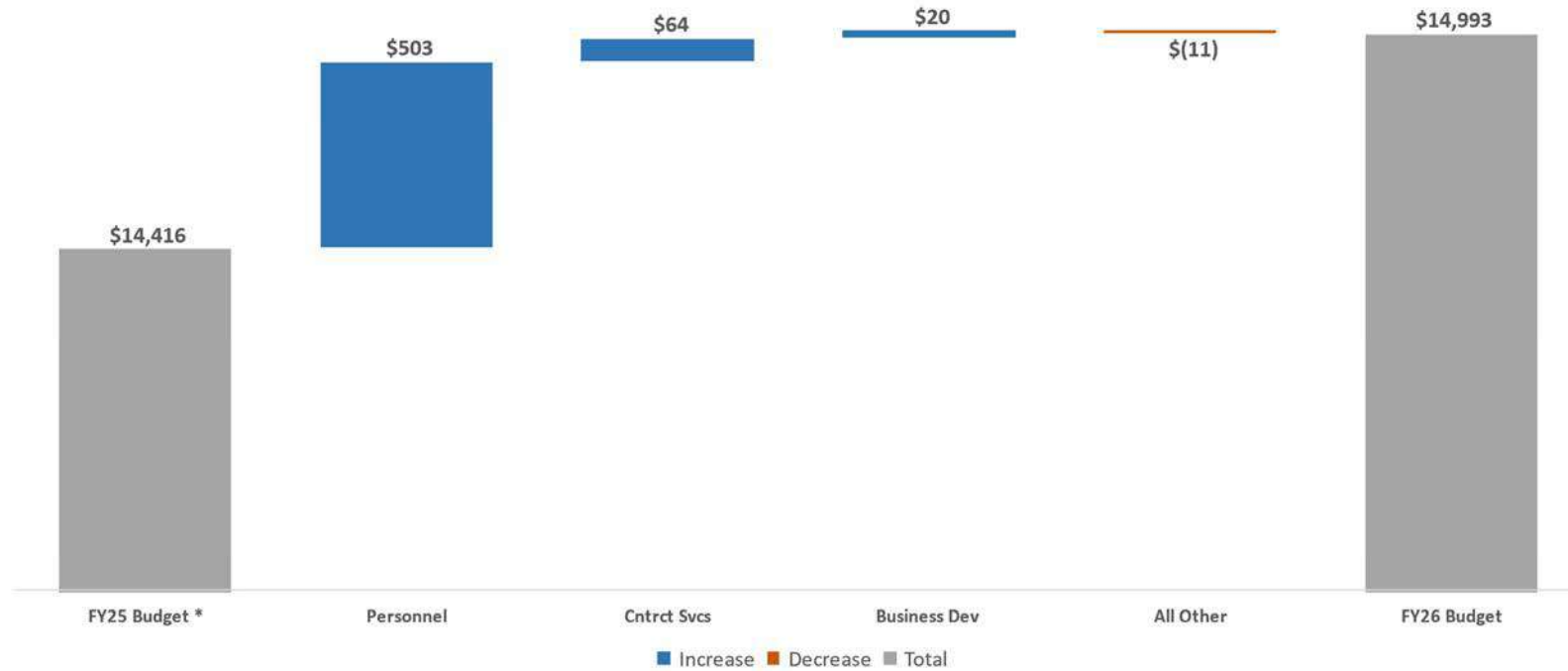
**Contractual Services:** Legal services and expert services increasing \$850K due to expert intensive large cases

**Equipment Rentals & Repairs:** \$50K increase due to replacement of talent management software with new software, \$37K new social intranet



## Executive Division

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** New T1 community outreach increasing \$85K due to opening of New T1 in FY26

# Executive Division

## FY 2025 Expense Budget by Department

(in thousands)

Departments	FY 2025 Budget
Human Resources	\$4,033
General Counsel	3,983
Communications	1,514
Chief Auditor	1,490
Government Relations	1,339
Executive Office	1,274
Authority Clerk	1,033
<b>Total <sup>1</sup></b>	<b>\$14,666</b>

<sup>1</sup>Total may differ due to rounding

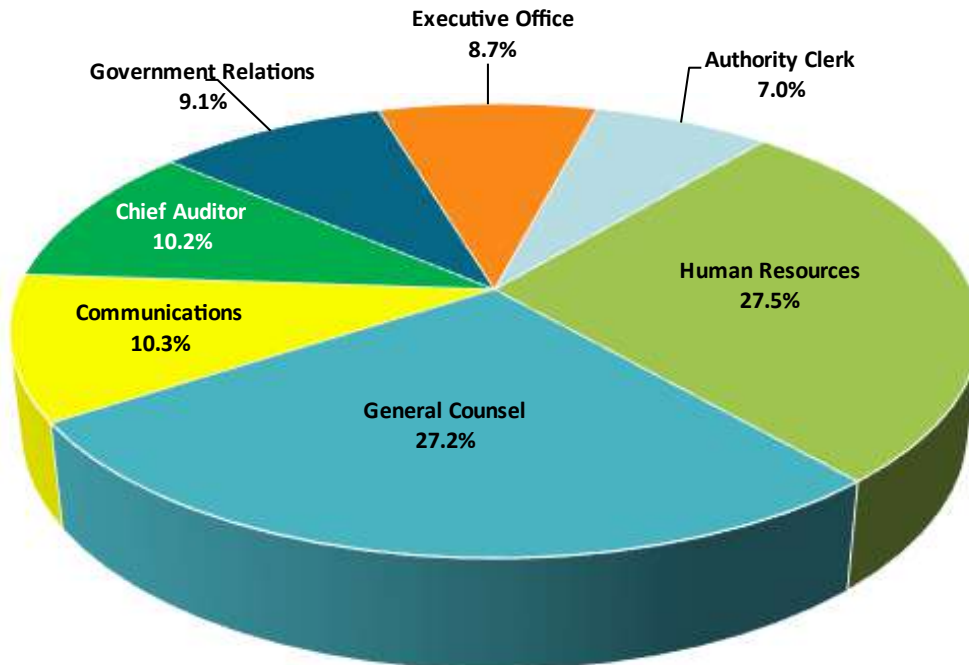


Figure 22 – FY 2025 Expense Budget by Department

## Executive Division

### FY 2026 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2026 Conceptual Budget
Human Resources	\$4,146
General Counsel	3,843
Communications	1,652
Chief Auditor	1,560
Government Relations	1,384
Executive Office	1,349
Authority Clerk	1,059
<b>Total <sup>1</sup></b>	<b>\$14,993</b>

<sup>1</sup> Total may differ due to rounding

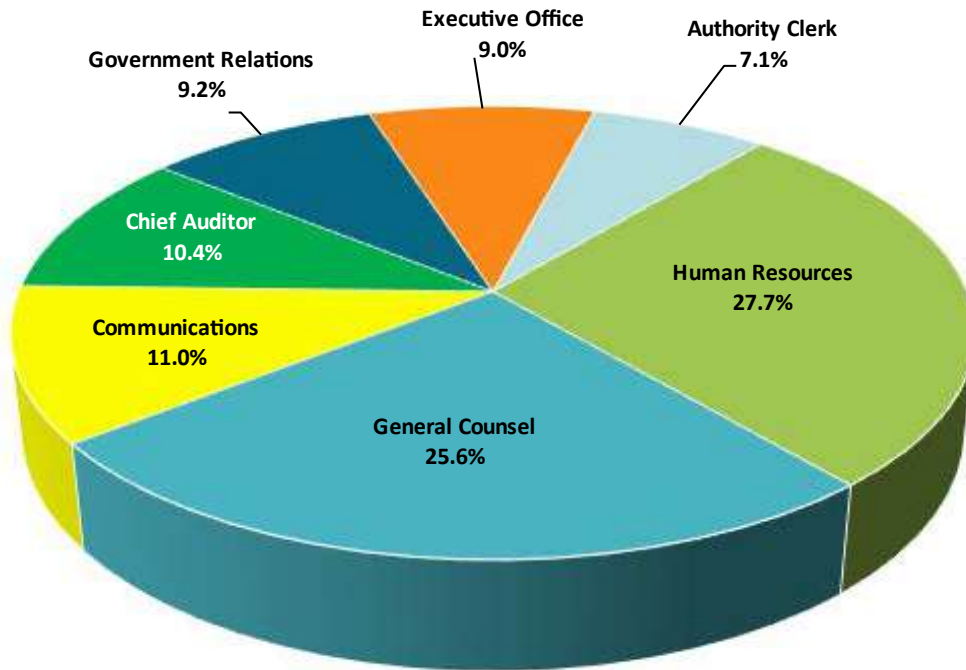


Figure 23 – FY 2026 Expense Conceptual Budget by Department

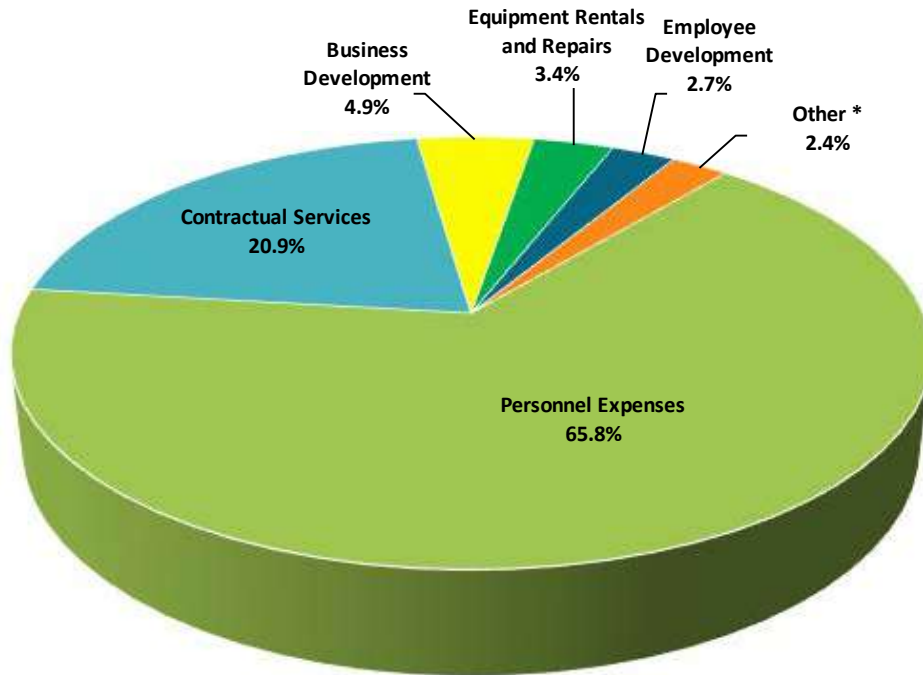
## Executive Division

### FY 2025 Expense Budget by Category

(in thousands)

Category	FY 2025 Budget
Personnel Expenses	\$9,643
Contractual Services	3,061
Business Development	720
Equipment Rentals and Repairs	492
Employee Development	396
Other *	354
<b>Total <sup>1</sup></b>	<b>\$14,666</b>

<sup>1</sup>Total may differ due to rounding



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

**Figure 24 – FY 2025 Expense Budget by Category**

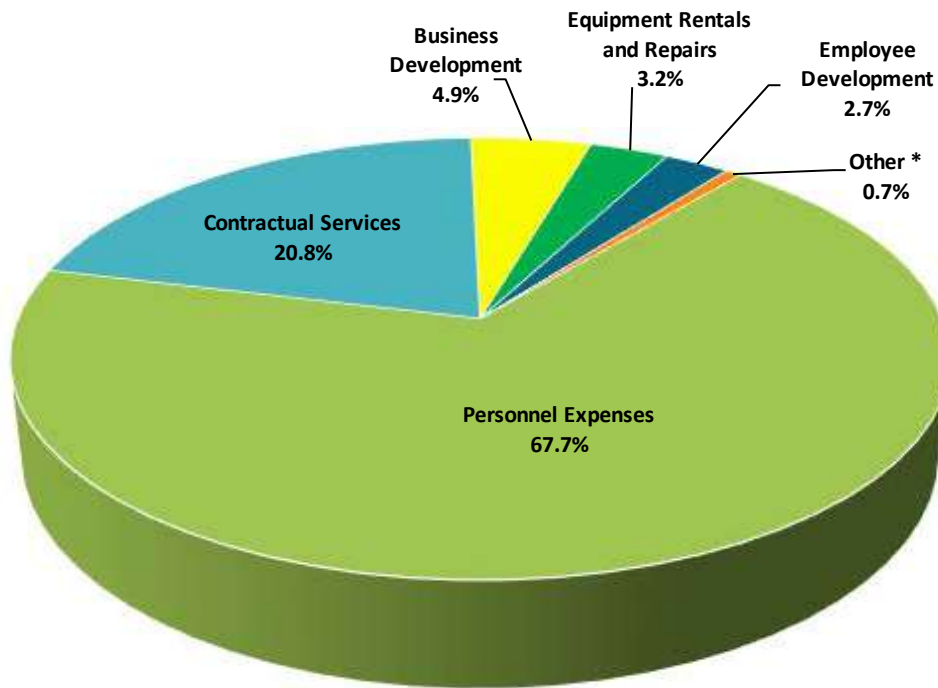
## Executive Division

### FY 2026 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2026 Conceptual Budget
Personnel Expenses	\$10,146
Contractual Services	3,125
Business Development	740
Equipment Rentals and Repairs	483
Employee Development	398
Other *	100
<b>Total <sup>1</sup></b>	<b>\$14,993</b>

<sup>1</sup>Total may differ due to rounding

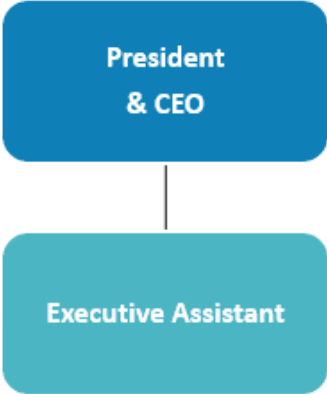


\*Other includes operating equipment & systems, operating supplies, equipment outlay, legal settlements, etc.

Figure 25 – FY 2026 Expense Conceptual Budget by Category

**Executive Division – Executive Office**

**FY 2025 – FY 2026 Organizational Structure**



*No personnel changes in FY 2026*

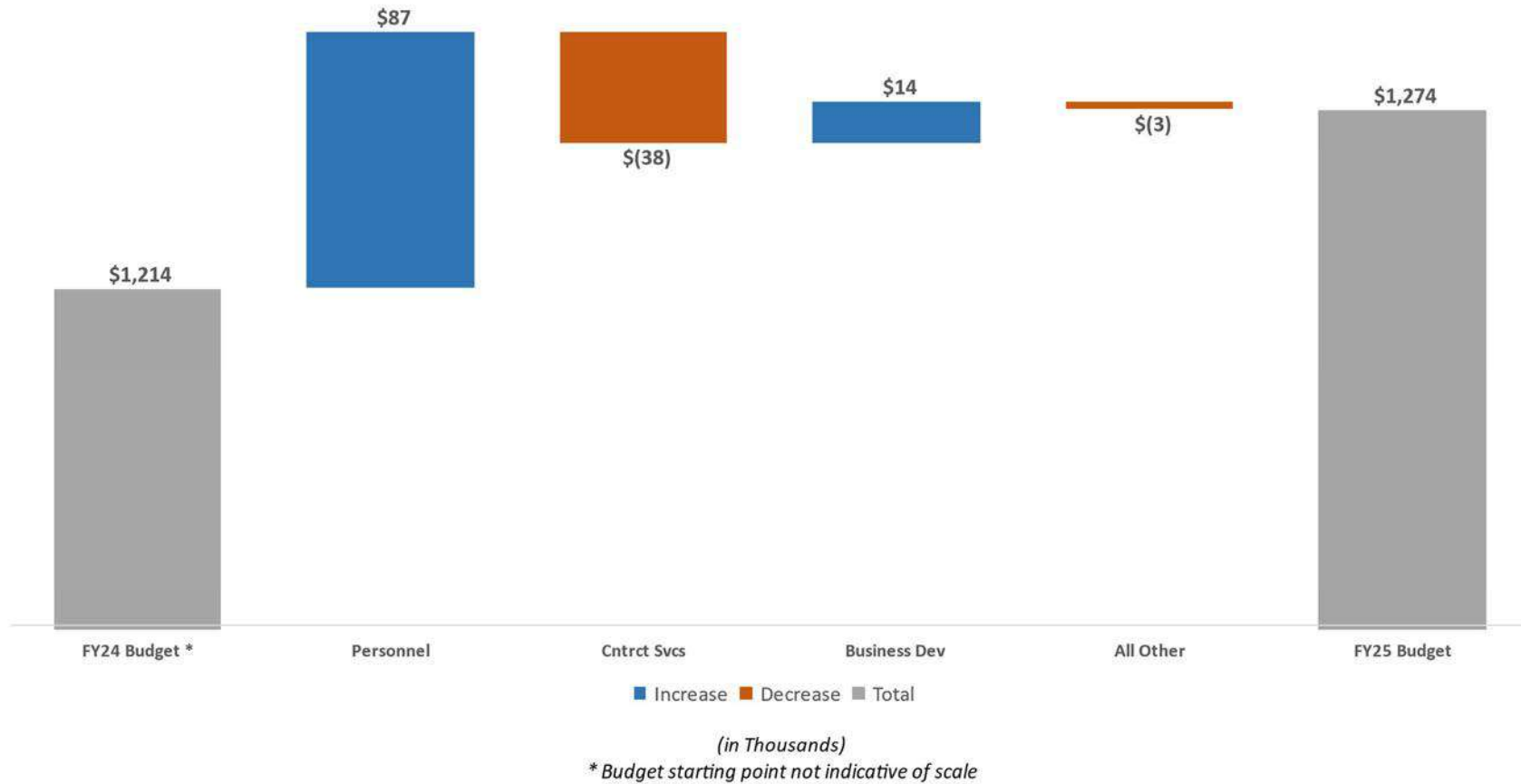
## Executive Division – Executive Office

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	581	642	719	77	12.0%	760	41	5.7%
Benefits	242	219	228	10	4.4%	250	21	9.3%
<b>Subtotal</b>	<b>823</b>	<b>861</b>	<b>947</b>	<b>87</b>	<b>10.1%</b>	<b>1,010</b>	<b>63</b>	<b>6.6%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>823</b>	<b>861</b>	<b>947</b>	<b>87</b>	<b>10.1%</b>	<b>1,010</b>	<b>63</b>	<b>6.6%</b>
Contractual Services	47	81	43	(38)	-46.7%	43	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	4	3	1	(2)	-60.0%	1	0	20.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	31	36	34	(2)	-4.2%	37	3	7.5%
Business Development	219	234	249	14	6.1%	258	10	3.8%
Equipment Rentals and Repairs	-	0	0	-	0.0%	0	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>301</b>	<b>353</b>	<b>327</b>	<b>(26)</b>	<b>-7.5%</b>	<b>339</b>	<b>12</b>	<b>3.8%</b>
<b>Total Operating Expenses</b>	<b>1,124</b>	<b>1,214</b>	<b>1,274</b>	<b>60</b>	<b>5.0%</b>	<b>1,349</b>	<b>75</b>	<b>5.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>1,124</b>	<b>1,214</b>	<b>1,274</b>	<b>60</b>	<b>5.0%</b>	<b>1,349</b>	<b>75</b>	<b>5.9%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,124</b>	<b>1,214</b>	<b>1,274</b>	<b>60</b>	<b>5.0%</b>	<b>1,349</b>	<b>75</b>	<b>5.9%</b>

## Executive Division – Executive Office

### Major Drivers of FY 2024 Budget & FY 2025 Budget



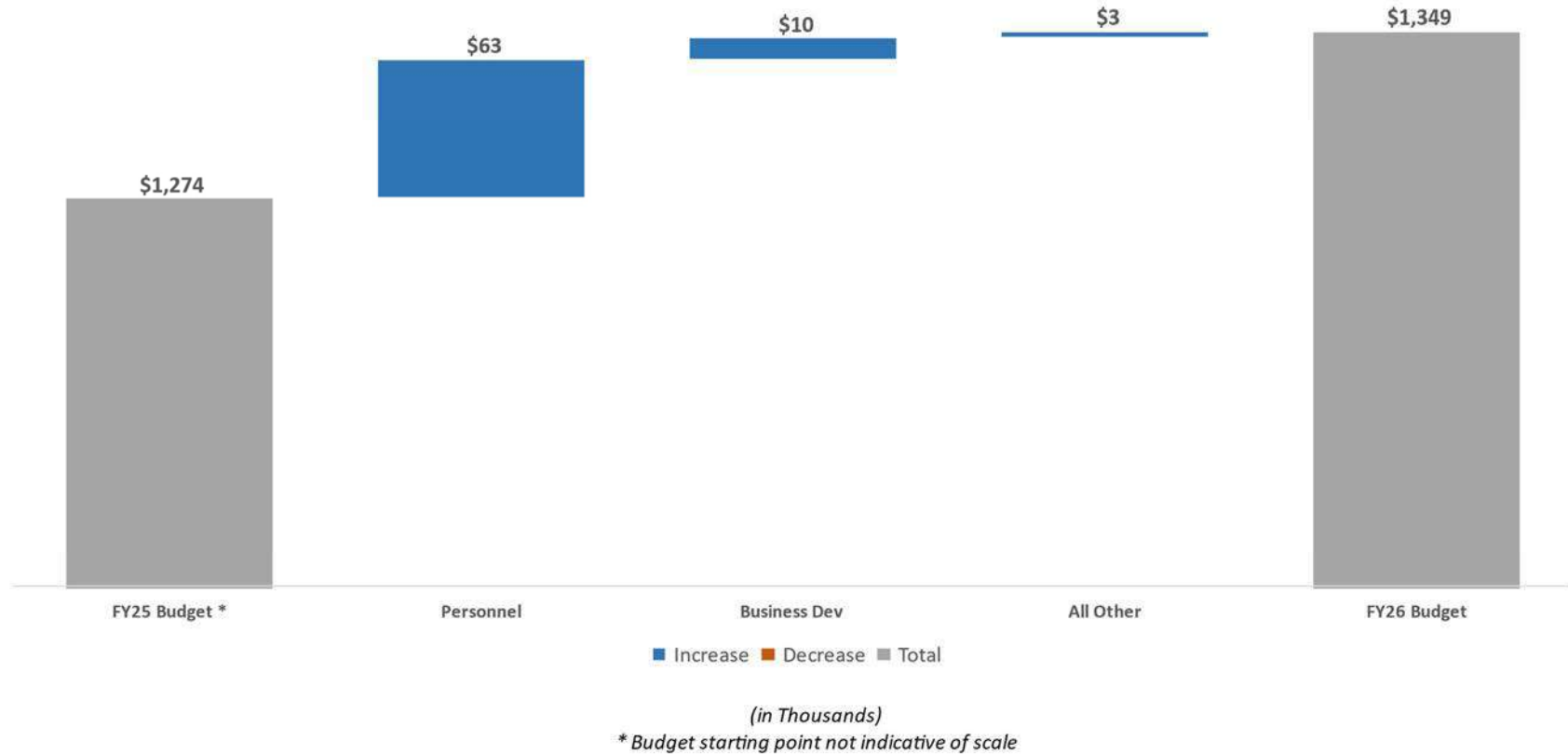
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Leadership retreats decreasing (\$38K) due to reduced number of retreats



## Executive Division – Executive Office

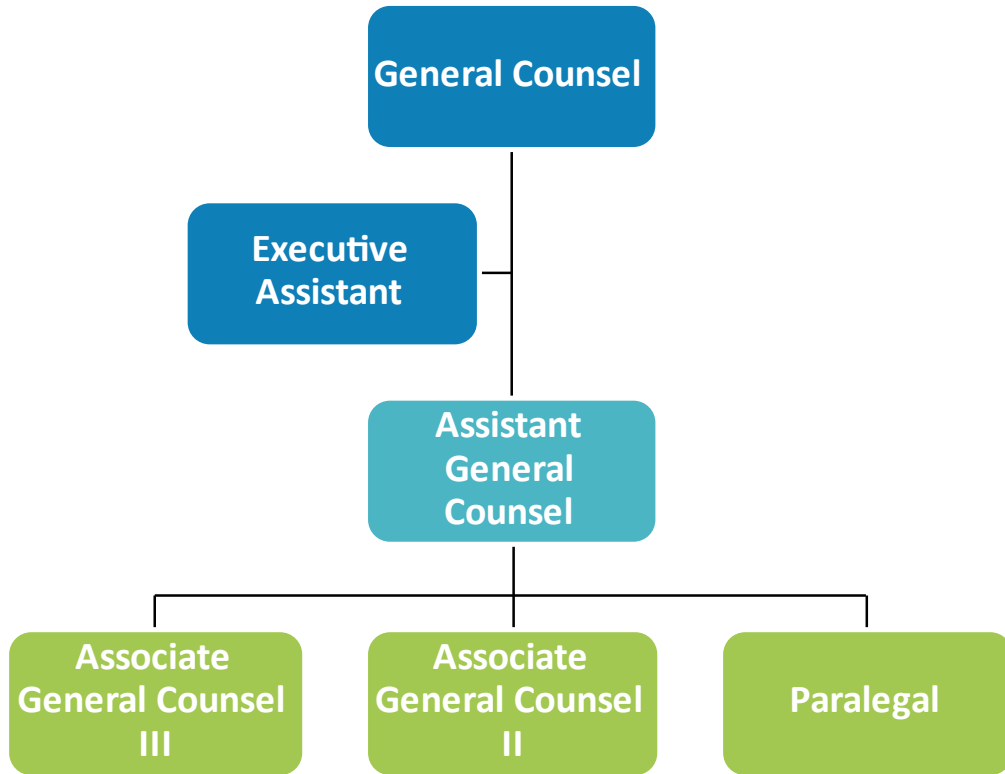
### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

## Executive Division – General Counsel

### FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

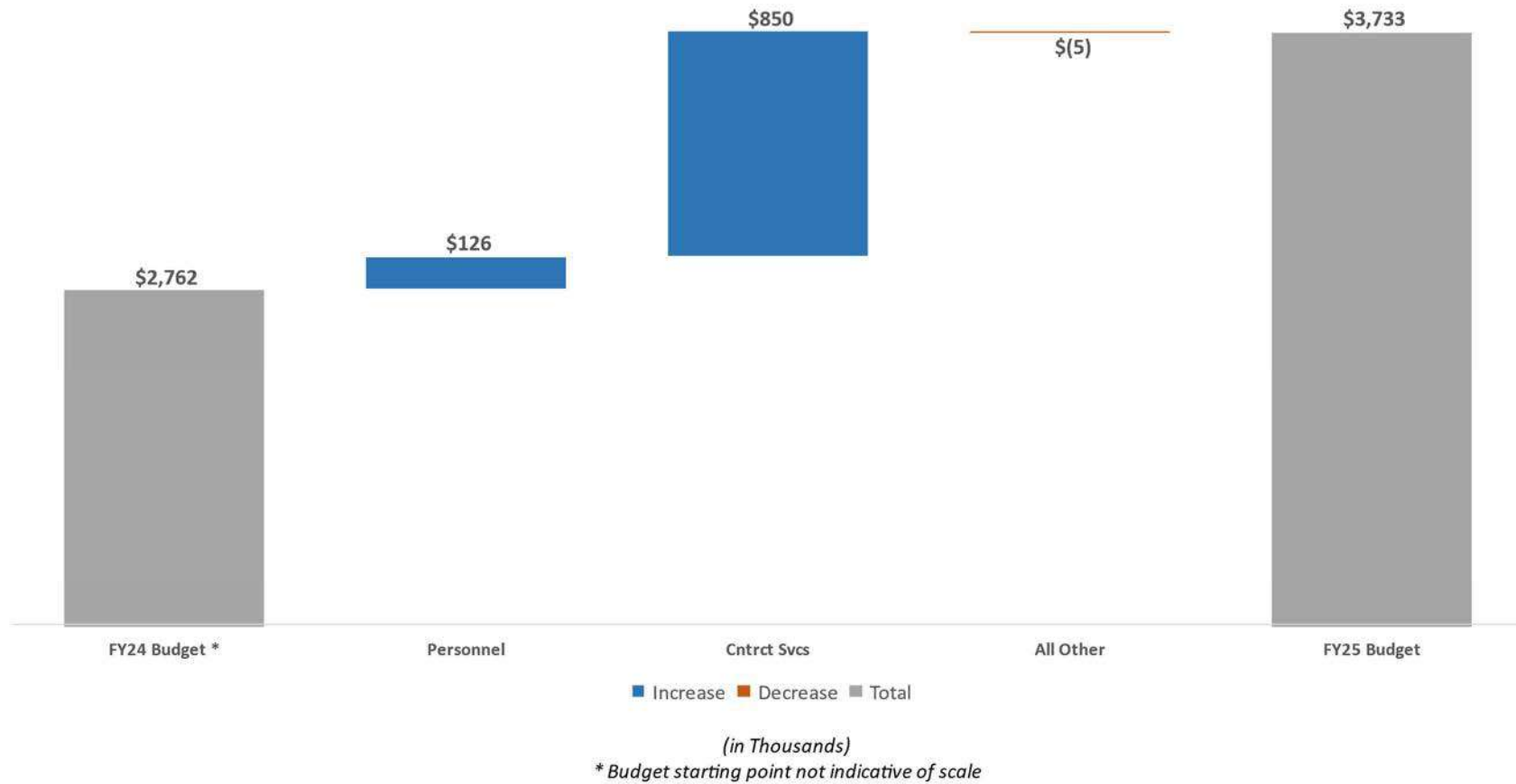
## Executive Division – General Counsel

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	1,185	1,457	1,563	107	7.3%	1,624	60	3.9%
Benefits	487	551	571	20	3.5%	616	45	8.0%
<b>Subtotal</b>	<b>1,673</b>	<b>2,008</b>	<b>2,134</b>	<b>126</b>	<b>6.3%</b>	<b>2,240</b>	<b>106</b>	<b>5.0%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,673</b>	<b>2,008</b>	<b>2,134</b>	<b>126</b>	<b>6.3%</b>	<b>2,240</b>	<b>106</b>	<b>5.0%</b>
Contractual Services	528	650	1,500	850	130.7%	1,500	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	31	30	28	(2)	-8.2%	28	-	0.0%
Operating Supplies	1	2	1	(1)	-60.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	45	61	61	0	0.0%	65	4	5.7%
Business Development	9	11	9	(2)	-14.2%	10	1	5.5%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>613</b>	<b>754</b>	<b>1,599</b>	<b>845</b>	<b>112.1%</b>	<b>1,603</b>	<b>4</b>	<b>0.3%</b>
<b>Total Operating Expenses</b>	<b>2,286</b>	<b>2,762</b>	<b>3,733</b>	<b>971</b>	<b>35.2%</b>	<b>3,843</b>	<b>110</b>	<b>2.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	233	25	250	225	900.0%	-	(250)	-100.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>233</b>	<b>25</b>	<b>250</b>	<b>225</b>	<b>900.0%</b>	<b>-</b>	<b>(250)</b>	<b>-100.0%</b>
<b>Total Expenses</b>	<b>2,519</b>	<b>2,787</b>	<b>3,983</b>	<b>1,196</b>	<b>42.9%</b>	<b>3,843</b>	<b>(140)</b>	<b>-3.5%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>2,519</b>	<b>2,787</b>	<b>3,983</b>	<b>1,196</b>	<b>42.9%</b>	<b>3,843</b>	<b>(140)</b>	<b>-3.5%</b>

## Executive Division – General Counsel

### Major Drivers of FY 2024 Budget & FY 2025 Budget

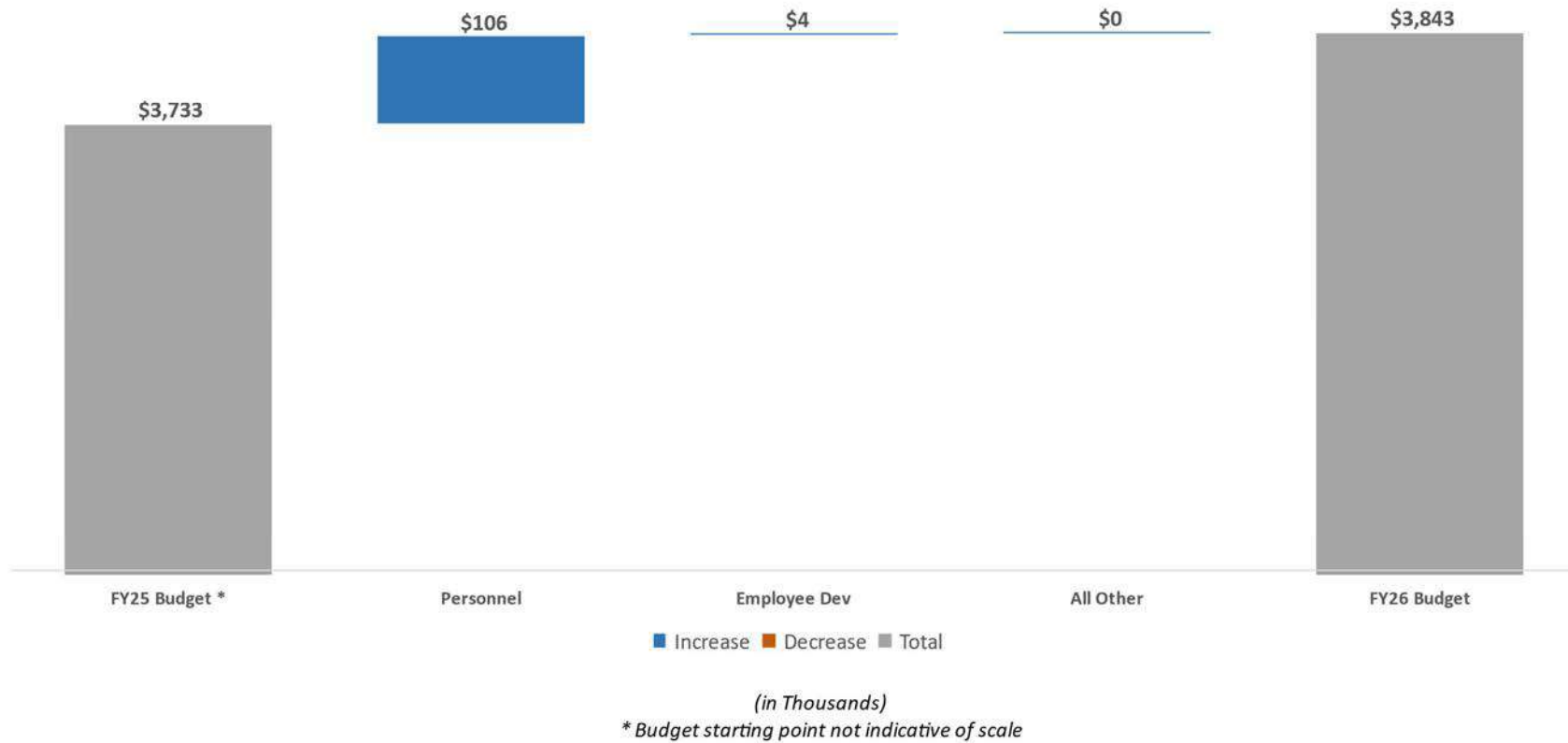


**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Legal services increasing \$350K and expert services increasing \$500K due to labor intensive large cases

## Executive Division – General Counsel

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

## Executive Division – General Counsel

### FY 2024 Progress Report

1. Provide effective and timely strategic advice and counsel to the Board and staff regarding existing and proposed contracts, leases, licenses, permits, and entitlements to enable a successful New T1 project.

**Progress:** On Target

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 5C. Evaluate multiple funding methods for the Capital Program (New T1 and CIP)

2. Ensure all Authority activities comply with applicable federal, state and local laws and regulations to enable and protect funding.

**Progress:** On Target

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Participate locally and nationally in aviation industry groups to encourage and promote diversity in the aviation industry.

**Progress:** On Target

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 4C. Attract a new generation of diverse employees and leaders

## Executive Division – General Counsel

### FY 2025 – FY 2026 Goals

1. Provide effective and timely strategic advice and counsel to the Board and staff regarding existing and proposed contracts, leases, licenses, permits, entitlements to enable a successful New T1 project.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. Ensure all Authority activities comply with applicable federal, state and local laws and regulations to enable and protect funding.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Participate locally and nationally in aviation industry groups to encourage and promote diversity in the aviation industry.

**Strategic Plan Focus Area:**

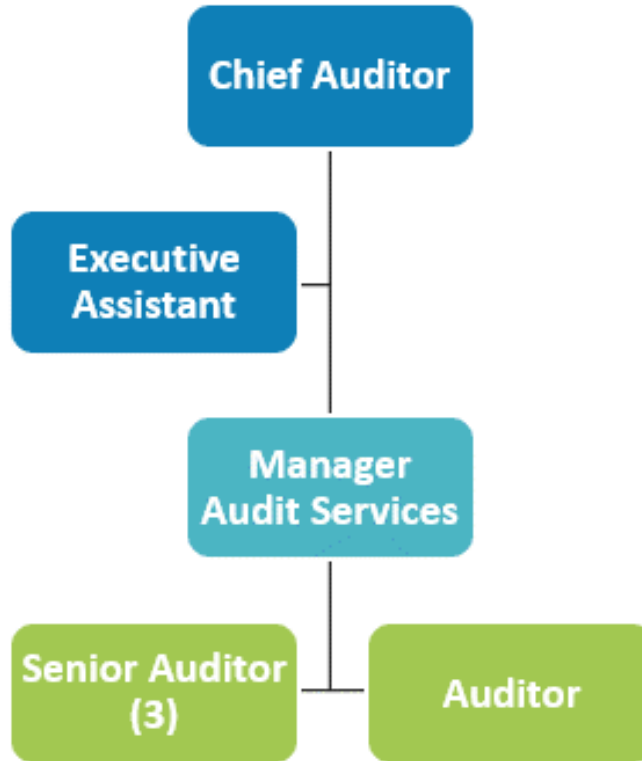
- Cultivating Our Culture

**Strategic Initiative:**

- 4C. Attract a new generation of diverse employees and leaders

**Executive Division – Chief Auditor**

**FY 2025 – FY 2026 Organizational Structure**



*No personnel changes in FY 2026*



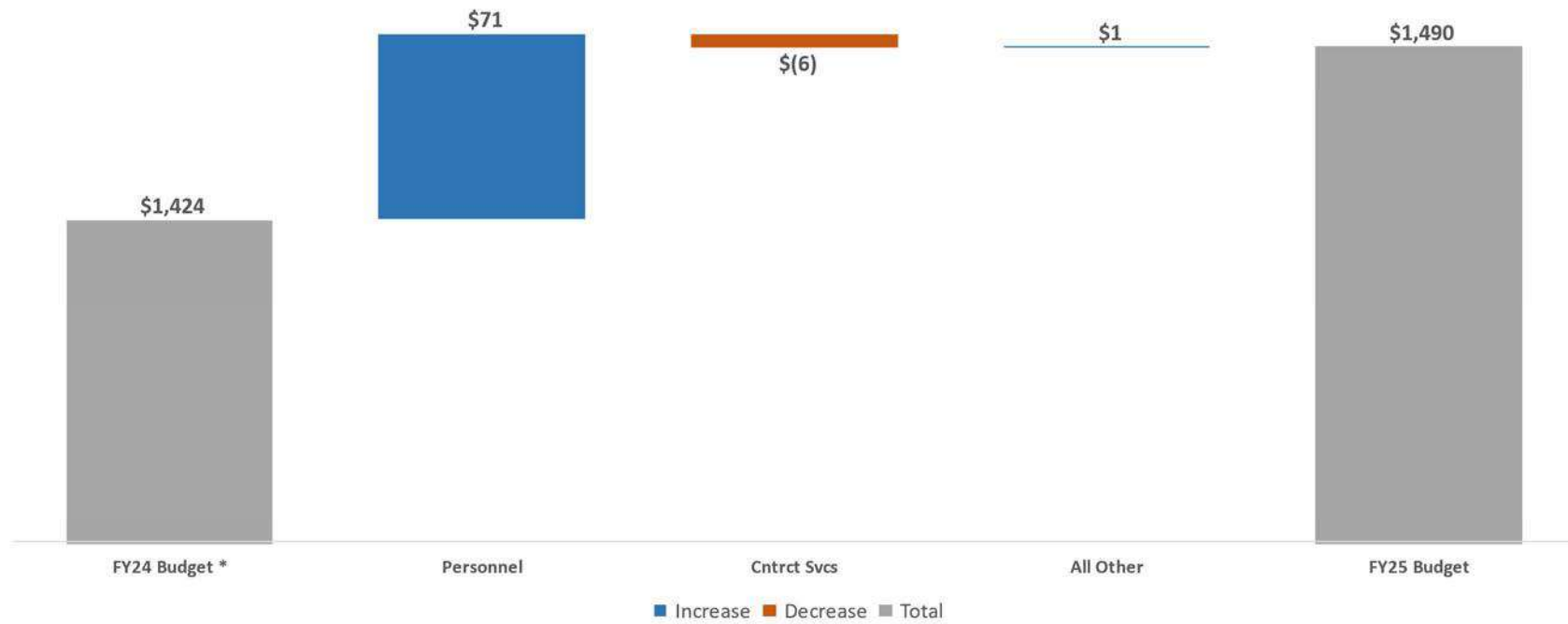
## Executive Division – Chief Auditor

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	955	952	1,001	50	5.2%	1,037	36	3.6%
Benefits	400	390	411	21	5.5%	445	33	8.0%
<b>Subtotal</b>	<b>1,355</b>	<b>1,342</b>	<b>1,413</b>	<b>71</b>	<b>5.3%</b>	<b>1,482</b>	<b>69</b>	<b>4.9%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,355</b>	<b>1,342</b>	<b>1,413</b>	<b>71</b>	<b>5.3%</b>	<b>1,482</b>	<b>69</b>	<b>4.9%</b>
Contractual Services	25	31	25	(6)	-19.4%	25	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	0	0	0	0	5.0%	0	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	1	0	(0)	-76.0%	0	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	14	29	30	1	3.5%	30	0	1.1%
Business Development	4	5	5	0	1.7%	6	0	4.3%
Equipment Rentals and Repairs	15	16	17	0	3.0%	17	1	3.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>60</b>	<b>82</b>	<b>77</b>	<b>(5)</b>	<b>-5.9%</b>	<b>78</b>	<b>1</b>	<b>1.5%</b>
<b>Total Operating Expenses</b>	<b>1,415</b>	<b>1,424</b>	<b>1,490</b>	<b>66</b>	<b>4.7%</b>	<b>1,560</b>	<b>70</b>	<b>4.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>1,415</b>	<b>1,424</b>	<b>1,490</b>	<b>66</b>	<b>4.7%</b>	<b>1,560</b>	<b>70</b>	<b>4.7%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,415</b>	<b>1,424</b>	<b>1,490</b>	<b>66</b>	<b>4.7%</b>	<b>1,560</b>	<b>70</b>	<b>4.7%</b>

## Executive Division – Chief Auditor

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

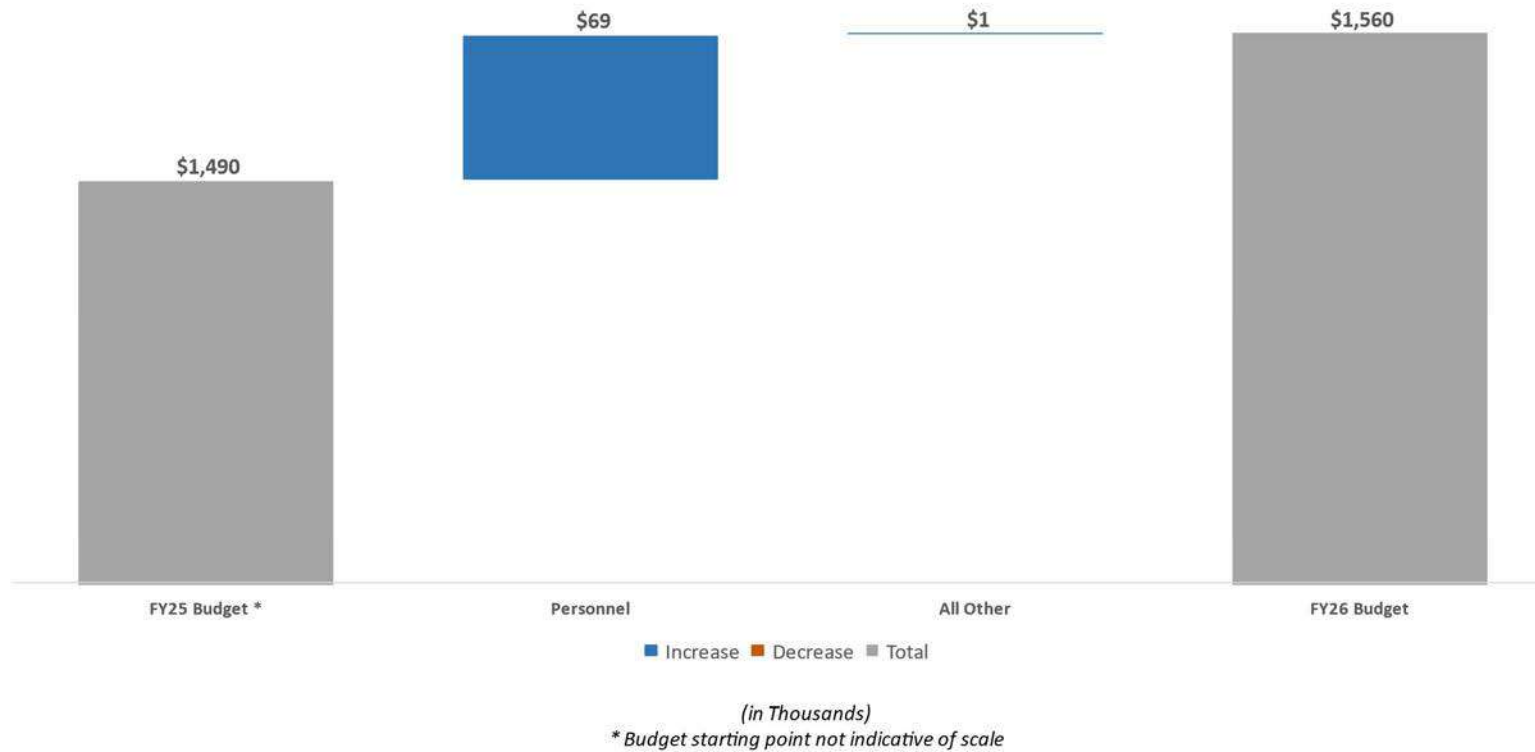
\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Association of Local Government Auditors (ALGA) Peer review to be completed in FY24

## Executive Division – Chief Auditor

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

## Executive Division – Chief Auditor

### FY 2024 Progress Report

1. Conduct audits and consulting engagements that focus on the key risk areas of the Authority.

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

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Achieve a department utilization rate greater than 76% for audit staff, excluding Paid Time Off.

**Progress:** As of December 31, 2023, the department had a utilization rate of 77%.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Provide audit recommendations that improve Authority operations or reduce risk, with 95% of audit recommendations agreed to by management.

**Progress:** As of December 31, 2023, management has agreed to 100% of the recommendations.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

4. Perform audit work in an efficient manner. Complete 70% of all audit and consulting engagements within budgeted time, as established in the annual Audit Plan approved by the Board.

**Progress:** As of December 31, 2023, 75% of audit and consulting engagements have been completed within budgeted time.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

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

**Progress:** As of December 31, 2023, the department achieved an internal customer satisfaction rating of 4.6.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

## Executive Division – Chief Auditor

### Strategic Initiative:

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

6. Provide training for audit staff to ensure adequate and effective audit and consulting engagements.

**Progress:** As of December 31, 2023, 100% of staff met their calendar year Continuing Professional Education requirements.

### Strategic Plan Focus Area:

- Optimize Ongoing Business

### Strategic Initiative:

- 4F. Train and develop business driven, agile and collaborative capabilities

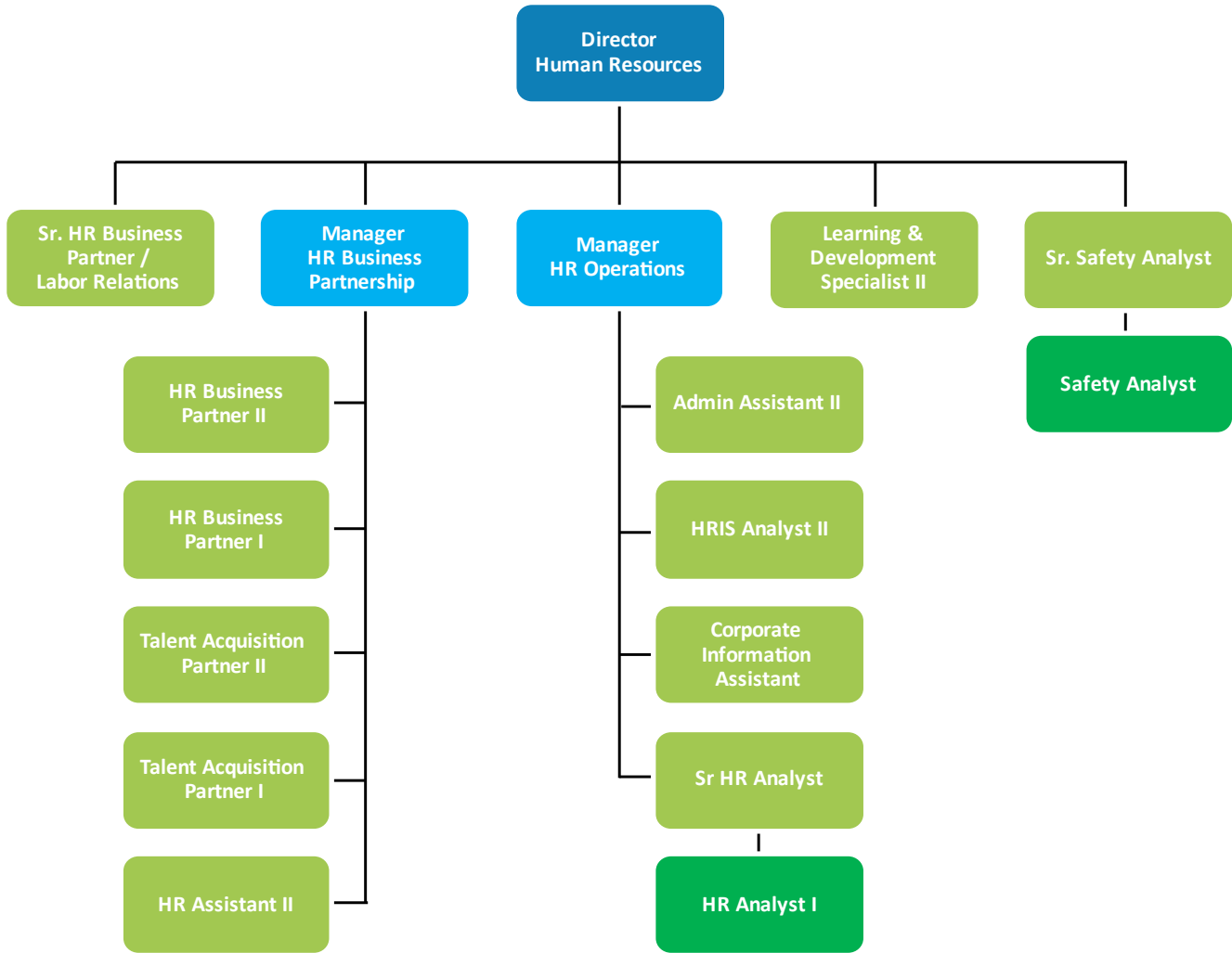
## Executive Division – Chief Auditor

### FY 2025 – FY 2026 Goals

1. Conduct audits and consulting engagements that focus on the key risk areas of the Authority.  
**Strategic Plan Focus Area:**
  - Optimize Ongoing Business**Strategic Initiative:**
  - 2C. Manage ongoing business effectively through change
2. Achieve a department utilization rate greater than 76% for audit staff, excluding Paid Time Off.  
**Strategic Plan Focus Area:**
  - Optimize Ongoing Business**Strategic Initiative:**
  - 2C. Manage ongoing business effectively through change
3. Provide audit recommendations that improve Authority operations or reduce risk, with 95% of audit recommendations agreed to by management.  
**Strategic Plan Focus Area:**
  - Optimize Ongoing Business**Strategic Initiative:**
  - 2C. Manage ongoing business effectively through change
4. Perform audit work in an efficient manner. Complete 70% of all audit and consulting engagements within budgeted time, as established in the annual Audit Plan approved by the Board.  
**Strategic Plan Focus Area:**
  - Transform the Customer Experience**Strategic Initiative:**
  - 5B. Invest/participate in innovation that improves efficiency or enhances revenue
5. Conduct engagements in a manner that meets the expectations of the customer. Achieve an internal customer satisfaction rating of 4.0 on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied.  
**Strategic Plan Focus Area:**
  - Transform the Customer Experience**Strategic Initiative:**
  - 5B. Invest/participate in innovation that improves efficiency or enhances revenue
6. Provide training for audit staff to ensure adequate and effective audit and consulting engagements.  
**Strategic Plan Focus Area:**
  - Cultivating Our Culture**Strategic Initiative:**
  - 4F. Train and develop business driven, agile and collaborative capabilities

# Executive Division – Human Resources

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

## Executive Division – Human Resources

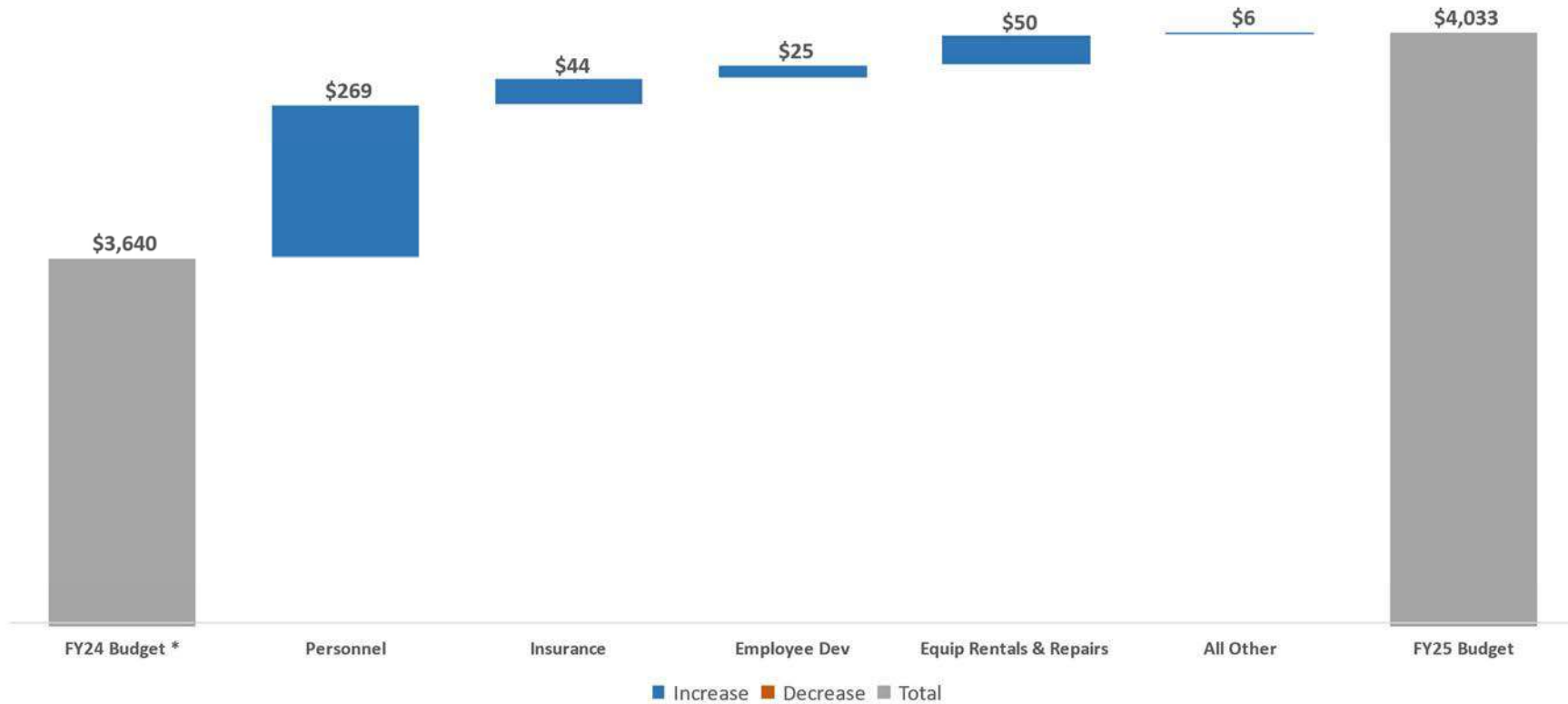
### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	1,512	1,744	1,938	194	11.2%	2,007	68	3.5%
Benefits	719	745	819	75	10.0%	891	72	8.7%
<b>Subtotal</b>	<b>2,231</b>	<b>2,488</b>	<b>2,758</b>	<b>269</b>	<b>10.8%</b>	<b>2,898</b>	<b>140</b>	<b>5.1%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,231</b>	<b>2,488</b>	<b>2,758</b>	<b>269</b>	<b>10.8%</b>	<b>2,898</b>	<b>140</b>	<b>5.1%</b>
Contractual Services	382	499	503	4	0.8%	495	(9)	-1.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	0	11	7	(4)	-34.3%	3	(4)	-53.5%
Operating Supplies	5	12	12	(0)	-4.2%	12	-	0.0%
Insurance	1	1	45	44	3128.6%	45	-	0.0%
Employee Development	124	175	200	25	14.1%	195	(4)	-2.1%
Business Development	(18)	81	87	6	7.1%	87	0	0.0%
Equipment Rentals and Repairs	290	372	422	50	13.4%	412	(10)	-2.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>784</b>	<b>1,152</b>	<b>1,276</b>	<b>124</b>	<b>10.8%</b>	<b>1,249</b>	<b>(27)</b>	<b>-2.1%</b>
<b>Total Operating Expenses</b>	<b>3,015</b>	<b>3,640</b>	<b>4,033</b>	<b>393</b>	<b>10.8%</b>	<b>4,146</b>	<b>113</b>	<b>2.8%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>3,015</b>	<b>3,640</b>	<b>4,033</b>	<b>393</b>	<b>10.8%</b>	<b>4,146</b>	<b>113</b>	<b>2.8%</b>
Equipment Outlay Expenditures	12	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>3,027</b>	<b>3,640</b>	<b>4,033</b>	<b>393</b>	<b>10.8%</b>	<b>4,146</b>	<b>113</b>	<b>2.8%</b>



## Executive Division – Human Resources

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

\* Budget starting point not indicative of scale

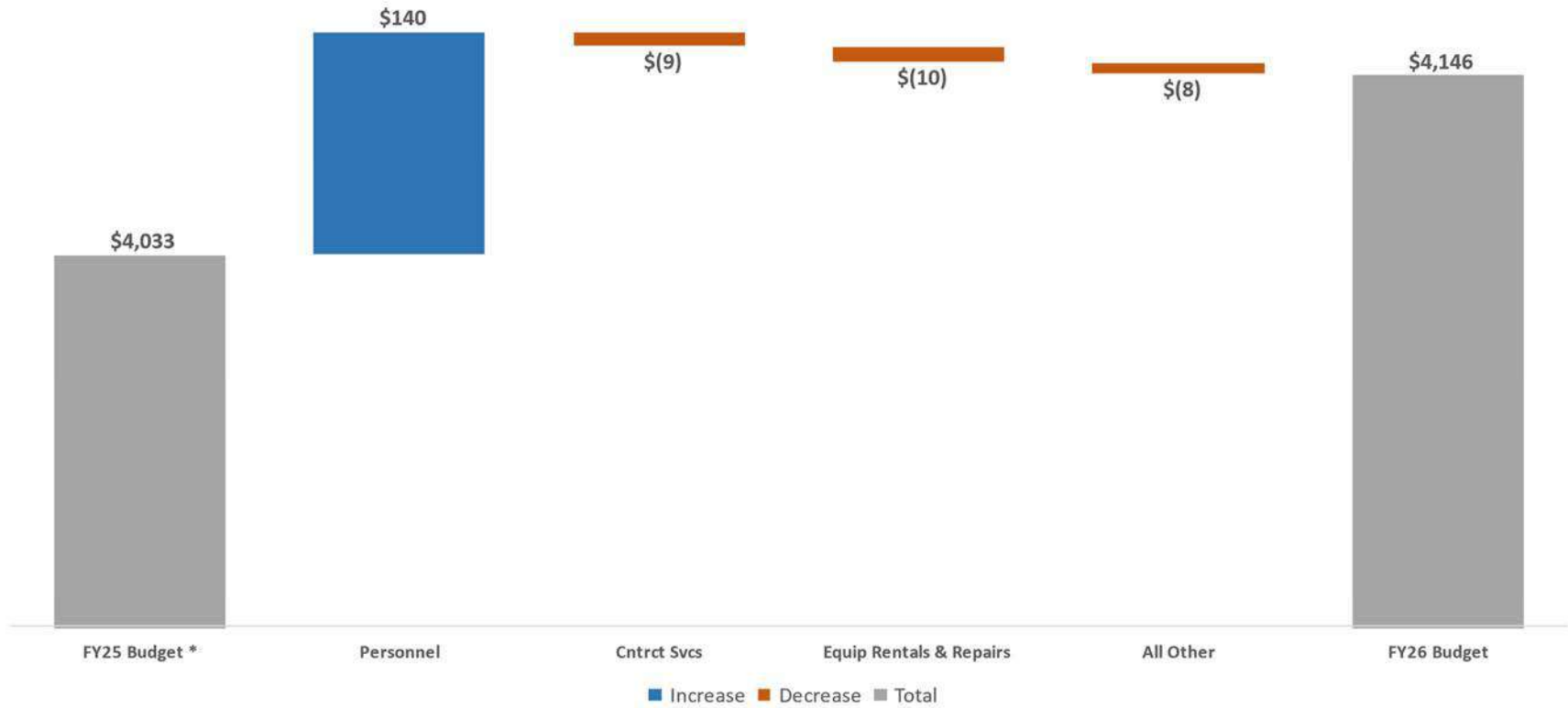
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Added one (1) position

**Insurance:** Parental leave benefit added for \$44K

**Equipment Rentals & Repairs:** Replacing old talent management software with new software

## Executive Division – Human Resources

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

## Executive Division – Human Resources

### FY 2024 Progress Report

1. Expand employment opportunities to foster hiring entry-level candidates and recent college graduates to increase our candidate pipeline, create a more diverse candidate pool, and tap into an underutilized growing labor market.

**Progress:** In November of 2023, the Authority initiated the School to SAN hiring initiative, aimed at streamlining the recruitment process for entry-level candidates who fulfill the minimum educational criteria for relevant positions. This initiative grants departments increased flexibility in their hiring strategies, prioritizing competencies over experience. It also underscores a commitment to training these individuals, thereby shaping a skilled and adaptable workforce for the future.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 4C. Attract a new generation of diverse employees and leaders

2. Continue to build and foster relationships with local high schools, community colleges, universities, and trade schools to create a strong candidate pipeline promoting local talent and jobs in the San Diego region.

**Progress:** In June 2023, the Authority brought on board a Talent Acquisition Partner II, tasked with spearheading the organization's recruitment strategy. This role focuses on cultivating a robust candidate pipeline, enhancing procedural efficiencies, and fostering relationships with various local educational institutions and community groups. Subsequently, we expanded our team by hiring an additional Talent Acquisition Partner I, bolstering our outreach capabilities. This expansion has enabled us to engage in 1-2 community outreach initiatives monthly, forge stronger partnerships with local educational establishments, and reinforce our reputation as an employer of choice in the San Diego area.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 4C. Attract a new generation of diverse employees and leaders

3. Design and implement leadership programs that address the skills and behaviors needed to successfully develop current and future leaders.

**Progress:** The preliminary step of collaborating with a leadership consulting firm to conduct a thorough gap analysis has concluded. We are now embarking on the subsequent phase, dedicated to designing and organizing leadership programs. These programs will be meticulously crafted based on the recommendations and insights gleaned from the consulting firm, with the goal of empowering both current and future leaders with the essential skills and knowledge needed for success.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 4B. Develop leaders to be better coaches who enable independent decision making

## Executive Division – Human Resources

### FY 2025 – FY 2026 Goals

1. Collaborate with departments to develop staffing strategies for the New Terminal 1, encompassing various staffing categories (limited duration, Veteran Fellowships, Interns, Contractors, and Temporary staff) to uphold our reputation as a high-performing and effective organization that fulfills all operational requirements.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 4E. Create Department Strategic Workforce Plans and associated hiring strategy to prepare for NT1 Activation and Operation
2. Establish and execute a structured succession strategy to recognize and prepare for crucial staffing gaps within the upcoming one to five years. This plan will leverage initiatives such as job shadowing, mentorship, skill enhancement, cross-training, School to SAN, Internship, and Veteran Fellowship programs.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change
3. Implement leadership and career development initiatives utilizing internal and external resources, including Servant Leadership, subject matter experts, Airport Council International, SAN University, and other relevant avenues.

**Strategic Plan Focus Area:**

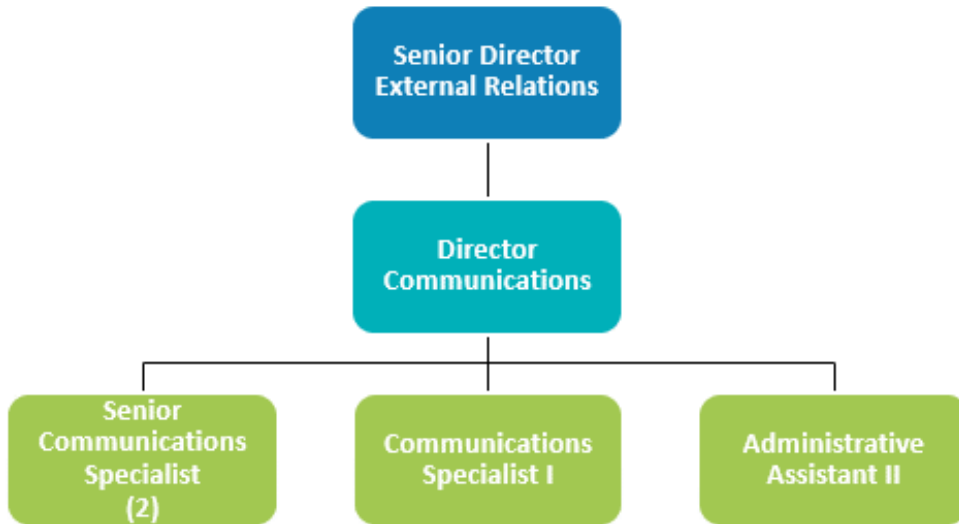
- Cultivating Our Culture

**Strategic Initiative:**

- 4A. Create an effective succession and transition plan for ongoing leadership changes

## Executive Division – Communications

### FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

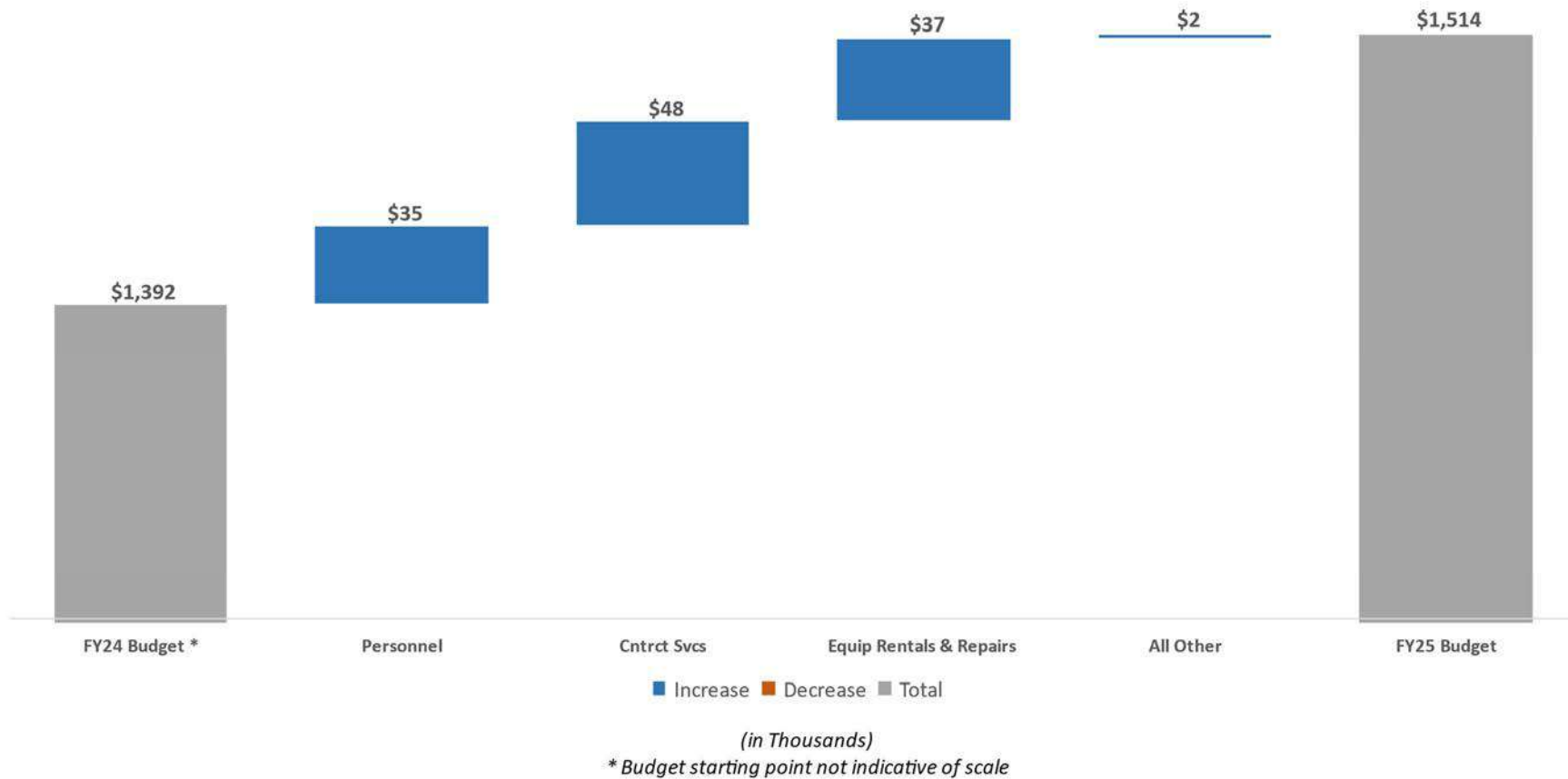
## Executive Division – Communications

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	723	674	699	25	3.8%	727	28	4.0%
Benefits	292	289	298	10	3.3%	323	25	8.3%
<b>Subtotal</b>	<b>1,016</b>	<b>962</b>	<b>997</b>	<b>35</b>	<b>3.6%</b>	<b>1,050</b>	<b>53</b>	<b>5.3%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,016</b>	<b>962</b>	<b>997</b>	<b>35</b>	<b>3.6%</b>	<b>1,050</b>	<b>53</b>	<b>5.3%</b>
Contractual Services	321	393	440	48	12.1%	525	85	19.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	1	1	-	0.0%	1	-	0.0%
Operating Supplies	1	3	2	(1)	-44.6%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	22	20	20	-	0.0%	20	-	0.0%
Business Development	106	12	15	3	29.2%	15	-	0.0%
Equipment Rentals and Repairs	2	2	39	37	1991.4%	39	0	0.5%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>451</b>	<b>430</b>	<b>516</b>	<b>87</b>	<b>20.2%</b>	<b>602</b>	<b>85</b>	<b>16.5%</b>
<b>Total Operating Expenses</b>	<b>1,467</b>	<b>1,392</b>	<b>1,514</b>	<b>122</b>	<b>8.7%</b>	<b>1,652</b>	<b>138</b>	<b>9.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>1,467</b>	<b>1,392</b>	<b>1,514</b>	<b>122</b>	<b>8.7%</b>	<b>1,652</b>	<b>138</b>	<b>9.1%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,467</b>	<b>1,392</b>	<b>1,514</b>	<b>122</b>	<b>8.7%</b>	<b>1,652</b>	<b>138</b>	<b>9.1%</b>

## Executive Division – Communications

### Major Drivers of FY 2024 Budget & FY 2025 Budget



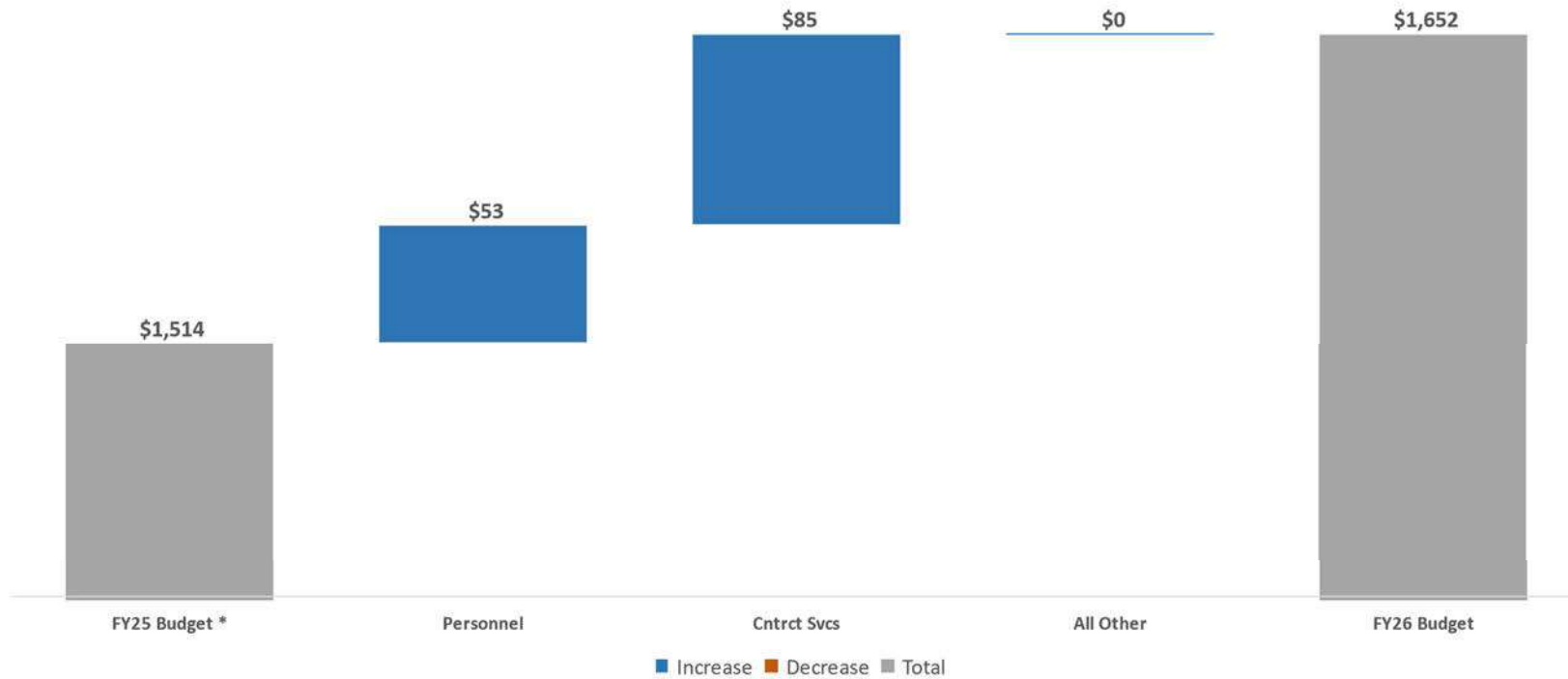
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** New T1 community outreach increasing \$50K

**Equipment Rentals & Repairs:** New social intranet \$37K

## Executive Division – Communications

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** New T1 community outreach increasing \$85K



## Executive Division – Communications

### FY 2024 Progress Report

1. Continue to execute the New T1 communications plan and ensure the public is informed of the New T1's benefits, progress and construction impacts.

**Progress:** The team made substantial progress toward this goal. We executed the plan for communicating construction impacts to passengers, stakeholders and the public at-large with construction alerts, media interviews, text alerts, newsletters and social media posts. We also publicized the planned new T1 concessions. Additionally, new signage along Harbor Drive and inside T1 was installed, helping to create anticipation and excitement. The result: Relatively smooth transitions as the public navigated a major traffic switch on Harbor Drive related to the new entrance to T1, and other related changes.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 3E. Raise awareness of significant projects through unpaid media opportunities

2. Continue to engage with regional economic partners and critical industry stakeholders on ways the Airport Authority contributes to economic growth.

**Progress:** The team made substantial progress toward this goal. We shared news items about the Airport Authority's New T1 program, small business program, financial awards, sustainability accomplishments, job openings and more in newsletters, announcements and the social media channels of our partners, including SANDAG, MTS, SDTA, Convention Center, local elected officials and other municipalities. We also made numerous in-person and virtual presentations to these groups, as well as others.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

3. Continue to operationalize and enhance the Authority's commitment to Diversity, Equity and Inclusion.

**Progress:** The team made substantial progress toward this goal. Diversity and Inclusion have been explicitly integrated into the Authority's Culture Statement and Mindsets. The Authority prepared its first annual DEI report, incorporating the DEI goals and metrics into the 2022-2023 Sustainability Report. The DEI Employee Committee conducted roadshows and a luncheon, sharing the Authority's commitment to DEI with departments.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 4C. Attract a new generation of diverse employees and leaders

## Executive Division – Communications

### FY 2025 – FY 2026 Goals

1. Continue to execute the New T1 communications plan and ensure the public is informed of the New T1's benefits, progress and construction impacts. This includes a series of events to celebrate/publicize the T1 Parking Plaza opening and the New T1 grand opening.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 3E. Raise awareness of significant projects

2. Continue to position the Airport Authority as a leader in sustainability by publishing the Authority's first Environmental, Social, Governance (ESG) report.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

3. Coordinate, streamline and optimize employee communications channels.

**Strategic Plan Focus Area:**

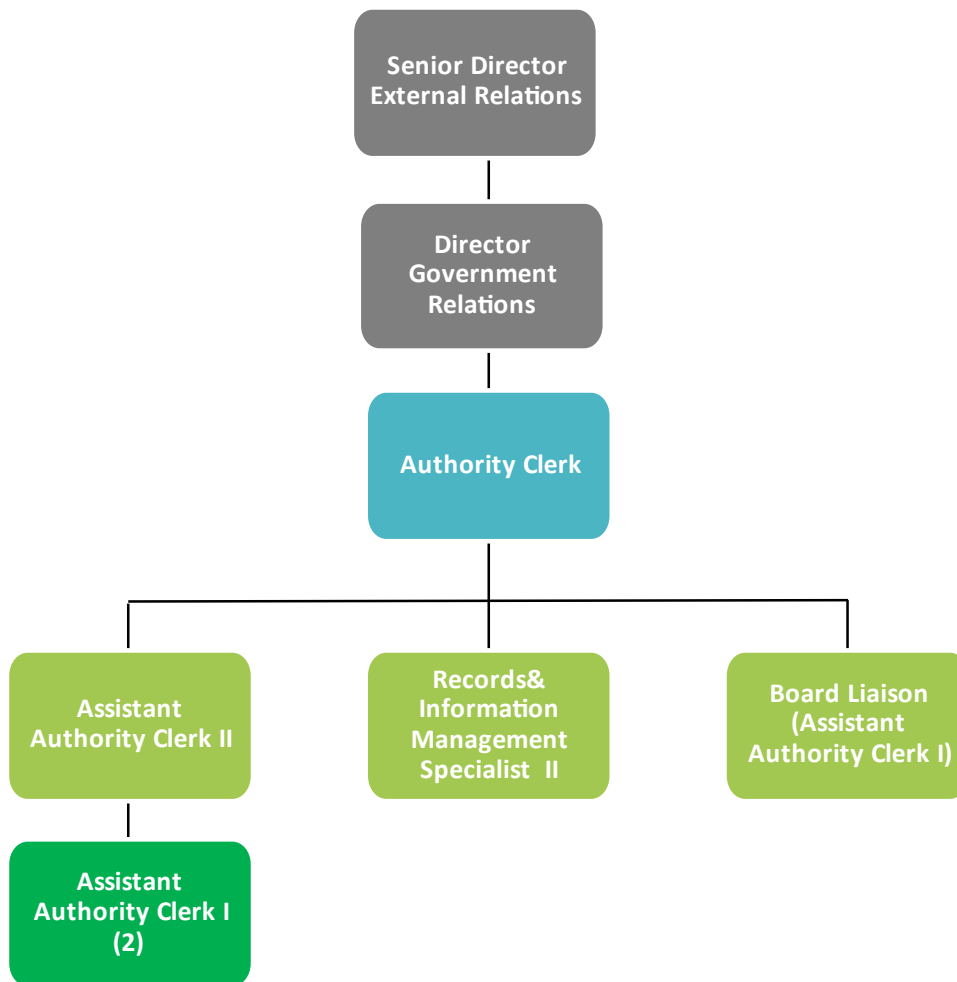
- Cultivating Our Culture

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

## Executive Division – Authority Clerk

### FY 2025 – FY 2026 Organizational Structure



*Senior Director position resides in the Communications Department and is shown for structural purpose.*

*Director position resides in the Government Relations Department and is shown for structural purpose.*

*No personnel changes in FY 2026*

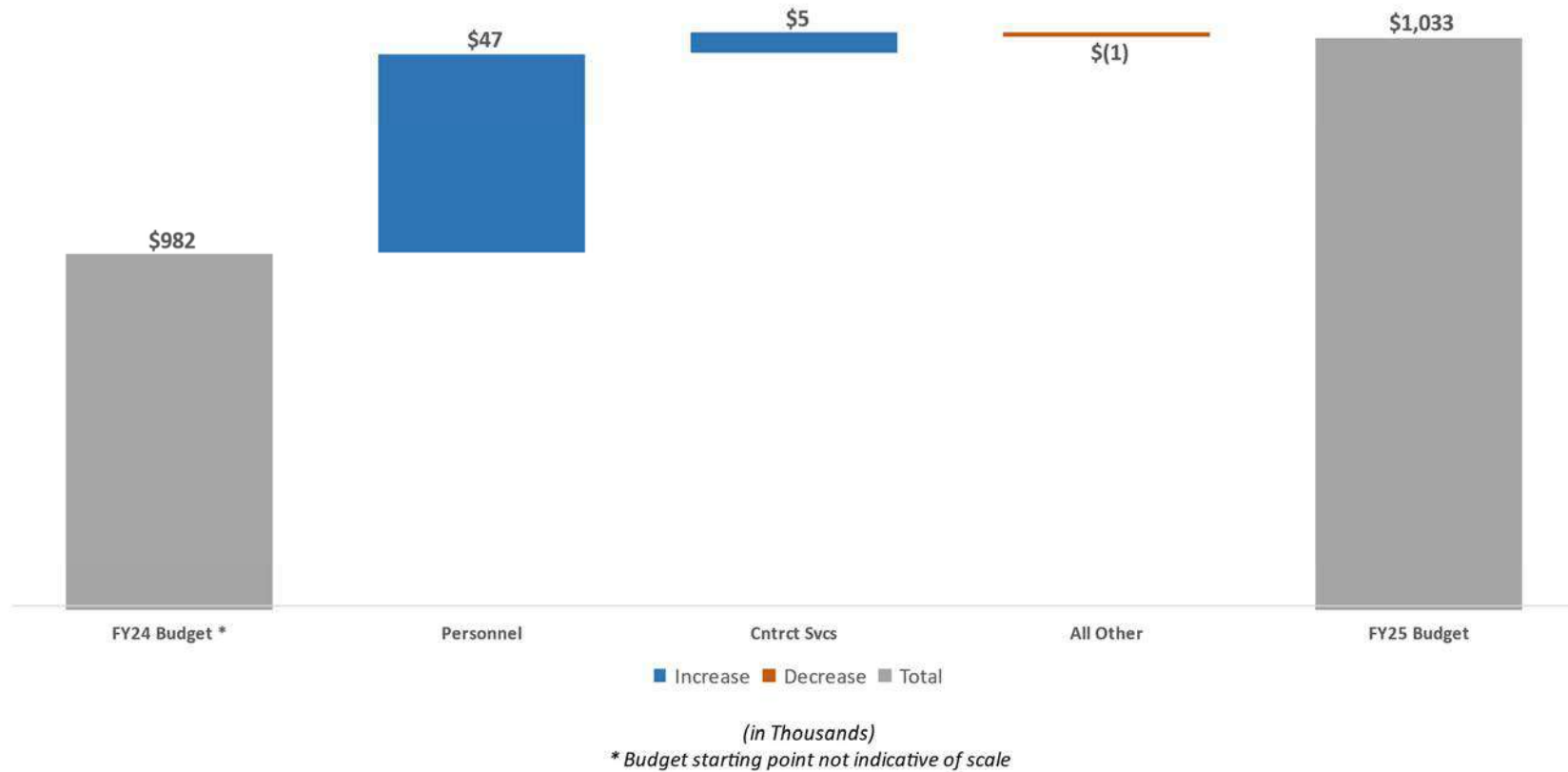
## Executive Division – Authority Clerk

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	481	514	549	35	6.9%	571	22	4.0%
Benefits	223	217	228	12	5.3%	247	19	8.4%
<b>Subtotal</b>	<b>704</b>	<b>731</b>	<b>777</b>	<b>47</b>	<b>6.4%</b>	<b>819</b>	<b>41</b>	<b>5.3%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>704</b>	<b>731</b>	<b>777</b>	<b>47</b>	<b>6.4%</b>	<b>819</b>	<b>41</b>	<b>5.3%</b>
Contractual Services	128	149	155	5	3.3%	140	(15)	-9.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	6	6	6	-	0.0%	6	-	0.0%
Operating Supplies	3	2	1	(1)	-60.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	36	32	32	-	0.0%	32	-	0.0%
Business Development	27	47	47	-	0.0%	47	-	0.0%
Equipment Rentals and Repairs	11	15	15	-	0.0%	15	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>211</b>	<b>252</b>	<b>255</b>	<b>4</b>	<b>1.5%</b>	<b>240</b>	<b>(15)</b>	<b>-5.9%</b>
<b>Total Operating Expenses</b>	<b>915</b>	<b>982</b>	<b>1,033</b>	<b>51</b>	<b>5.2%</b>	<b>1,059</b>	<b>26</b>	<b>2.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>915</b>	<b>982</b>	<b>1,033</b>	<b>51</b>	<b>5.2%</b>	<b>1,059</b>	<b>26</b>	<b>2.5%</b>
<b>Equipment Outlay Expenditures</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>915</b>	<b>982</b>	<b>1,033</b>	<b>51</b>	<b>5.2%</b>	<b>1,059</b>	<b>26</b>	<b>2.5%</b>

## Executive Division – Authority Clerk

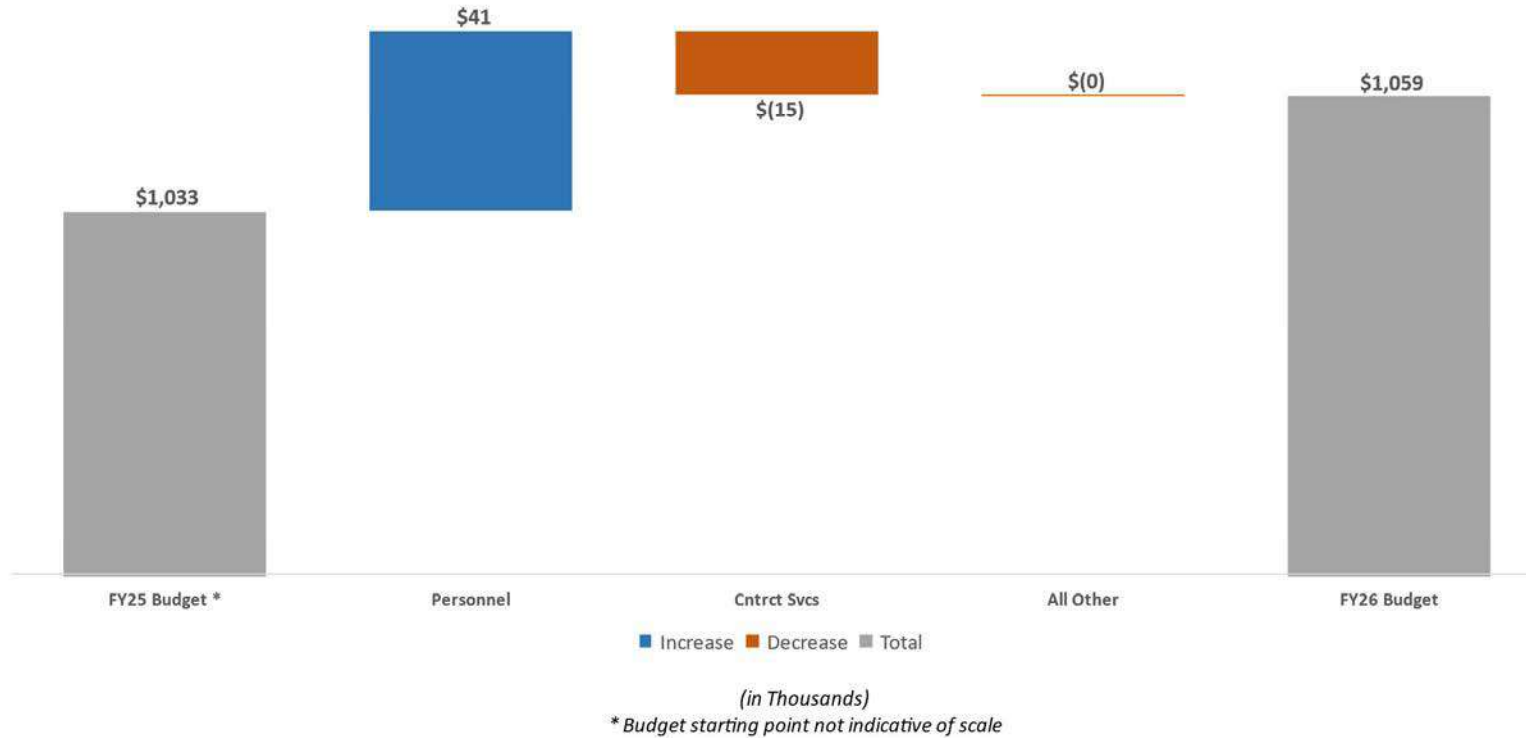
### Major Drivers of FY 2024 Budget & FY 2025 Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

## Executive Division – Authority Clerk

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Maintenance of file system (\$15K) discontinued after system change

## Executive Division – Authority Clerk

### FY 2024 Progress Report

1. Complete the biennial review of the Authority’s Records Retention Schedule.

**Progress:** Completed

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

2. Develop advanced Records Coordinator and end user training on the Use of the ECMS (Opentext 16.5)

**Progress:** Completed Records Coordinator training and New Hire Onboarding Training

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Commission the Board Room Audio Visual System in the New Administration Building and ensure webcasting and maintenance services are in place for Board and Committee meetings.

**Progress:** Completed

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

## Executive Division – Authority Clerk

### FY 2025 – FY 2026 Goals

1. Complete the destruction of boxes stored at the third-party file storage vendor that have met their retention.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

2. Collaborate with the General Counsel’s Office to establish a process for conducting Hybrid meetings in compliance with AB 2449 which provides for relaxed teleconferencing rules when a member of the legislative body needs to attend remotely for an emergency, or other reasons supported by “just cause.”, if necessary.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

3. Complete the electronic review and disposition of information stored and maintained in department folders in the ECMS.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

4. Collaborate with Information & Technology Services (I&TS) to evaluate the replacement of the Authority’s current ECMS.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

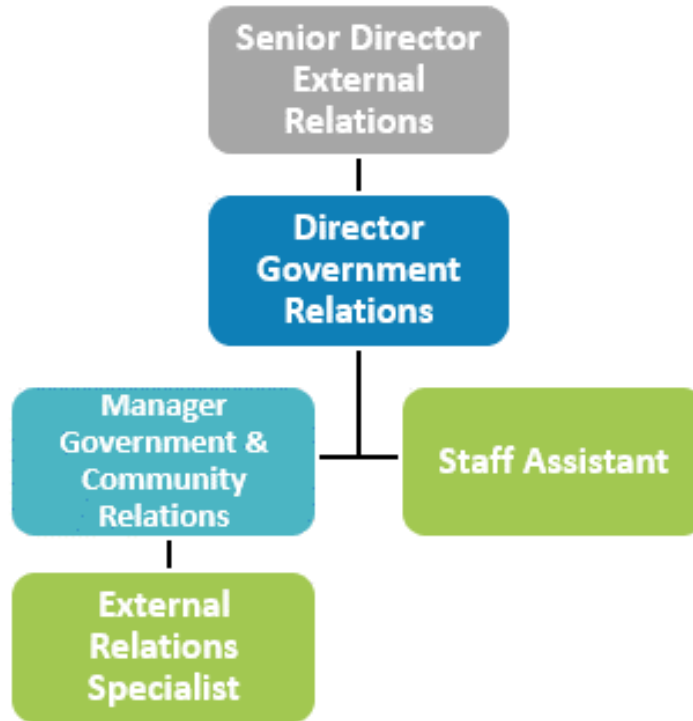
**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change



## Executive Division – Government Relations

### FY 2025 – FY 2026 Organizational Structure



*Position in grey resides in the Communications Department and is shown for structural purpose.  
No personnel changes in FY 2026*

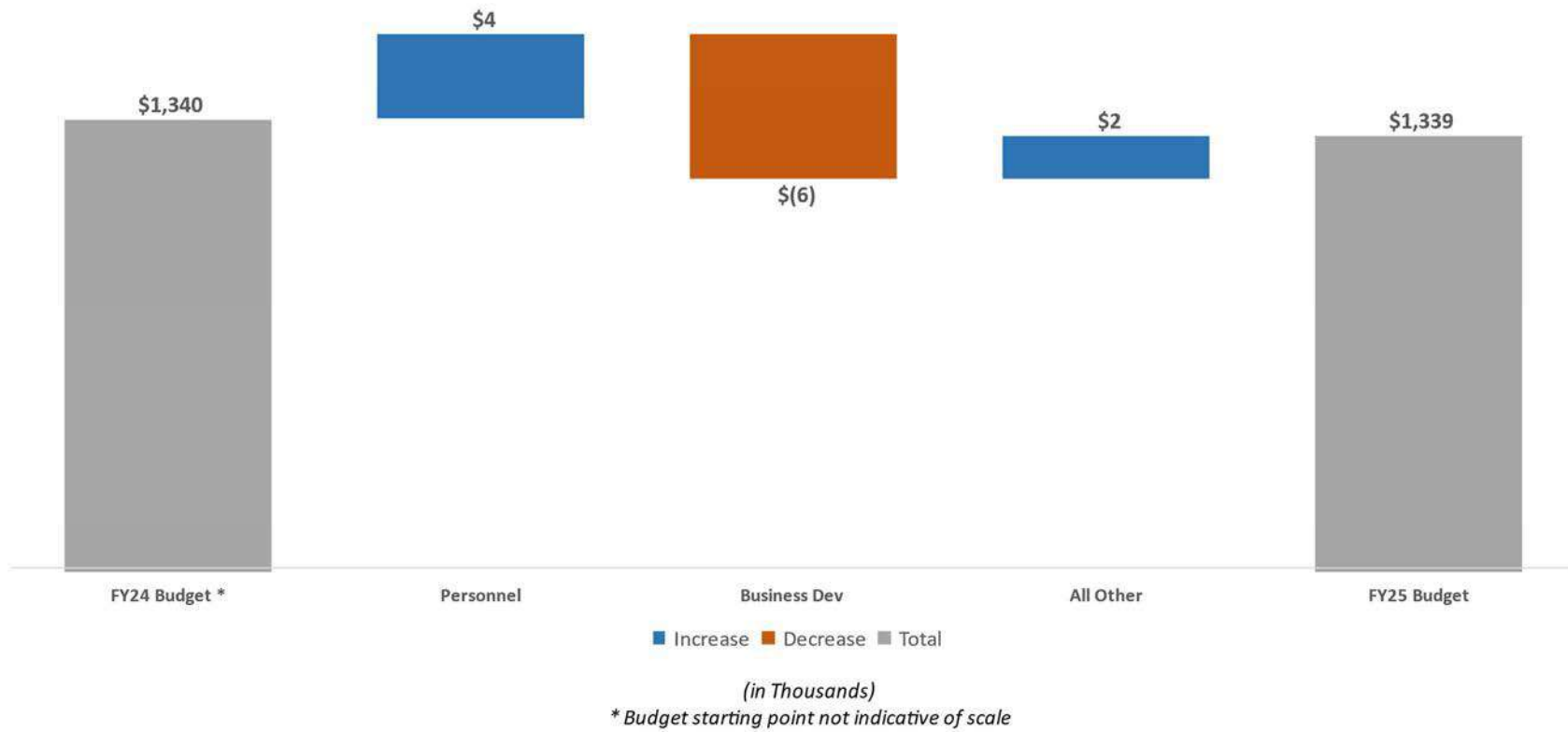
## Executive Division – Government Relations

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	332	417	441	24	5.7%	458	18	4.0%
Benefits	182	195	175	(20)	-10.3%	189	14	8.0%
<b>Subtotal</b>	<b>513</b>	<b>612</b>	<b>616</b>	<b>4</b>	<b>0.6%</b>	<b>648</b>	<b>32</b>	<b>5.1%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>513</b>	<b>612</b>	<b>616</b>	<b>4</b>	<b>0.6%</b>	<b>648</b>	<b>32</b>	<b>5.1%</b>
Contractual Services	382	395	395	-	0.0%	398	3	0.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	0	-	-	-	0.0%	-	-	0.0%
Operating Supplies	0	1	1	(1)	-50.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	17	17	19	3	15.0%	19	-	0.0%
Business Development	186	314	308	(6)	-2.0%	318	10	3.3%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>587</b>	<b>727</b>	<b>723</b>	<b>(5)</b>	<b>-0.6%</b>	<b>736</b>	<b>13</b>	<b>1.8%</b>
<b>Total Operating Expenses</b>	<b>1,100</b>	<b>1,340</b>	<b>1,339</b>	<b>(1)</b>	<b>-0.1%</b>	<b>1,384</b>	<b>45</b>	<b>3.3%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>1,100</b>	<b>1,340</b>	<b>1,339</b>	<b>(1)</b>	<b>-0.1%</b>	<b>1,384</b>	<b>45</b>	<b>3.3%</b>
<b>Equipment Outlay Expenditures</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>1,100</b>	<b>1,340</b>	<b>1,339</b>	<b>(1)</b>	<b>-0.1%</b>	<b>1,384</b>	<b>45</b>	<b>3.3%</b>

## Executive Division – Government Relations

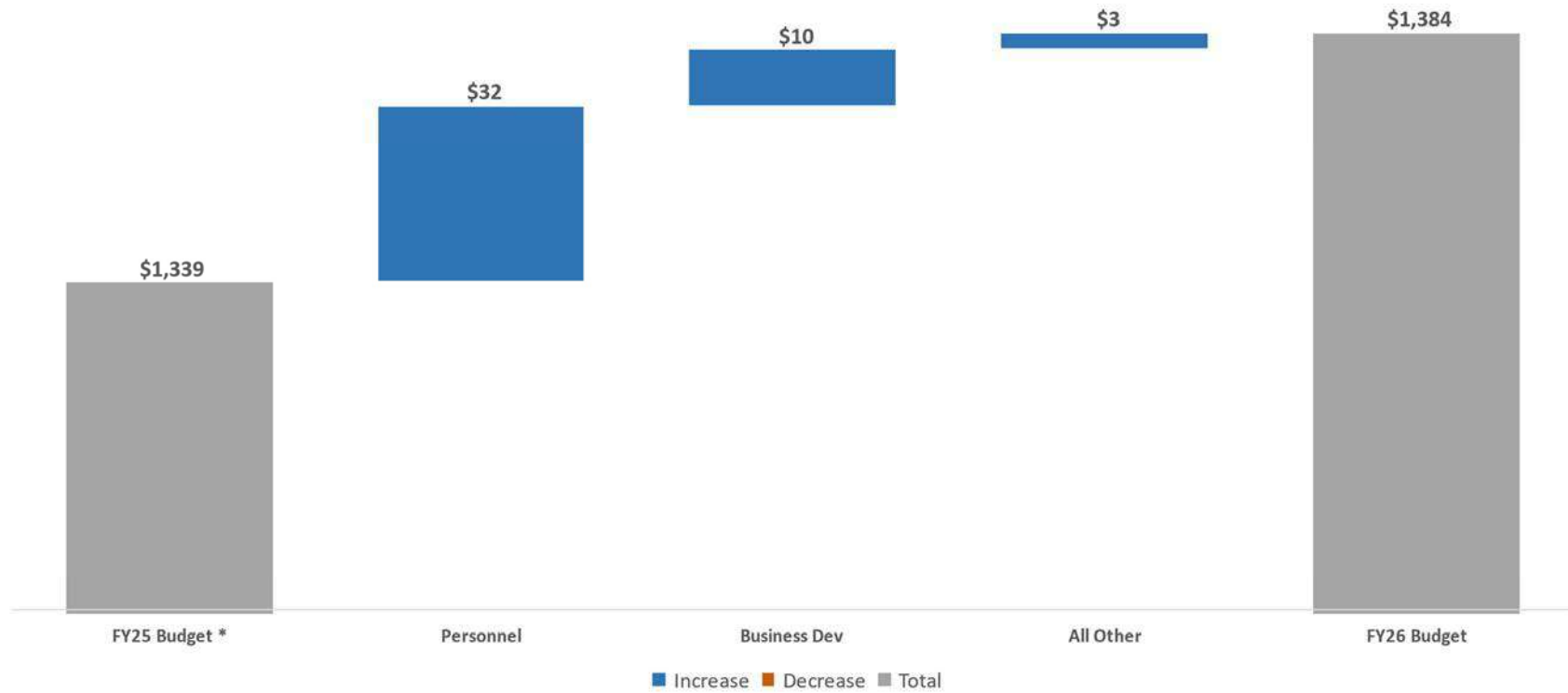
### Major Drivers of FY 2024 Budget & FY 2025 Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

## Executive Division – Government Relations

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)  
\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Business Development:** Memberships increasing \$7K

## Executive Division – Government Relations

### FY 2024 Progress Report

1. Communicate with and obtain/maintain support from the region’s elected officials and community leaders for the Airport Authority, San Diego International Airport, the Airport Development Plan (“The New T1”), and other airport improvement projects. These efforts will include (a) working with other regional agencies and jurisdictions to obtain support and coordinate multi-jurisdictional planning activities; and (b) ensuring that leaders are well-informed of the importance and specific economic impact of SDIA to the San Diego region. Key activities to support this goal will be presentations and communications to Community Planning Groups and other regional community organizations, business entities and associations, and government agencies and committees.

**Progress:** Outreach at all levels of government and industry has been a top priority of the Department in this fiscal year. The fiscal year began with a key set of New Terminal 1 update presentations at all Community Planning Groups within the Airport Influence Area, with further periodic updates to those groups scheduled throughout the year. One-on-one outreach with elected officials and their staff at the Federal, State, and local levels has been conducted consistently throughout the year as well. The Department has also coordinated many presentations throughout the year by Authority leadership and Department staff to key stakeholder groups, including industry and business associations, stakeholder groups, and other entities. The Department has also engaged in regular meetings with other local and regional agencies and jurisdictions to coordinate on Authority priorities and to assist with regional efforts such as the Airport Transit Connector project under consideration by the San Diego Association of Governments (SANDAG).

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

2. Advocate for funding for the Airport Authority and its projects at the Federal and State level, including: (a) pursuing modernization of and modifications to airport funding sources and formulas; (c) seeking inclusion of Authority projects in eligibility criteria for grant programs and other funding mechanisms that may be included in legislation; (d) seeking substantial grant funding for the Quieter Home Program; and (e) identifying, submitting applications, and obtaining letters of support for grant opportunities.

**Progress:** Department staff, together with the Authority’s legislative advocates, have continued to seek additional funding at the Federal and State level. The team was successful in obtaining an “earmark” for \$500,000 of Federal Community Project funding for electrical infrastructure improvements, which is in the House-passed appropriations legislation (the Federal FY 2024 appropriations bills have yet to be finalized). Efforts have begun to seek additional funding in the upcoming FY 2025 appropriations process. There are also continuing discussions with the Federal Aviation Administration to ensure that the Authority receives a Quieter Home Program grant in the current fiscal year award cycle. The Authority is still awaiting the awards for the current fiscal year’s grants under the Airport Terminals Program, for which an application was submitted.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

## Executive Division – Government Relations

### FY 2025 – FY 2026 Goals

1. Communicate with and obtain/maintain support from the region’s elected officials and community leaders for the Airport Authority, San Diego International Airport, The New T1, and other airport improvement projects by (a) working with other regional agencies and jurisdictions to obtain support and coordinate multi-jurisdictional planning activities; and (b) ensuring that leaders are well-informed of the importance and specific economic impact of SDIA and its projects to the San Diego region.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

2. Advocate for funding for the Airport Authority and its projects at the Federal and State level, including: (a) pursuing modernization of and modifications to airport funding sources and formulas; (b) seeking inclusion of Authority projects in eligibility criteria for grant programs and other funding mechanisms that may be included in legislation; (c) seeking substantial grant funding for the New T1 and Quieter Home Program; and (d) obtaining letters of support for grant opportunities.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

# Development Division



## Development Division

### Overview

The **Development Division** is responsible for long-term airport facility and infrastructure planning, infrastructure design and construction, facilities compliance with current Federal, State, and local codes and regulations and compliance with legislative mandates for environmental and land-use matters. 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.

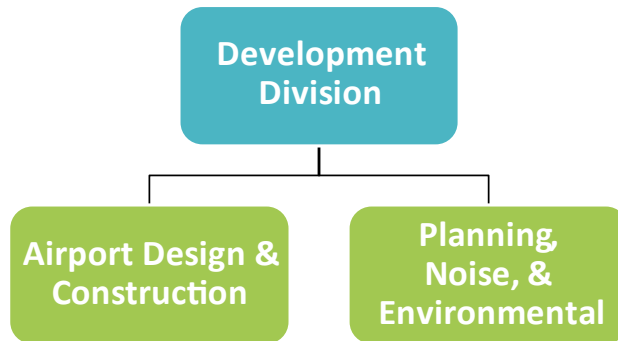
The **Airport Design & Construction (ADC)** department implements the Authority's Capital Improvement Program (CIP), including the design and construction of the New T1 Program and other terminal, airside, and landside improvements. In addition, the department delivers Major Maintenance Program (MMP) projects; provides technical and professional on-call services for CIP, MMP, tenant improvement and broader Authority needs including planning and implementation of the Computer Aided Drafting (CAD), Geographical Information System (GIS), and Lease plans; and provides construction inspection, review and oversight of tenant improvement projects to meet the needs of the airlines and concessionaires operating at the airport.

The **Planning, Noise, & Environmental (PNE)** department manages airport land-use compatibility and master planning, environmental compliance, sustainability initiatives, and noise mitigation programs for the Airport Authority. The department conducts all near-term and long-range planning, including preparing and maintaining the airport layout plan for San Diego International Airport. The department ensures compliance with a variety of state and federal environmental laws, related to development project review, air and water quality, waste reduction, and endangered species management. It also administers all noise-related policies and programs, including the airport's departure curfew and community sound insulation efforts. Departure curfew penalties go towards funding of the sound insulation programs. Finally, the department supports the Airport Land use Commission in ensuring compatibility between all 16 airports in San Diego County and future land-use projects within their vicinity.



## Development Division

### FY 2025 – FY 2026 Organizational Structure



### Division Personnel Summary

	FY 2024 Budget	FY 2025 Budget Transfers	FY 2025 Budget New/ (Eliminated)	FY 2025 Budget	FY 2026 Budget New/ (Eliminated)	FY 2026 Conceptual Budget
<b>Development Division</b>						
Airport Design & Construction	41	-	5	46	-	46
Planning, Noise, & Environmental	28	-	-	28	-	28
<b>Total</b>	<b>69</b>	<b>0</b>	<b>5</b>	<b>74</b>	<b>-</b>	<b>74</b>

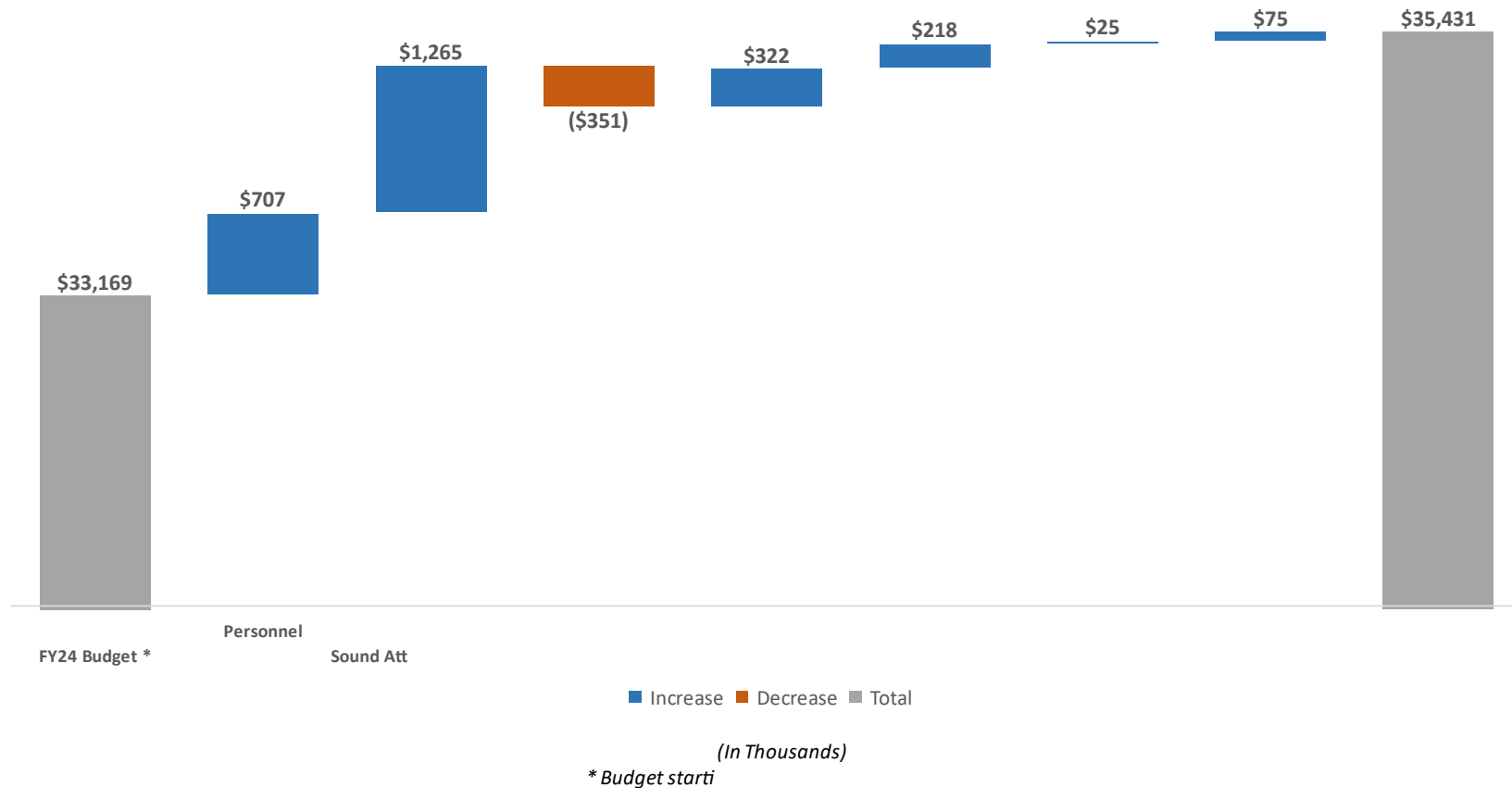
## Development Division

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	6,667	7,189	8,393	1,203	16.7%	8,664	272	3.2%
Benefits	3,349	3,226	3,533	307	9.5%	3,827	294	8.3%
<b>Subtotal</b>	<b>10,016</b>	<b>10,415</b>	<b>11,925</b>	<b>1,510</b>	<b>14.5%</b>	<b>12,491</b>	<b>566</b>	<b>4.7%</b>
Less: Capitalized Labor Recharge	(4,580)	(5,305)	(6,273)	(968)	18.2%	(6,556)	(283)	4.5%
Less: QHP Labor Recharge	(667)	(665)	(500)	165	-24.8%	(526)	(26)	5.2%
<b>Total Personnel Costs</b>	<b>4,769</b>	<b>4,445</b>	<b>5,152</b>	<b>707</b>	<b>15.9%</b>	<b>5,409</b>	<b>257</b>	<b>5.0%</b>
Contractual Services	3,446	3,903	3,552	(351)	-9.0%	3,747	195	5.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	13	12	12	0	2.6%	12	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,216	1,508	1,727	218	14.5%	1,640	(86)	-5.0%
Operating Equipment & Systems	1	7	5	(2)	-28.7%	5	0	3.4%
Operating Supplies	63	87	80	(7)	-7.6%	80	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	67	98	96	(2)	-2.2%	105	8	8.7%
Business Development	172	202	287	86	42.5%	313	26	8.9%
Equipment Rentals and Repairs	252	288	313	25	8.8%	327	14	4.5%
Tenant Improvements	734	857	1,178	322	37.6%	1,226	47	4.0%
<b>Total Non-Personnel Costs</b>	<b>5,964</b>	<b>6,961</b>	<b>7,251</b>	<b>290</b>	<b>4.2%</b>	<b>7,455</b>	<b>204</b>	<b>2.8%</b>
<b>Total Operating Expenses</b>	<b>10,733</b>	<b>11,406</b>	<b>12,403</b>	<b>997</b>	<b>8.7%</b>	<b>12,864</b>	<b>461</b>	<b>3.7%</b>
Joint Studies / Sound Attenuation	21,075	21,763	23,028	1,265	5.8%	14,700	(8,328)	-36.2%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	1,136	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>22,211</b>	<b>21,763</b>	<b>23,028</b>	<b>1,265</b>	<b>5.8%</b>	<b>14,700</b>	<b>(8,328)</b>	<b>-36.2%</b>
<b>Total Expenses</b>	<b>32,944</b>	<b>33,169</b>	<b>35,431</b>	<b>2,262</b>	<b>6.8%</b>	<b>27,564</b>	<b>(7,867)</b>	<b>-22.2%</b>
Equipment Outlay Expenditures	9	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>32,953</b>	<b>33,169</b>	<b>35,431</b>	<b>2,262</b>	<b>6.8%</b>	<b>27,564</b>	<b>(7,867)</b>	<b>-22.2%</b>

## Development Division

### Major Drivers of FY 2024 Budget & FY 2025 Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Added 5 positions

**Contractual Services:** Reduction includes (\$282K) Airport Technical Planning and (\$132K) Airport Land Use Compatibility Plan (ALUCP) costs offset by \$75K increase in stormwater management costs

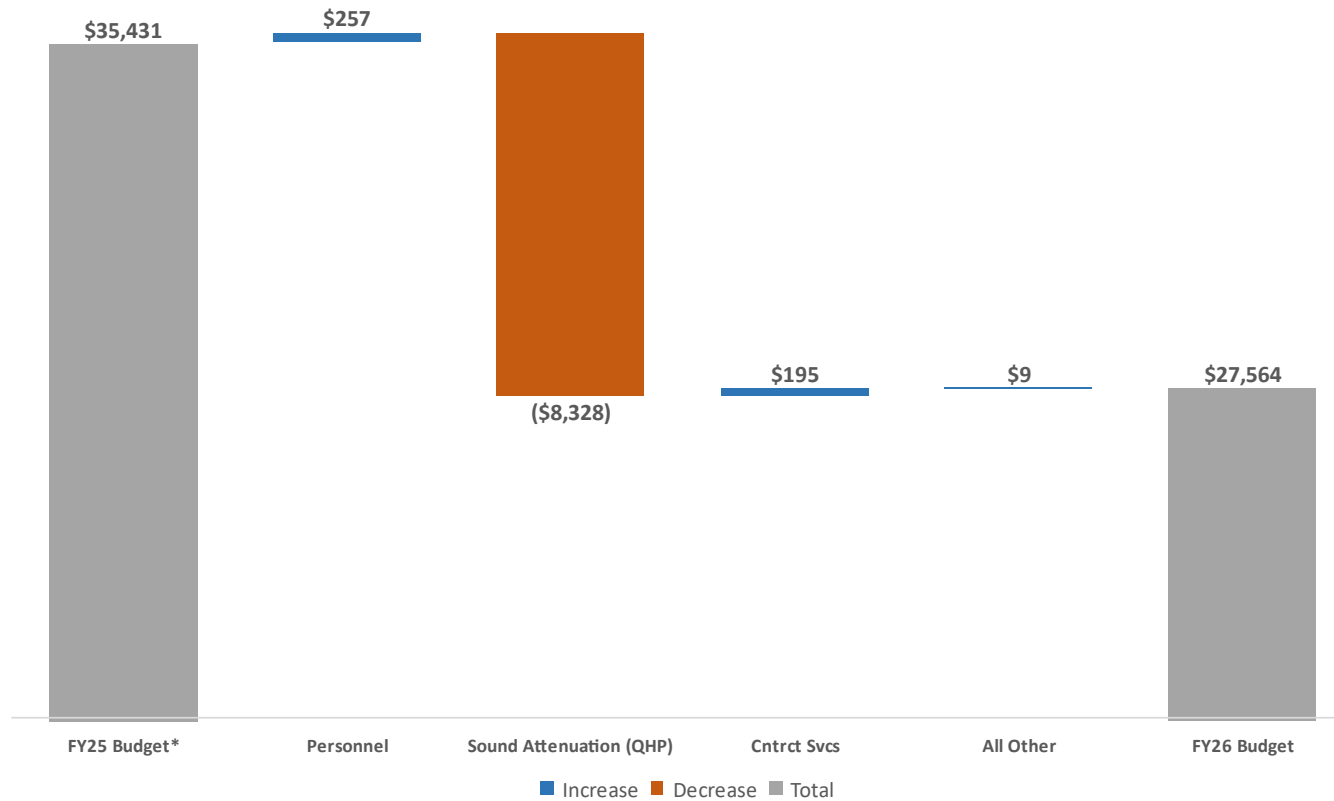
**Tenant Improvements:** Increase in tenant improvement-related activity

**Maintenance:** Increase includes cleanout at the ARFF to remove and dispose the existing fire-fighting foam which will be replaced with new environmentally friendly foam

**Sound Attenuation:** Departure curfew penalties collected by the Authority go towards funding of the sound insulation program. Applied penalties in FY25 of ~\$950K

## Development Division

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(In Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Increase includes \$195K for Airport Technical Planning

**Sound Attenuation:** Reduction due to lower expected grant funding of (\$8.3M) for the Quieter Homes Program. Departure curfew penalties collected by the Authority go towards funding of the sound insulation program. Applied penalties in FY26 of ~\$0.7M

# Development Division

## FY 2025 Expense Budget by Department

(in thousands)

Departments	FY 2025 Budget
Planning, Noise, & Environmental	\$32,080
Airport Design & Construction	3,351
<b>Total <sup>1</sup></b>	<b>\$35,431</b>

<sup>1</sup>Total may differ due to rounding

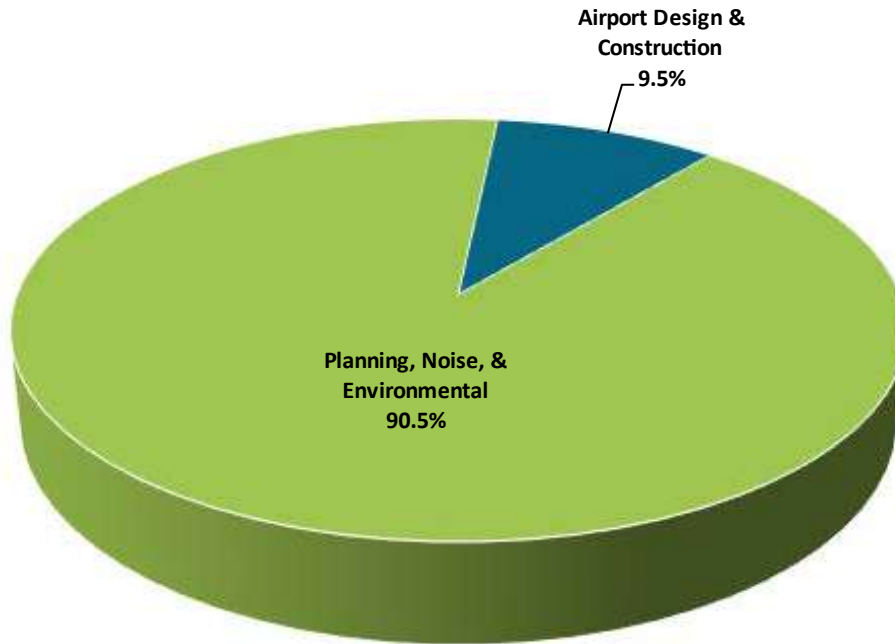


Figure 26 – FY 2025 Expense Budget by Department

## Development Division

### FY 2026 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2026 Conceptual Budget
Planning, Noise, & Environmental	\$24,160
Airport Design & Construction	3,404
<b>Total <sup>1</sup></b>	<b>\$27,564</b>

<sup>1</sup>Total may differ due to rounding

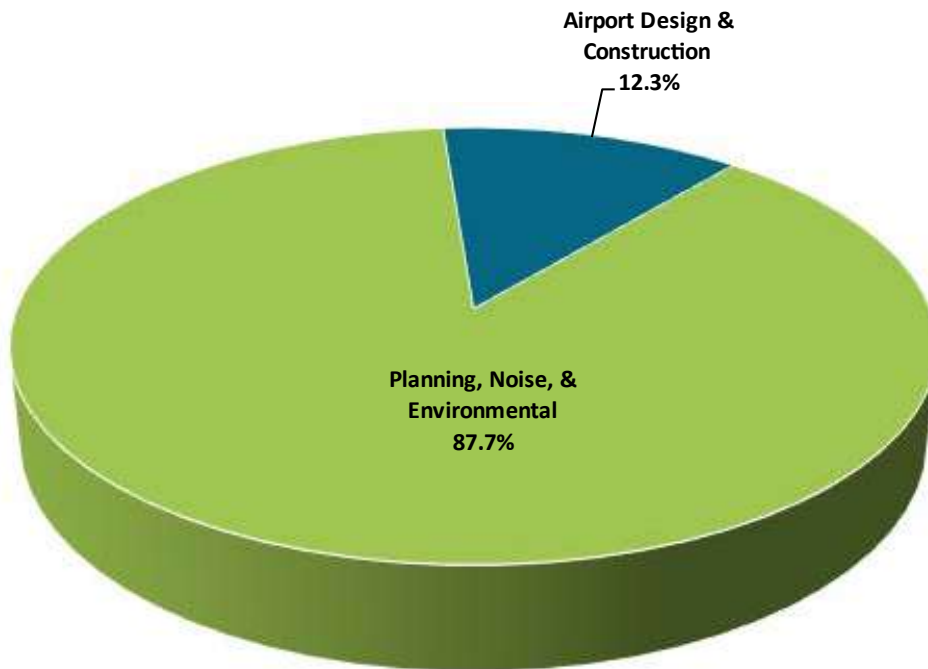


Figure 27 – FY 2026 Expense Conceptual Budget by Department

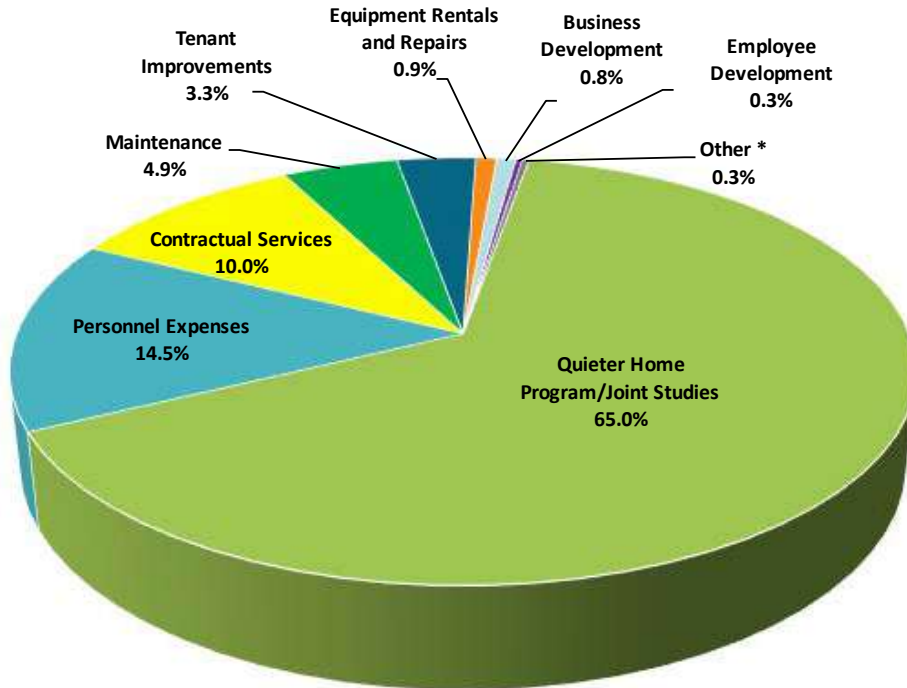
# Development Division

## FY 2025 Expense Budget by Category

(in thousands)

Category	FY 2025 Budget
Quieter Home Program/Joint Studies	\$23,028
Personnel Expenses	5,152
Contractual Services	3,552
Maintenance	1,727
Tenant Improvements	1,178
Equipment Rentals and Repairs	313
Business Development	287
Employee Development	96
Other *	97
<b>Total <sup>1</sup></b>	<b>\$35,431</b>

<sup>1</sup>Total may differ due to rounding



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

Figure 28 – FY 2025 Expense Budget by Category

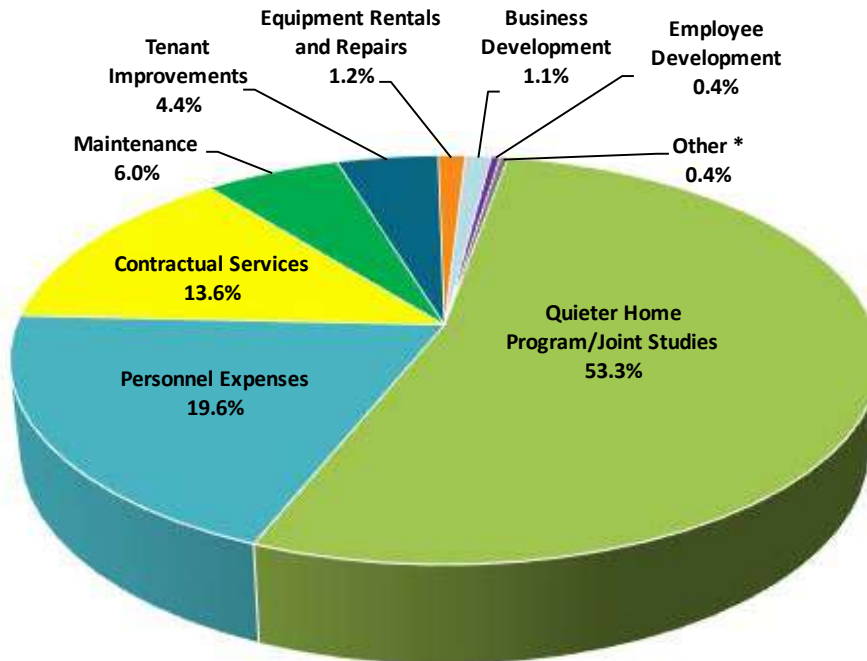
# Development Division

## FY 2026 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2026 Conceptual Budget
Quieter Home Program/Joint Studies	\$14,700
Personnel Expenses	5,409
Contractual Services	3,747
Maintenance	1,640
Tenant Improvements	1,226
Equipment Rentals and Repairs	327
Business Development	313
Employee Development	105
Other *	97
<b>Total <sup>1</sup></b>	<b>\$27,564</b>

<sup>1</sup>Total may differ due to rounding



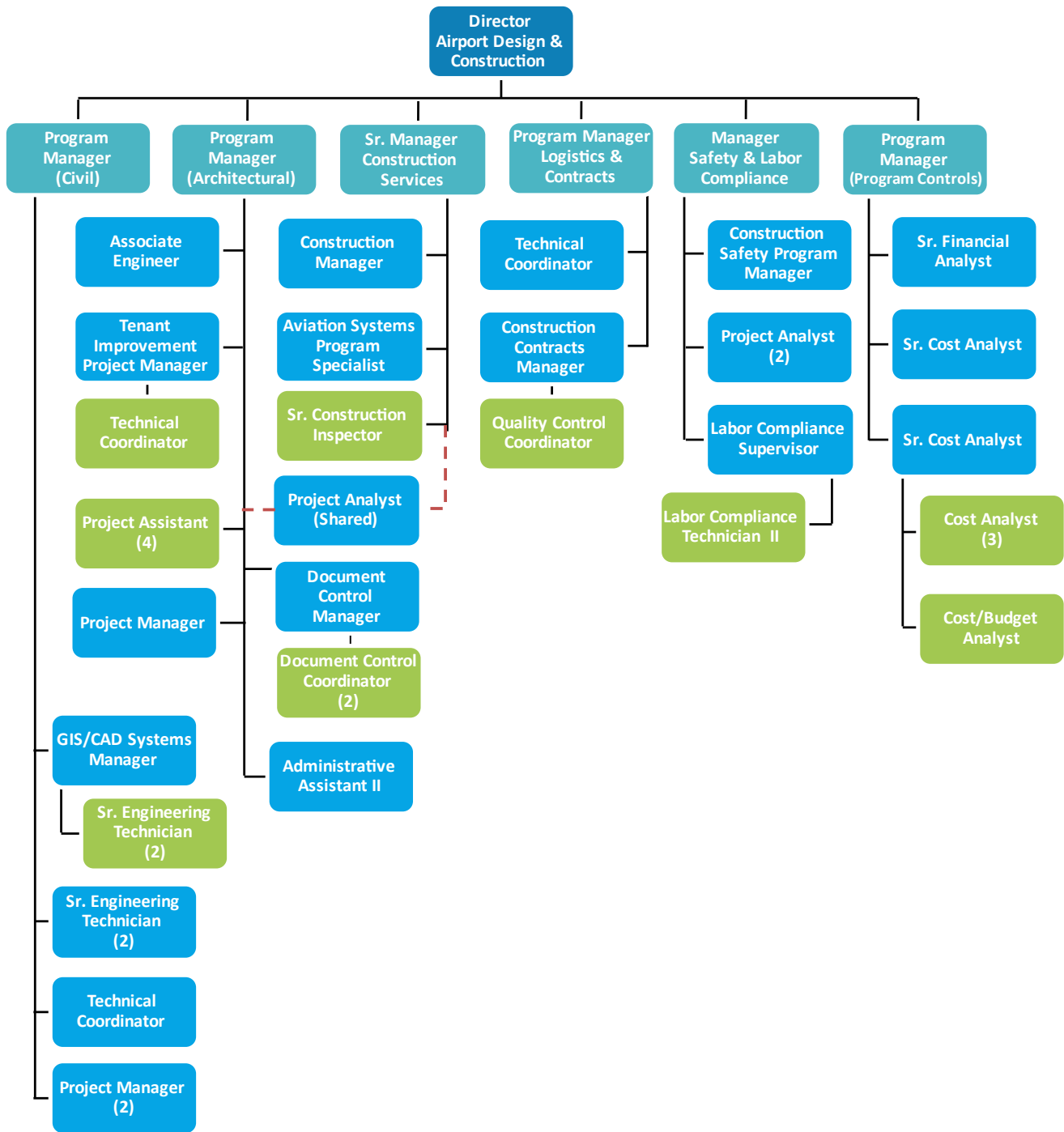
\*Other includes operating equipment & systems, utilities, operating supplies, etc.

**Figure 29 – FY 2026 Expense Conceptual Budget by Category**



# Development Division – Airport Design & Construction

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

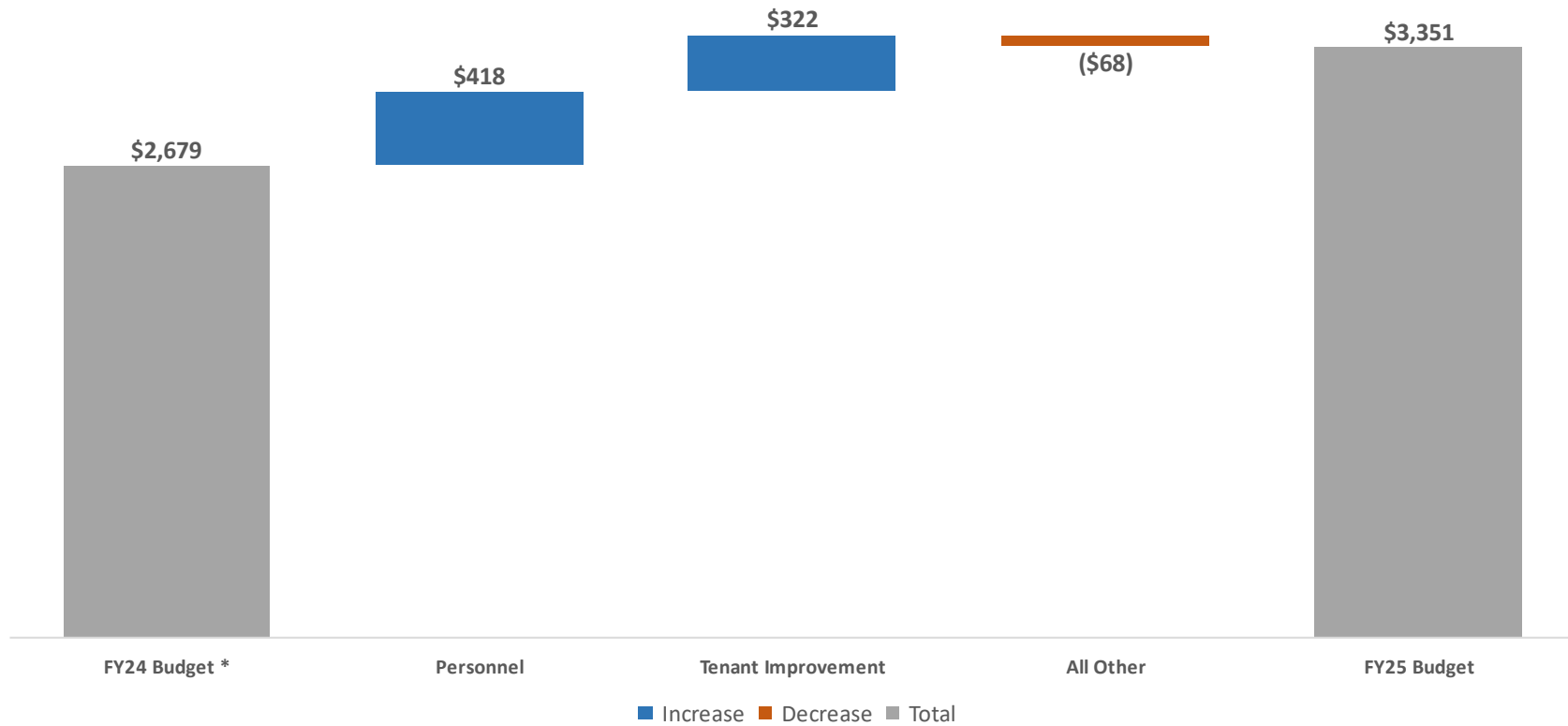
## Development Division – Airport Design & Construction

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	3,647	4,256	5,306	1,050	24.7%	5,463	156	2.9%
Benefits	2,017	1,949	2,223	274	14.1%	2,405	182	8.2%
<b>Subtotal</b>	<b>5,664</b>	<b>6,205</b>	<b>7,529</b>	<b>1,324</b>	<b>21.3%</b>	<b>7,868</b>	<b>339</b>	<b>4.5%</b>
Less: Capitalized Labor Recharge	(4,580)	(5,305)	(6,212)	(907)	17.1%	(6,491)	(280)	4.5%
Less: QHP Labor Recharge	(1)	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,083</b>	<b>900</b>	<b>1,318</b>	<b>418</b>	<b>46.5%</b>	<b>1,377</b>	<b>59</b>	<b>4.5%</b>
Contractual Services	507	592	607	15	2.5%	551	(56)	-9.2%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	5	3	(2)	-37.0%	3	0	5.0%
Operating Supplies	49	57	57	-	0.0%	57	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	12	36	29	(7)	-18.7%	33	4	13.5%
Business Development	15	30	35	5	14.9%	29	(6)	-16.4%
Equipment Rentals and Repairs	89	102	124	21	20.8%	128	4	3.2%
Tenant Improvements	734	857	1,178	322	37.6%	1,226	47	4.0%
<b>Total Non-Personnel Costs</b>	<b>1,407</b>	<b>1,680</b>	<b>2,033</b>	<b>354</b>	<b>21.1%</b>	<b>2,027</b>	<b>(7)</b>	<b>-0.3%</b>
<b>Total Operating Expenses</b>	<b>2,490</b>	<b>2,579</b>	<b>3,351</b>	<b>772</b>	<b>29.9%</b>	<b>3,404</b>	<b>53</b>	<b>1.6%</b>
Joint Studies / Sound Attenuation	-	100	-	(100)	-100.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	1,136	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>1,136</b>	<b>100</b>	<b>-</b>	<b>(100)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>3,626</b>	<b>2,679</b>	<b>3,351</b>	<b>672</b>	<b>25.1%</b>	<b>3,404</b>	<b>53</b>	<b>1.6%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>3,626</b>	<b>2,679</b>	<b>3,351</b>	<b>672</b>	<b>25.1%</b>	<b>3,404</b>	<b>53</b>	<b>1.6%</b>

## Development Division – Airport Design & Construction

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(In Thousands)

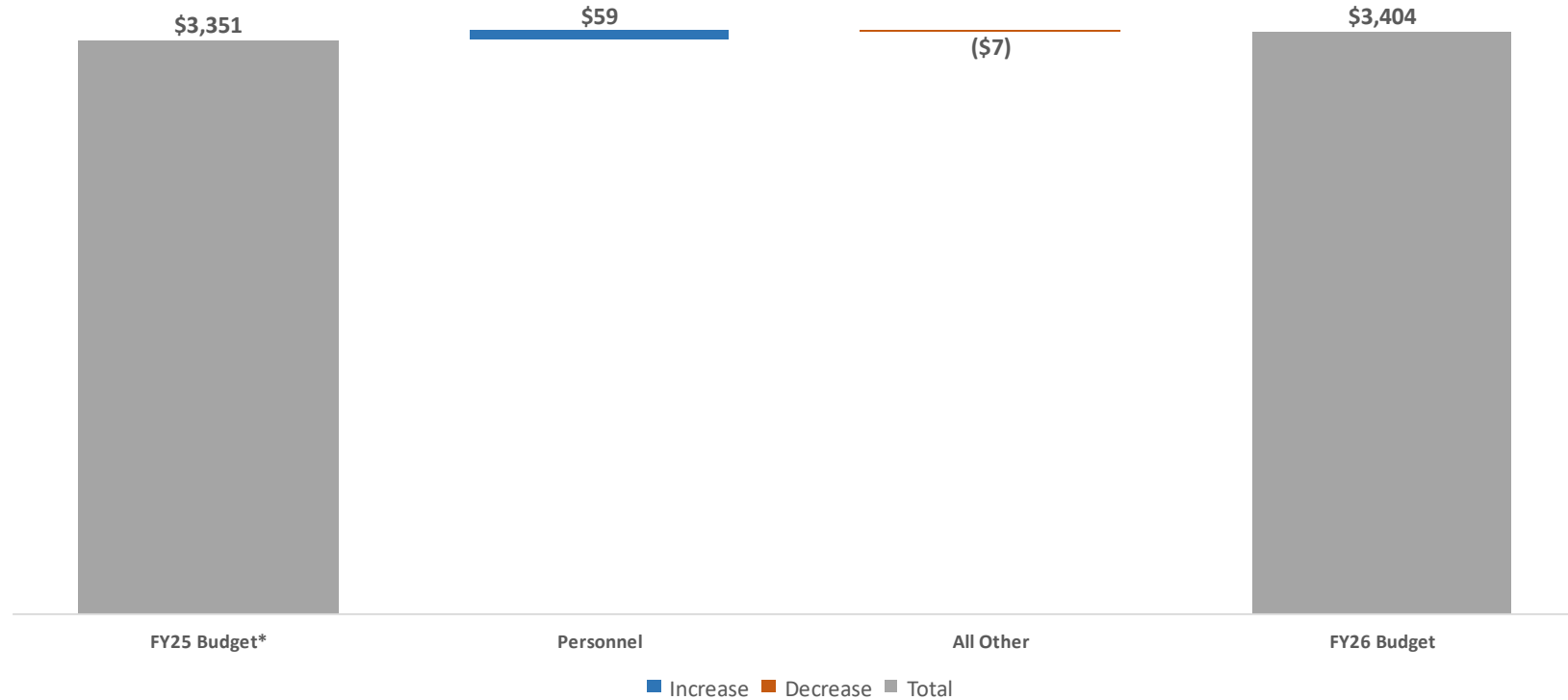
\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Added 5 positions

**Tenant Improvements:** Increase in tenant improvement-related activity

## Development Division – Airport Design & Construction

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(In Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

## Development Division – Airport Design & Construction

### FY 2024 Progress Report

1. Based on the Board Approval for the New Terminal 1 (NT1) Contract (September 2020) and the subsequent approval of the Maximum Contract Price (MCP) (October 2021), ADC will complete the design of the project and continue the negotiation of the Guaranteed Maximum Price (GMP) budget scheduled to conclude in late CY 2023.

Measures of success:

- Over the course of the completion of design for the NT1 Phase 1 and 2, proactively manage the schedule to ensure all milestone dates are met and the Guaranteed Maximum Price (GMP) is approved by the Board.
- Manage program requirements, and associated budget with the Design-Build team to complete the design and establish a schedule to arrive at a Guaranteed Maximum Price (GMP) that is less than the escalated MCP.
- Maintain an efficient, and cost-effective staff that will result in the appropriate level of performance and a staff cost within the program budget.

**Progress:** This Goal was completed, with the January 11, 2024 Board approval and authorization for the increase to the authority of the President/CEO to execute a GMP Amendment for the New Terminal 1 project.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. ADC will progress the New Authority Administration Building project and GMP administration on time and within the Board approved budget/schedule, while achieving project milestones necessary to complete all phases by end of Summer 2023.

Measures of success:

- Over the course of the Authority Administration Building project, proactively manage the schedule to ensure all milestone schedule dates are met.
- Over the course of the Authority Administration Building project, proactively manage the Board approved budget and limit additional scope, preserving program reserve funds to protect end of project savings.
- Maintain an efficient, and cost-effective staff that will result in the appropriate level of performance and a staff cost within the program budget.

**Progress:** This goal was completed, and the project was finished on time and about \$2M under budget.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

3. ADC will progress the construction and provide adequate change management and final cost negotiation necessary to complete the NT1 Airside Improvement project, resulting in project execution that is on time and

## Development Division – Airport Design & Construction

within the final Board approved budget/schedule, while achieving project milestones necessary to complete construction by end of CY 2027.

Measures of success:

- Over the course of the NT1 Airside Improvement project, proactively manage the schedule to ensure all milestone schedule dates are met.
- Over the course of the NT1 Airside Improvement project, proactively manage the Board approved budget and limit additional scope, preserving program reserve funds to protect end of project savings.
- Maintain an efficient, and cost-effective staff that will result in the appropriate level of performance and a staff cost within the program budget.

**Progress:** This Goal was completed, with the January 11, 2024 Board approval and authorization for the increase to the authority of the President/CEO to execute a Change Order that included funding for construction acceleration and rephasing, helping to ensure that the completion, of the new Airfield elements, was aligned with the opening of the first phase of the NT1 by October of CY 2025.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

4. Throughout the year, continue to develop an efficient high performing ADC team, while managing both the CIP/NT1. Ensuring robust communications for ADC employees and stakeholders (internal and external) to enhance the community's (public, professional, tenants and employees), understanding of the Authority's active projects, initiatives, and ADC team culture.

Measures of success:

- Timely completion of quarterly ADC CIPOC reports and briefings to the Board and senior management
- Timely completion of monthly construction progress updates
- Timely completion of weekly updates to the President/CEO for the Board report
- Provide ADC jobsite tours for internal/external Stakeholders
- Provide communication of ADC program to external community groups
- Provide communication of ADC workplace culture to potential employees (internal/external)
- Provide Hybrid office/telecommuting work culture that leverages experience from COVID-19

**Progress:** This Goal is a work in progress, as all seven measures of success repeat month-after-month.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4A. Create an effective succession and transition plan for ongoing leadership changes

## Development Division – Airport Design & Construction

### FY 2025 – FY 2026 Goals

1. Based on the Board Approval for the New Terminal 1 (NT1) Contract (September CY 2020) and the subsequent approval of the Guaranteed Maximum Price (GMP) (January CY 2024), ADC will work with the Design Build team to manage the construction of the NT1 program and proactively manage the schedule and milestones for the NT1 Parking Structure (Phase 1 Completion and 2 continuation), Terminal Building (Phase 1 continuation and 2 continuation) on time and under budget with all phases complete by the end of Summer CY 2028.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. ADC will progress the NT1 Airside Improvements Project to align with the completion of the new terminal building and hydrant fueling project, on time and within the Board approved budget/schedule, while achieving project milestones necessary to complete all phases by the end of Summer 2028. Completion milestones include Taxiway-B completion by August CY 2024, cistern by December CY 2024, new terminal apron pavement (Phase 1A) by August CY 2025, and new terminal apron pavement (Phase 1B) by CY 2028.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

3. Throughout FY 2025, continue to develop an efficient high-performing ADC team, while managing both the CIP/NT1. Ensuring robust communications for ADC employees and stakeholders (internal and external) to enhance the community's (public, professional, tenants, and employees), understanding of the Authority's active projects, initiatives, and ADC team culture. Measures of success include timely completion of quarterly ADC CIPOC reports and briefings to the Board and senior management, monthly construction progress updates, weekly updates to the President/CEO for the Board report, ADC job site tours for internal/external Stakeholders, communication of ADC program to external community groups, communication of ADC workplace culture to potential employees (internal/external), and a balanced hybrid office/telecommuting work culture that ensures a collaborative team culture that drives an efficient and high-performing team, focused on solutions for design and construction

**Strategic Plan Focus Area:**

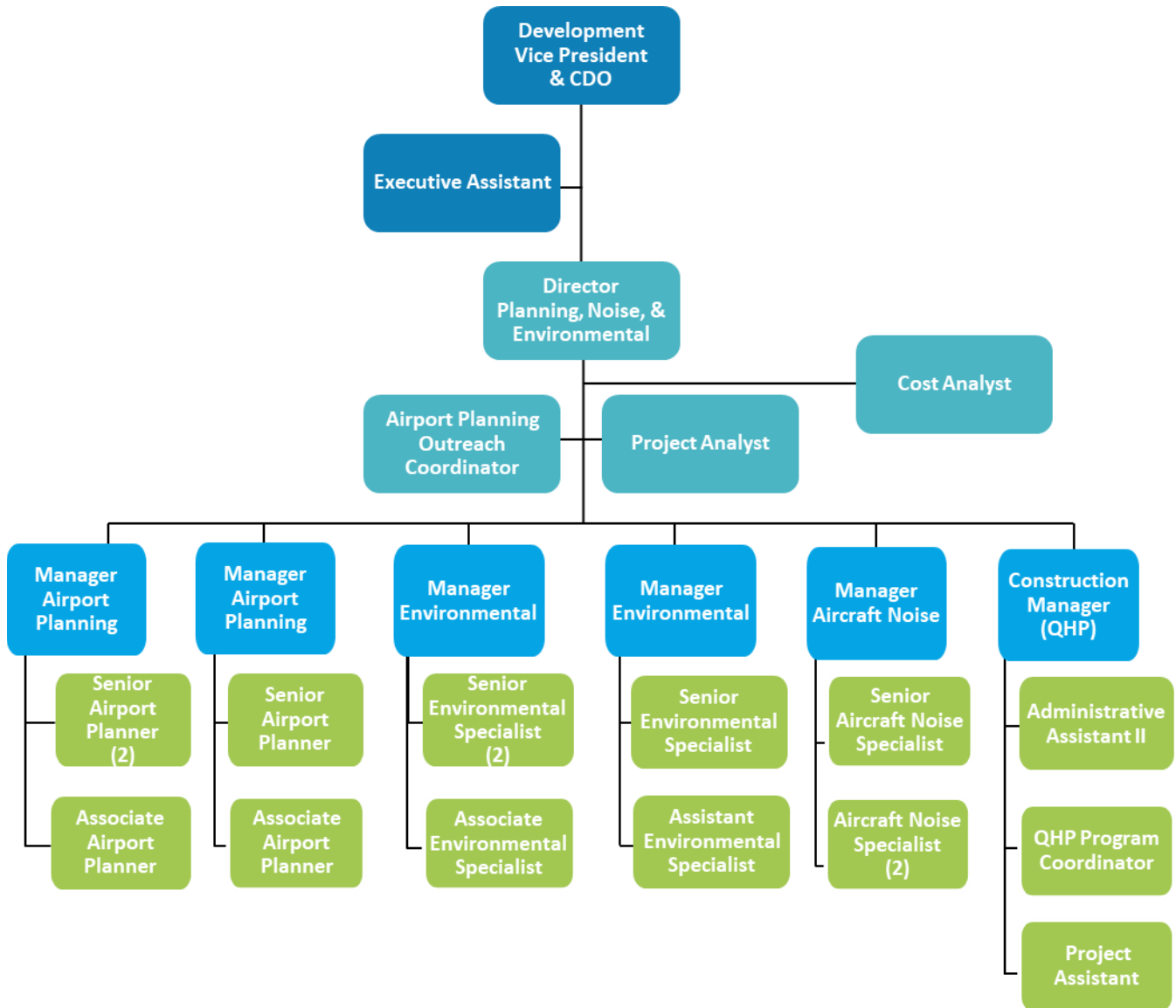
- Optimize Ongoing Business

**Strategic Initiative:**

- 4A. Create an effective succession and transition plan for ongoing leadership changes

# Development Division – Planning, Noise, & Environmental

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*



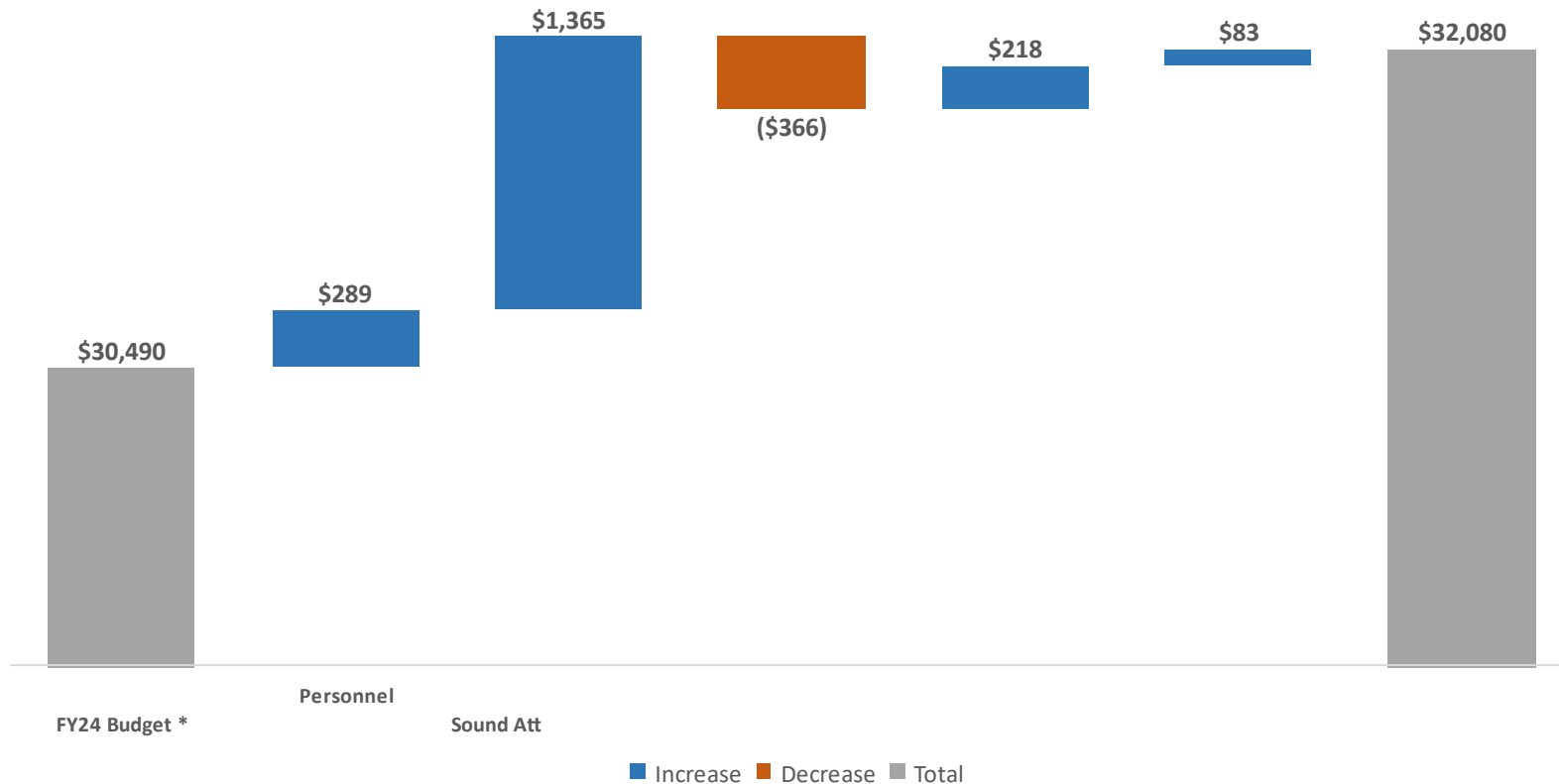
## Development Division – Planning, Noise, & Environmental

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	3,020	2,933	3,086	153	5.2%	3,202	115	3.7%
Benefits	1,332	1,277	1,310	33	2.6%	1,421	111	8.5%
<b>Subtotal</b>	<b>4,352</b>	<b>4,210</b>	<b>4,396</b>	<b>186</b>	<b>4.4%</b>	<b>4,623</b>	<b>227</b>	<b>5.2%</b>
Less: Capitalized Labor Recharge	-	-	(61)	(61)	0.0%	(65)	(3)	5.1%
Less: QHP Labor Recharge	(665)	(665)	(500)	165	-24.8%	(526)	(26)	5.2%
<b>Total Personnel Costs</b>	<b>3,686</b>	<b>3,546</b>	<b>3,835</b>	<b>289</b>	<b>8.1%</b>	<b>4,032</b>	<b>198</b>	<b>5.2%</b>
Contractual Services	2,938	3,311	2,945	(366)	-11.0%	3,196	251	8.5%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	13	12	12	0	2.6%	12	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,216	1,508	1,727	218	14.5%	1,640	(86)	-5.0%
Operating Equipment & Systems	-	2	2	-	0.0%	2	-	0.0%
Operating Supplies	13	30	23	(7)	-22.0%	23	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	55	63	67	5	7.2%	72	5	6.7%
Business Development	157	171	252	81	47.4%	284	31	12.4%
Equipment Rentals and Repairs	163	185	189	4	2.2%	199	10	5.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>4,557</b>	<b>5,281</b>	<b>5,217</b>	<b>(64)</b>	<b>-1.2%</b>	<b>5,428</b>	<b>210</b>	<b>4.0%</b>
<b>Total Operating Expenses</b>	<b>8,243</b>	<b>8,827</b>	<b>9,052</b>	<b>225</b>	<b>2.6%</b>	<b>9,460</b>	<b>408</b>	<b>4.5%</b>
Joint Studies / Sound Attenuation	21,075	21,663	23,028	1,365	6.3%	14,700	(8,328)	-36.2%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>21,075</b>	<b>21,663</b>	<b>23,028</b>	<b>1,365</b>	<b>6.3%</b>	<b>14,700</b>	<b>(8,328)</b>	<b>-36.2%</b>
<b>Total Expenses</b>	<b>29,318</b>	<b>30,490</b>	<b>32,080</b>	<b>1,590</b>	<b>5.2%</b>	<b>24,160</b>	<b>(7,920)</b>	<b>-24.7%</b>
Equipment Outlay Expenditures	9	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>29,327</b>	<b>30,490</b>	<b>32,080</b>	<b>1,590</b>	<b>5.2%</b>	<b>24,160</b>	<b>(7,920)</b>	<b>-24.7%</b>

## Development Division – Planning, Noise, & Environmental

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(In Thousands)

\* Budget start

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

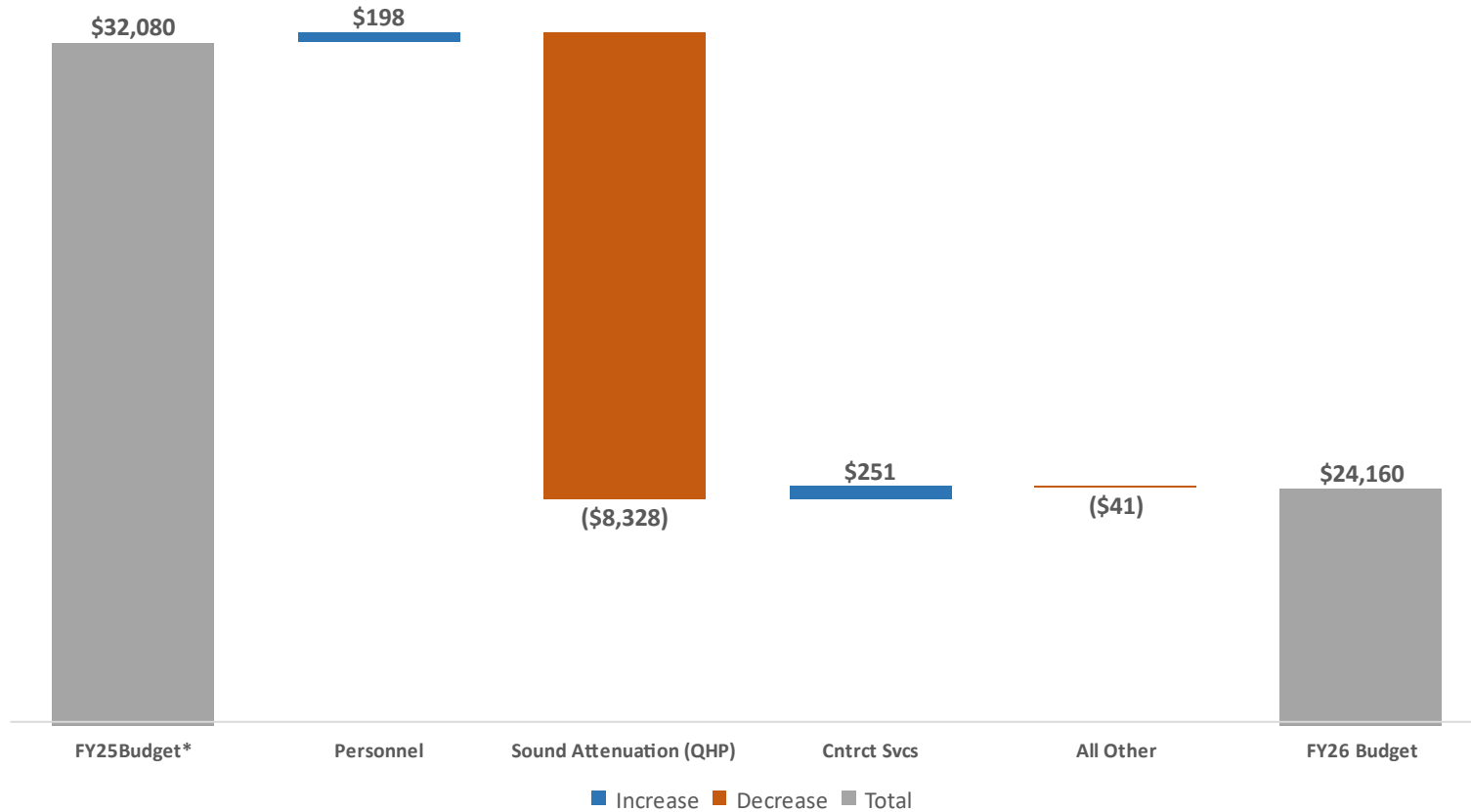
**Contractual Services:** Reduction includes (\$282K) Airport Technical Planning and (\$132K) Airport Land Use Compatibility Plan (ALUCP) costs offset by \$75K increase in stormwater management costs

**Maintenance:** Increase includes cleanout at the ARFF to remove and dispose the existing fire-fighting foam which will be replaced with new environmentally friendly foam

**Sound Attenuation:** Departure curfew penalties collected by the Authority go towards funding of the sound insulation program. Assumed penalties in FY25 of ~\$950K

## Development Division – Planning, Noise, & Environmental

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(In Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Increase includes \$195K Airport Technical Planning and \$50K ALUCP

**Sound Attenuation:** Reduction due to lower expected grant funding of (\$8.3M) for the Quieter Homes program. Departure curfew penalties collected by the Authority go towards funding of the sound insulation program. Applied penalties in FY26 of ~\$0.7M

## Development Division – Planning, Noise, & Environmental

### FY 2024 Progress Report

1. Make substantial progress on required “Opening Day” CEQA mitigation measures and Coastal Development Permit special conditions for the New Terminal 1 projects, including off-airport roadway improvements and the United Airlines Terminal Hangar reassembly, by the end of FY 2025.

**Progress:** In FY 2024, PNE prepared quarterly updates of mitigation measures/special conditions and is on track to complete those required by “Opening Day” August 2025 including: a) continued coordination of off-airport roadway improvements with the City of San Diego and the Port of San Diego; and b) continued progress with the reassembly of the United Airlines Terminal Hangar on the northside of the Airport.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. Complete update to the Airport Land Use Compatibility Plan (ALUCP) for San Diego International Airport and work with local agencies on plan implementation, by the end of FY 2025.

**Progress:** In FY 2024, PNE staff worked on the preparation of the draft ALUCP, as implementing agencies completed outreach to the City of San Diego and Port of San Diego and began the public outreach process with the publication of the draft ALUCP.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3C. Continue to focus on programs to reduce noise impacts

3. Ensure compliance with the National Pollution Discharge Elimination System (NPDES) permits for stormwater runoff associated with the New Terminal 1 Development during FY 2024, as well as continue progress towards the Airport Authority’s Water Quality Improvement Plan FY 2026 goals for copper and zinc.

**Progress:** In FY 2024, PNE led the implementation of the Airport Authority's comprehensive Water Stewardship Plan, which seeks to conserve water, improve local water quality, and increase resilience to flooding. The Airport Authority has continued to increase the number of inspections of construction areas and airport tenant spaces for permit compliance and stormwater pollution prevention. In addition, the Airport Authority increased overall acreage of sweeping activities from the previous year in key airfield and parking lot “hot spots”. These efforts move the Airport Authority toward its Water Quality Improvement Plan final goals of reducing dissolved copper and zinc concentration exceedances in collected storm water samples from SAN.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2B. Complete and begin implementation of the Sustainability Management Plan

4. Update the Strategic Energy Plan to include the incorporation of results from an analysis of zero emission pathways for onsite stationary sources, by the end of FY 2024.

**Progress:** In FY 2024, PNE staff worked with environmental consultants to collect relevant data help inform the SAN Strategic Energy Plan (STEP). That info informed a study conducted on pathways to electrify the

## Development Division – Planning, Noise, & Environmental

Central Utility Plant (CUP). Initial planning for the STEP update occurred in FY 2024, including strategy and outreach plans with stakeholders to update relevant plan sections before shifting priorities to the Authority's ESG planning and development; the project team will resume updating pertinent sections of the STEP in FY 2025.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2B. Complete and begin implementation of the Sustainability Management Plan

5. Continue the increased pace of the community sound insulation programs by completing 400 residential homes (in Quieter Home Program) and starting construction on one non-residential property as well as expand the portable noise monitoring program in FY 2024.

**Progress:** In FY 2024, PNE treated approximately 450 dwelling units through the Quieter Home Program. The Quieter Non-Residential Program completed the first round of construction on its second project - a Point Loma church/school facility. The Airport Authority continued to implement the Part 150 Noise Compatibility program recommendations.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3C. Continue to focus on programs to reduce noise impacts

## Development Division – Planning, Noise, & Environmental

### FY 2025 – FY 2026 Goals

1. Make substantial progress on required “Opening Day” CEQA mitigation measures and Coastal Development Permit special conditions for the New Terminal 1 projects, including off-airport roadway improvements and the United Airlines Terminal Hangar reassembly, by the end of FY 2026.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. Complete the update to the Airport Land Use Compatibility Plan (ALUCP) for San Diego International Airport and work with local agencies on plan implementation, by the end of FY 2025.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3C. Continue to focus on programs to reduce noise impacts

3. Refine internal hazardous material tracking and management processes, by the end of FY 2025

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

4. Update the Strategic Energy Plan to include the incorporation of results from an analysis of zero-emission pathways for onsite stationary sources, by the end of FY 2025.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2B. Implement the Sustainability Management Program

5. Continue the increased pace of the community sound insulation programs by completing 400 residential homes (in the Quieter Home Program) and continue efforts to implement the Part 150 Noise Compatibility recommendations.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2B. Implement the Sustainability Management Program

# Finance Division



## Finance Division

### Overview

The **Finance Division** provides airline management, accounting, procurement, information technology, financial planning, budgeting, risk management, financial reporting, capital funding, and treasury services for the organization. The division provides essential support functions for the enterprise and assures the successful execution of the Airport Authority's plan of finance with the goal of enhancing the financial position of the Airport Authority, increasing annual operating revenue, containing costs, and maintaining strong financial metrics that meet policy targets. In addition, the division supports preparedness for economic, geopolitical, industry, or other shocks that present downside risks to the business.

The **Accounting** department is responsible for maintaining, reporting, and managing all General Ledger accounts and providing cost accounting services to support the Authority's financial goals and objectives. The department is also responsible for timely and accurate reporting that complies with Generally Accepted Accounting Principles (GAAP); in-depth transaction review and strict adherence to Authority policies; consistent, organized, and systematic recordkeeping to provide detailed support of Authority financial history; and effective internal controls designed to safeguard Authority assets.

The **Capital Financial Planning & Airline Relations** department negotiates and manages airline and airfield lease and operating agreements to ensure effective utilization and management of Authority resources and partners with the Airport Design and Construction department to optimize capital financial planning, reporting, and forecasting efforts. The department leads and coordinates Authority efforts at identifying all available grant opportunities, manages FAA applications for Airport Improvement Program (AIP) grants and Passenger Facility Charges (PFCs), and oversees all federal grant awards for compliance with usage and reporting requirements.

The **Finance & Risk Management** department develops and administers the Operating Budget and strives to maintain a financially sound and sustainable organization that conforms to best practices for financial management. It provides for beneficial treasury management, forecasts revenue and expenditures, maintains the Authority's insurance programs, manages Authority investments and cash, administers PFCs and Customer Facility Charges (CFCs) revenue, maintains an effective debt management program, and delivers financial advisory services to all Authority departments.

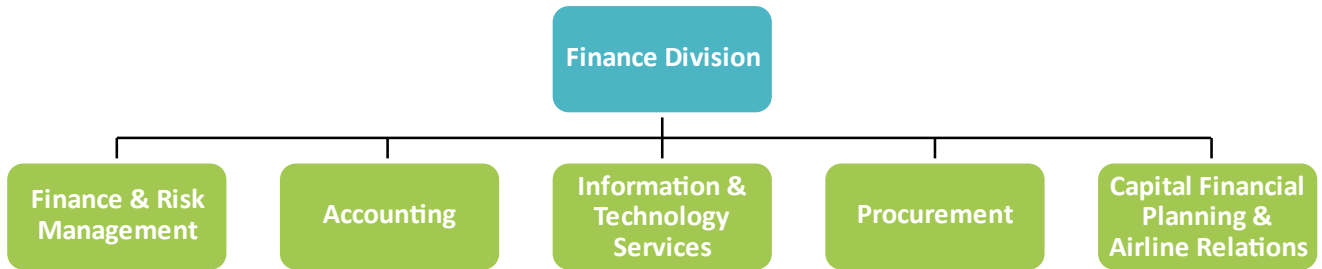
The **Information & Technology Services (I&TS)** department operates the Authority's information technology infrastructure, including hardware, software, and communications technology, and provides the strategic direction for all Information Technology decisions for the Authority. The department provides information technology services, including Internet services, desktop computing, websites, telephone connection, and hosted system services to all Authority departments. I&TS is responsible for ensuring cybersecurity controls and best practices are in place for Authority assets. I&TS provides the airlines with passenger processing systems, flight information displays, Wi-Fi, and paging.

The **Procurement** department provides a competitive contracting process that promotes innovation and industry best practices while ensuring its contracting actions adhere to published Authority policies and the highest standards of integrity and ethical conduct. The department researches product and service resources, provides business outreach and education, and manages solicitations, price and contract negotiations, and contract awards in a legal, ethical, and transparent manner. The department also manages the Procurement card program (P-card), shipping, receiving, surplus, and warehouse operations.



# Finance Division

## FY 2025 – FY 2026 Organizational Structure



## Division Personnel Summary

	FY 2024 Budget	FY 2025 Budget Transfers	FY 2025 Budget New/ (Eliminated)	FY 2025 Budget	FY 2026 Budget New/ (Eliminated)	FY 2026 Conceptual Budget
<b>Finance Division</b>						
Capital Financial Planning & Airline Relations	7	-	-	7	-	7
Accounting	12	-	-	12	-	12
Information & Technology Services	29	-	3	32	7	39
Procurement	12	-	-	12	-	12
Finance & Risk Management	15	-	-	15	-	15
<b>Total</b>	<b>75</b>	<b>-</b>	<b>3</b>	<b>78</b>	<b>7</b>	<b>85</b>

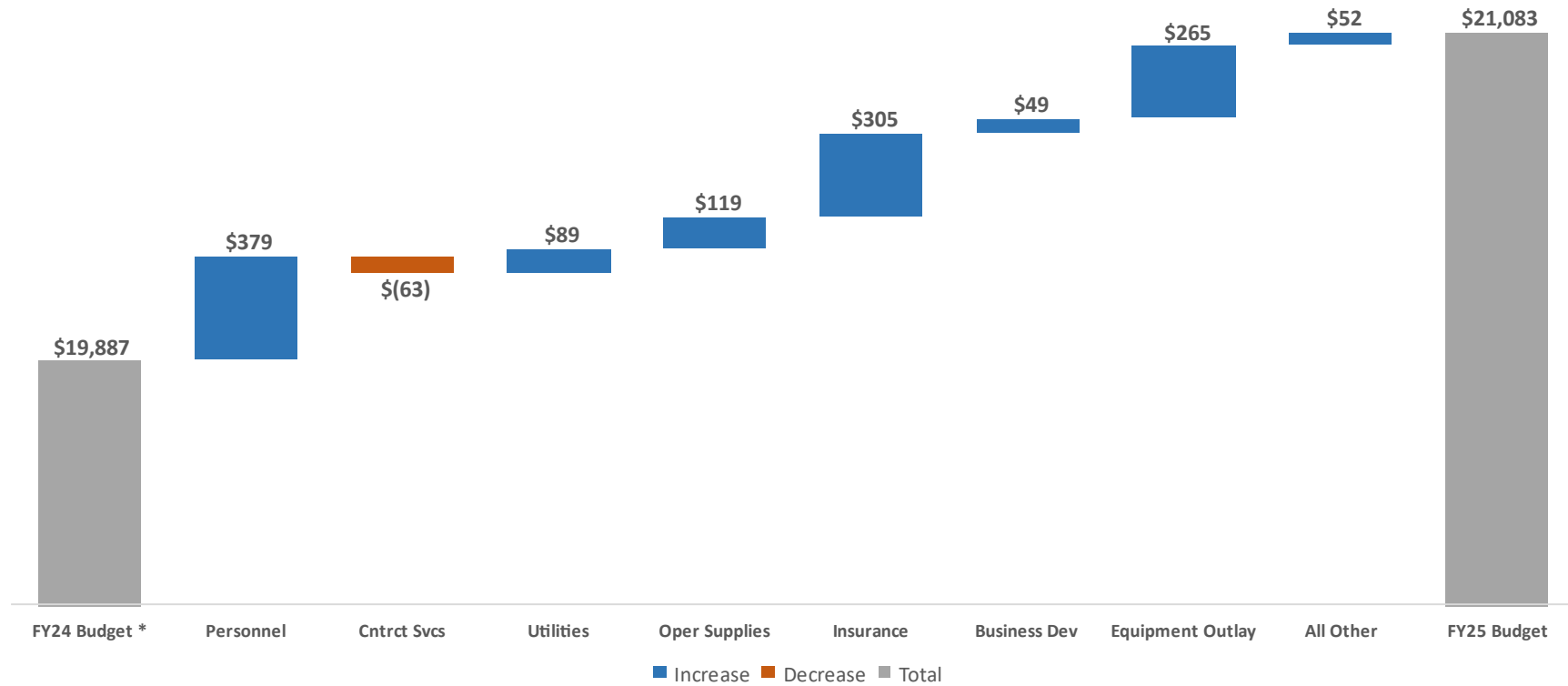
## Finance Division

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	7,596	6,179	6,372	193	3.1%	7,519	1,147	18.0%
Benefits	(740)	3,871	4,041	170	4.4%	4,691	650	16.1%
<b>Subtotal</b>	<b>6,855</b>	<b>10,050</b>	<b>10,413</b>	<b>363</b>	<b>3.6%</b>	<b>12,210</b>	<b>1,797</b>	<b>17.3%</b>
Less: Capitalized Labor Recharge	-	(273)	(257)	16	-5.9%	(269)	(11)	4.4%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>6,855</b>	<b>9,777</b>	<b>10,155</b>	<b>379</b>	<b>3.9%</b>	<b>11,941</b>	<b>1,786</b>	<b>17.6%</b>
Contractual Services	3,413	4,176	4,113	(63)	-1.5%	3,808	(305)	-7.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	485	643	732	89	13.8%	752	20	2.7%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	742	101	103	2	2.4%	103	-	0.0%
Operating Supplies	241	201	320	119	59.2%	373	54	16.8%
Insurance	1,996	2,217	2,523	305	13.8%	3,222	699	27.7%
Employee Development	106	121	137	16	13.2%	148	11	7.7%
Business Development	53	138	188	49	35.8%	210	23	12.0%
Equipment Rentals and Repairs	2,151	2,428	2,462	34	1.4%	2,863	401	16.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>9,185</b>	<b>10,025</b>	<b>10,577</b>	<b>552</b>	<b>5.5%</b>	<b>11,479</b>	<b>902</b>	<b>8.5%</b>
<b>Total Operating Expenses</b>	<b>16,040</b>	<b>19,802</b>	<b>20,733</b>	<b>931</b>	<b>4.7%</b>	<b>23,420</b>	<b>2,687</b>	<b>13.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>16,040</b>	<b>19,802</b>	<b>20,733</b>	<b>931</b>	<b>4.7%</b>	<b>23,420</b>	<b>2,687</b>	<b>13.0%</b>
Equipment Outlay Expenditures	-	85	350	265	311.8%	150	(200)	-57.1%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>16,040</b>	<b>19,887</b>	<b>21,083</b>	<b>1,196</b>	<b>6.0%</b>	<b>23,570</b>	<b>2,487</b>	<b>11.8%</b>

## Finance Division

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff. Added 3 positions.

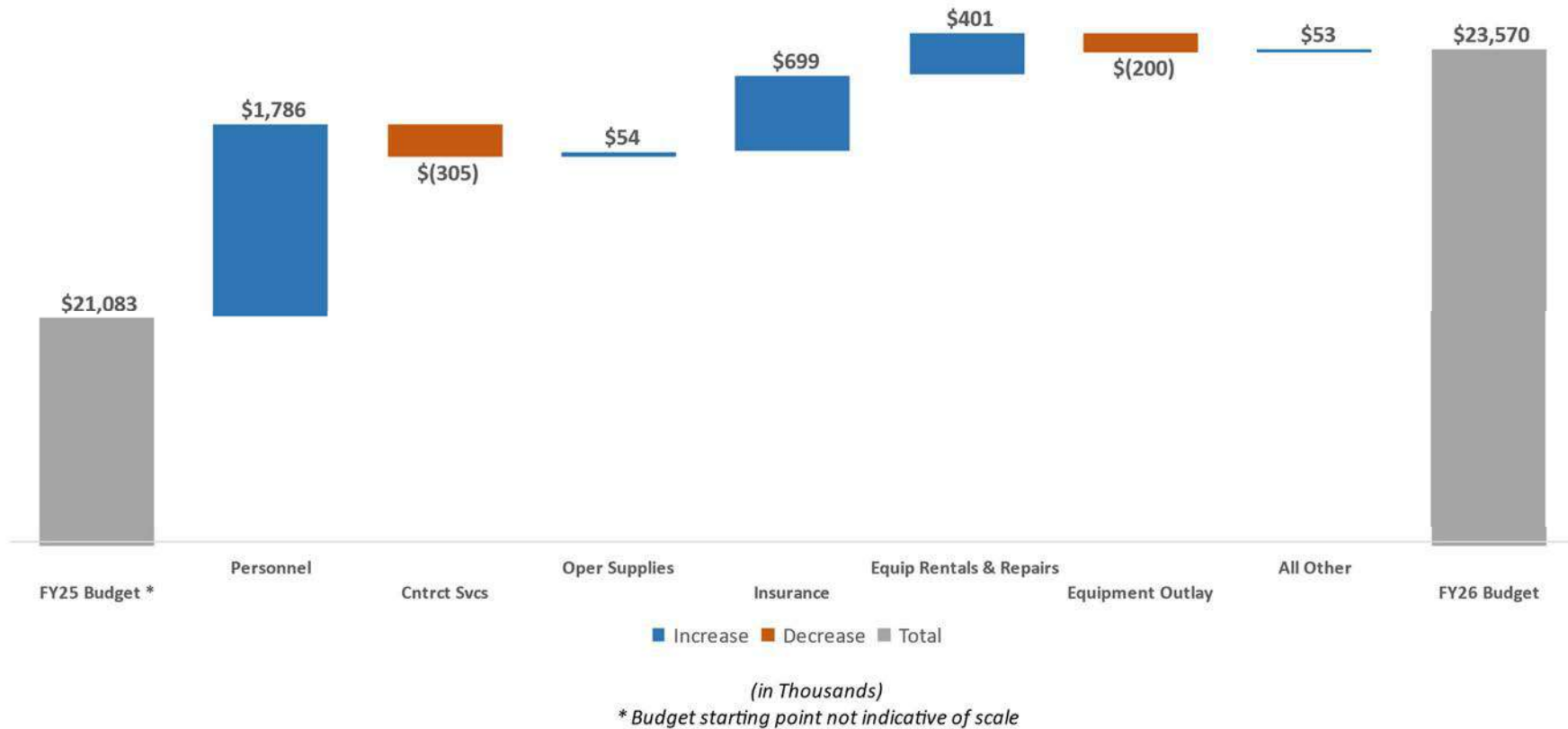
**Operating Supplies:** Centralized office supplies transferred from other departments

**Insurance:** Property insurance premium increasing \$320K with increased assessment value

**Equipment Outlay:** Computer refresh \$350K scheduled in FY25

## Finance Division

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Added 7 positions

**Contractual Services:** Contracted technicians decreasing (\$574K) as we convert 7 headcounts to direct hires partially offset by credit card fees increasing \$184K with higher parking revenue

**Insurance:** Property insurance premium increasing \$556K with additional new buildings' coverage

**Equipment Rentals & Repairs:** Maintenance and support of IT gear increasing \$395K

**Equipment Outlay:** Computer refresh \$350K to complete in FY25 and FY26 includes hardware replacement \$150K for cyber security initiatives

# Finance Division

## FY 2025 Expense Budget by Department

(in thousands)

Departments	FY 2025 Budget
Information & Technology Services	\$10,291
Finance & Risk Management	8,102
Procurement	1,942
Accounting	1,851
Capital Financial Planning and Airline Relations	1,292
Other *	(2,395)
<b>Total <sup>1</sup></b>	<b><u><u>\$21,083</u></u></b>

\* Includes Vacancy Savings

<sup>1</sup>Total may differ due to rounding

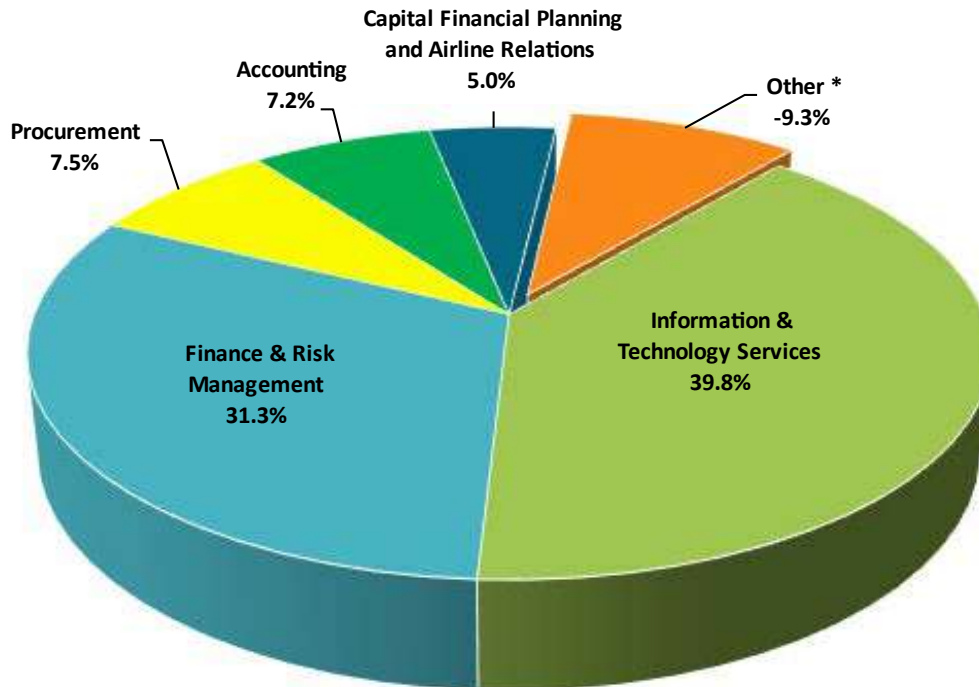


Figure 30 – FY 2025 Expense Budget by Department

## Finance Division

### FY 2026 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2026 Conceptual Budget
Information & Technology Services	\$10,951
Finance & Risk Management	9,131
Procurement	2,038
Accounting	2,036
Capital Financial Planning and Airline Relations	1,360
Other *	(1,945)
<b>Total <sup>1</sup></b>	<b>\$23,570</b>

\* Includes Vacancy Savings

<sup>1</sup>Total may differ due to rounding

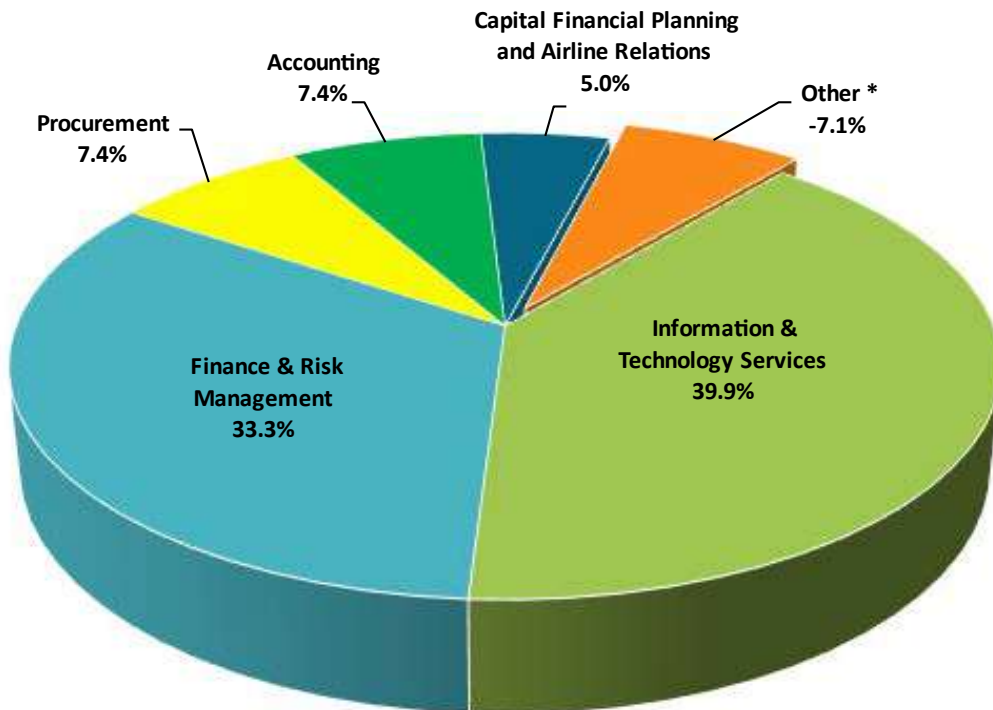


Figure 31 – FY 2026 Expense Conceptual Budget by Department

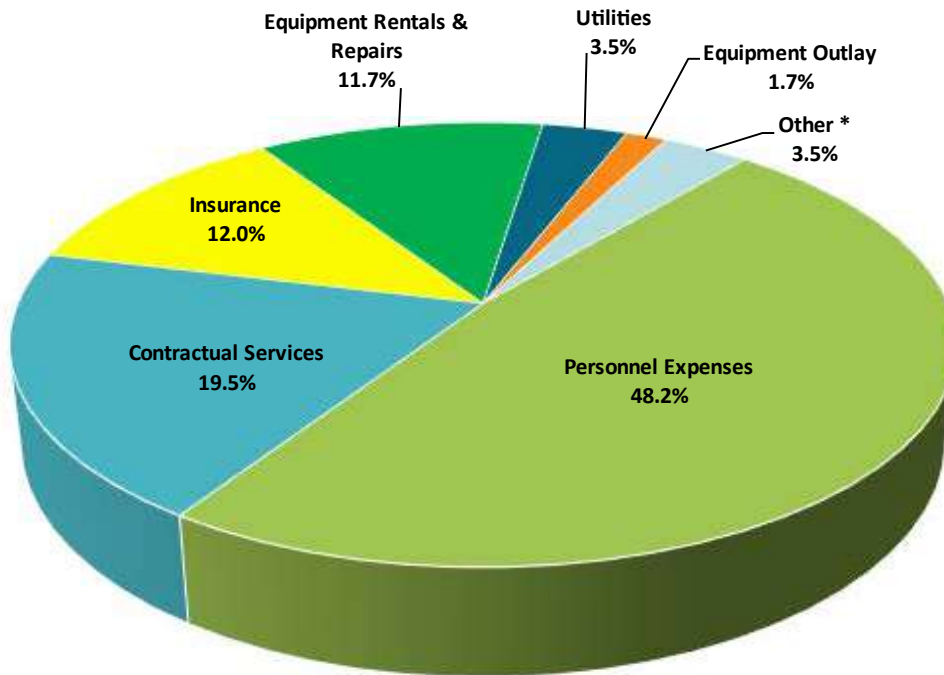
# Finance Division

## FY 2025 Expense Budget by Category

(in thousands)

Category	FY 2025 Budget
Personnel Expenses	\$10,155
Contractual Services	4,113
Insurance	2,523
Equipment Rentals & Repairs	2,462
Utilities	732
Equipment Outlay	350
Other *	747
<b>Total <sup>1</sup></b>	<b>\$21,083</b>

<sup>1</sup>Total may differ due to rounding



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

**Figure 32 – FY 2025 Expense Budget by Category**

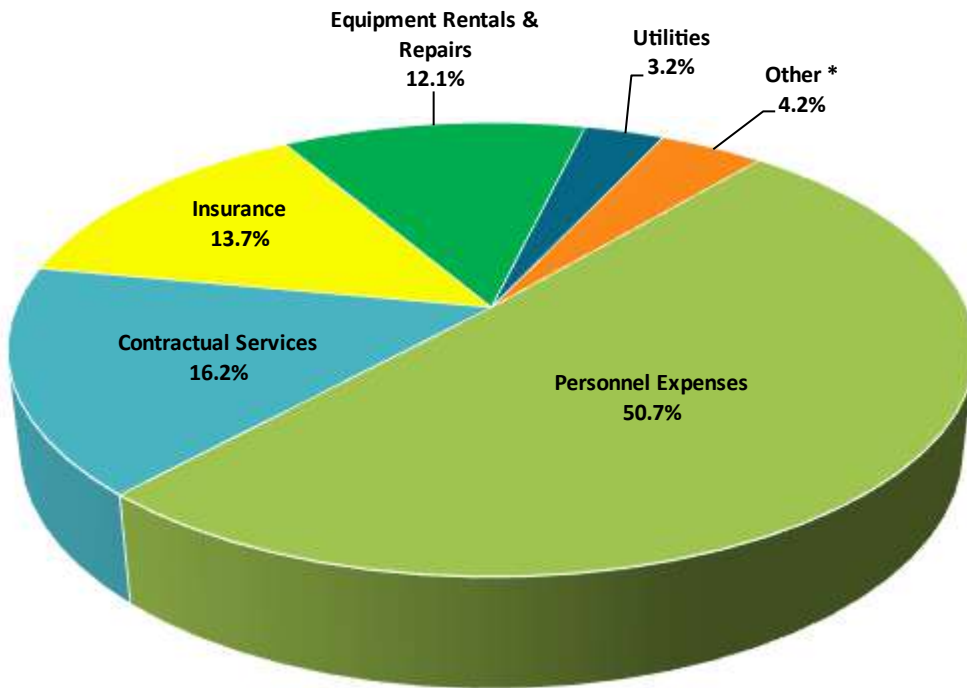
## Finance Division

### FY 2026 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2026 Conceptual Budget
Personnel Expenses	\$11,941
Contractual Services	3,808
Insurance	3,222
Equipment Rentals & Repairs	2,863
Utilities	752
Other *	984
<b>Total <sup>1</sup></b>	<b>\$23,570</b>

<sup>1</sup>Total may differ due to rounding



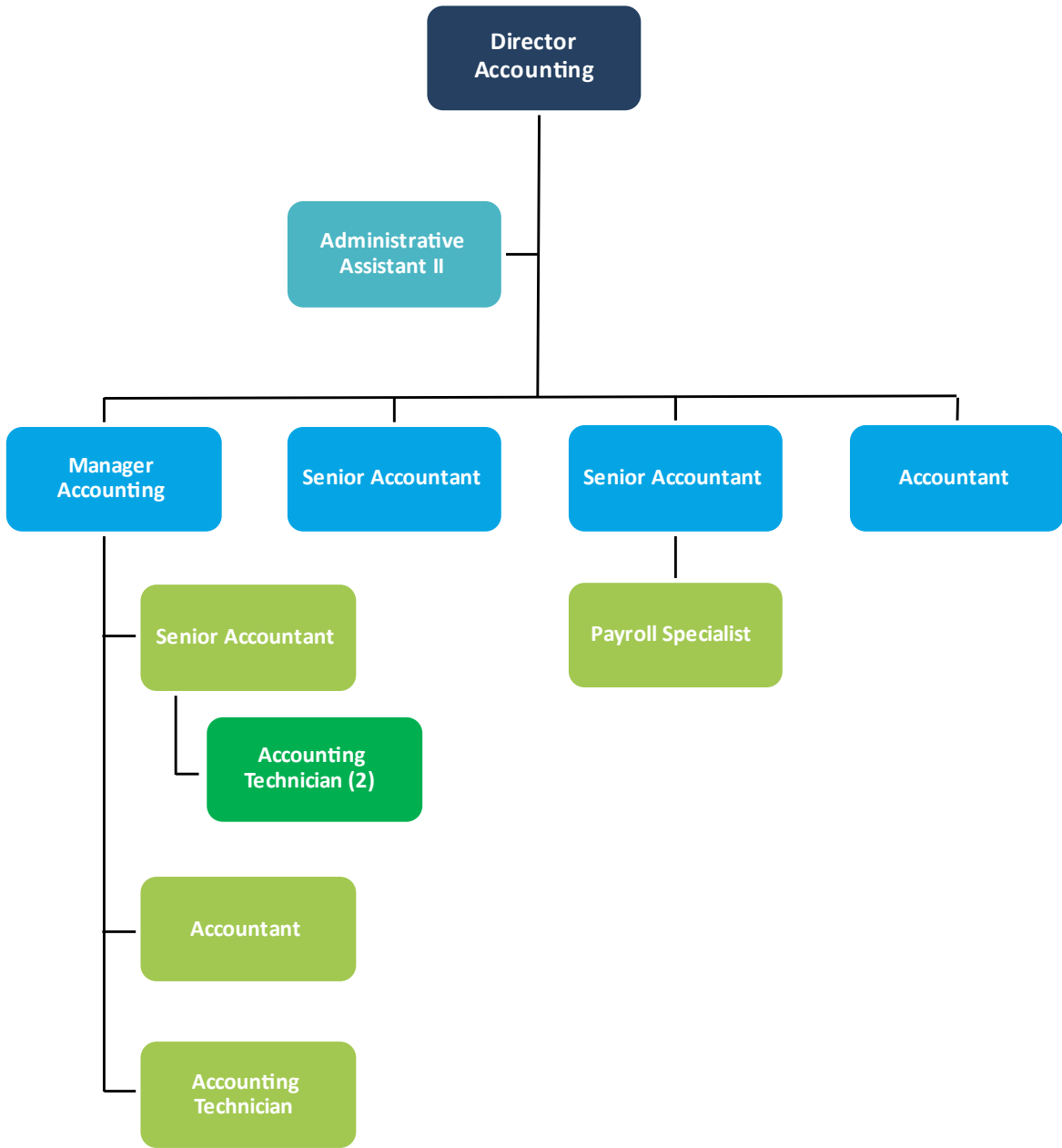
\*Other includes operating equipment & systems, utilities, operating supplies, equipment outlay, etc.

**Figure 33 – FY 2026 Expense Conceptual Budget by Category**



# Finance Division – Accounting

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

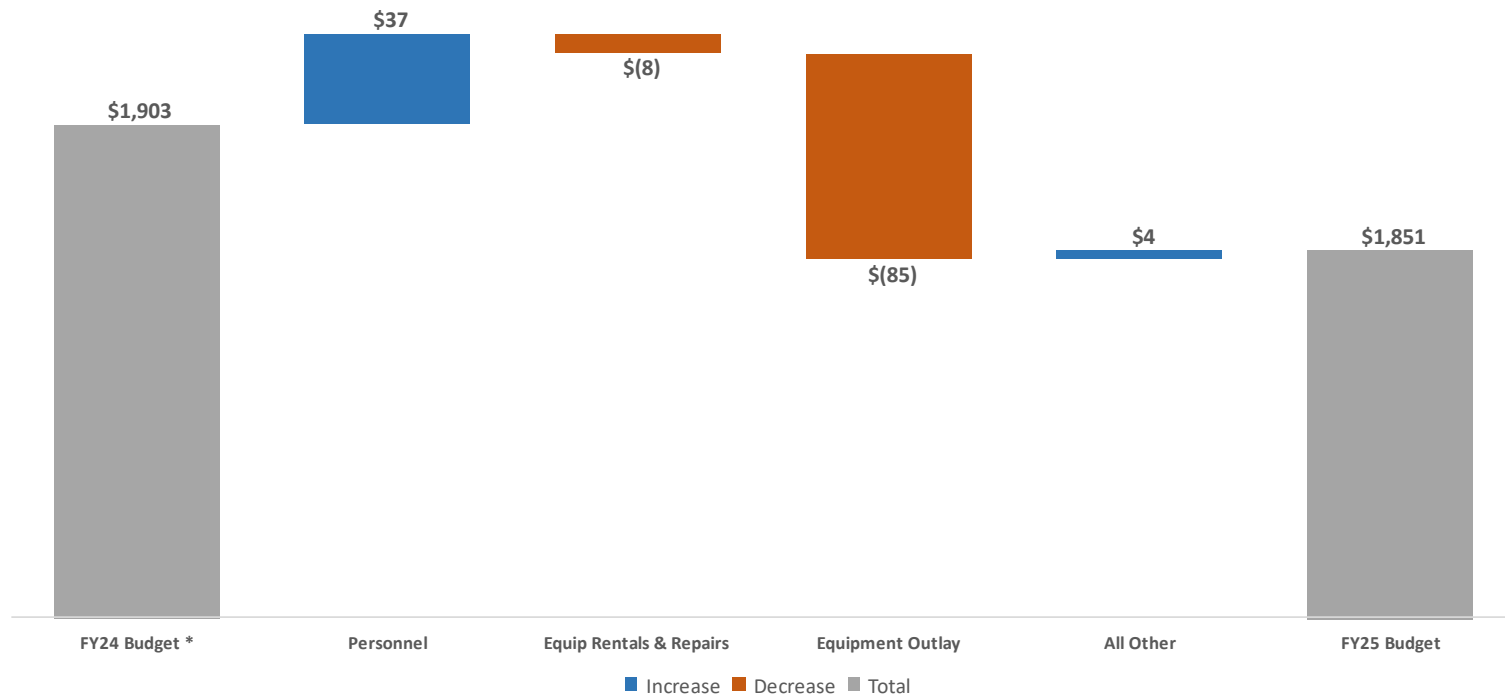
## Finance Division – Accounting

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	967	1,041	1,083	42	4.1%	1,126	43	4.0%
Benefits	466	512	507	(5)	-1.0%	552	45	8.9%
<b>Subtotal</b>	<b>1,433</b>	<b>1,553</b>	<b>1,590</b>	<b>37</b>	<b>2.4%</b>	<b>1,679</b>	<b>89</b>	<b>5.6%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,433</b>	<b>1,553</b>	<b>1,590</b>	<b>37</b>	<b>2.4%</b>	<b>1,679</b>	<b>89</b>	<b>5.6%</b>
Contractual Services	231	178	179	2	1.0%	255	76	42.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	2	2	0.0%	2	-	0.0%
Operating Supplies	2	2	1	(1)	-63.6%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	9	14	16	2	17.5%	16	-	0.0%
Business Development	21	34	33	(1)	-3.1%	53	20	60.8%
Equipment Rentals and Repairs	-	38	30	(8)	-21.1%	30	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>263</b>	<b>265</b>	<b>261</b>	<b>(4)</b>	<b>-1.5%</b>	<b>357</b>	<b>96</b>	<b>36.8%</b>
<b>Total Operating Expenses</b>	<b>1,696</b>	<b>1,818</b>	<b>1,851</b>	<b>33</b>	<b>1.8%</b>	<b>2,036</b>	<b>185</b>	<b>10.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	0	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>1,696</b>	<b>1,818</b>	<b>1,851</b>	<b>33</b>	<b>1.8%</b>	<b>2,036</b>	<b>185</b>	<b>10.0%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>85</b>	<b>-</b>	<b>(85)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,696</b>	<b>1,903</b>	<b>1,851</b>	<b>(52)</b>	<b>-2.7%</b>	<b>2,036</b>	<b>185</b>	<b>10.0%</b>

## Finance Division – Accounting

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

\* Budget starting point not indicative of scale

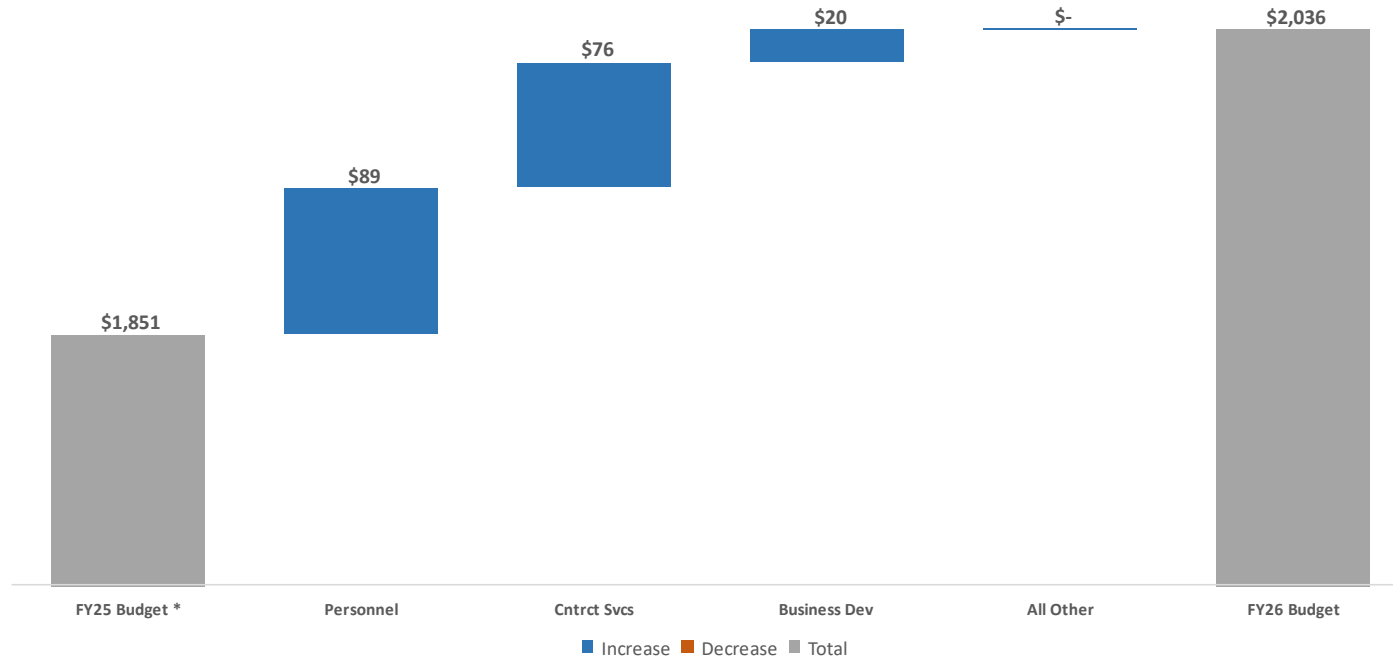
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff.

**Contractual Services:** AP Automation training to complete in FY24

**Equipment Outlay:** AP Automation implementation to complete in FY24

## Finance Division – Accounting

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)  
 \* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff.

**Contractual Services:** CFC forecast \$45K happening in FY26

**Business Development:** Allowance for bad debt increasing \$20K in anticipation of additional new tenants at NT1

## Finance Division – Accounting

### FY 2024 Progress Report

1. Contribute to the Authority’s strong financial standing by providing accurate and timely financial reporting and stringent internal controls that result in a clean audit with no findings. This will include the implementation of GASB 96, Subscription-Based Information Technology Arrangements, for June 30, 2023, and the corresponding restatement of the June 30, 2022 financial statements.

**Progress:** The Accounting Department successfully completed the audit of the financial reports for the fiscal year ended June 30, 2023. It was completed on time and with no findings. This included the implementation both GASB 94 – Public-Private and Public-Public Partnership and Availability Payment Arrangements, and GASB 96 – Subscription-Based Information Technology Arrangements, and the restatement of the financial statements for the fiscal year ended June 30, 2022.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

2. Continue to research, evaluate and when appropriate, implement innovative approaches to accounting processes that will improve efficiency and enhance data integrity.

**Progress:** The Accounting Department continually seeks innovative solutions to improve accuracy and efficiency of our work. The primary focus in fiscal year 2024 was on planning for the implementation of Airport Business & Revenue Management (ABRM) for our billing, cash receipts and accounts receivable functions. During the year we also implemented changes to payroll and financial reporting processes that improved manual and less efficient processes.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

3. Collaborate with the Revenue Generation and Partnership Development (RGPD) Department on the implementation of the Airport Business & Revenue Management (ABRM) property management system with the overall goal to improve efficiencies and streamline accounting processes related to billing and accounts receivable.

**Progress:** Accounting is actively collaborating with RGPD and several other departments on the implementation of the ABRM property management system, which will include a new integrated billing, cash receipts and accounts receivable module. System configurations were completed, while set up, training and development of the new procedures are in process with the go-live goal of the Summer 2024.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

## Finance Division – Accounting

### FY 2025 – FY 2026 Goals

1. Contribute to the Authority’s strong financial standing by providing accurate and timely financial reporting and stringent internal controls that result in a clean audit with no findings for fiscal year June 30, 2024. This year’s audit will involve the transition to a new audit firm. We will focus on building a strong working partnership with the auditors and quickly familiarize them with the Authority’s financial information and practices to ensure a timely and thorough year end audit process.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2D. Implement a sustainable 20 year capital plan

2. Complete the implementation of the Accounts Payable Invoice Automation that will streamline and improve accuracy of the invoice processing cycle, by reducing manual data entry and integrating the approval process directly within the Authority’s ERP system.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- OT. Use Technology to Optimize Ongoing Business

3. Research, evaluate and when appropriate implement innovative approaches to improve efficiency and enhance data integrity of accounting processes. Areas to be assessed include alternative payroll processing options and leveraging artificial intelligence where appropriate.

**Strategic Plan Focus Area:**

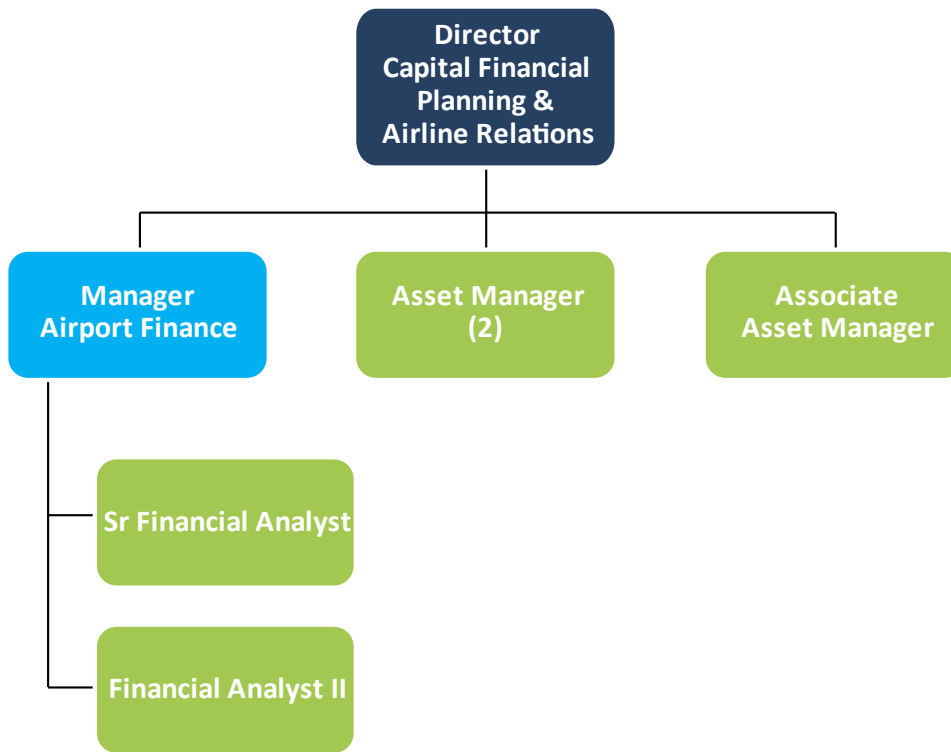
- Optimize Ongoing Business

**Strategic Initiative:**

- OT. Use Technology to Optimize Ongoing Business

# Finance Division – Capital Financial Planning & Airline Relations

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

## Finance Division – Capital Financial Planning & Airline Relations

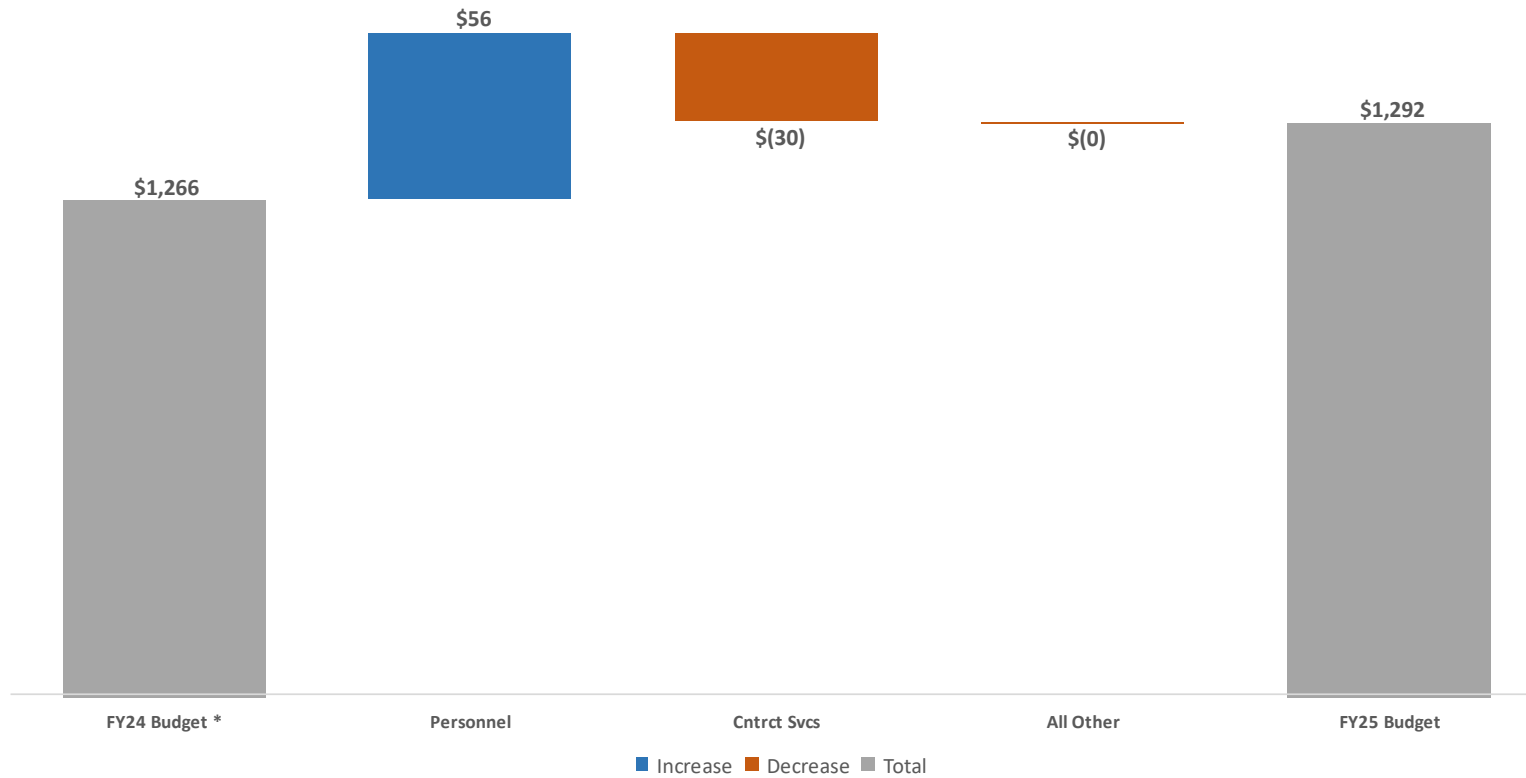
### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	708	853	901	48	5.6%	937	36	4.0%
Benefits	336	358	366	8	2.3%	398	31	8.5%
<b>Subtotal</b>	<b>1,043</b>	<b>1,211</b>	<b>1,267</b>	<b>56</b>	<b>4.6%</b>	<b>1,335</b>	<b>67</b>	<b>5.3%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,043</b>	<b>1,211</b>	<b>1,267</b>	<b>56</b>	<b>4.6%</b>	<b>1,335</b>	<b>67</b>	<b>5.3%</b>
Contractual Services	-	30	-	(30)	-100.0%	-	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	1	0	(1)	-81.8%	0	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	10	13	14	1	7.6%	15	0	3.2%
Business Development	7	11	11	(0)	-3.1%	11	0	0.2%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>18</b>	<b>55</b>	<b>25</b>	<b>(30)</b>	<b>-54.7%</b>	<b>26</b>	<b>0</b>	<b>1.9%</b>
<b>Total Operating Expenses</b>	<b>1,061</b>	<b>1,266</b>	<b>1,292</b>	<b>26</b>	<b>2.1%</b>	<b>1,360</b>	<b>68</b>	<b>5.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>1,061</b>	<b>1,266</b>	<b>1,292</b>	<b>26</b>	<b>2.1%</b>	<b>1,360</b>	<b>68</b>	<b>5.2%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>1,061</b>	<b>1,266</b>	<b>1,292</b>	<b>26</b>	<b>2.1%</b>	<b>1,360</b>	<b>68</b>	<b>5.2%</b>



## Finance Division – Capital Financial Planning & Airline Relations

### Major Drivers of FY 2024 Budget & FY 2025 Budget



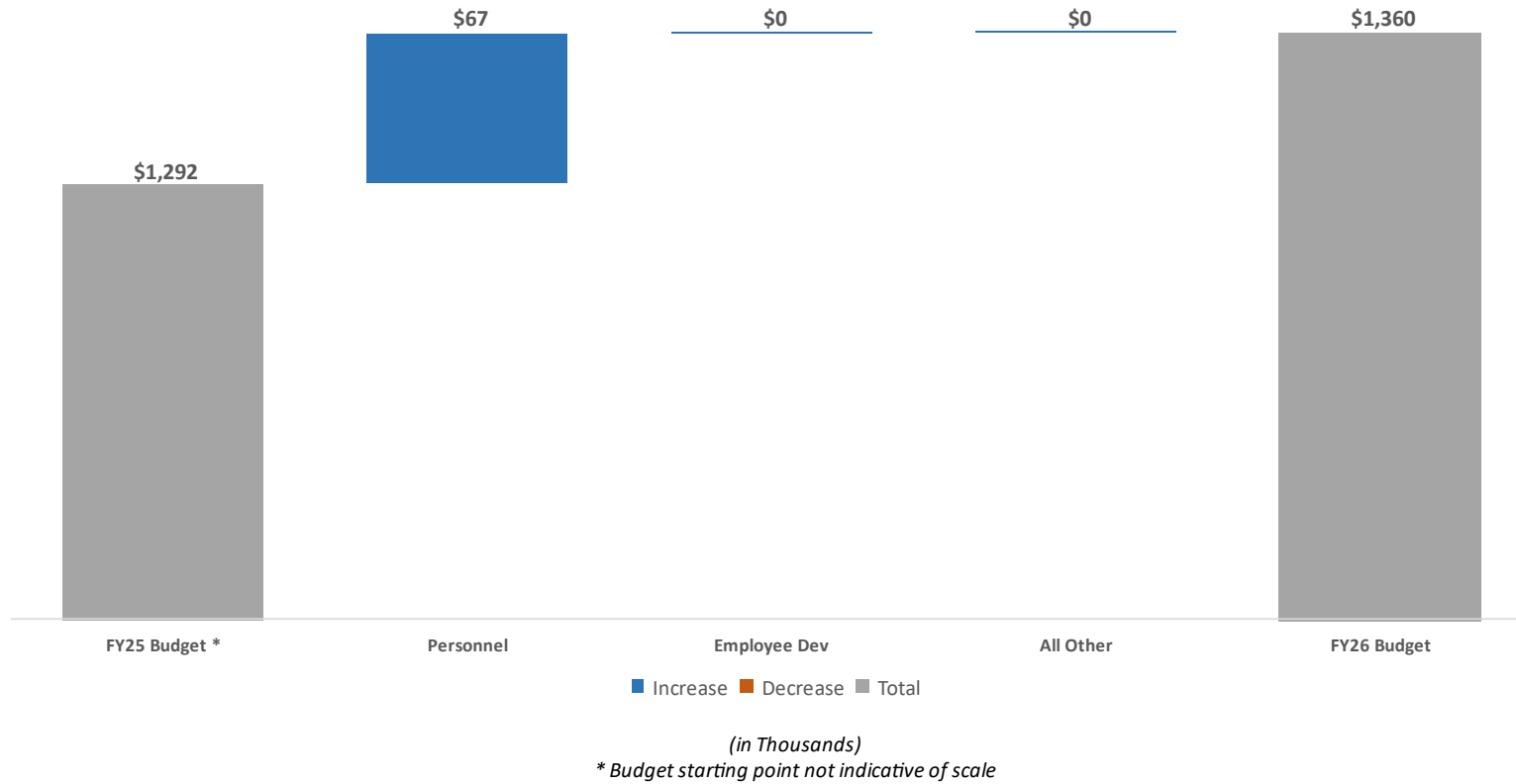
(in Thousands)  
 \* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff.

**Contractual Services:** Grants consultant \$30K removed

## Finance Division – Capital Financial Planning & Airline Relations

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff.

## Finance Division – Capital Financial Planning & Airline Relations

### FY 2024 Progress Report

1. Continue to develop strategies to seek grant opportunities through the Bipartisan Infrastructure Law (BIL) and evaluating emerging innovations such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) loans for airports. Focus funding efforts on both the New Terminal 1, as well as future projects including Terminal 2 renovation, and airport electrical power infrastructure sustainability and resiliency. Partner with internal stakeholders to meet eligibility and application requirements. Strengthen the implementation of procedures to ensure compliance with changing federal grant regulatory requirements.

**Progress:** Successfully secured approximately \$250M in grants (BIL and AIP) for elements of New Terminal 1. The team continues with efforts to obtain additional BIL funding will continue until conclusion of the program in 2028. In addition, we identified key power sustainability needs on proposed grant funding submittal to FAA and developed compliance review process for implementation in FY25.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 5C. Evaluate multiple funding methods for the Capital Program (New T1 and CIP)

2. Partner with the Revenue Generation and Partnership Development (RGPD) Department on the implementation of the Airport Business & Revenue Management (ABRM) property management system with the overall goal to improve efficiencies as well as streamline processes in the Airline Relations Department.

**Progress:** Airline Relations continues to work with RGPD, Accounting, and Finance to create a centralized system that houses all relevant agreement information such as lease terms and rent details as well as maintenance responsibilities and tracking of inspections, reports, and payments. Separately, we are reviewing best practices for our internal processes related to this new system with the goal of increasing efficiency and accuracy.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

3. Collaborate with Operational Readiness, Activation, & Transition team (ORAT), Airport Design and Construction (ADC), Terminal Operation and airlines to prepare for relocation of tenants to New T1 and address airline space requirements, while ensuring compliance with the Airline Operating and Lease Agreement (AOLA).

**Progress:** Airline Relations continues to collaborate with ORAT, ADC, Terminal Operations and Avapro's to prepare for the relocation of several tenants to NT1. The airline tenants' exclusive use spaces have been programmed into NT1 design. We are continuing to collaborate with ORAT to provide further details regarding current T1 tenants' spaces and plan for the move.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

## Finance Division – Capital Financial Planning & Airline Relations

### FY 2025 – FY 2026 Goals

1. Support capital development efforts for the New Terminal 1, NT1 & Terminal 2 East connection, Terminal 2 East renovation, and airport electrical power infrastructure sustainability and resiliency by:
  - Continuing to develop strategies to seek grant opportunities through the Bipartisan Infrastructure Law (BIL).
  - Evaluating new funding sources such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) loans for airports.
  - Partnering with internal stakeholders to meet grant or other funding eligibility and application requirements.
  - Evaluating FAA allowable costs for transit connection.
  - Strengthening procedures to ensure compliance with changing federal grant regulatory requirements.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 5C. Evaluate multiple funding methods for the Capital Program (New T1 and CIP)

2. Continue to collaborate with Operational Readiness, Activation, & Transition team (ORAT), Airport Design and Construction Department, Terminal Operations team, airlines, and other tenants to prepare for relocation of tenants to the New T1 and address tenants' space requirements, while ensuring compliance with the respective agreements.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

3. Partner with the Revenue Generation and Partnership Development (RGPD) Department on the continual implementation of the Airport Business & Revenue Management (ABRM) property management system with the overall goal to improve efficiencies as well as streamline processes in the Airline Relations Department.

**Strategic Plan Focus Area:**

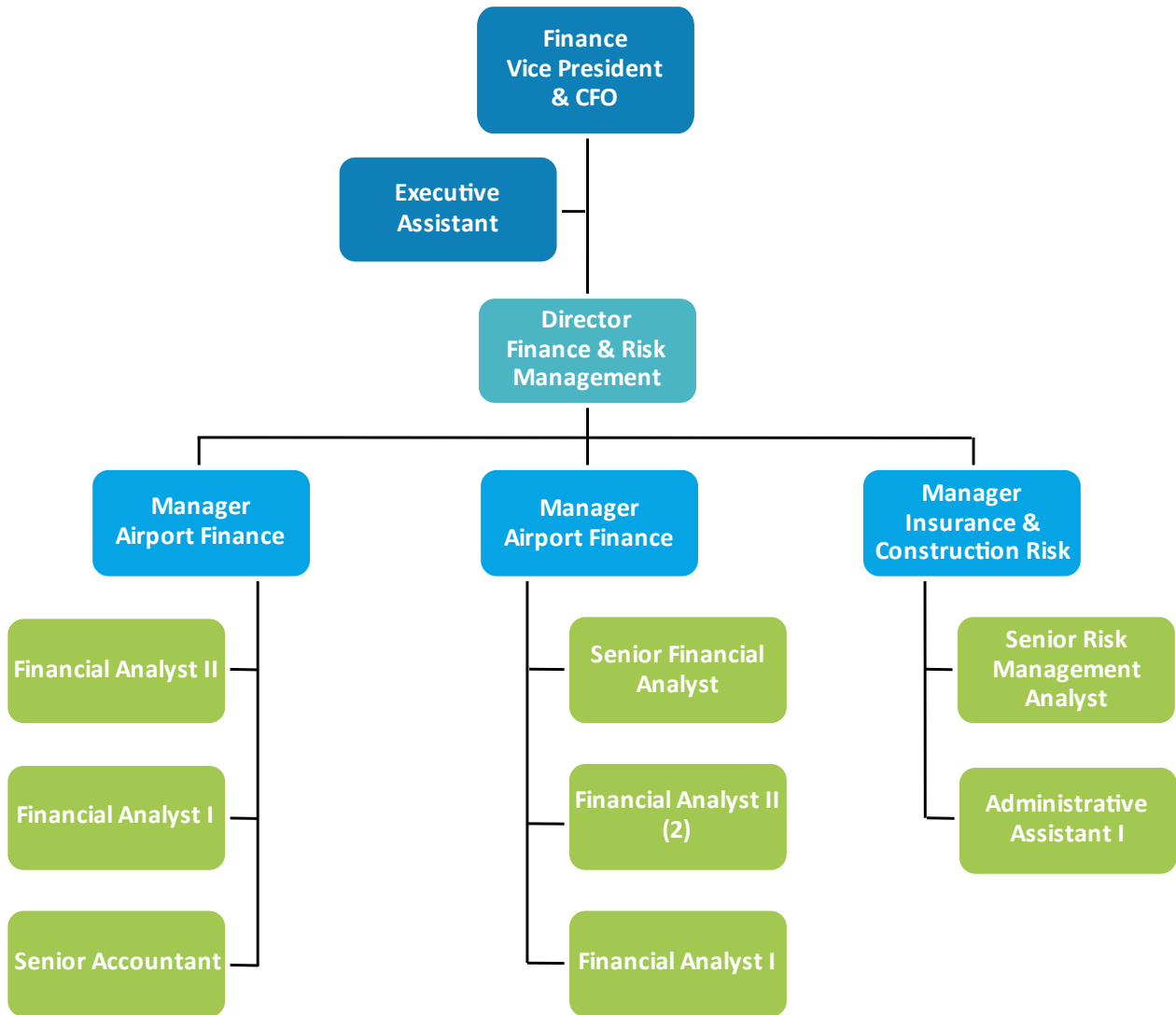
- Transform the Customer Experience

**Strategic Initiative:**

- TT. Use Technology to Transform the Customer Experience

# Finance Division – Finance & Risk Management

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

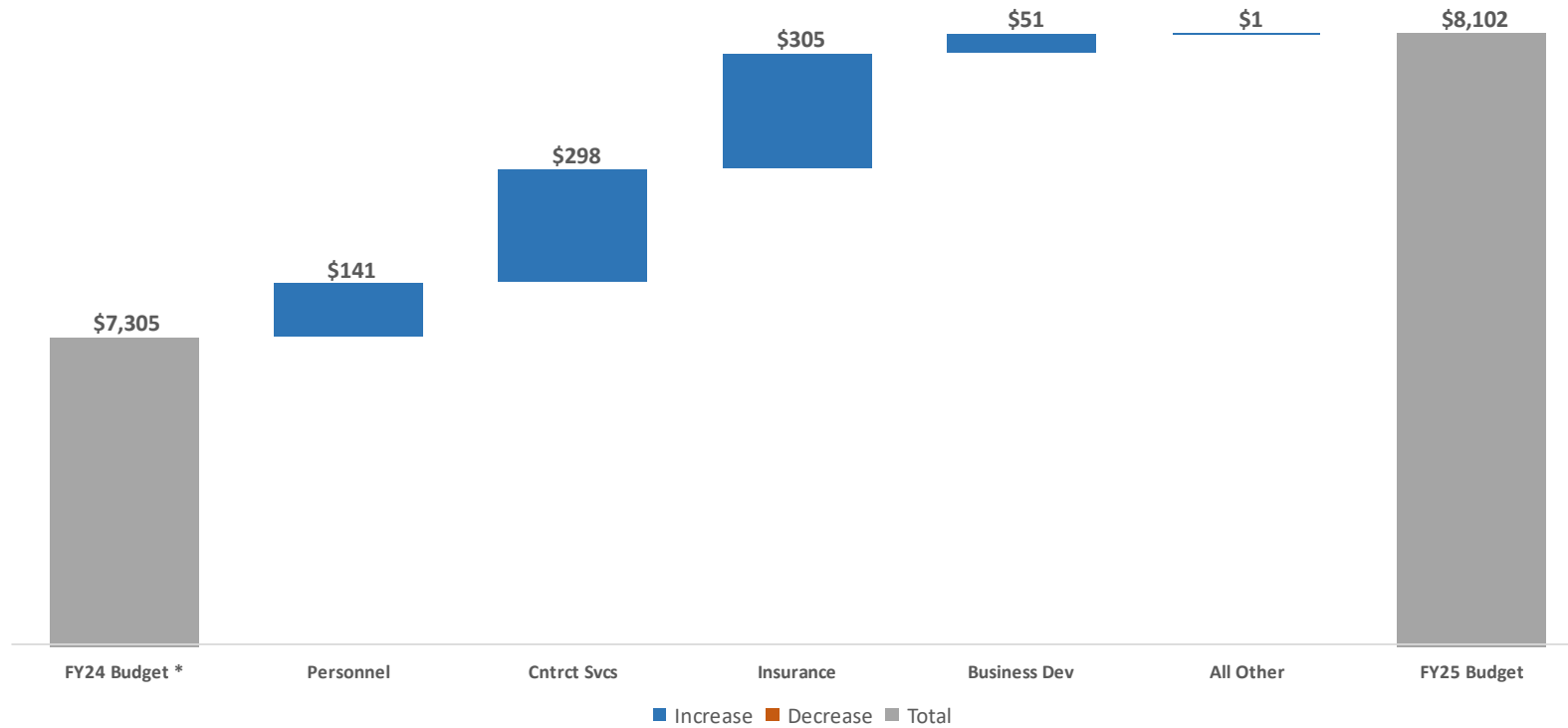
## Finance Division – Finance & Risk Management

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	1,886	1,757	1,894	138	7.8%	1,968	73	3.9%
Benefits	840	781	785	3	0.4%	850	65	8.3%
<b>Subtotal</b>	<b>2,727</b>	<b>2,538</b>	<b>2,679</b>	<b>141</b>	<b>5.5%</b>	<b>2,818</b>	<b>139</b>	<b>5.2%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,727</b>	<b>2,538</b>	<b>2,679</b>	<b>141</b>	<b>5.5%</b>	<b>2,818</b>	<b>139</b>	<b>5.2%</b>
Contractual Services	1,992	2,308	2,606	298	12.9%	2,785	179	6.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	6	8	3	(5)	-64.0%	3	-	0.0%
Insurance	1,996	2,217	2,523	305	13.8%	3,222	699	27.7%
Employee Development	37	38	40	2	6.4%	42	2	4.2%
Business Development	17	78	129	51	65.4%	132	2	1.6%
Equipment Rentals and Repairs	118	119	122	3	2.7%	130	9	7.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>4,166</b>	<b>4,767</b>	<b>5,423</b>	<b>655</b>	<b>13.8%</b>	<b>6,313</b>	<b>890</b>	<b>16.4%</b>
<b>Total Operating Expenses</b>	<b>6,893</b>	<b>7,305</b>	<b>8,102</b>	<b>796</b>	<b>10.9%</b>	<b>9,131</b>	<b>1,029</b>	<b>12.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>6,893</b>	<b>7,305</b>	<b>8,102</b>	<b>796</b>	<b>10.9%</b>	<b>9,131</b>	<b>1,029</b>	<b>12.7%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>6,893</b>	<b>7,305</b>	<b>8,102</b>	<b>796</b>	<b>10.9%</b>	<b>9,131</b>	<b>1,029</b>	<b>12.7%</b>

## Finance Division – Finance & Risk Management

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)  
 \* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff.

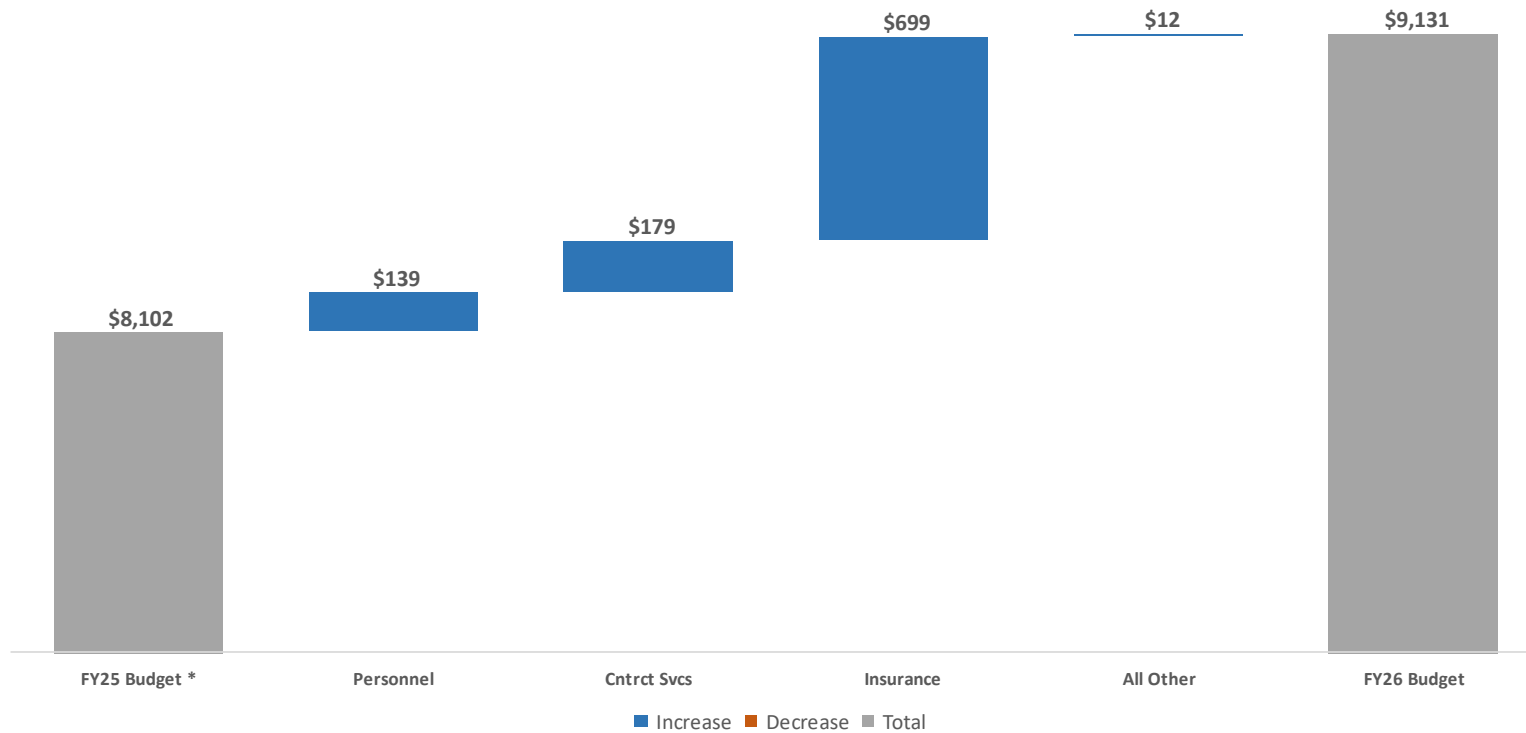
**Contractual Services:** Credit card fees increasing \$270K in anticipation of increased parking revenue

**Insurance:** Property insurance premium increasing \$320K with increased assessment value

**Business Development:** Employee appreciation event \$50K moving to the department effective FY25

## Finance Division – Finance & Risk Management

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff.

**Contractual Services:** Credit card fees increasing \$184K with NT1 parking lots fully opening

**Insurance:** Property insurance premium increasing \$556K with additional new buildings coverage



## Finance Division – Finance & Risk Management

### FY 2024 Progress Report

1. Prepare documents for the next New T1 Bond issuance with the goal of pricing and closing in the second half of FY 2024, depending on market conditions and cash flows.

**Progress:** The Bond sale was successfully completed in early October 2023.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 5C. Evaluate multiple funding methods for the Capital Program (New T1 and CIP)

2. Prepare and issue an RFP for a new Variable Credit Facility, with closing in the second half of FY 2024.

**Progress:** The RFP has been drafted, and it is anticipated to be released in mid-spring 2024.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5A. Ensure Plan of Finance is flexible, nimble and able to proactively address future changes

3. Review the initiatives within the Strategic Plan through an Enterprise Risk Management lens to identify risks of achieving these objectives. Create a report on the findings and present them to Senior Management.

**Progress:** This goal is in progress. The Strategic Plan is currently being updated.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

## Finance Division – Finance & Risk Management

### FY 2025 – FY 2026 Goals

1. Compile the required documentation and update the financial models to issue debt in late FY 2025 or early FY 2026. This debt issuance will fund the final phases of the New T1 project. In addition, we will work with our financial advisors on potential refunding opportunities.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 5C. Evaluate multiple funding methods for the Capital Program (New T1 and CIP)

2. Work with the Authority’s insurance brokers to market and bind a new Builders Risk Policy for Phase Two of the New T1 Project.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

3. Finalize the lending documents for the Authority’s new short-term credit facility.

**Strategic Plan Focus Area:**

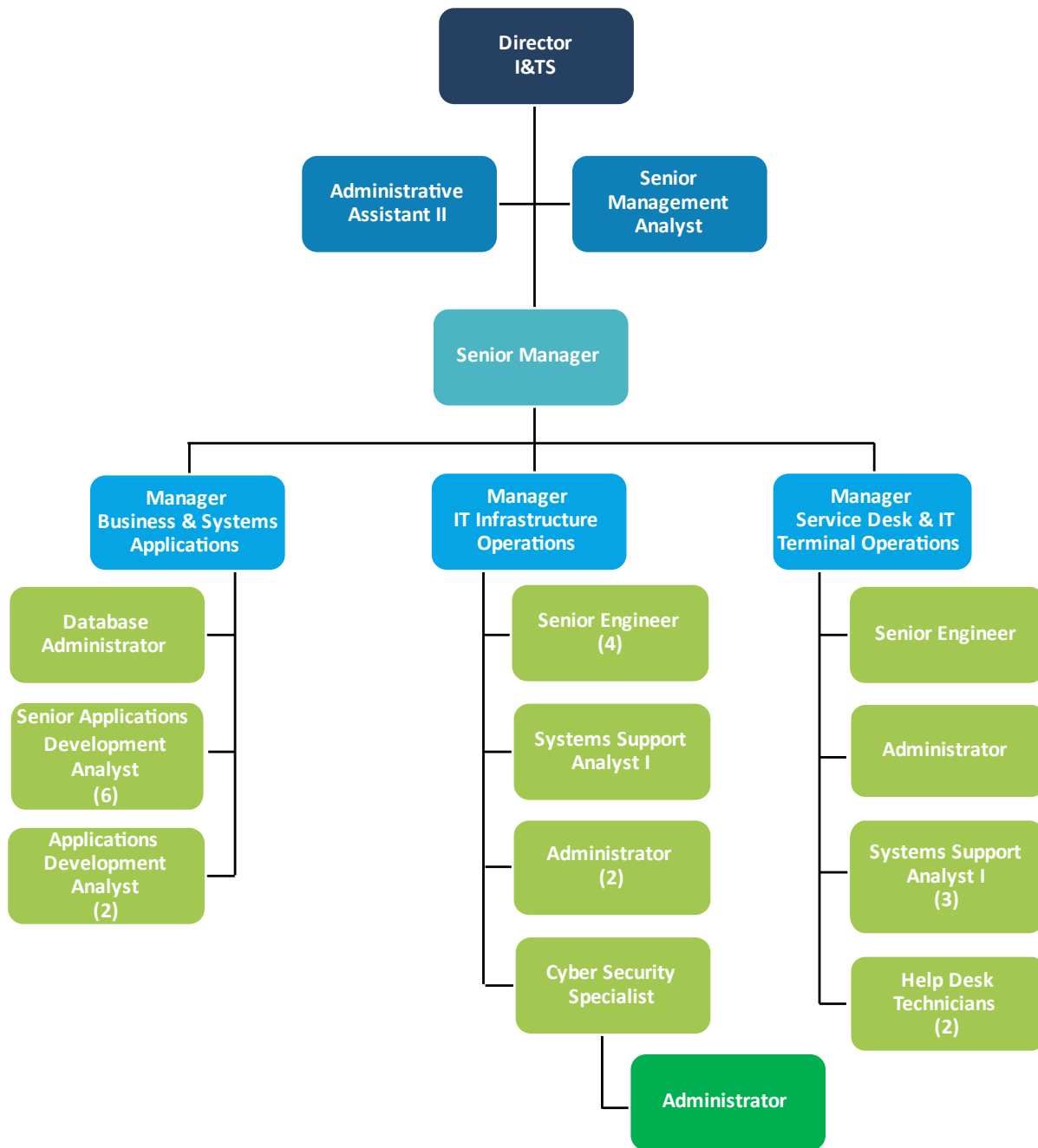
- Advance Airport Development

**Strategic Initiative:**

- 5C. Evaluate multiple funding methods for the Capital Program (New T1 and CIP)

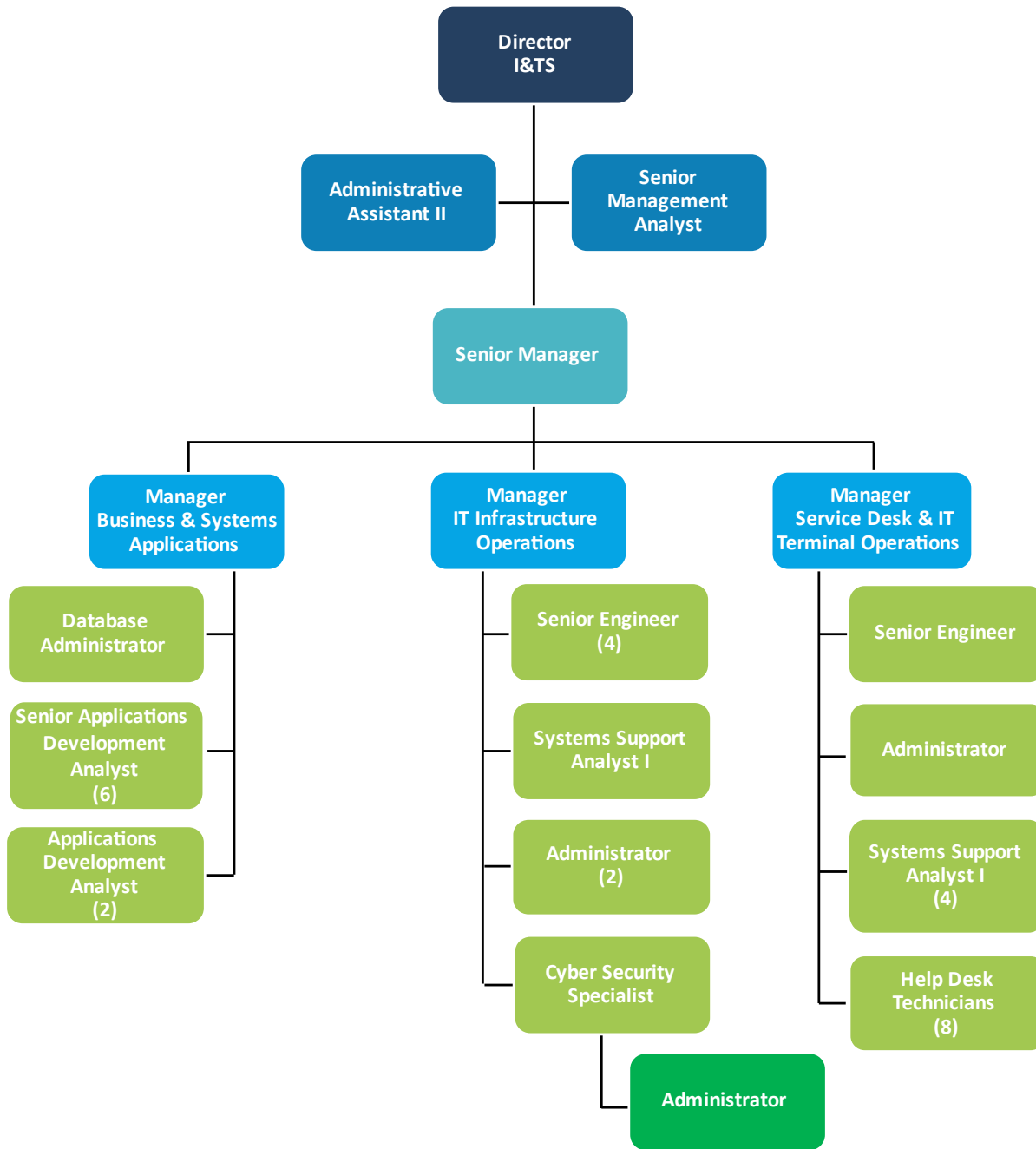
# Finance Division – Information & Technology Services

## FY 2025 Organizational Structure



# Finance Division – Information & Technology Services

## FY 2026 Organizational Structure



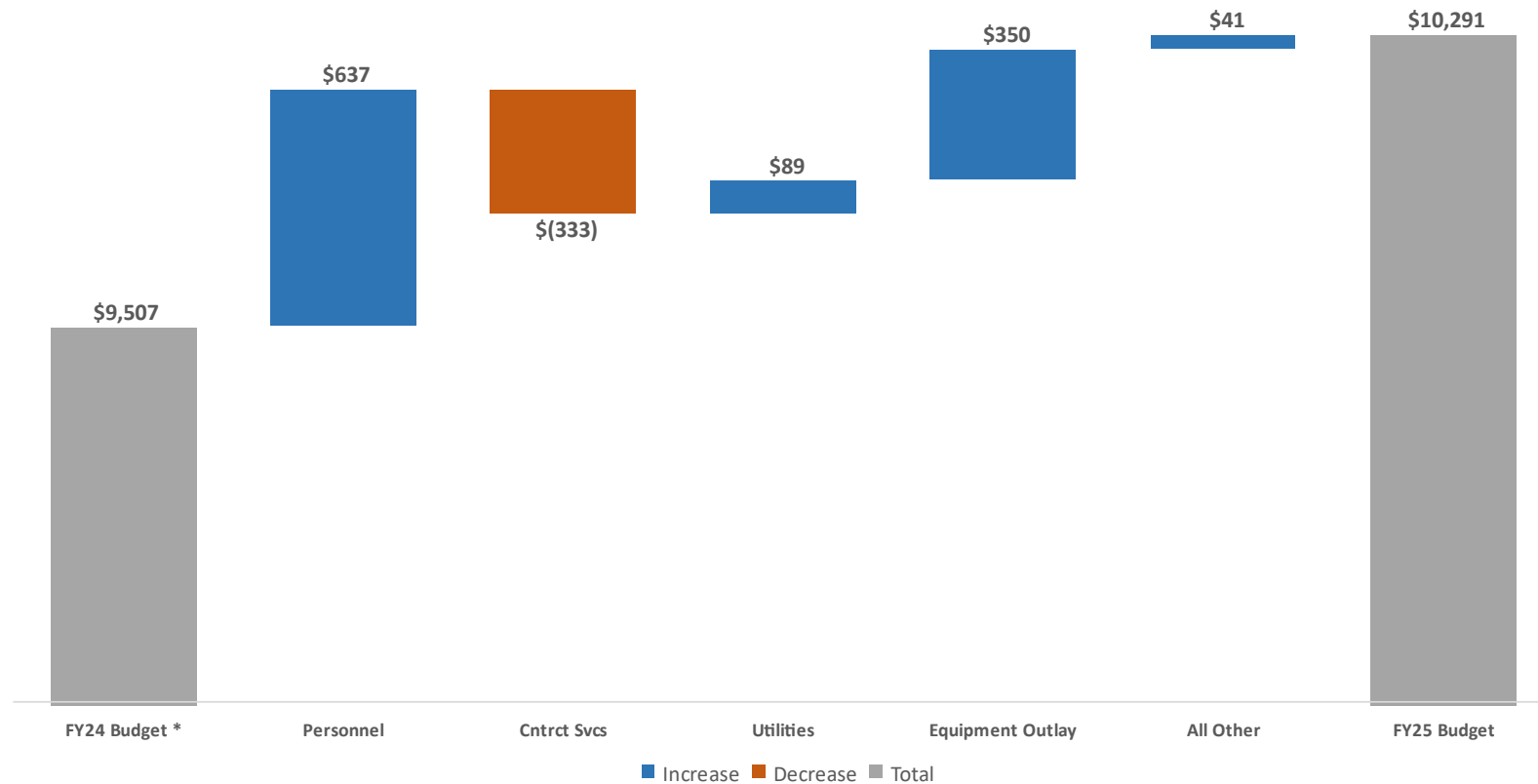
## Finance Division – Information & Technology Services

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	2,961	3,409	3,919	510	15.0%	4,494	576	14.7%
Benefits	1,373	1,562	1,672	110	7.1%	2,058	385	23.0%
<b>Subtotal</b>	<b>4,333</b>	<b>4,971</b>	<b>5,591</b>	<b>620</b>	<b>12.5%</b>	<b>6,552</b>	<b>961</b>	<b>17.2%</b>
Less: Capitalized Labor Recharge	-	(273)	(257)	16	-5.9%	(269)	(11)	4.4%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>4,333</b>	<b>4,697</b>	<b>5,334</b>	<b>637</b>	<b>13.6%</b>	<b>6,283</b>	<b>949</b>	<b>17.8%</b>
Contractual Services	1,179	1,643	1,311	(333)	-20.2%	751	(560)	-42.7%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	485	643	732	89	13.8%	752	20	2.7%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	742	100	100	-	0.0%	100	-	0.0%
Operating Supplies	198	149	146	(3)	-1.9%	198	52	35.8%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	39	42	48	6	14.7%	56	8	16.5%
Business Development	2	5	5	-	0.0%	5	-	0.0%
Equipment Rentals and Repairs	1,991	2,227	2,265	37	1.7%	2,655	391	17.2%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>4,635</b>	<b>4,810</b>	<b>4,607</b>	<b>(203)</b>	<b>-4.2%</b>	<b>4,517</b>	<b>(89)</b>	<b>-1.9%</b>
<b>Total Operating Expenses</b>	<b>8,969</b>	<b>9,507</b>	<b>9,941</b>	<b>433</b>	<b>4.6%</b>	<b>10,801</b>	<b>860</b>	<b>8.7%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>8,969</b>	<b>9,507</b>	<b>9,941</b>	<b>433</b>	<b>4.6%</b>	<b>10,801</b>	<b>860</b>	<b>8.7%</b>
Equipment Outlay Expenditures	-	-	350	350	0.0%	150	(200)	-57.1%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>8,969</b>	<b>9,507</b>	<b>10,291</b>	<b>783</b>	<b>8.2%</b>	<b>10,951</b>	<b>660</b>	<b>6.4%</b>

## Finance Division – Information & Technology Services

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff. Added 3 positions.

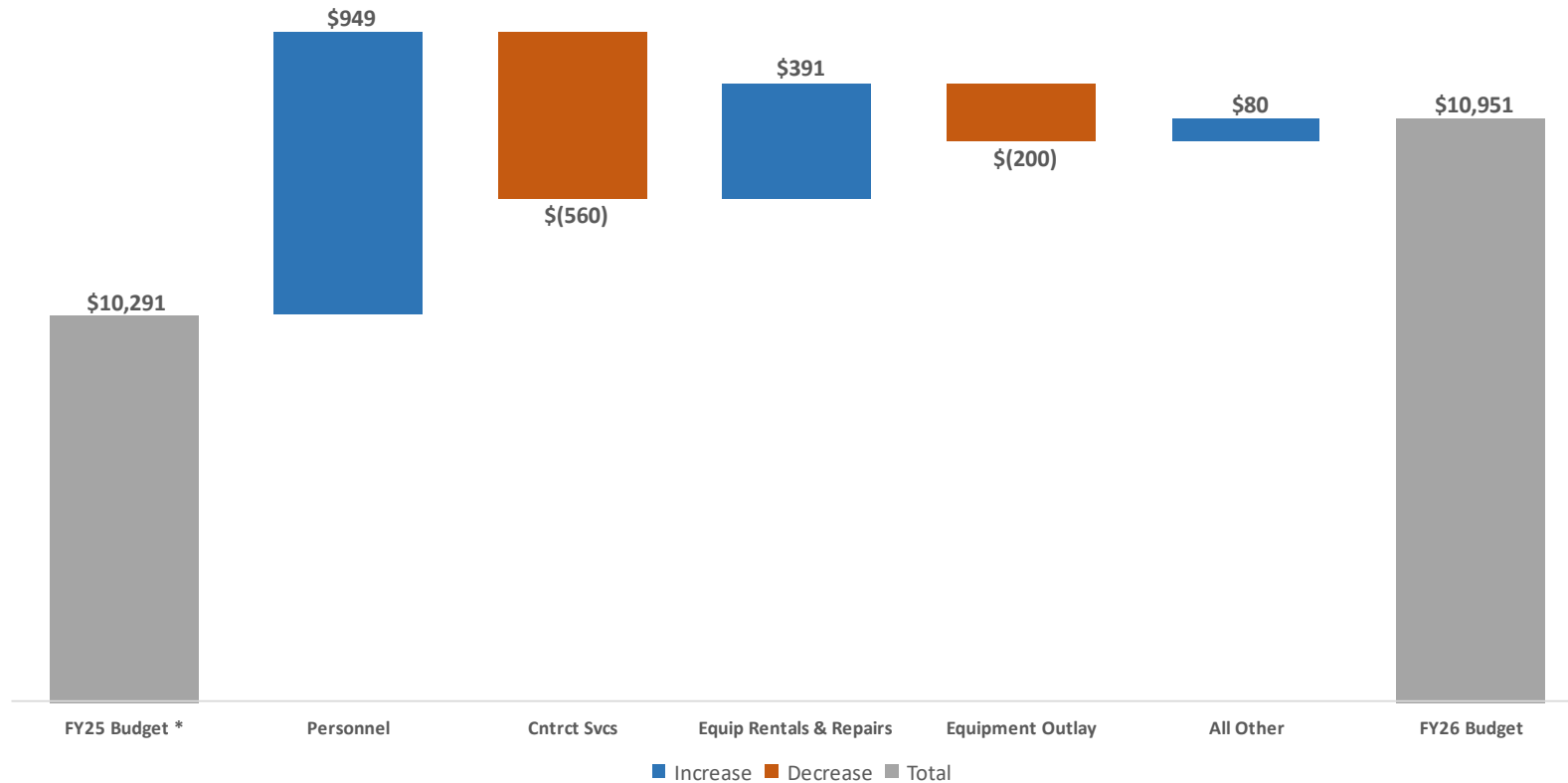
**Contractual Services:** Contracted technicians decreasing (\$250K) as we transfer 3 headcounts to direct hires

**Utilities:** Web hosting increasing \$60K, internet fees increasing \$30K

**Equipment Outlay:** Computer refresh \$350K scheduled in FY25

## Finance Division – Information & Technology Services

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)  
\* Budget start

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff. Added 7 positions.

**Contractual Services:** Contracted technicians decreasing (\$574K) as we transfer 7 headcounts to direct hires

**Equipment Rentals & Repairs:** Maintenance & support of gear increasing \$395K

**Equipment Outlay:** Computer refresh \$350K to complete in FY25 and FY26 includes hardware replacement \$150K for cyber security initiatives

## Finance Division – Information & Technology Services

### FY 2024 Progress Report

1. In support of the New T1, collaborate with Sundt Construction on the implementation of technology systems in the new Admin Building. Migrate all device types for the Admin Building, New T1 and Parking Plaza to the new software defined network. Enhance the construction program management tool PMWeb by making modifications to standard operating procedures to ensure data integrity related to historical and current transactions by keeping E1 purchase orders, purchase change orders and accounts payables ledger in sync with PMWeb areas of commitments, progress invoices and general invoices.

**Progress:** The technology systems for the new Admin Building were successfully deployed. All device types were migrated to the new software defined network. PMWeb has been optimized to ensure data integrity related to historical and current transactions.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. To enhance staff mobility and collaboration, deploy new laptops and peripherals to replace the legacy devices. Partner with the Lead MNO (Mobile Network Operator) Verizon, in the deployment of 5G cellular infrastructure and ensure that our Public Safety DAS is secure and operational airport wide. Upgrade ECMS to the latest version to ensure we continue to receive support from OpenText and enhance security posture. Upgrade JDE E1 to the latest release to provide enhanced features and functions.

**Progress:** Verizon 5G has been deployed in the new Admin Building and our Public Safety DAS is secure and operational. We have pivoted and our investigating SharePoint as a replacement for OpenText ECMS. We anticipate soliciting for SharePoint professional services in March of 2024 to assist us with the migration. The upgrade of E1 will commence in June of 2024.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

3. Continue prioritizing cybersecurity initiatives including the TSA recommendations for IT/OT (Infrastructure Technology/Operational Technology) systems. Partner with Internal Audit on the cybersecurity focused assessments for FY24. Maintain PCI compliance ensuring all credit card data is properly secured.

**Progress:** The cybersecurity initiatives, including the implementation of TSA recommendations for IT/OT systems, continues to be a high priority. Collaboration with Internal Audit on cybersecurity-focused assessments for FY24 remains active. The renewal of PCI compliance continues to ensure the security of all credit card data.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic



## Finance Division – Information & Technology Services

### FY 2025 – FY 2026 Goals

1. Partner with Arrive and Airport Design & Construction (ADC) department to deploy and configure the technology systems in the NT1 and Parking Plaza including passenger processing systems, flight information displays, paging, wayfinding directories, passenger queue measuring, Wi-Fi, and parking management systems. Work closely with the Operational Readiness Activation Transition (ORAT) team to coordinate the implementation of Citori, a tool aimed at enhancing operational readiness for the opening of NT1.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- AT. Use Technology to Advance Airport Development

2. Deploy SharePoint as our Enterprise Content Management System (ECMS) and migrate the pertinent content from OpenText into the SharePoint cloud. Continue the upgrade of JDE E1 to the latest release to provide enhanced features and functions. Partner with Facilities Management Department to deploy a new Computerized Maintenance Management System to effectively manage our assets. Collaborate with our Business Intelligence department to implement artificial intelligence solutions that align with Authority initiatives, including enhancing customer service, boosting operational efficiency, and fostering innovation.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- OT. Use Technology to Optimize Ongoing Business

3. Execute cybersecurity initiatives including the TSA Cybersecurity Assessment Program for critical for IT/OT (Infrastructure Technology/Operational Technology) systems. Partner with Internal Audit on the cybersecurity focused assessments for FY25. Maintain Payment Card Industry compliance ensuring all credit card data is properly secured.

**Strategic Plan Focus Area:**

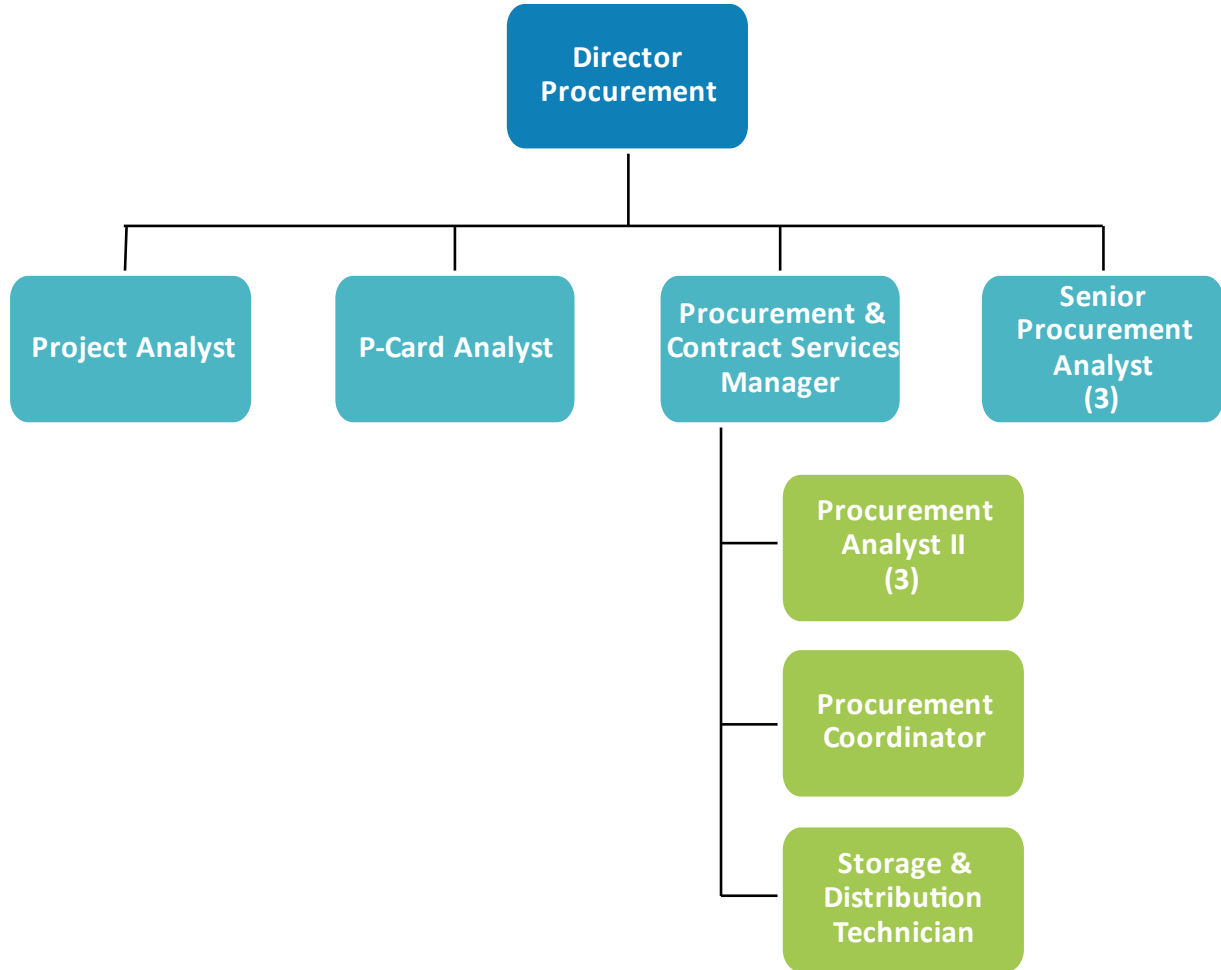
- Optimize Ongoing Business

**Strategic Initiative:**

- OT. Use Technology to Optimize Ongoing Business

Finance Division – Procurement

FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

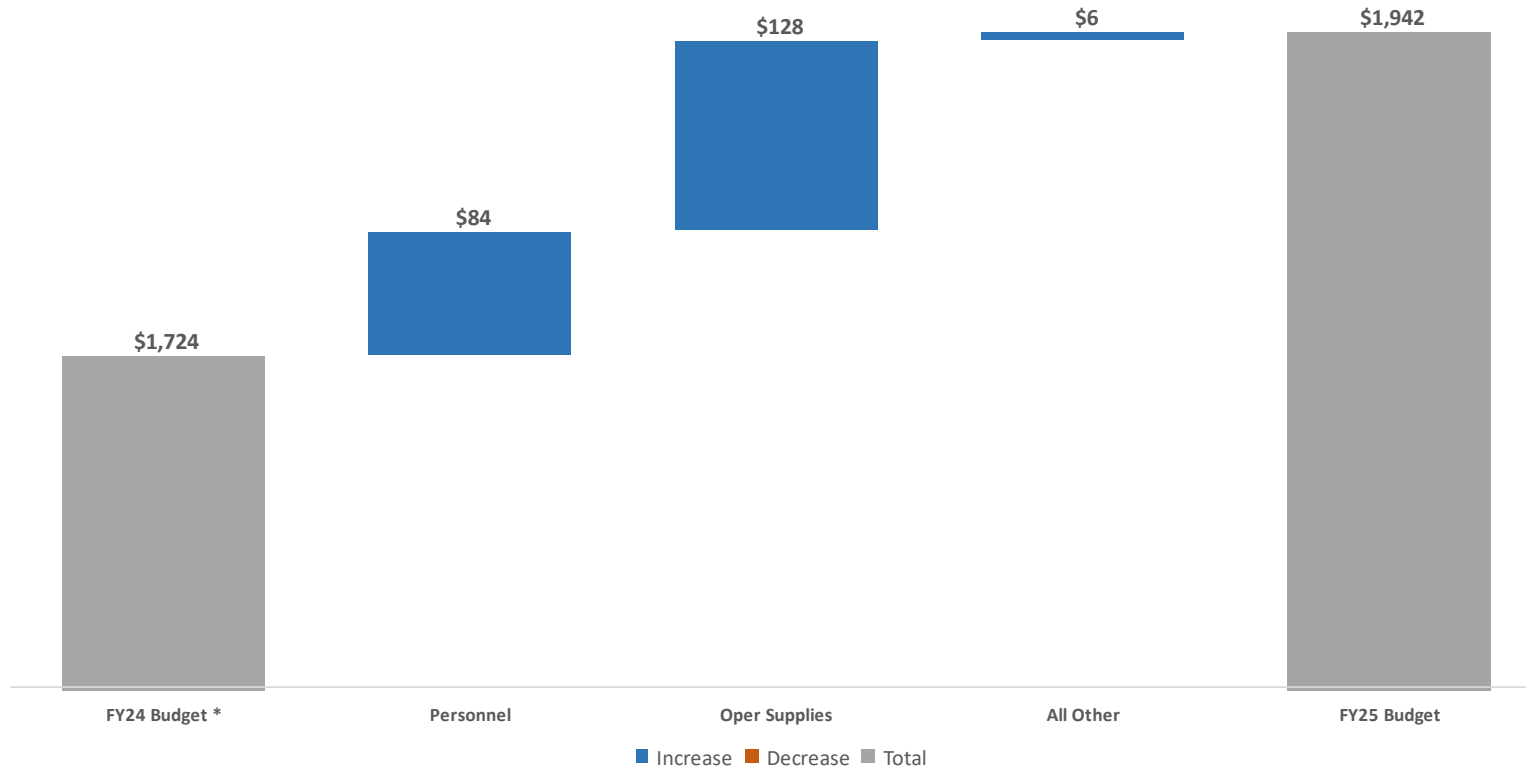
## Finance Division – Procurement

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	1,074	1,067	1,149	82	7.6%	1,195	46	4.0%
Benefits	470	529	531	2	0.4%	577	46	8.7%
<b>Subtotal</b>	<b>1,544</b>	<b>1,596</b>	<b>1,680</b>	<b>84</b>	<b>5.2%</b>	<b>1,772</b>	<b>92</b>	<b>5.5%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,544</b>	<b>1,596</b>	<b>1,680</b>	<b>84</b>	<b>5.2%</b>	<b>1,772</b>	<b>92</b>	<b>5.5%</b>
Contractual Services	11	17	17	-	0.0%	17	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	1	1	0	81.8%	1	-	0.0%
Operating Supplies	34	42	170	128	307.1%	172	1	0.8%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	11	14	19	4	28.0%	19	1	2.7%
Business Development	5	10	9	(0)	-4.1%	10	0	5.3%
Equipment Rentals and Repairs	41	45	46	2	3.4%	48	2	3.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>102</b>	<b>128</b>	<b>262</b>	<b>134</b>	<b>104.6%</b>	<b>266</b>	<b>4</b>	<b>1.5%</b>
<b>Total Operating Expenses</b>	<b>1,647</b>	<b>1,724</b>	<b>1,942</b>	<b>218</b>	<b>12.6%</b>	<b>2,038</b>	<b>96</b>	<b>5.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>1,647</b>	<b>1,724</b>	<b>1,942</b>	<b>218</b>	<b>12.6%</b>	<b>2,038</b>	<b>96</b>	<b>5.0%</b>
<b>Equipment Outlay Expenditures</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>1,647</b>	<b>1,724</b>	<b>1,942</b>	<b>218</b>	<b>12.6%</b>	<b>2,038</b>	<b>96</b>	<b>5.0%</b>

## Finance Division – Procurement

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

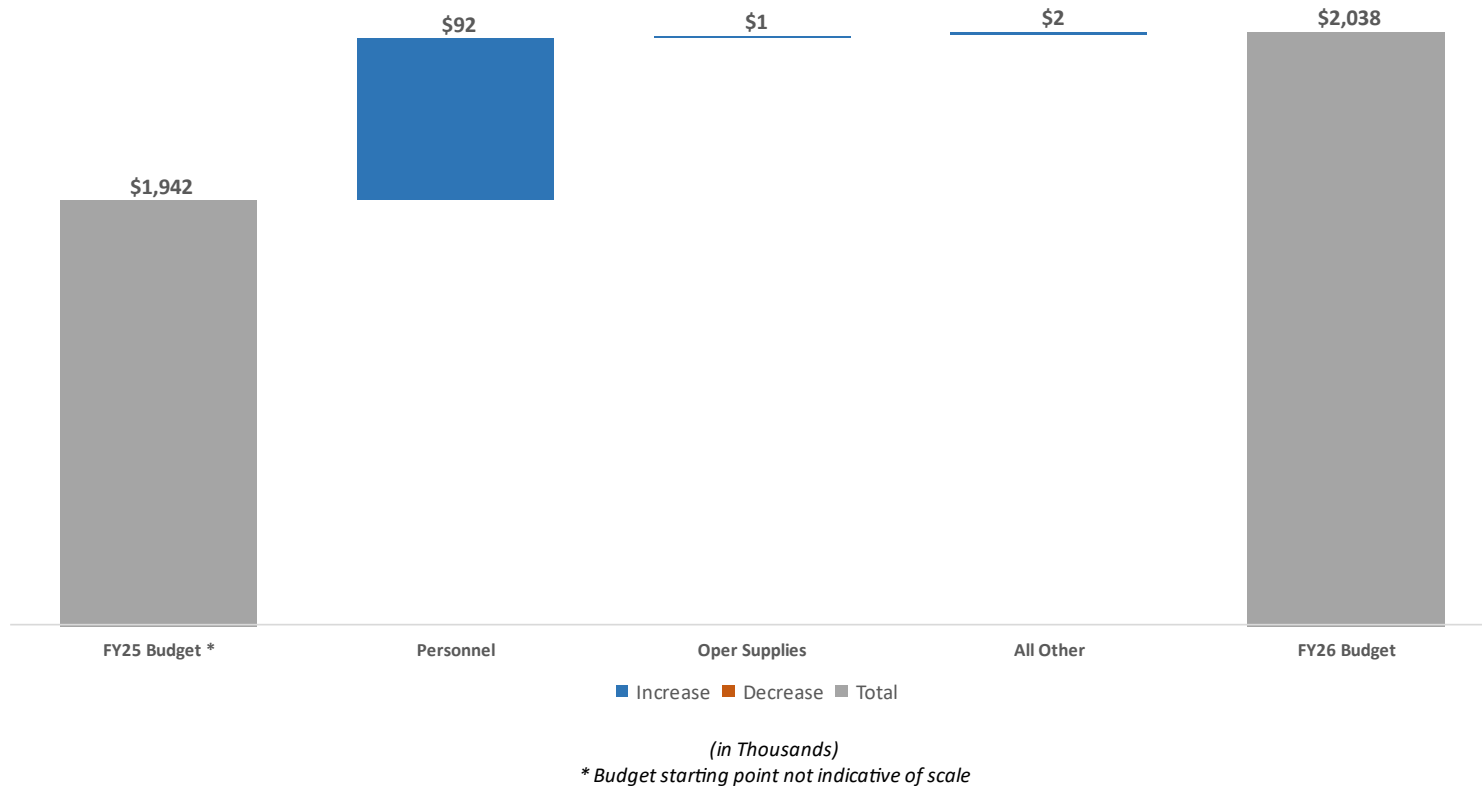
\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff.

**Operating Supplies:** Office supplies increasing \$165K as we centralize the budget for the Authority

## Finance Division – Procurement

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff.

## Finance Division – Procurement

### FY 2024 Progress Report

1. Foster a Procurement team that is inclusive, supportive, and mindful of the culture of all Authority departments and its teammates. Collaborate with key stakeholders to determine appropriate procurement methods for contracting opportunities that incorporate innovative industry trends, sound contract practices, reduce non-essential spending, optimize business efficiencies, and improve services, that support financial, social, environmental and safety, obligations.

**Progress:** Procurement serves as a centralized resource to manage and facilitate the selection and contract award process in accordance with Authority policies, innovative industry trends and sound contracting practices. The Procurement team was one of 25 special districts and 194 public agencies in the United States and Canada to receive the 2022 Achievement of Excellence in Procurement Award recognizing innovation, leadership, efficiency, and best practices. A substantial number of procurements in support of the New T1 are complete with fully executed contracts in place. Additional construction, maintenance, concession, equipment, furnishings, and services are on-going and will continue to support operations and enabling projects throughout construction.

The department continues to achieve cost savings on new contracts through competition and negotiations. Contract negotiations also result in value added services, operational efficiencies, and cost containment for the Authority. An average savings of 15% has been achieved through competition and an average savings of 10% has been achieved through additional contract negotiations.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

2. Promote the Authority’s commitment to the local business community and support the inclusion and utilization of diverse suppliers to fairly compete and participate in the performance of all Authority Contracts through outreach, engagement, and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participate in various contractor outreach and supplier training events. Record and improve Business Engagement and Supplier Diversity workstream and metrics.

**Progress:** In alignment with the Authority’s Diversity, Equity and Inclusion Policy, Procurement and Small Business Development collaborated to establish a Business Engagement and Supplier Diversity Workstream focused on business activities to ensure that all businesses can fairly compete and participate in the performance of Authority contracts and subcontracts.

Procurement continues to participate in various local contractor outreach, networking and training events sponsored by the Authority and various local business associations. In April 2024, Procurement hosted a virtual webinar with a recorded demonstration that highlights the features and functions of SAN’s Bid Management system.

All the solicitations facilitated by Procurement in CY 23 document small, local, veteran, and disadvantaged business participation. Outreach plans include preferences under policy 5.12 or inclusionary methods.

The following summary reflects 44 executed contracts awarded in CY23 for a total of \$80,862,558 resulting from competitive solicitations.

- Certified Local Businesses received 9 awards for a total of \$32,585,959.
- Local Business Enterprises received 4 awards for a total of \$2,240,750.

## Finance Division – Procurement

- Certified SBE's received 10 awards for a total of \$27,943,709.
- Certified DBE's received 6 awards for a total of \$9,877,625.
- VOSB/SDVSB's received 1 award for a total of \$500,000.

Nine (9) construction projects include the following prime/subcontractor awards.

- Certified SBE's \$1,405,288.
- Certified DBE's \$638,837.

### **Strategic Plan Focus Area:**

- Optimize Ongoing Business

### **Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

## Finance Division – Procurement

### FY 2025 – FY 2026 Goals

1. Foster a Procurement team that is inclusive, supportive, and mindful of the culture and mindsets of all Authority departments and its teammates. Collaborate with key stakeholders to determine appropriate procurement methods for contracting opportunities that incorporate innovative industry trends, sound contract practices, reduce non-essential spending, optimize business efficiencies, and improve services, that support financial, social, environmental and safety obligations.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

2. Promote the Authority’s commitment to the local business community and support the inclusion and utilization of diverse suppliers to fairly compete and participate in the performance of all Authority Contracts through outreach, engagement, and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participate in various contractor outreach and supplier training events. Continue to record Business Engagement and Supplier Diversity workstream and metrics.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth



# Operations Division



## Operations Division

### Overview

The **Operations Division** is responsible for complying with legislative mandates and operating requirements for the airport and the Airport Authority and keeps the traveling public, stakeholders and all levels of government informed and up to date on Authority activities. The division frequently coordinates with regulatory agencies, elected officials and the public to accomplish the Authority's goals. This includes coordination and implementation of local, state and federal laws, and state and federal aviation security rules and regulations. The division works to meet the safety, operational and informational needs of the traveling public, both landside and airside tenants, and key stakeholders.

The **Airside & Terminal Operations** department oversees the myriad of daily activities occurring on the airfield, terminal, and landside with responsibility 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. It 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; and assures all contract requirements are met.

The **Aviation Security & Public Safety (AVSEC & PS)** department implements all required FAA and TSA security programs and security equipment improvements; 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 and Airport Emergency Plan; operates the Authority's Security Operations Center and Airport Communications Center; and ensures high level of emergency/crisis preparedness through coordination with local, state and federal agencies.

The **Facilities Management (FMD)** department maintains airport infrastructure and responds to all airport and tenant service requests. The department plans and executes the Major Maintenance Program and assists Airport Design and Construction in the execution of the CIP. It also manages campus utilities and the central utility plant, including the operation and maintenance of the 12-KV electrical distribution system. The department also manages fleet services for all authority vehicles and equipment; and provides lifecycle asset management through preventative maintenance, facilities condition analysis and planned capital replacement. The department provides services at all hours of the day and night, 365 days a year.

The **Ground Transportation (GT)** department is responsible for all pedestrian and vehicle landside operations from the terminal curb and roadways to the parking lots and into the community – getting passengers and guests on and off the airport. This includes operations of the Terminal 2 Parking Plaza, customer and employee parking lots, and terminal transportation islands, all of which require coordinated private vehicle, shuttle and bus, and commercial vehicle services. GT oversees the airport's commercial transportation service providers, including taxicabs, transportation network companies (TNCs), Hotel/Motel, Off-Airport Parking and Rental Car shuttles, limousines and other courtesy and commercial vehicles. GT issues permits for all ground transportation service provider vehicles. GT manages the Rental Car Center (RCC) busing operation in coordination with the RCC bus contractor; and manages the airport parking card program for stakeholders and employees. GT also oversees the Airport Traffic Officer (ATO) staff, who ensure curbside and roadway safety, code compliance, customer service, and efficient ingress/egress for all airport landside operations.

## Operations Division

The **Operational Readiness, Activation, & Transition (ORAT)** department is responsible for ensuring the safe and seamless opening of all new and renovated facilities. ORAT works extensively with other Airport Authority departments, airlines, concessions, and other key stakeholders to “operationalize” a new asset by developing a thorough concept of its operations, training staff on new procedures, trialing new systems and processes to test their effectiveness, and shifting operations (usually overnight) from the existing facility. The department also facilitates strategic planning on various airport operational topics and supports overall coordination of the Operations Division.

# Operations Division

## FY 2025 – FY 2026 Organizational Structure



## Division Personnel Summary

	FY 2024 Budget	FY 2025 Budget Transfers	FY 2025 Budget New/ (Eliminated)	FY 2025 Budget	FY 2026 Budget New/ (Eliminated)	FY 2026 Conceptual Budget
<b>Operations Division</b>						
Aviation Security & Public Safety	30	-	1	31	-	31
Airside & Terminal Operations	27	-	5	32	-	32
Operational Readiness, Activation, & Transition	2	-	-	2	-	2
Ground Transportation	71	-	3	74	3	77
Facilities Management	86	-	5	91	-	91
<b>Total</b>	<b>216</b>	<b>0</b>	<b>14</b>	<b>230</b>	<b>3</b>	<b>233</b>

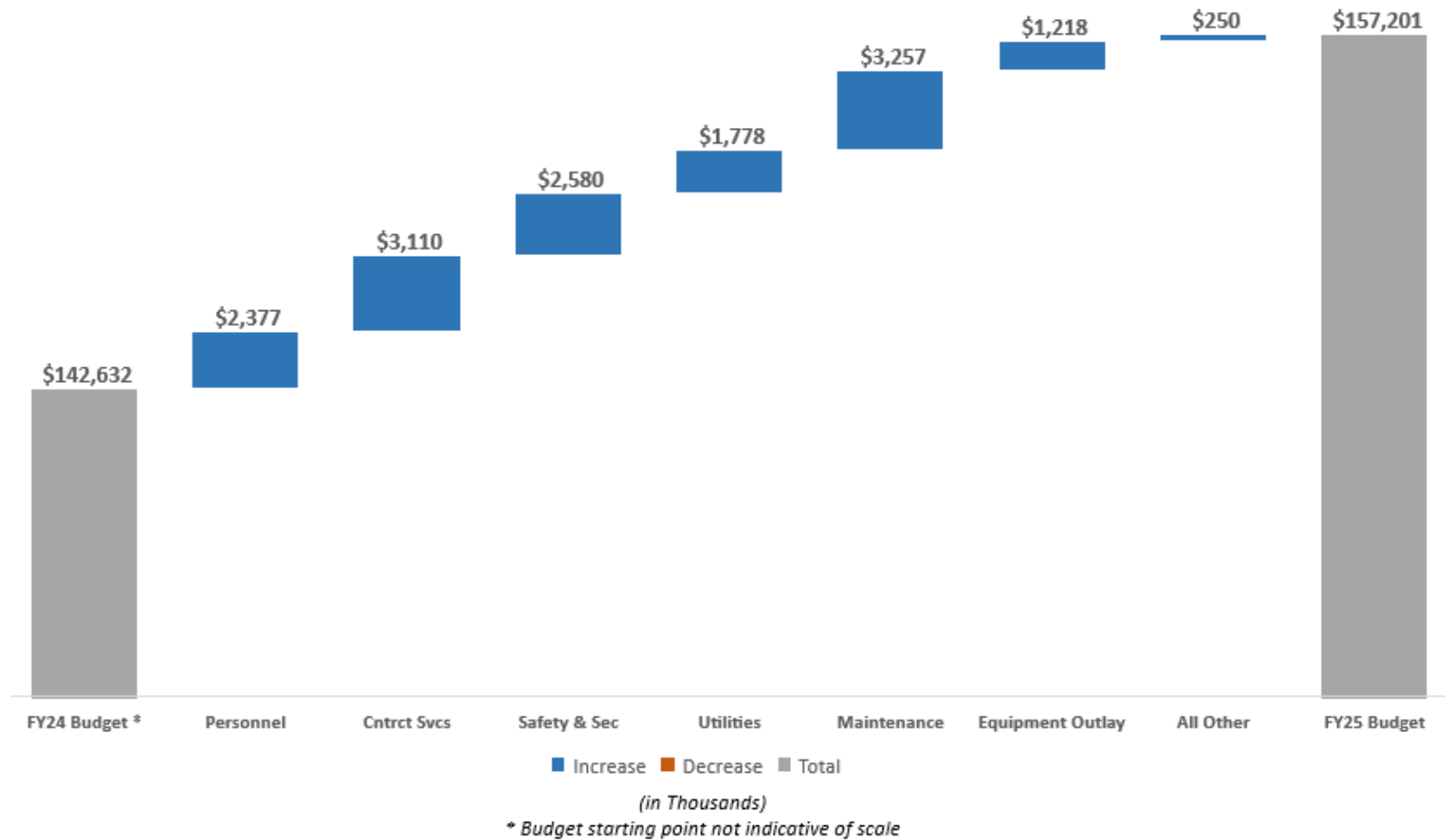
## Operations Division

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	17,350	19,731	21,701	1,970	10.0%	22,845	1,144	5.3%
Benefits	8,550	9,186	9,623	437	4.8%	10,595	972	10.1%
<b>Subtotal</b>	<b>25,900</b>	<b>28,917</b>	<b>31,325</b>	<b>2,408</b>	<b>8.3%</b>	<b>33,440</b>	<b>2,115</b>	<b>6.8%</b>
Less: Capitalized Labor Recharge	(92)	(106)	(136)	(30)	28.6%	(144)	(7)	5.5%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>25,808</b>	<b>28,812</b>	<b>31,189</b>	<b>2,377</b>	<b>8.3%</b>	<b>33,297</b>	<b>2,108</b>	<b>6.8%</b>
Contractual Services	33,870	41,550	44,660	3,110	7.5%	50,984	6,324	14.2%
Safety and Security	33,043	37,248	39,828	2,580	6.9%	42,809	2,981	7.5%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	17,082	20,923	22,701	1,778	8.5%	31,247	8,547	37.6%
Maintenance	15,201	11,258	14,515	3,257	28.9%	13,198	(1,317)	-9.1%
Operating Equipment & Systems	113	159	152	(6)	-4.0%	162	10	6.6%
Operating Supplies	332	443	403	(40)	-9.1%	493	90	22.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	167	245	272	27	11.0%	287	15	5.4%
Business Development	85	179	176	(3)	-1.8%	181	5	3.0%
Equipment Rentals and Repairs	474	936	1,208	273	29.1%	1,053	(156)	-12.9%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>100,367</b>	<b>112,941</b>	<b>123,915</b>	<b>10,974</b>	<b>9.7%</b>	<b>140,415</b>	<b>16,499</b>	<b>13.3%</b>
<b>Total Operating Expenses</b>	<b>126,174</b>	<b>141,753</b>	<b>155,104</b>	<b>13,351</b>	<b>9.4%</b>	<b>173,711</b>	<b>18,607</b>	<b>12.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	522	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>126,696</b>	<b>141,753</b>	<b>155,104</b>	<b>13,351</b>	<b>9.4%</b>	<b>173,711</b>	<b>18,607</b>	<b>12.0%</b>
Equipment Outlay Expenditures	338	879	2,097	1,218	138.6%	1,710	(387)	-18.5%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>127,034</b>	<b>142,632</b>	<b>157,201</b>	<b>14,570</b>	<b>10.2%</b>	<b>175,421</b>	<b>18,220</b>	<b>11.6%</b>

## Operations Division

### Major Drivers of FY 2024 Budget & FY 2025 Budget



**Personnel:** Salary Adjustments, Pay for Performance, Contracted Wage Increases and Burden (Benefits and Employer Taxes) for Current Staff. Added 14 positions

**Contractual Services:** Increase for parking and shuttle services \$1.6M, Terminal Operations \$1.1M and Operational Readiness, Activation and Transition consulting \$350K

**Safety & Security:** Increase for Port District Law Enforcement (Harbor Police Department) \$1.6M, Emergency Medical Services \$1.2M, Aircraft Rescue and Fire Fighting (ARFF) \$625K offset by reduction in guard services (\$816K)

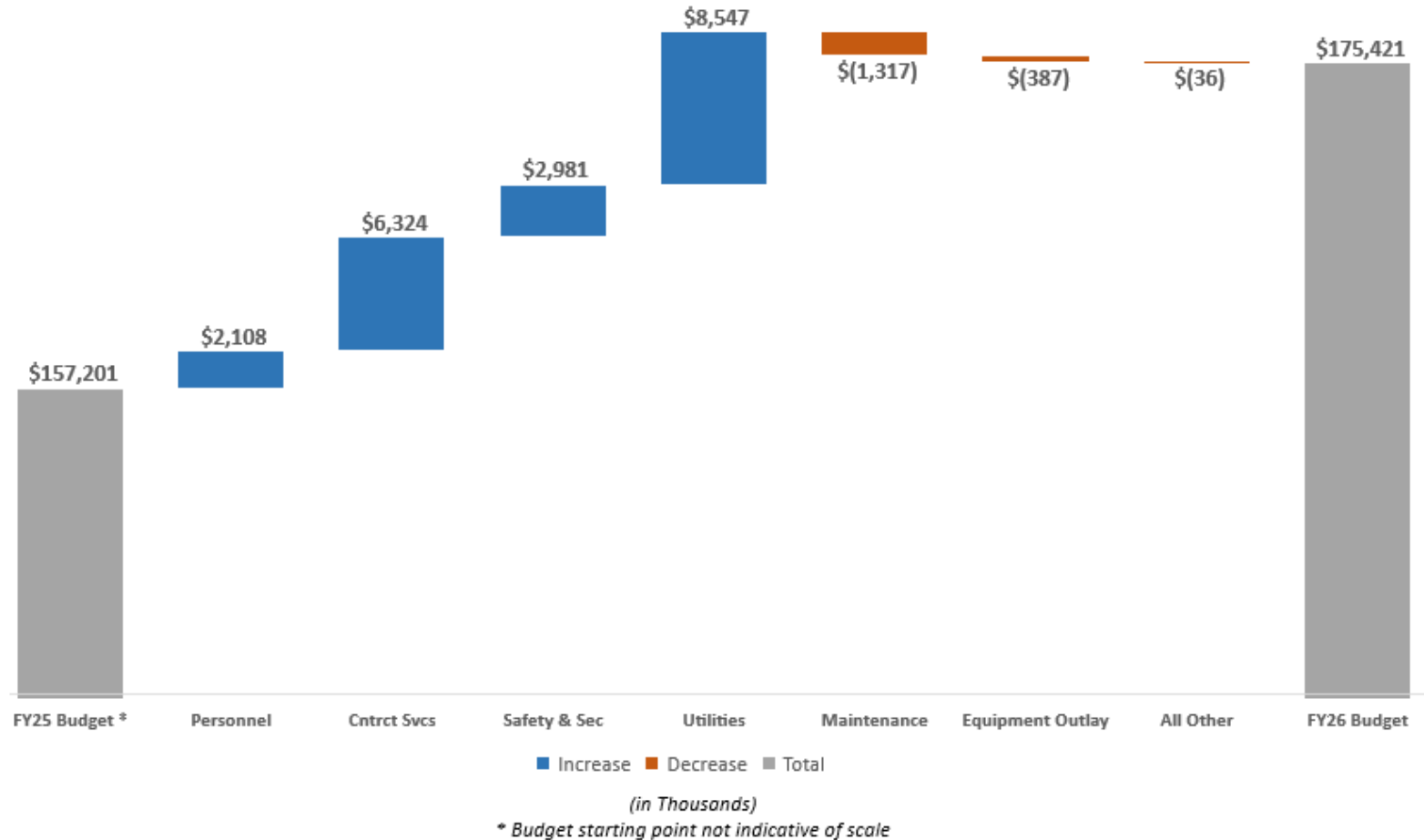
**Utilities:** \$1.8M increase due to rate and usage assumptions

**Maintenance:** \$3.3M increase for annual maintenance and green oval painting

**Equipment Outlay:** \$1.2M increase for security equipment and Terminal refresh of waste/recycling receptacles

## Operations Division

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, Contracted Wage Increases and Burden (Benefits and Employer Taxes) for Current Staff. Added three (3) positions

**Contractual Services:** Increase for Terminal Operations \$4.3M, parking and shuttle services \$1.9M and new security training program \$278K

**Safety & Security:** Increase for guard services \$1.5M, Port District Law Enforcement (Harbor Police Department) \$1.0M, Aircraft Rescue and Fire Fighting (ARFF) \$374K and Emergency Medical Services \$83K

**Utilities:** \$8.5M increase due to rate and New T1 usage assumptions

# Operations Division

## FY 2025 Expense Budget by Department

(in thousands)

Departments	FY 2025 Budget
Facilities Management	\$51,417
Ground Transportation	44,978
Aviation Security & Public Safety	39,104
Airside & Terminal Operations	20,520
Operational Readiness, Activation, & Transition	1,181
<b>Total <sup>1</sup></b>	<b>\$157,201</b>

<sup>1</sup>Total may differ due to rounding

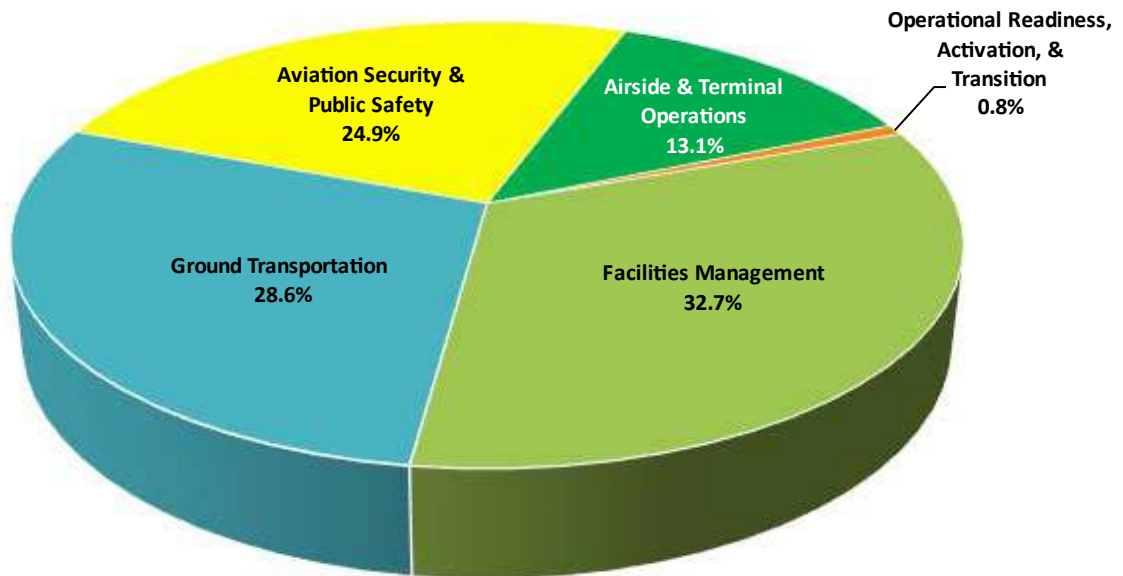


Figure 34 – FY 2025 Expense Budget by Department



# Operations Division

## FY 2026 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2026 Conceptual Budget
Facilities Management	\$59,418
Ground Transportation	47,689
Aviation Security & Public Safety	42,017
Airside & Terminal Operations	25,094
Operational Readiness, Activation, & Transition	1,204
<b>Total <sup>1</sup></b>	<b>\$175,421</b>

<sup>1</sup>Total may differ due to rounding

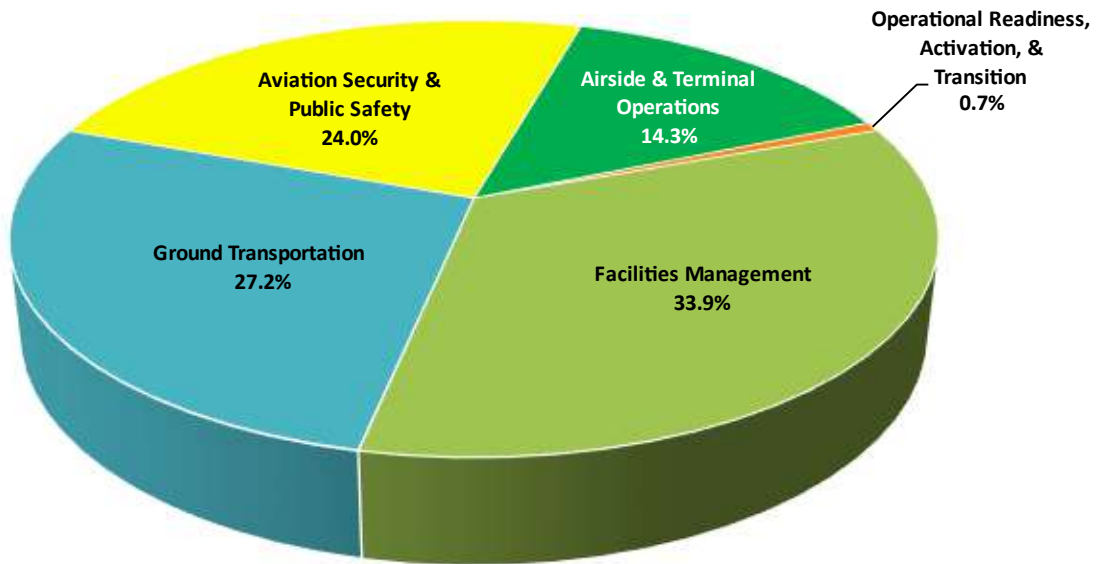


Figure 35 – FY 2026 Expense Conceptual Budget by Department

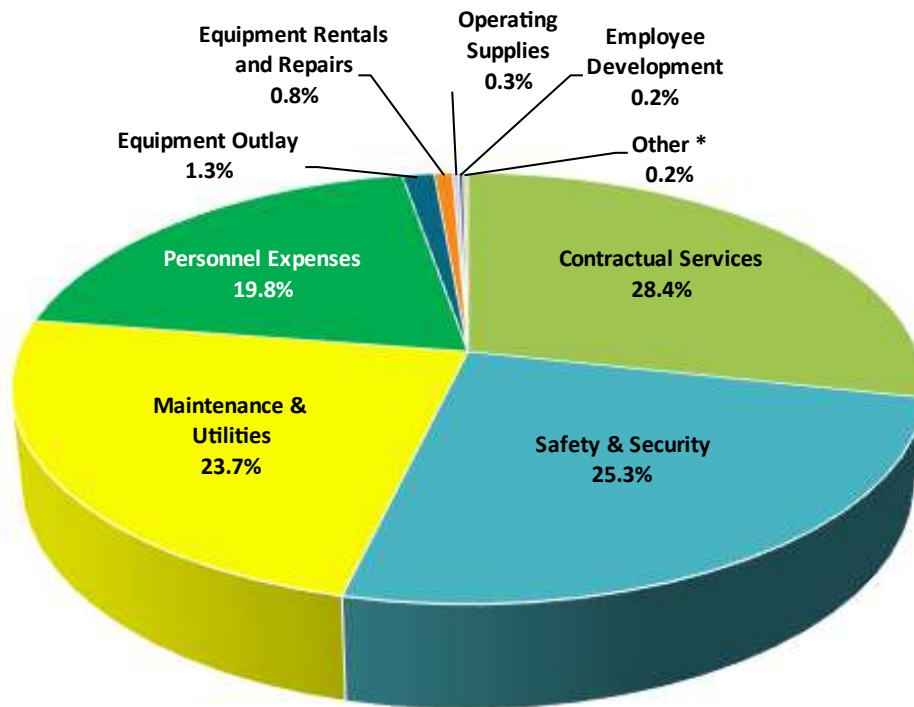
# Operations Division

## FY 2025 Expense Budget by Category

(in thousands)

Category	FY 2025 Budget
Contractual Services	\$44,660
Safety & Security	39,828
Maintenance & Utilities	37,216
Personnel Expenses	31,189
Equipment Outlay	2,097
Equipment Rentals and Repairs	1,208
Operating Supplies	403
Employee Development	272
Other *	328
<b>Total <sup>1</sup></b>	<b>\$157,201</b>

<sup>1</sup>Total may differ due to rounding



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

**Figure 36 – FY 2025 Expense Budget by Category**

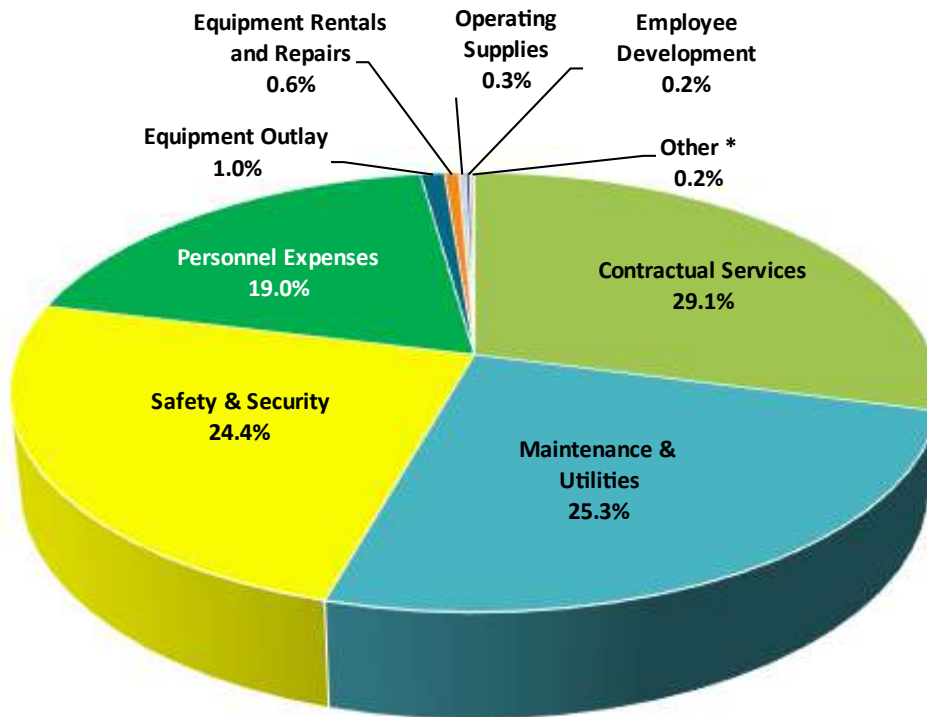
# Operations Division

## FY 2026 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2026 Conceptual Budget
Contractual Services	\$50,984
Maintenance & Utilities	44,446
Safety & Security	42,809
Personnel Expenses	33,297
Equipment Outlay	1,710
Equipment Rentals and Repairs	1,053
Operating Supplies	493
Employee Development	287
Other *	344
<b>Total <sup>1</sup></b>	<b><u><u>\$175,421</u></u></b>

<sup>1</sup>Total may differ due to rounding

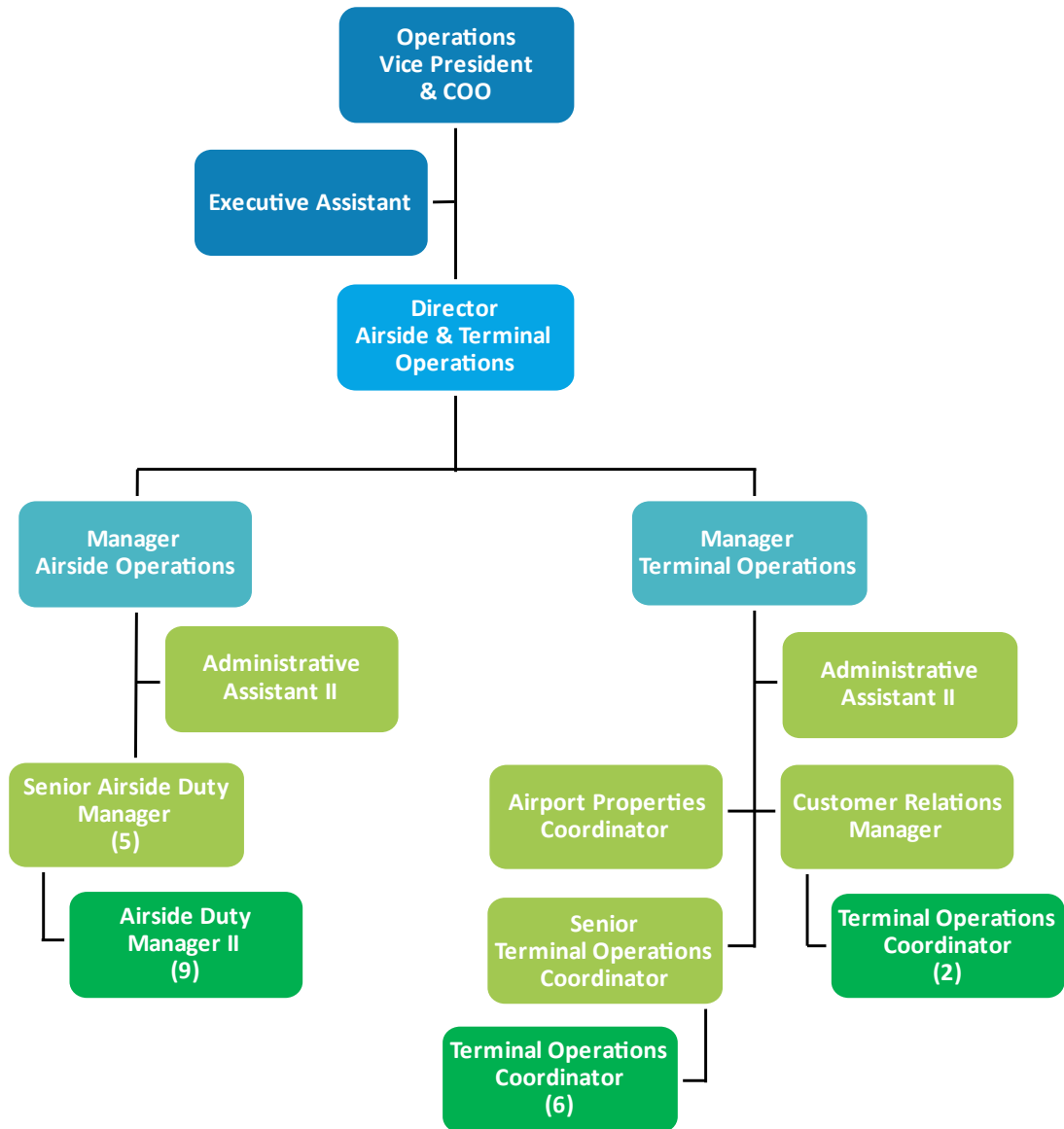


\*Other includes operating equipment & systems, business development, etc.

**Figure 37 – FY 2026 Expense Conceptual Budget by Category**

# Operations Division – Airside & Terminal Operations

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

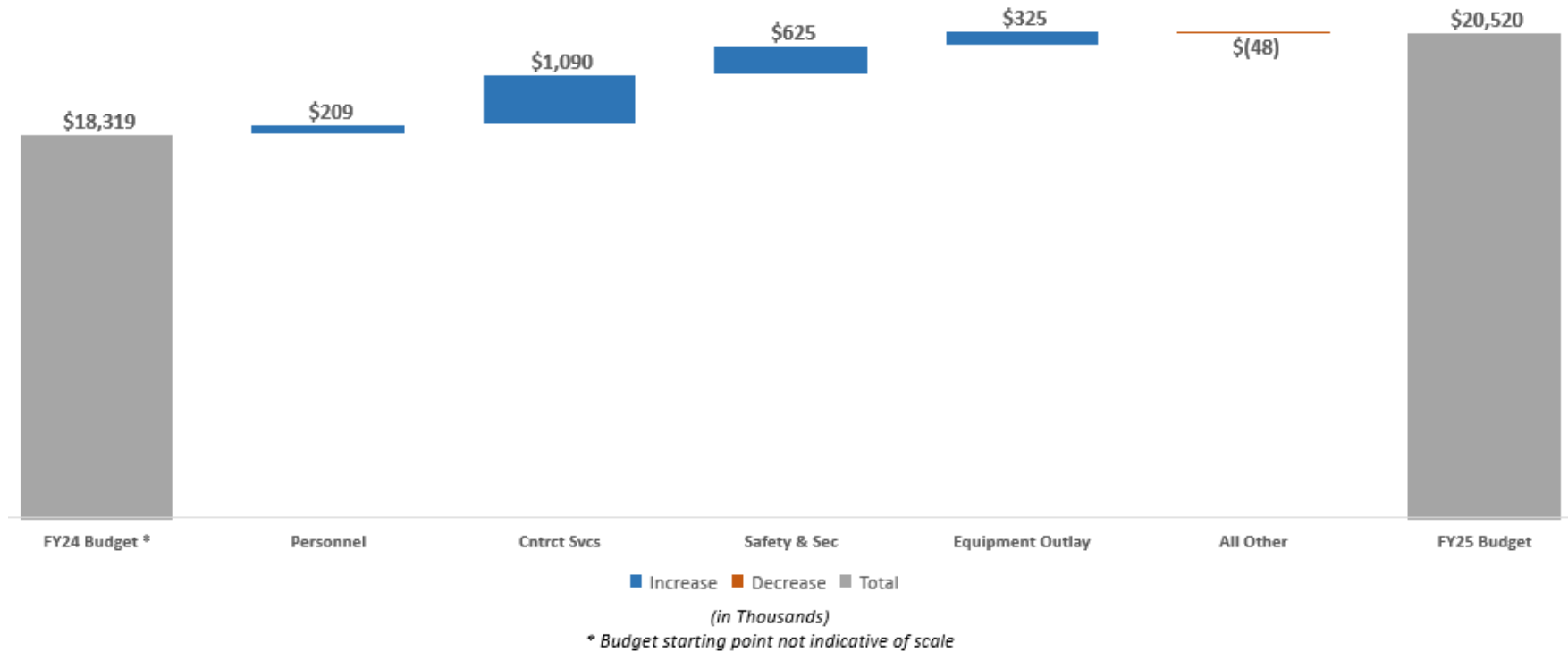
## Operations Division – Airside & Terminal Operations

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	3,556	3,408	3,625	217	6.4%	3,776	150	4.1%
Benefits	1,469	1,472	1,464	(8)	-0.5%	1,591	128	8.7%
<b>Subtotal</b>	<b>5,025</b>	<b>4,880</b>	<b>5,089</b>	<b>209</b>	<b>4.3%</b>	<b>5,367</b>	<b>278</b>	<b>5.5%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>5,025</b>	<b>4,880</b>	<b>5,089</b>	<b>209</b>	<b>4.3%</b>	<b>5,367</b>	<b>278</b>	<b>5.5%</b>
Contractual Services	4,825	5,808	6,899	1,090	18.8%	11,173	4,275	62.0%
Safety and Security	6,066	6,908	7,532	625	9.0%	7,906	374	5.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	41	45	47	2	5.0%	49	2	5.0%
Operating Supplies	19	34	39	4	12.5%	41	2	5.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	39	46	61	15	32.6%	65	4	6.1%
Business Development	54	97	98	2	1.8%	103	5	5.0%
Equipment Rentals and Repairs	226	401	331	(71)	-17.6%	389	58	17.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>11,271</b>	<b>13,339</b>	<b>15,007</b>	<b>1,667</b>	<b>12.5%</b>	<b>19,727</b>	<b>4,720</b>	<b>31.5%</b>
<b>Total Operating Expenses</b>	<b>16,297</b>	<b>18,219</b>	<b>20,095</b>	<b>1,877</b>	<b>10.3%</b>	<b>25,094</b>	<b>4,998</b>	<b>24.9%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>16,297</b>	<b>18,219</b>	<b>20,095</b>	<b>1,877</b>	<b>10.3%</b>	<b>25,094</b>	<b>4,998</b>	<b>24.9%</b>
Equipment Outlay Expenditures	74	100	425	325	325.0%	-	(425)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>16,371</b>	<b>18,319</b>	<b>20,520</b>	<b>2,202</b>	<b>12.0%</b>	<b>25,094</b>	<b>4,573</b>	<b>22.3%</b>

## Operations Division – Airside & Terminal Operations

### Major Drivers of FY 2024 Budget & FY 2025 Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Added five (5) positions

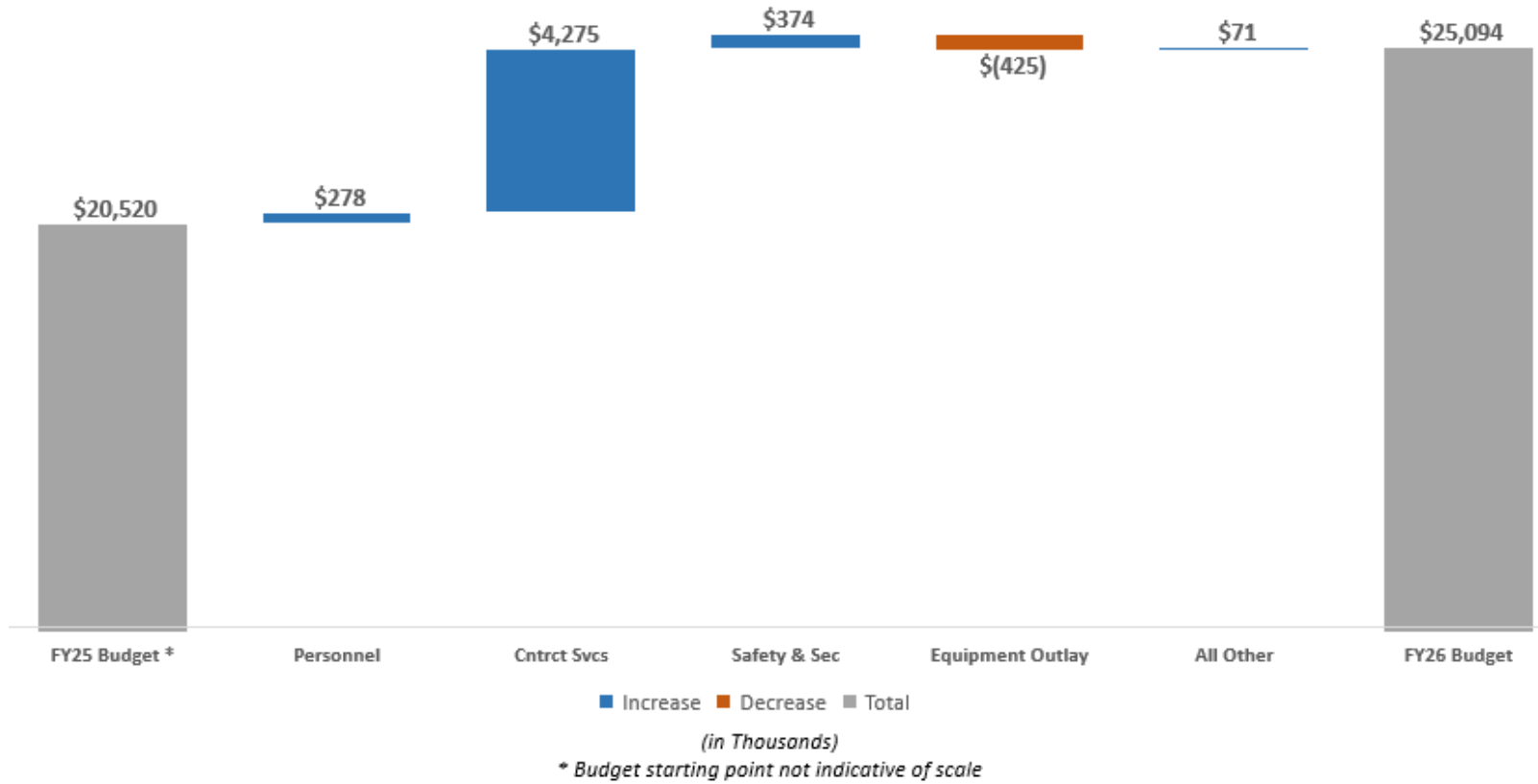
**Contractual Services:** Terminal Operations increase for Janitorial \$711K and Waste Management \$524K offset by Safety Management System consultant contract complete in FY24 (\$100K)

**Safety & Security:** \$625K increase for Aircraft Rescue and Fire Fighting (ARFF)

**Equipment Outlay:** \$325K increase for Terminal refresh of waste/recycling receptacles

## Operations Division – Airside & Terminal Operations

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

**Contractual Services:** Terminal Operations increase for Janitorial \$4.2M due to opening of larger New T1

**Safety & Security:** \$374K increase for Aircraft Rescue and Fire Fighting (ARFF)

# Operations Division – Airside & Terminal Operations

## FY 2024 Progress Report

1. Support the ADC Airside Project construction team by assisting with the project re-phasing work, schedule planning, and coordination efforts; to meet original New T1 construction phasing deadlines.

**Progress:** Assisted with ADC and Griffith with all aspects of the project re-phasing. Provided operationally effective feedback to ensure the re-phasing minimized the impacts to the airfield operation.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. 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 a civil penalty, and (2) there are no SDIA airfield incidents/accidents that are attributed to Part 139 compliance.

**Progress:** The FY 2024 FAA FAR Part 139 inspection was a huge success for the Airside team. There were no violations or airfield incidents/accidents attributed to Part 139 compliance.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

3. Work with airport stakeholders and homeless outreach organizations to improve the homeless conditions we are experiencing at SAN. Monitor the activities of the unsheltered occupants in the terminals. Create statistical data on the number of unsheltered in the facility. Document all daily interactions in a log. Provide the Executive Leadership Team (ELT) with recommendations on how to reduce the number of homeless utilizing the terminals as a shelter.

**Progress:** The Terminal team worked with several homeless outreach organizations. The result of the collaboration helped to ensure the homeless frequenting our terminals were offered shelters or helped to understand the airport isn't an appropriate place for homeless shelter. The ELT was provided with a recommendation to modify our trespass ordinance to reduce the homeless in our terminals.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

4. Issue new Requests for Proposal (RFP) for two expiring agreements. Create a scope of work and fee schedule for the On-Call fabrication, modifications, installation, removal, repair maintenance, and cleaning of Airport Signs and Waste and Recycling Services.

**Progress:** RFP's were issued for the on-call fabrication, modifications, installation, removal, repair maintenance, and cleaning of airport signs and the waste and recycling services. Both solicitations resulted in the selection of the current providers.



# Operations Division – Airside & Terminal Operations

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

## Operations Division – Airside & Terminal Operations

### FY 2025 – FY 2026 Goals

1. 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 a civil penalty, and (2) there are no SDIA airfield incidents/accidents that are attributed to Part 139 compliance.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. Support the ADC Airside Project construction team by assisting with the project re-phasing work, schedule planning, and coordination efforts; to meet original New T1 construction phasing deadlines.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

3. Create an accurate NT1 FY26 Terminal Operations department budget that takes into consideration the impact of operating in a 1.2 million sqft terminal. NT1 will be completely different than the current facility. We will forecast increases in janitorial and cleaning services. Develop a comprehensive understanding of the requirements needed to transition from a 274,164 SF facility to a 1.2 million SF terminal. Create a matrix that identifies the cost increases in the following areas: janitorial, personnel, equipment, restroom supplies, floor cleaning, window cleaning, cleaning materials, etc.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

4. Prioritize Volunteer Airport Ambassador & Cart Driver training for NT1. Revise the onboarding process to ensure volunteers are provided with training specific to NT1. Develop familiarization packets that will be distributed during preopening tours and training.

**Strategic Plan Focus Area:**

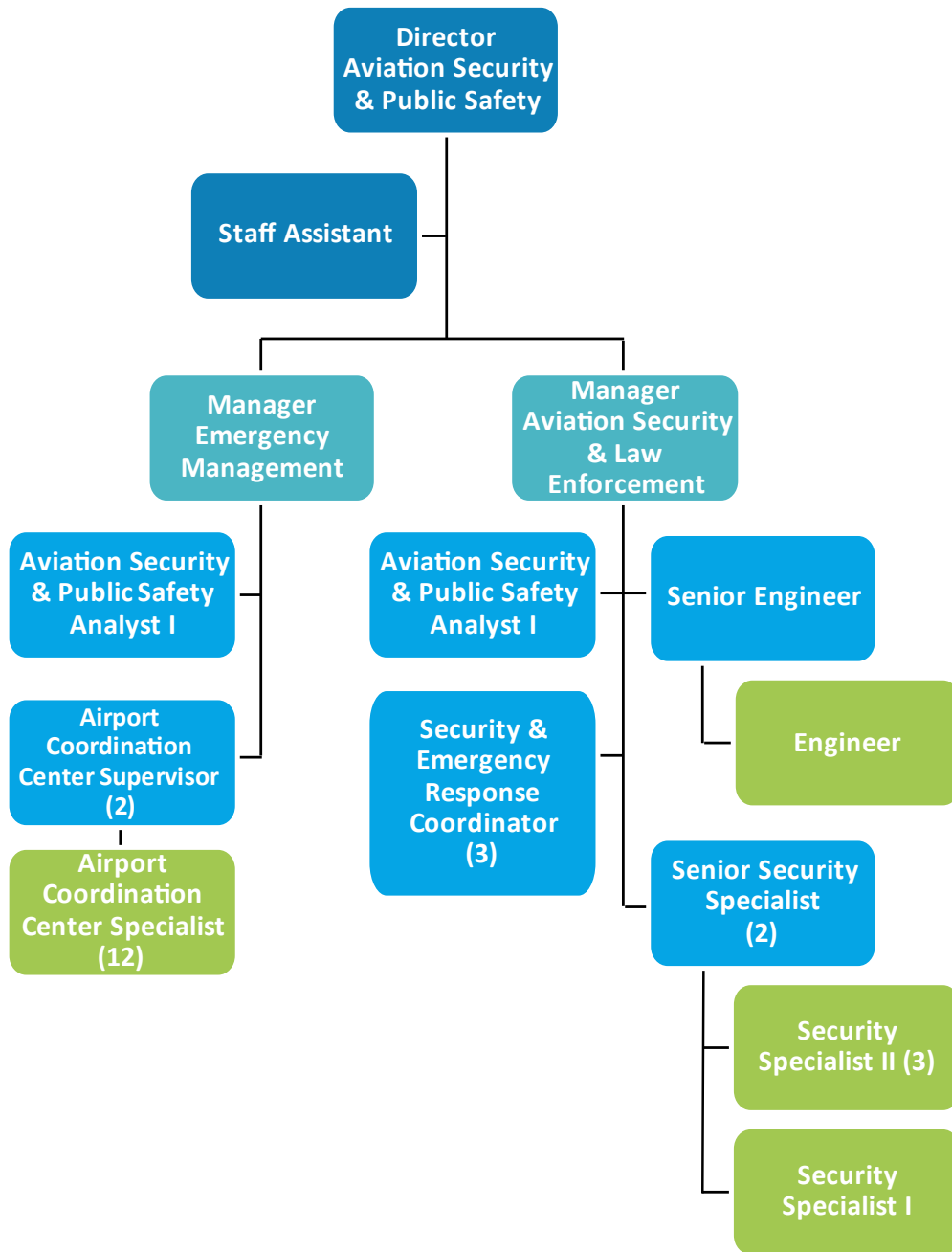
- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

# Operations Division – Aviation Security & Public Safety

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

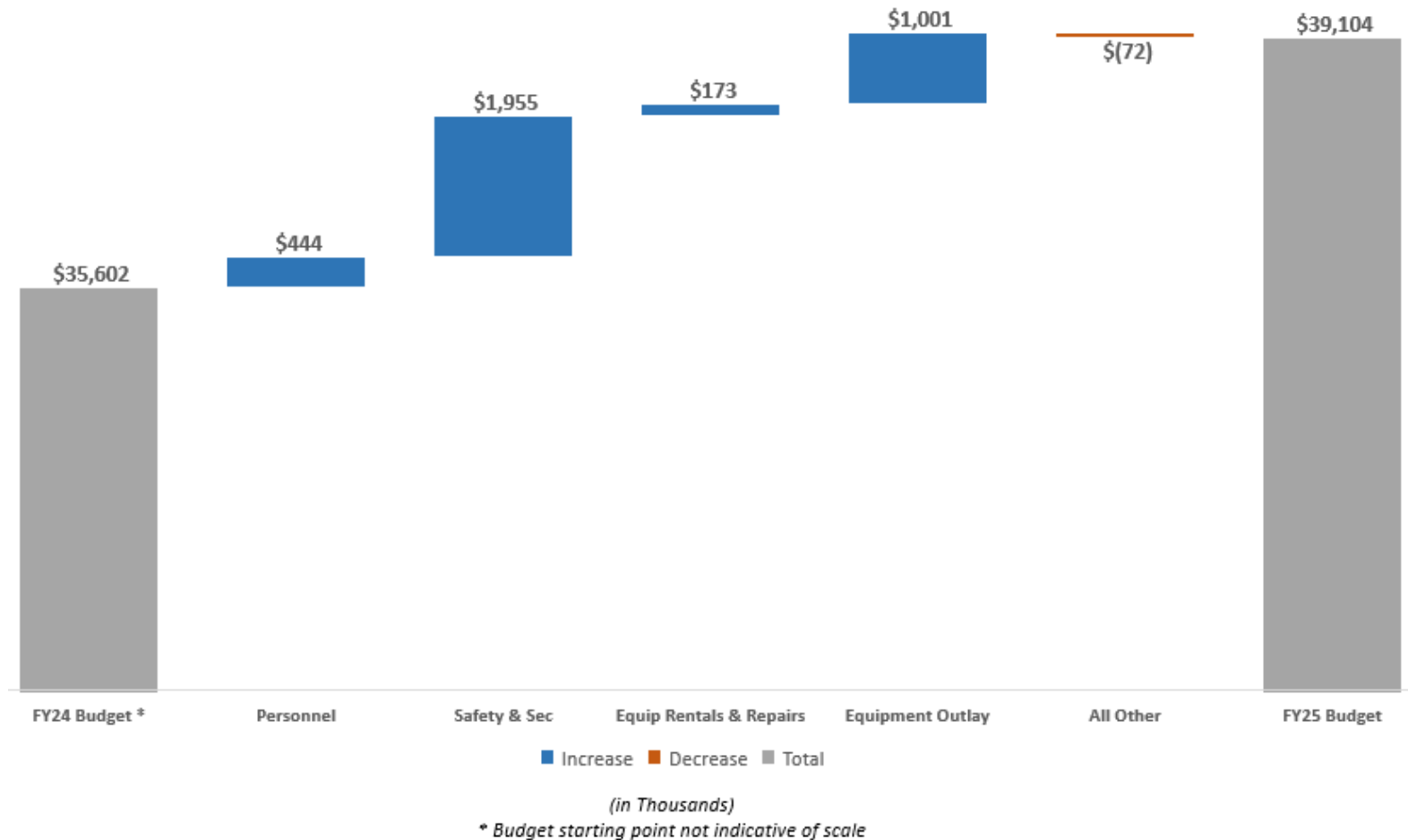
## Operations Division – Aviation Security & Public Safety

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	2,236	2,552	2,923	370	14.5%	3,037	115	3.9%
Benefits	962	1,226	1,330	104	8.5%	1,449	118	8.9%
<b>Subtotal</b>	<b>3,198</b>	<b>3,779</b>	<b>4,253</b>	<b>474</b>	<b>12.5%</b>	<b>4,486</b>	<b>233</b>	<b>5.5%</b>
Less: Capitalized Labor Recharge	(84)	(106)	(136)	(30)	28.6%	(144)	(7)	5.5%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>3,114</b>	<b>3,673</b>	<b>4,117</b>	<b>444</b>	<b>12.1%</b>	<b>4,342</b>	<b>225</b>	<b>5.5%</b>
Contractual Services	481	696	652	(44)	-6.4%	930	278	42.7%
Safety and Security	26,976	30,341	32,296	1,955	6.4%	34,903	2,607	8.1%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	5	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	30	67	70	3	5.3%	75	5	6.9%
Operating Supplies	182	238	203	(35)	-14.7%	285	82	40.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	11	32	44	12	37.0%	46	2	3.8%
Business Development	3	17	9	(8)	-45.6%	9	(0)	-3.6%
Equipment Rentals and Repairs	164	379	552	173	45.6%	318	(234)	-42.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>27,852</b>	<b>31,769</b>	<b>33,825</b>	<b>2,057</b>	<b>6.5%</b>	<b>36,565</b>	<b>2,740</b>	<b>8.1%</b>
<b>Total Operating Expenses</b>	<b>30,966</b>	<b>35,442</b>	<b>37,942</b>	<b>2,500</b>	<b>7.1%</b>	<b>40,907</b>	<b>2,965</b>	<b>7.8%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>30,966</b>	<b>35,442</b>	<b>37,942</b>	<b>2,500</b>	<b>7.1%</b>	<b>40,907</b>	<b>2,965</b>	<b>7.8%</b>
Equipment Outlay Expenditures	144	161	1,162	1,001	622.6%	1,110	(52)	-4.5%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>31,110</b>	<b>35,602</b>	<b>39,104</b>	<b>3,502</b>	<b>9.8%</b>	<b>42,017</b>	<b>2,913</b>	<b>7.4%</b>

## Operations Division – Aviation Security & Public Safety

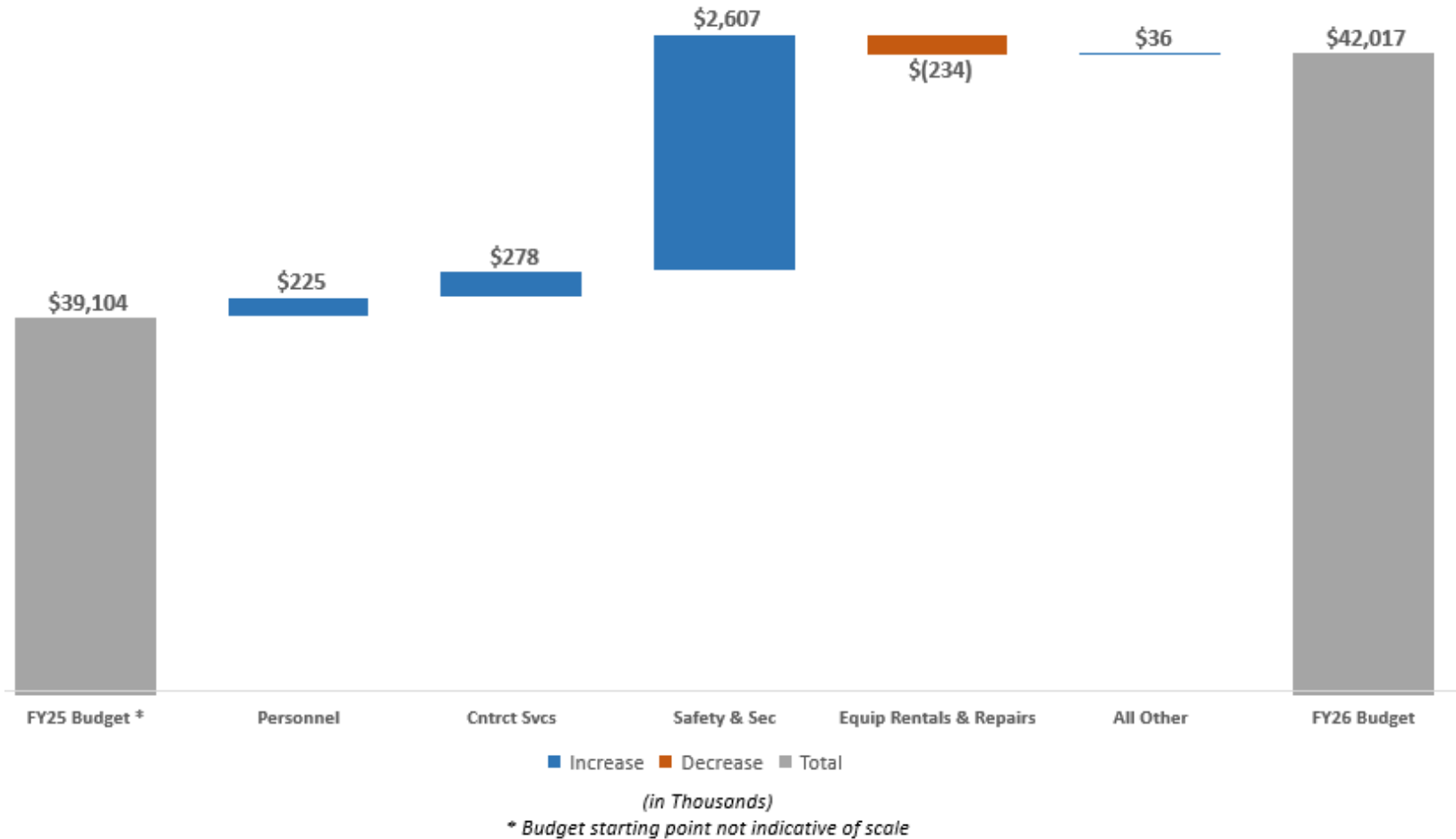
### Major Drivers of FY 2024 Budget & FY 2025 Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Added one (1) position  
**Safety & Security:** Increase in Port District Law Enforcement (Harbor Police Department) \$1.6M and Emergency Medical Services \$1.2M offset by reduction in Guard Services (\$0.8M) due to conversion of operation center contracted security to airport staff  
**Equipment Rentals and Repairs:** Increase for warranty agreements for Security Equipment  
**Equipment Outlay:** Increase for Security Equipment

## Operations Division – Aviation Security & Public Safety

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contract Services:** \$278K for new security training program

**Safety & Security:** Increase in Guard Services \$1.5M, Port District Law Enforcement (Harbor Police Department) \$1.0M and Emergency Medical Services \$83K

## Operations Division – Aviation Security & Public Safety

### FY 2024 Progress Report

1. Ensure that SAN continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness, and Airport Certification by planning and conducting a full-scale field exercise and an annual tabletop exercise in compliance with Federal Aviation Regulation (FAR) Part 139.325(g)(4) for FY 2024 and FY 2025.

**Progress:** AVSEC & PS conducted the FAA-required field exercise on January 31, 2024. The annual tabletop exercise will take place in the fall of 2024 (FY 25).

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

2. Ensure that SDIA’s Aviation Security Department works closely with the Transportation Security Administration, the Airport Development and Construction Department, and the Executive Leadership Team to adopt an Aviation Worker’s Screening Security Checkpoint for Terminal Two East. The project will require close coordination with TSA Regulatory and internal Authority staff to ensure a comprehensive and well-aligned proposal is identified and implemented.

**Progress:** Although the temporary Terminal Two East (T2E) employee screening checkpoint location was not approved, AVSEC & PS has been working extensively with ADC and stakeholders to plan for and design a permanent employee screening checkpoint located in the New Terminal 1/T2E connector project.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

## Operations Division – Aviation Security & Public Safety

### FY 2025 – FY 2026 Goals

1. Ensure that SAN 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 an annual tabletop exercise and a full-scale field exercise in compliance with Federal Aviation Regulation (FAR) Part 139.325(g)(4) for FY 2025 and FY 2026.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change

2. Ensure that SDIA’s Aviation Security Department works closely with the Transportation Security Administration, Airport Tenants, and the SDCRAA Information & Technology Systems Department to ensure compliance with Cybersecurity regulations designed to ensure continued safety and security of Airport Operational Technology (OT) and Information Technology (IT) systems. Additionally, the department will continue to work with the Transportation Security Administration, the Airport Development and Construction Department, and the Executive Leadership Team to adopt Aviation Worker Screening initiatives, scheduled to go live in FY 2025 and throughout FY 2026.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

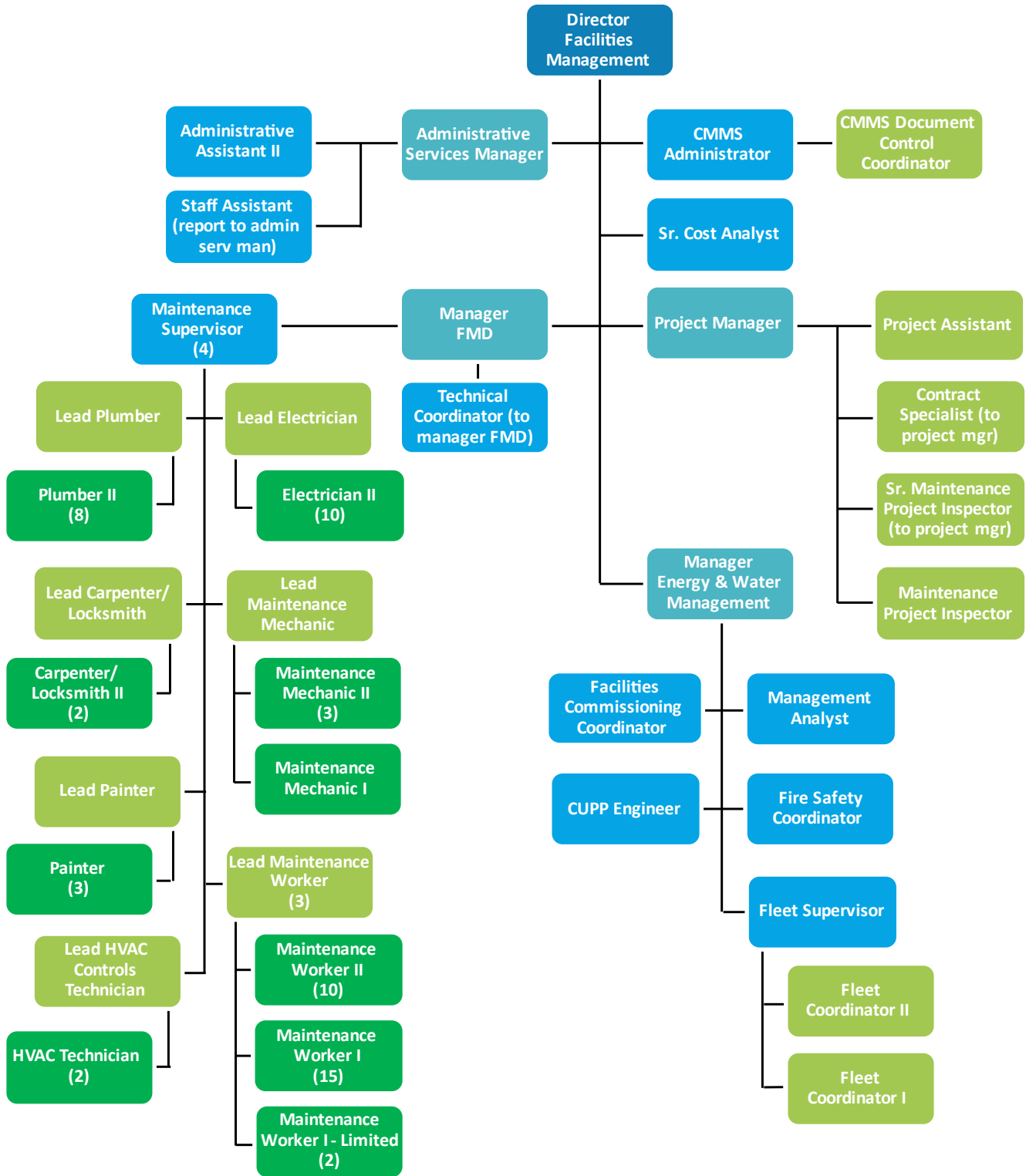
**Strategic Initiative:**

- 2C. Manage ongoing business effectively through change



# Operations Division – Facilities Management

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

## Operations Division – Facilities Management

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	7,189	8,133	9,044	911	11.2%	9,441	397	4.4%
Benefits	3,683	3,741	3,949	208	5.6%	4,302	353	8.9%
<b>Subtotal</b>	<b>10,871</b>	<b>11,874</b>	<b>12,993</b>	<b>1,119</b>	<b>9.4%</b>	<b>13,744</b>	<b>750</b>	<b>5.8%</b>
Less: Capitalized Labor Recharge	(8)	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>10,863</b>	<b>11,874</b>	<b>12,993</b>	<b>1,119</b>	<b>9.4%</b>	<b>13,744</b>	<b>750</b>	<b>5.8%</b>
Contractual Services	176	138	288	150	109.1%	138	(150)	-52.2%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	17,060	20,906	22,669	1,763	8.4%	31,214	8,545	37.7%
Maintenance	15,201	11,258	14,515	3,257	28.9%	13,198	(1,317)	-9.1%
Operating Equipment & Systems	40	45	30	(15)	-32.6%	35	5	16.7%
Operating Supplies	87	90	90	-	0.0%	95	5	5.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	51	80	75	(5)	-6.8%	80	5	6.7%
Business Development	14	22	27	5	20.3%	27	-	0.0%
Equipment Rentals and Repairs	7	60	271	211	350.1%	288	17	6.4%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>32,635</b>	<b>32,599</b>	<b>37,964</b>	<b>5,365</b>	<b>16.5%</b>	<b>45,075</b>	<b>7,111</b>	<b>18.7%</b>
<b>Total Operating Expenses</b>	<b>43,498</b>	<b>44,474</b>	<b>50,957</b>	<b>6,484</b>	<b>14.6%</b>	<b>58,818</b>	<b>7,861</b>	<b>15.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	522	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>44,020</b>	<b>44,474</b>	<b>50,957</b>	<b>6,484</b>	<b>14.6%</b>	<b>58,818</b>	<b>7,861</b>	<b>15.4%</b>
Equipment Outlay Expenditures	10	568	460	(108)	-19.0%	600	140	30.4%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>44,030</b>	<b>45,042</b>	<b>51,417</b>	<b>6,376</b>	<b>14.2%</b>	<b>59,418</b>	<b>8,001</b>	<b>15.6%</b>

## Operations Division – Facilities Management

### Major Drivers of FY 2024 Budget & FY 2025 Budget



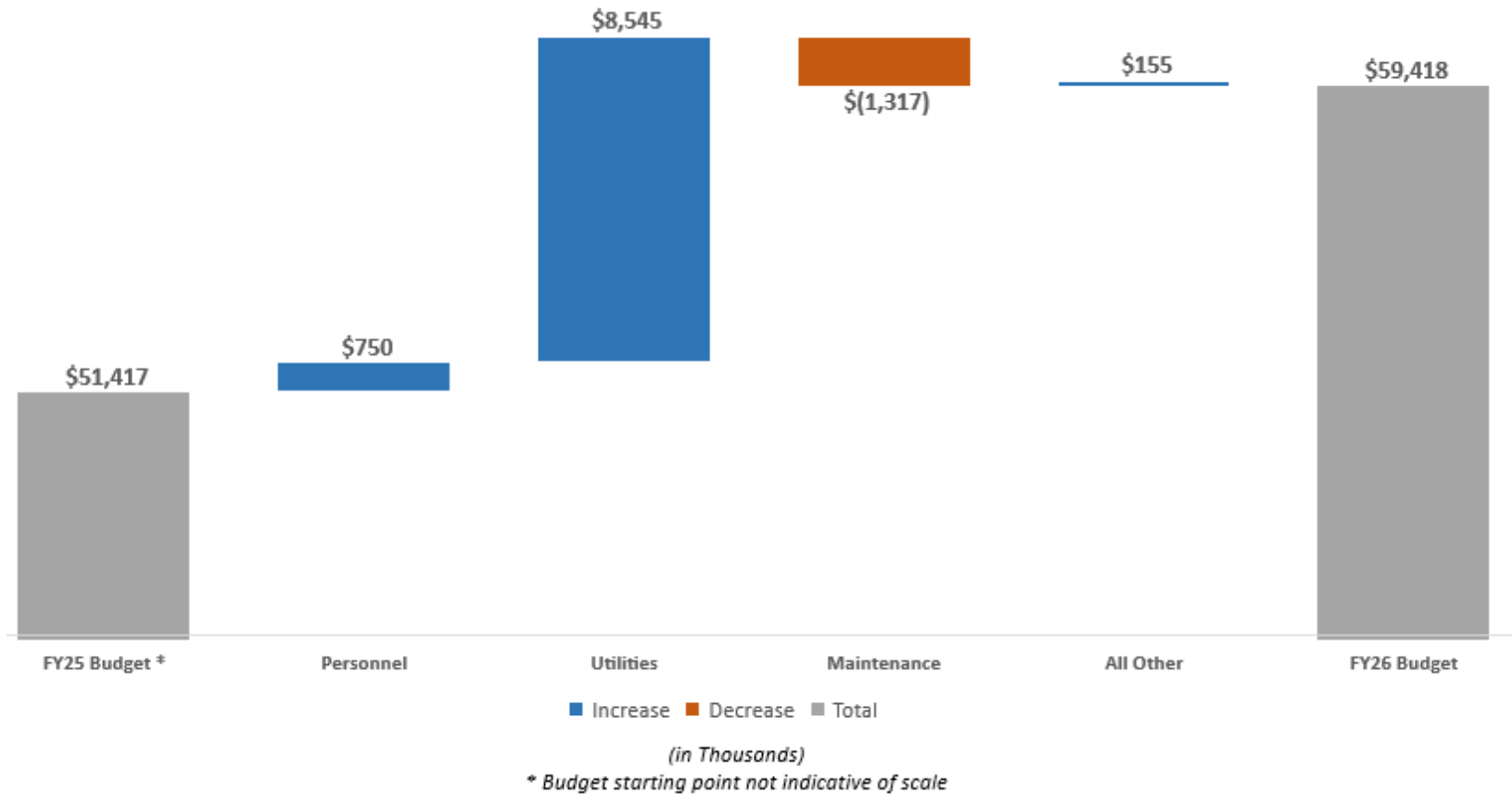
**Personnel:** Salary Adjustments, Pay for Performance, Contracted Wage Increases and Burden (Benefits and Employer Taxes) for Current Staff. Added five (5) positions

**Utilities:** \$1.8M increase due to rate and usage assumptions

**Maintenance:** \$3.3M increase for annual maintenance and green oval painting

## Operations Division – Facilities Management

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, Contracted Wage Increases and Burden (Benefits and Employer Taxes) for Current Staff

**Utilities:** \$8.5M increase due to rate and New T1 usage assumptions

**Maintenance:** (\$1.3M) decrease due to completion of green oval painting and airfield projects

## Operations Division – Facilities Management

### FY 2024 Progress Report

1. Provide relevant training to staff and explore career development opportunities through the mentorship program to align with New T1 staffing needs.

**Progress:** FMD staff actively mentor across departments, acquiring valuable insights into the intricate workings of the entire Authority. This cross-departmental mentorship not only fosters knowledge exchange but also enhances collaboration and understanding of the organization's overall functions and objectives.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 4E. Determine innovative, flexible organizational staffing needs that reflect the New T1 and capital program

2. Evaluate renewal of on-call contracts to determine if business processes & operational need necessitate the need for multiple contractors.

**Progress:** FMD is ongoingly assessing the renewal of all on-call contracts to ascertain whether business processes and operational requirements warrant the utilization of multiple contractors.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Continue to explore and implement innovative and sustainable maintenance solutions consistent with the Authority's strategic plan and operational needs.

**Progress:** FMD maintains its practice of soliciting bids for small projects from multiple ready service contractors, prioritizing the inclusion of small, disadvantaged businesses and providing them with opportunities to participate in Authority projects.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

## Operations Division – Facilities Management

### FY 2025 – FY 2026 Goals

1. By 2025, 100% of staff members will receive invitations to participate in cross-training sessions; enroll in the FMD mentorship program; or seek out SAN University courses, aimed at aligning with New T1 staffing or knowledge transfer requirements. This proactive initiative will improve skills development and cultivate a supportive atmosphere, facilitating the achievement of organizational goals in the upcoming fiscal year.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 4E. Create Department Strategic Workforce Plans and associated hiring strategy to prepare for NT1 Activation and Operation

2. By the end of the second quarter of 2026, FMD will successfully implement a CMMS solution to streamline work order processing and enhance maintenance efficiency. This involves customizing the system and training staff. Progress will be monitored through milestones, aiming for improved work order generation, tracking, and completion, as well as benefits such as improved asset lifespan, better inventory management, and enhanced regulatory compliance.

**Strategic Plan Focus Area:**

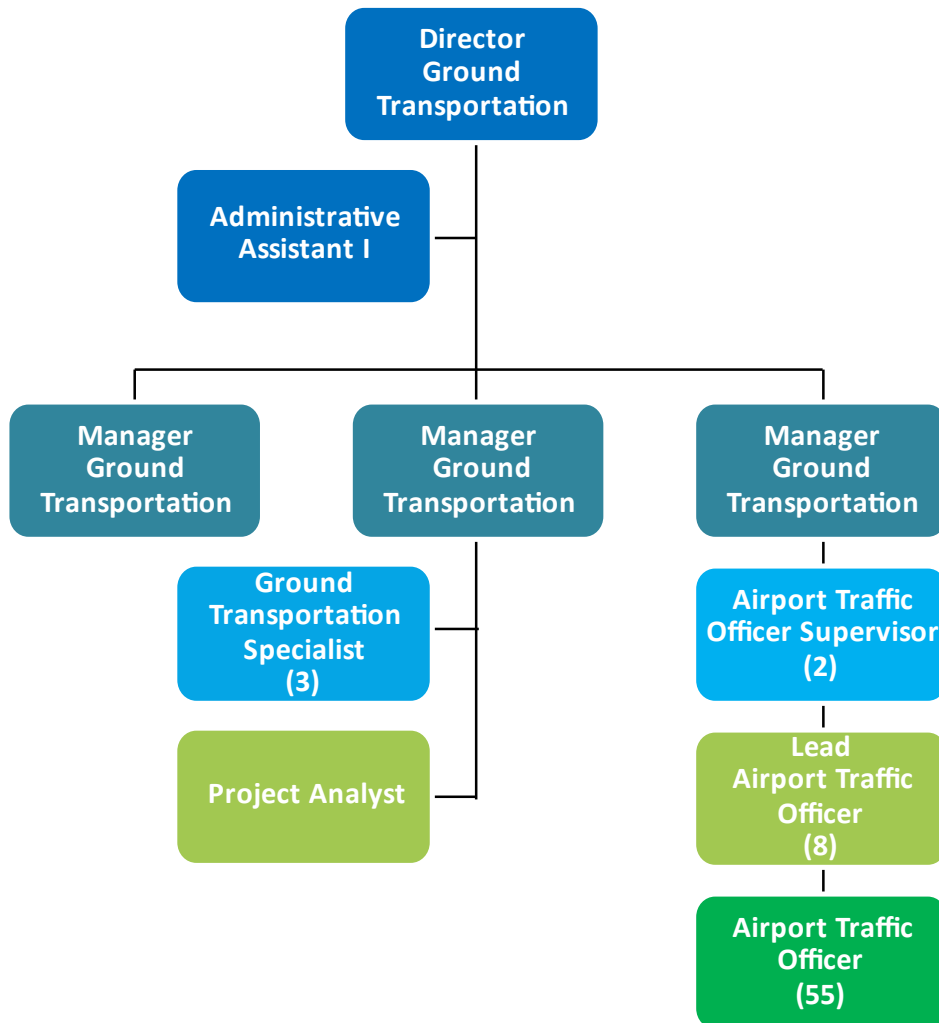
- Optimize Ongoing Business

**Strategic Initiative:**

- OT. Use Technology to Optimize Ongoing Business

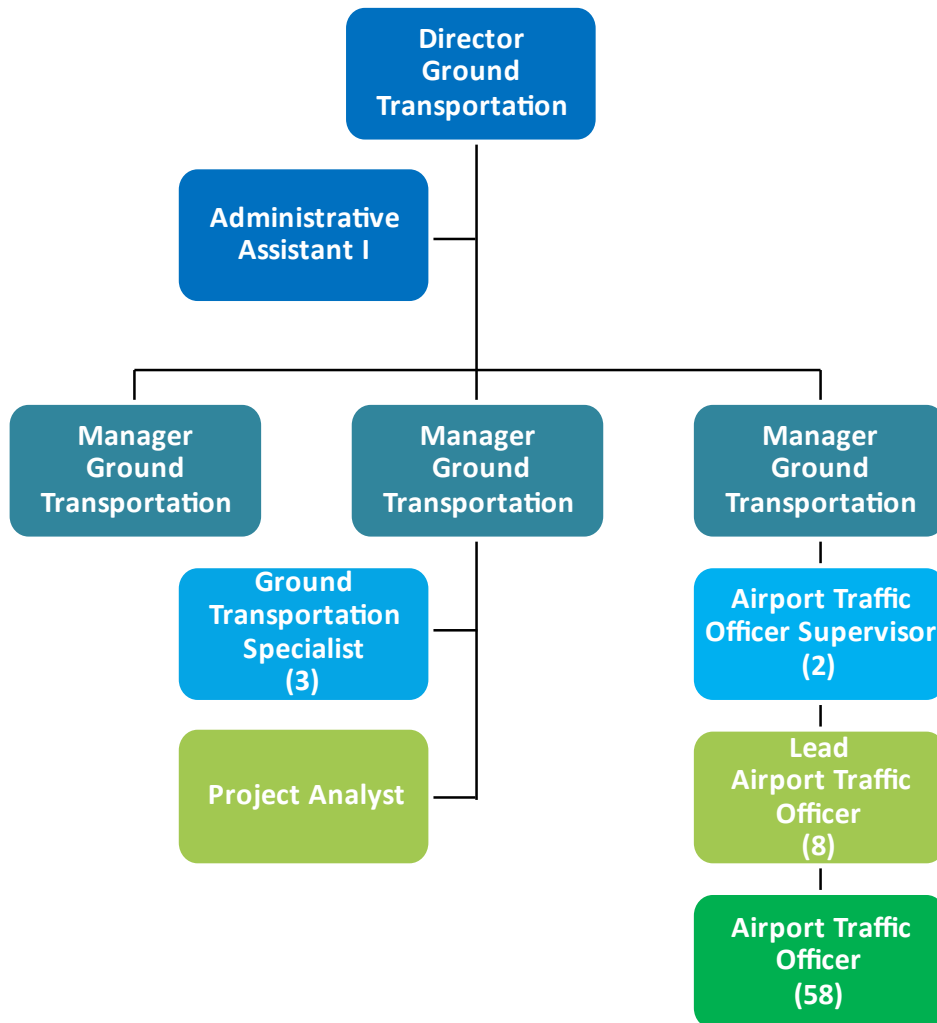
# Operations Division – Ground Transportation

## FY 2025 Organizational Structure



# Operations Division – Ground Transportation

## FY 2026 Organizational Structure





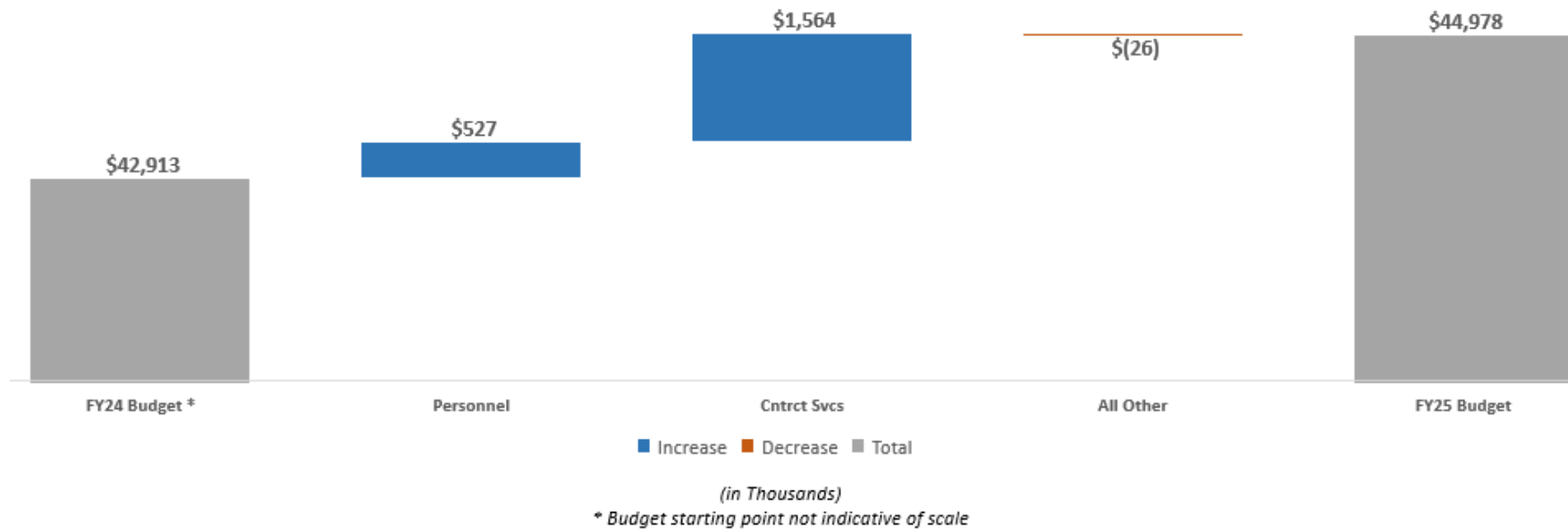
## Operations Division – Ground Transportation

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	4,368	5,291	5,708	417	7.9%	6,174	466	8.2%
Benefits	2,437	2,610	2,720	110	4.2%	3,080	359	13.2%
<b>Subtotal</b>	<b>6,805</b>	<b>7,901</b>	<b>8,428</b>	<b>527</b>	<b>6.7%</b>	<b>9,254</b>	<b>825</b>	<b>9.8%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>6,805</b>	<b>7,901</b>	<b>8,428</b>	<b>527</b>	<b>6.7%</b>	<b>9,254</b>	<b>825</b>	<b>9.8%</b>
Contractual Services	28,388	34,659	36,222	1,564	4.5%	38,143	1,921	5.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	17	16	32	15	95.4%	33	2	5.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	1	3	3	0	5.0%	3	0	5.0%
Operating Supplies	44	79	68	(11)	-13.7%	71	3	4.7%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	67	79	85	5	6.9%	89	4	5.2%
Business Development	14	31	35	4	13.4%	37	2	5.0%
Equipment Rentals and Repairs	78	95	55	(40)	-42.3%	58	3	5.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>28,609</b>	<b>34,962</b>	<b>36,500</b>	<b>1,538</b>	<b>4.4%</b>	<b>38,435</b>	<b>1,935</b>	<b>5.3%</b>
<b>Total Operating Expenses</b>	<b>35,414</b>	<b>42,863</b>	<b>44,928</b>	<b>2,065</b>	<b>4.8%</b>	<b>47,689</b>	<b>2,760</b>	<b>6.1%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>35,414</b>	<b>42,863</b>	<b>44,928</b>	<b>2,065</b>	<b>4.8%</b>	<b>47,689</b>	<b>2,760</b>	<b>6.1%</b>
Equipment Outlay Expenditures	110	50	50	-	0.0%	-	(50)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>35,524</b>	<b>42,913</b>	<b>44,978</b>	<b>2,065</b>	<b>4.8%</b>	<b>47,689</b>	<b>2,710</b>	<b>6.0%</b>

## Operations Division – Ground Transportation

### Major Drivers of FY 2024 Budget & FY 2025 Budget

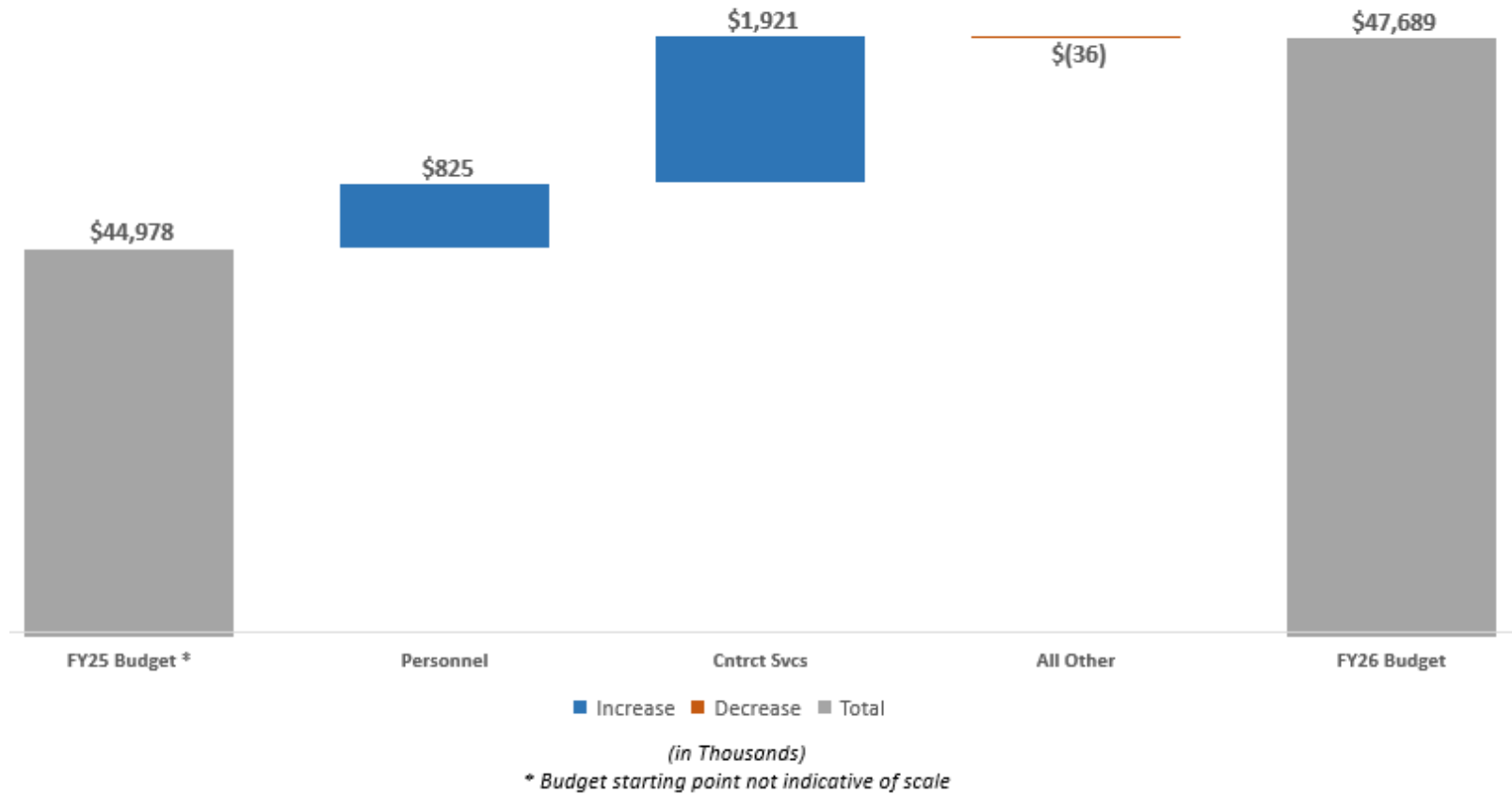


**Personnel:** Salary Adjustments, Pay for Performance, Contracted Wage Increases and Burden (Benefits and Employer Taxes) for Current Staff. Added three (3) positions

**Contractual Services:** Increase for RCC shuttles \$1.2M and parking operations \$1.0M offset by decrease in shuttle services (\$0.4M) and New T1 disruption budget (\$250K).

## Operations Division – Ground Transportation

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, Contracted Wage Increases and Burden (Benefits and Employer Taxes) for Current Staff. Added three (3) positions

**Contractual Services:** Increase for shuttle services \$959K, RCC shuttles \$632K and parking operations \$421K offset by decrease New T1 disruption budget (\$100K).

## Operations Division – Ground Transportation

### FY 2024 Progress Report

1. Engage with stakeholders, business partners, and the community to develop and implement transportation strategies and facilities that meet the changing needs of the airport and the community.

**Progress:** Ground Transportation (GT) has continued to develop and implement strategies and facilities that accommodate the changing requirements of the transportation industry, technology, and the airport environment. Developments in the past year include –

- a. Relocating the Taxi, TNC, and Cell Phone Lots to accommodate construction,
- b. Relocating the Terminal 1 transportation island twice – to accommodate construction,
- c. Relocating Rental Car Center bus operations to accommodate construction,
- d. Opening the New T1 airport entry roadway,
- e. Relocating airport Lost and Found operations,
- f. Opening a new shuttle hold lot facility with integrated EV chargers,
- g. Executing the agreement with a local CNG Fuel provider for airport shuttles and buses,
- h. Improving online services for permit application and processing for all modes,
- i. Ongoing collaboration with all commercial modes to identify operational, efficiency, safety, and customer experience improvements,
- j. Offering ongoing training and information effusion to all Ground Transportation staff to ensure operational expertise and awareness,
- k. Upgrading parking revenue control systems for new ALPR functionality, frictionless entry/exit, and payment processing, and
- l. Maintaining safe and efficient landside operations during New T1 construction.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

2. Plan, maintain, and improve ground transportation infrastructure to ensure safety and efficiency through the ongoing construction of the new Terminal 1, Terminal 1 Parking Plaza, Administration Building, and on-airport roadway while responding to technological changes in the transportation industry.

**Progress:** GT preserved robust access and ongoing operations during construction of the following New T1 project elements - East Solid Waste Facility, New Terminal 1, On-airport roadway, new Authority Administration Building, new Terminal 1 parking plaza, new Terminal 1 Elevated Departure Roadway, improvements to the Terminal Link Road Security Gates, and ongoing construction to existing airport roadways, parking lots, and terminals. GT facilitated the relocation of the TNC hold lot, Rental Car Center Bus yard, valet parking operations, terminal transportation islands, shuttle hold lot, and Authority and construction employee parking.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

3. Integrate technology, products, services, and business methods to ensure world-class services to travelers, employees, business operators, and other users; improve efficiency and safety; and ensure sustainability.

**Progress:** GT continues to improve online services for permit applications, commercial vehicle management, automated payment processing, citation and notice of violation processing, appeals processing, and application

## Operations Division – Ground Transportation

resolution for commercial modes. GT expanded the use of the Authority website for stakeholder resources, training, documents, and communication. GT continues to collaborate with commercial modes to advance progress on the GTAC Specific Actions as directed by thy Authority Board. GT upgraded citation, permitting, CVM, employee parking card, and Lost & Found software to improve the customer experience. GT works collaboratively with contract service provides to improve commercial mode operations on the terminal curbs and transportation islands. GT continues to roll-out online and app-based information about shuttle, parking, and terminal services to airport stakeholders and guests.

### **Strategic Plan Focus Area:**

- Transform the Customer Experience

### **Strategic Initiative:**

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

## Operations Division – Ground Transportation

### FY 2025 – FY 2026 Goals

1. Continue progress on implementation of Ground Transportation Ad hoc Committee (GTAC) Specific Actions by collaborating with industry partners, regulatory agencies, and airport stakeholders.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

2. Optimize Terminal 1 and Terminal 2 Plaza Parking Revenue Controls Systems (PARCS) and Parking Guidance Systems (PGS).

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

3. Achieve a reduction in airport traffic on North Harbor Drive by including on-airport roadway in the New Terminal 1 (NT1) and engaging stakeholders to address ingress and egress issues.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1D. Develop a plan for transportation to and at the airport that anticipates and responds to technological changes

**Operations Division – Operational Readiness, Activation, & Transition**

**FY 2025 – FY 2026 Organizational Structure**



*No personnel changes in FY 2026*

## Operations Division – Operational Readiness, Activation, & Transition

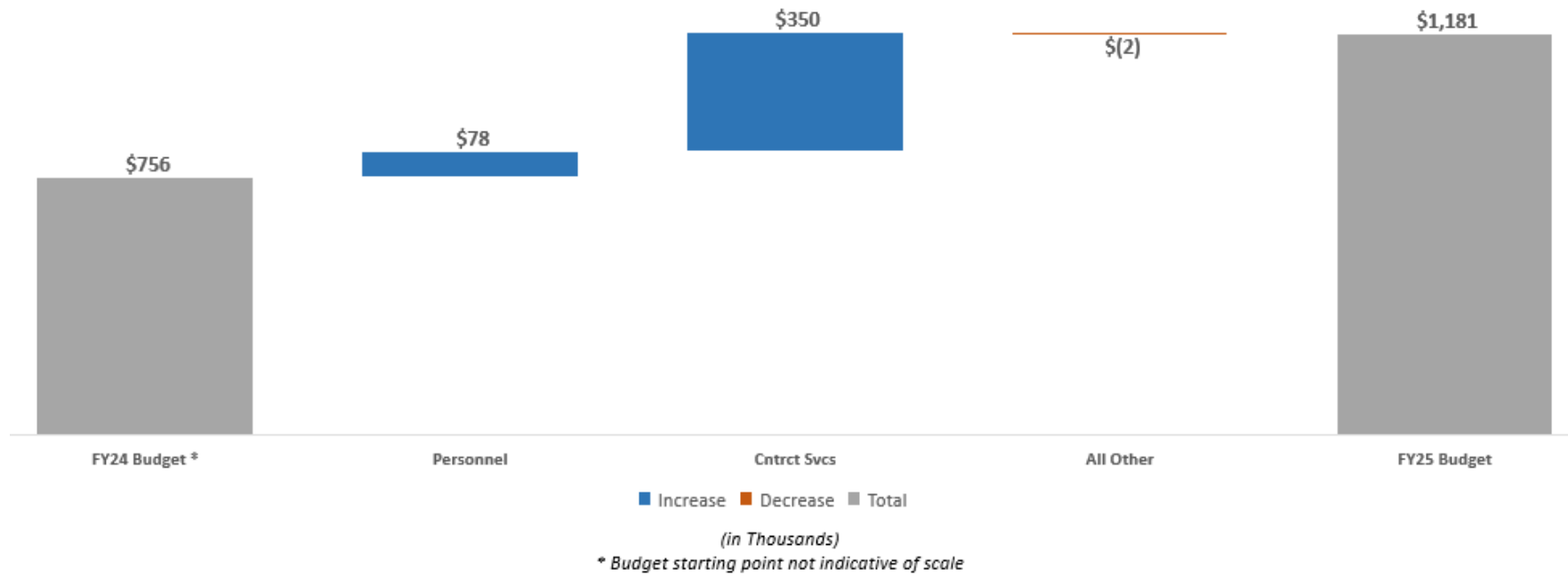
### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	-	346	401	55	15.8%	417	16	4.0%
Benefits	-	137	160	23	16.9%	173	13	8.1%
<b>Subtotal</b>	-	<b>483</b>	<b>561</b>	<b>78</b>	<b>16.1%</b>	<b>590</b>	<b>29</b>	<b>5.2%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	-	<b>483</b>	<b>561</b>	<b>78</b>	<b>16.1%</b>	<b>590</b>	<b>29</b>	<b>5.2%</b>
Contractual Services	-	250	600	350	140.0%	600	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	2	2	0.0%	-	(2)	-100.0%
Operating Supplies	-	3	4	1	50.0%	1	(2)	-66.7%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	-	7	7	0	1.9%	7	-	0.0%
Business Development	-	13	7	(6)	-47.3%	6	(1)	-14.7%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	-	<b>272</b>	<b>620</b>	<b>348</b>	<b>127.7%</b>	<b>614</b>	<b>(6)</b>	<b>-0.9%</b>
<b>Total Operating Expenses</b>	-	<b>756</b>	<b>1,181</b>	<b>425</b>	<b>56.3%</b>	<b>1,204</b>	<b>23</b>	<b>2.0%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</b>	-	-	-	-	<b>0.0%</b>	-	-	<b>0.0%</b>
<b>Total Expenses</b>	-	<b>756</b>	<b>1,181</b>	<b>425</b>	<b>56.3%</b>	<b>1,204</b>	<b>23</b>	<b>2.0%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	-	<b>756</b>	<b>1,181</b>	<b>425</b>	<b>56.3%</b>	<b>1,204</b>	<b>23</b>	<b>2.0%</b>



## Operations Division – Operational Readiness, Activation, & Transition

### Major Drivers of FY 2024 Budget & FY 2025 Budget

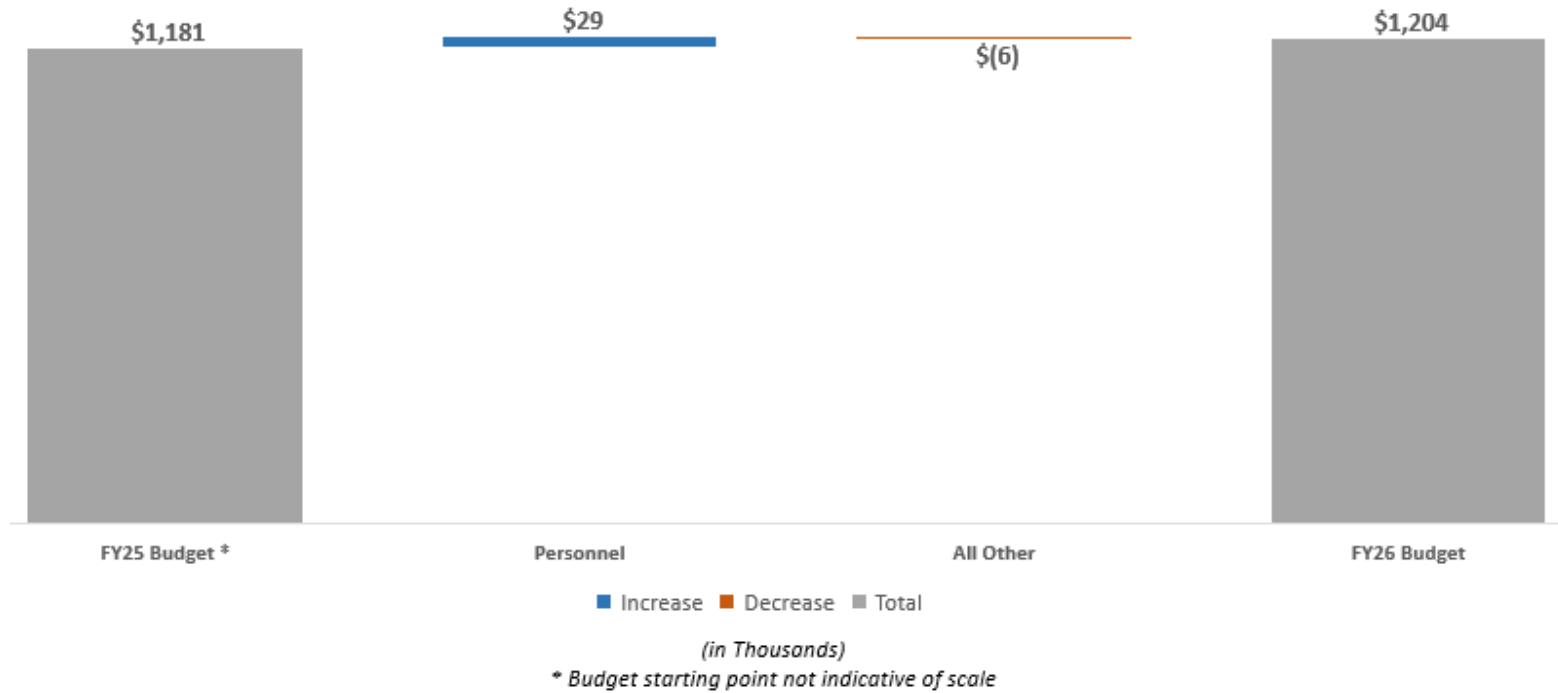


**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** \$350K increase for consulting

## Operations Division – Operational Readiness, Activation, & Transition

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

## Operations Division – Operational Readiness, Activation, & Transition

### FY 2024 Progress Report

1. Establish a new Operational Readiness, Activation, & Transition (ORAT) framework for the Airport Authority to facilitate the successful opening of the new Administration Building in late fall 2023, as well as other airport facilities in the future.

**Progress:** In 2023, the Airport Authority created a new ORAT Team in the Operations Division to help ensure the safe and seamless activation (i.e. “operationalization”) of all phases of the New Terminal 1, including its Parking Plaza and other associated facilities. An ORAT Framework was then developed to standardize the process, roles, tasks, and terminology that are used at SAN. This framework was successfully used to activate the new Administration Building, which opened on October 25, 2023, and is helping guide similar readiness planning efforts for the Terminal 1 Parking Plaza (Stage 1) and New Terminal 1 (Phase 1a), which are scheduled to open in August 2024 and September 2025, respectively.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. Develop an Activation Plan for the New Terminal 1 by January 2025, in partnership with Airport Authority departments, airlines, concessions, and other key tenants, which will outline planned familiarization activities, training sessions, system and process trials, and passenger simulations to help operationalize the new terminal facility before its opening.

**Progress:** Operational readiness planning for the New Terminal 1 officially began in fall 2023 with the creation of a “NT1 Activation Team,” comprised of over 30 representatives from numerous Airport Authority departments. A Concept of Operations (CONOPS) for the new facility was also developed and is being used to identify operating procedures, plans, and contingencies that will need to be created or modified for the New T1. In February 2024, monthly meetings with airlines and other tenants will begin to align all airport stakeholders’ (and their employees) preparation for transitioning into the new terminal facility in September 2025, as well as into subsequent phases opening in spring 2026 and winter 2028.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

## Operations Division – Operational Readiness, Activation, & Transition

### FY 2025 – FY 2026 Goals

1. Facilitate the activation and opening of the Terminal 1 Parking Plaza’s Stage 1 and Stage 2 in summer 2024 and 2025, respectfully, in close collaboration with Ground Transportation and Revenue Generation & Partnership Development departments to help expand onsite parking supply and improve the customer experience.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. Develop an Activation Plan for the New Terminal 1 by January 2025, in partnership with Airport Authority departments, airlines, concessions, and other key tenants, which will outline planned familiarization activities, training sessions, system and process trials, and passenger simulations to help operationalize the new terminal facility before its opening.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

# Revenue Management & Innovation Division



## Revenue Management & Innovation Division

### Overview

The **Revenue Management & Innovation Division** defines and delivers a seamless customer experience for the traveling public and implements revenue management strategies and processes, in order to optimize and maximize resulting airport revenues. The division integrates air service development, business development, marketing, public art, innovation, business intelligence and concession management services to identify, evaluate, develop, negotiate, and implement new business opportunities and initiatives. In addition, the department engages in a proactive and productive manner with relevant business interests and stakeholders, both on-and off-airport, to spur innovation and new product and service development.

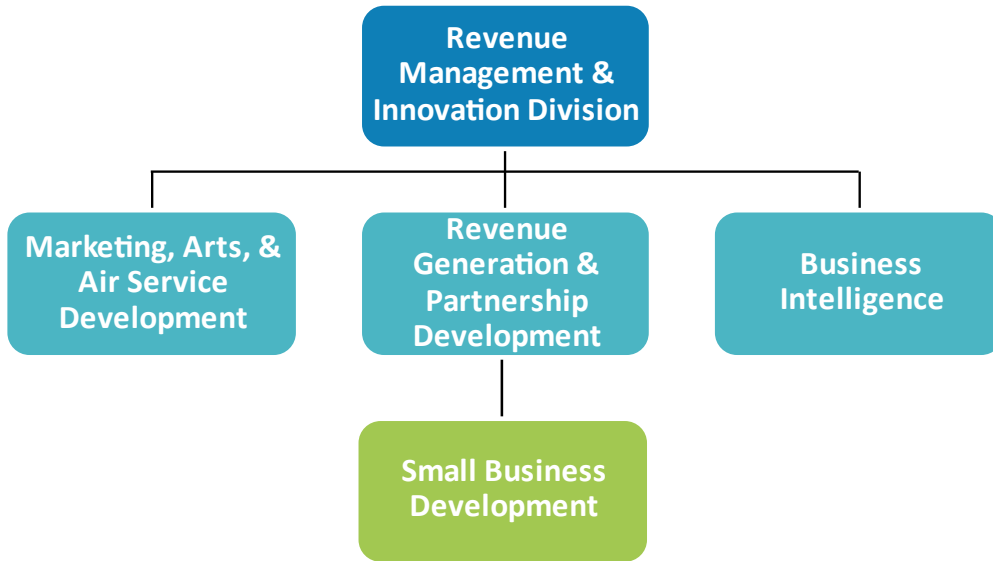
The **Business Intelligence** department identifies and maps interactions a customer has with the Airport in order to identify opportunities to enhance or deliver new products and services that support a positive, meaningful experience across those interactions. The department is responsible for a variety of related activities, including analyzing data for competitive insights and creating and maintaining the customer journey map and customer personas. By incorporating feedback and insight across the Airport system, the department focuses on creating experiences that exceed customers' expectations and drive incremental revenue growth.

The **Marketing, Arts, & Air Service Development** department manages a wide range of activities and initiatives that enhance the customer experience, expand air service, engage the public, and increase awareness of the Authority and airport. The department has responsibility for executing annual air service strategy to target air service growth opportunities for SAN; recording the official airport passenger, operations and cargo statistics; managing the airport's air service incentive policies; and consulting with regional and international stakeholders on air service opportunities. The department also offers a robust Airport Arts Program that engages travelers in innovative, memorable and considerate experiences while developing marketing plans that promote airport products and services and engages airport partners across the campus in efforts to assure the traveling public experiences good feelings, non-stop.

The **Revenue Generation & Partnership Development** department oversees non-airline revenue generation contracts and programs. The department negotiates and manages the business relationships and associated contract execution for concessions, passenger services, and other lessees at the airport. This includes ensuring contractual and operational lease compliance, maximizing revenue opportunities, and ensuring management oversight of tenant activities. In addition, the department is responsible for the assessment, development, and implementation of new business opportunities and programs for the Authority. The department also leads Small Business Development (SBD) which manages compliance with FAA grant assurance requirements to create opportunities for Disadvantaged Business Enterprises and Airport Concession Disadvantaged Business Enterprises, as well as implementing Board Policy 5.12 which provides contracting preferences to small, local and veteran-owned businesses.

# Revenue Management & Innovation Division

## FY 2025 – FY 2026 Organizational Structure



## Division Personnel Summary

	FY 2024 Budget	FY 2025 Budget Transfers	FY 2025 Budget New/ (Eliminated)	FY 2025 Budget	FY 2026 Budget New/ (Eliminated)	FY 2026 Conceptual Budget
<b>Revenue Management &amp; Innovation Division</b>						
Business Intelligence	9	-	-	9	1	10
Marketing, Arts, & Air Service Development	14	-	-	14	-	14
Revenue Generation & Partnership Development	15	-	-	15	-	15
Small Business Development	3	-	-	3	-	3
<b>Total</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>1</b>	<b>42</b>

## Revenue Management & Innovation Division

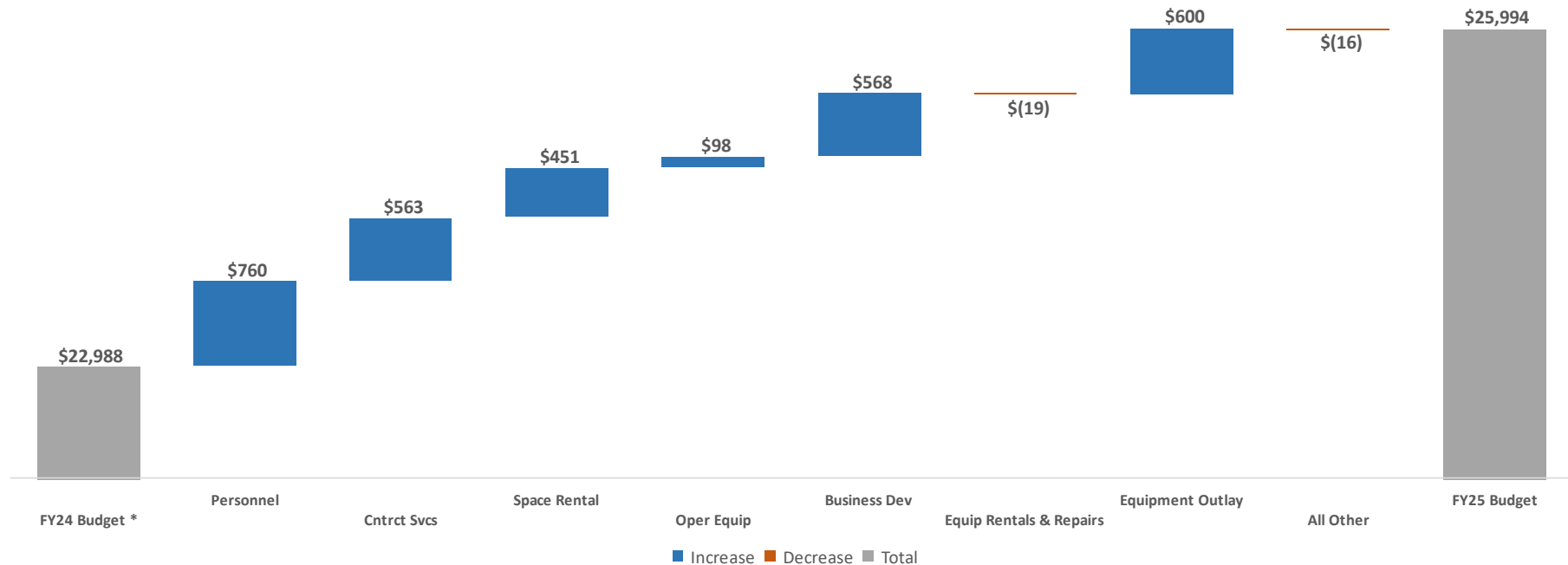
### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	3,695	4,883	5,098	215	4.4%	5,499	400	7.9%
Benefits	1,887	2,082	2,127	46	2.2%	2,402	275	12.9%
<b>Subtotal</b>	<b>5,582</b>	<b>6,965</b>	<b>7,225</b>	<b>261</b>	<b>3.7%</b>	<b>7,901</b>	<b>675</b>	<b>9.3%</b>
Less: Capitalized Labor Recharge	(97)	(788)	(288)	499	-63.4%	(418)	(129)	44.8%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>5,484</b>	<b>6,177</b>	<b>6,937</b>	<b>760</b>	<b>12.3%</b>	<b>7,483</b>	<b>546</b>	<b>7.9%</b>
Contractual Services	3,039	3,947	4,511	563	14.3%	5,315	805	17.8%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,791	10,561	11,012	451	4.3%	11,021	9	0.1%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	29	41	139	98	239.9%	169	30	21.3%
Operating Supplies	11	11	4	(7)	-65.4%	4	(0)	-1.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	54	115	106	(9)	-7.5%	109	2	2.0%
Business Development	1,072	1,970	2,538	568	28.8%	2,850	313	12.3%
Equipment Rentals and Repairs	196	166	147	(19)	-11.3%	158	11	7.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>15,193</b>	<b>16,811</b>	<b>18,457</b>	<b>1,646</b>	<b>9.8%</b>	<b>19,626</b>	<b>1,168</b>	<b>6.3%</b>
<b>Total Operating Expenses</b>	<b>20,677</b>	<b>22,988</b>	<b>25,394</b>	<b>2,406</b>	<b>10.5%</b>	<b>27,109</b>	<b>1,714</b>	<b>6.8%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>20,677</b>	<b>22,988</b>	<b>25,394</b>	<b>2,406</b>	<b>10.5%</b>	<b>27,109</b>	<b>1,714</b>	<b>6.8%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>600</b>	<b>600</b>	<b>0.0%</b>	<b>750</b>	<b>150</b>	<b>25.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>20,677</b>	<b>22,988</b>	<b>25,994</b>	<b>3,006</b>	<b>13.1%</b>	<b>27,859</b>	<b>1,864</b>	<b>7.2%</b>



## Revenue Management & Innovation Division

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Includes \$155K for Concessions Quality Assurance Program, \$90K increase for hood/vent cleaning, \$75K parking consultant, \$100K for New T1 grand opening event, \$207K increase for website design

**Space Rental:** \$434K for the Navy Lease Parcel and \$17K for full year of view lot parcel to support on airport roadway

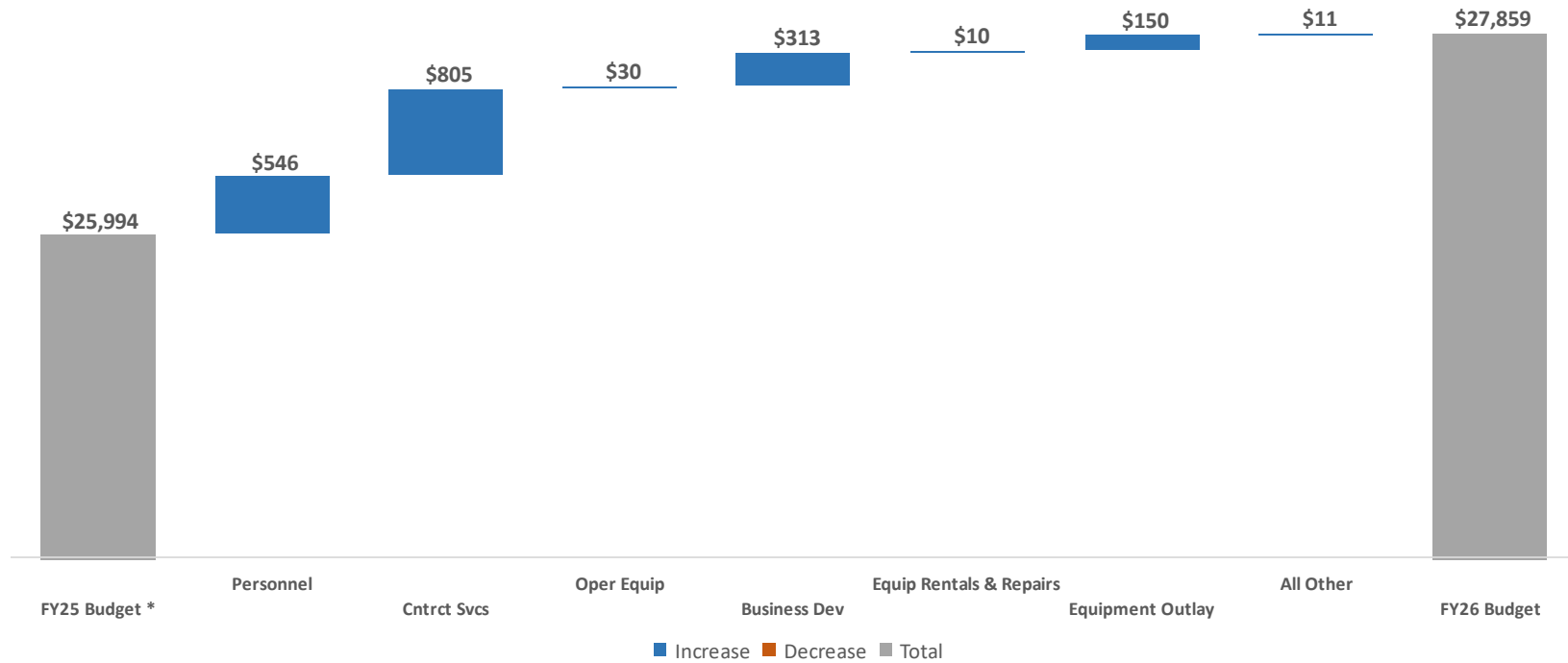
**Operating Equipment:** Increases \$98K for additional software

**Business Development:** \$200K increase for Parking Media Advertising, \$277K for air service advertising and New T1 advertising, \$275K increase for concessions marketing promotional activities

**Equipment Outlay:** Includes \$600K in Screening Equipment for the Receiving Distribution Center

## Revenue Management & Innovation Division

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Added one (1) position

**Contractual Services:** Increase \$361K for the Receiving Distribution Center, \$550K for New T1 grand opening event, and decreased consultant usage (\$64K)

**Operating Equipment:** Increase \$30K in software for Business Intelligence

**Business Development:** \$100K parking media advertising, \$141K for air service advertising, and \$100K for New T1 promotional advertising

**Equipment Rental & Repairs:** Increase \$10K for the property management software

**Equipment Outlay:** Increases \$150K for New T1 and T2W art cases

# Revenue Management & Innovation Division

## FY 2025 Expense Budget by Department

(in thousands)

Departments	FY 2025 Budget
Revenue Generation & Partnership Development	\$17,767
Marketing, Arts, & Air Service Development	6,072
Business Intelligence	1,642
Small Business Development	513
<b>Total <sup>1</sup></b>	<b>\$25,994</b>

<sup>1</sup> Total may differ due to rounding

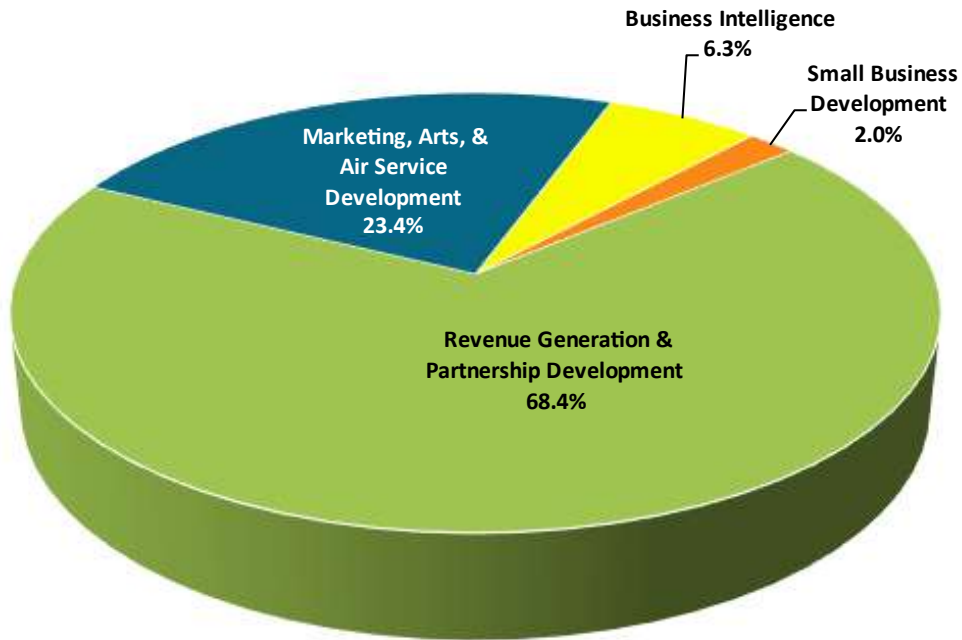


Figure 38 – FY 2025 Expense Budget by Department

# Revenue Management & Innovation Division

## FY 2026 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2026 Conceptual Budget
Revenue Generation & Partnership Development	\$17,772
Marketing, Arts, & Air Service Development	7,637
Business Intelligence	1,924
Small Business Development	525
<b>Total <sup>1</sup></b>	<b>\$27,859</b>

<sup>1</sup> Total may differ due to rounding

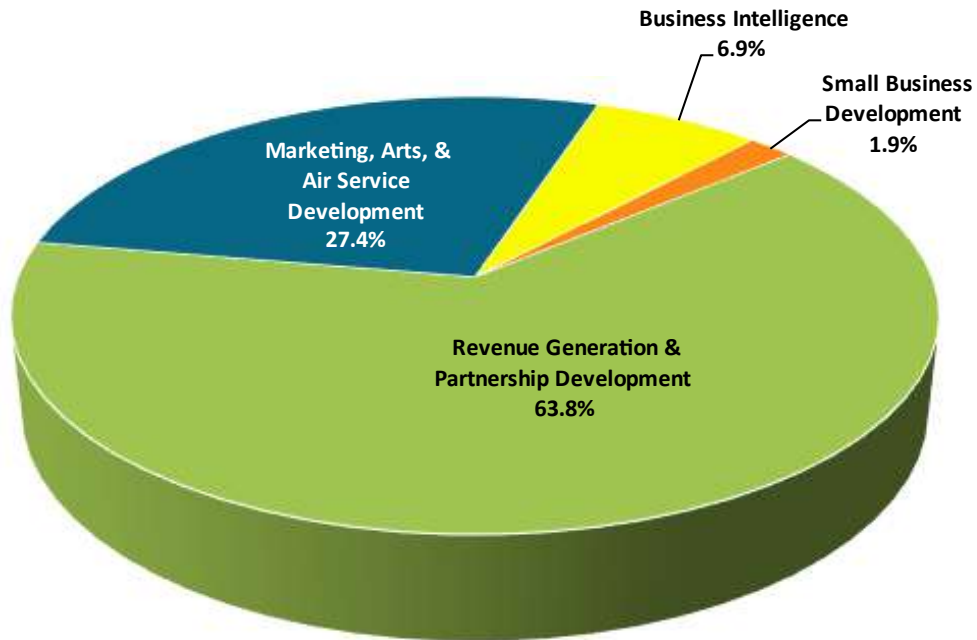


Figure 39 – FY 2026 Expense Conceptual Budget by Department

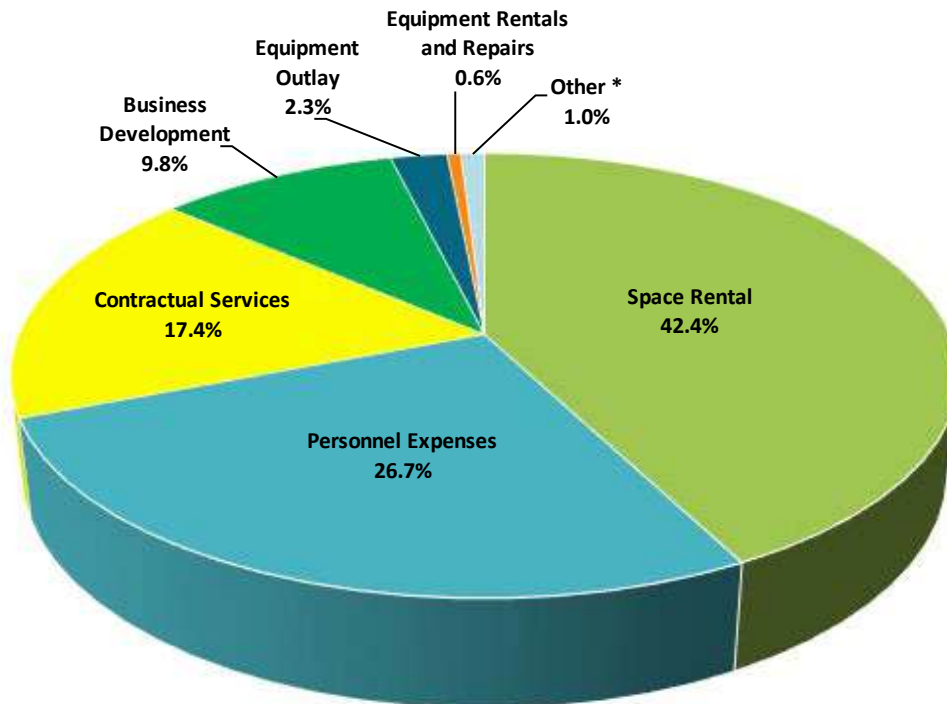
# Revenue Management & Innovation Division

## FY 2025 Expense Budget by Category

(in thousands)

Category	FY 2025 Budget
Space Rental	\$11,012
Personnel Expenses	6,937
Contractual Services	4,511
Business Development	2,538
Equipment Outlay	600
Equipment Rentals and Repairs	147
Other *	250
<b>Total <sup>1</sup></b>	<b>\$25,994</b>

<sup>1</sup>Total may differ due to rounding



\*Other includes operating equipment & systems, employee development, etc.

**Figure 40 – FY 2025 Expense Budget by Category**

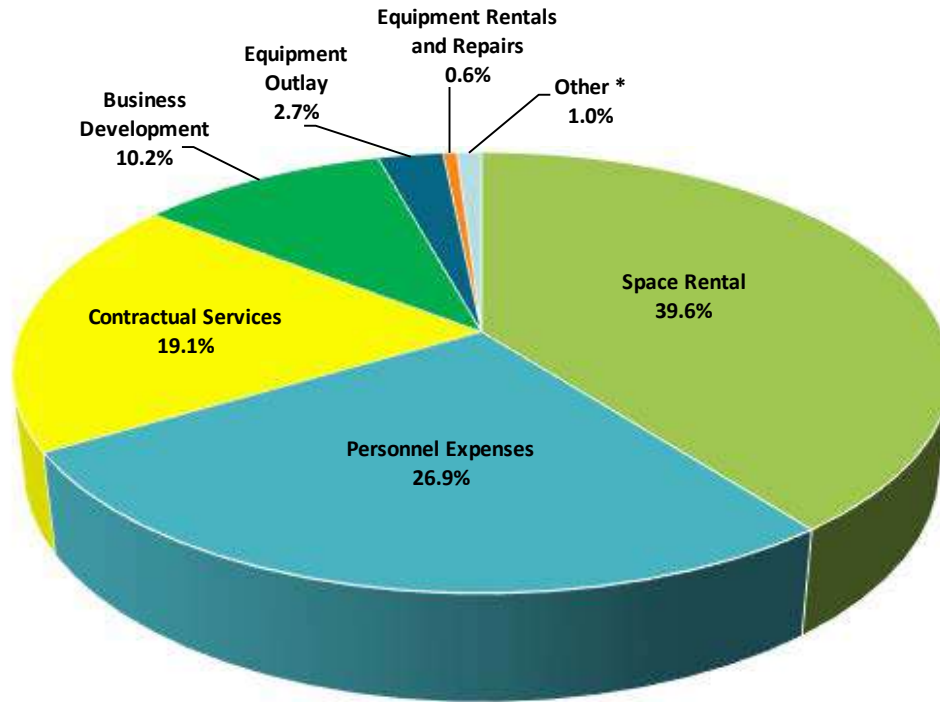
# Revenue Management & Innovation Division

## FY 2026 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2026 Conceptual Budget
Space Rental	\$11,021
Personnel Expenses	7,483
Contractual Services	5,315
Business Development	2,850
Equipment Outlay	750
Equipment Rentals and Repairs	158
Other *	281
<b>Total <sup>1</sup></b>	<b>\$27,859</b>

<sup>1</sup> Total may differ due to rounding

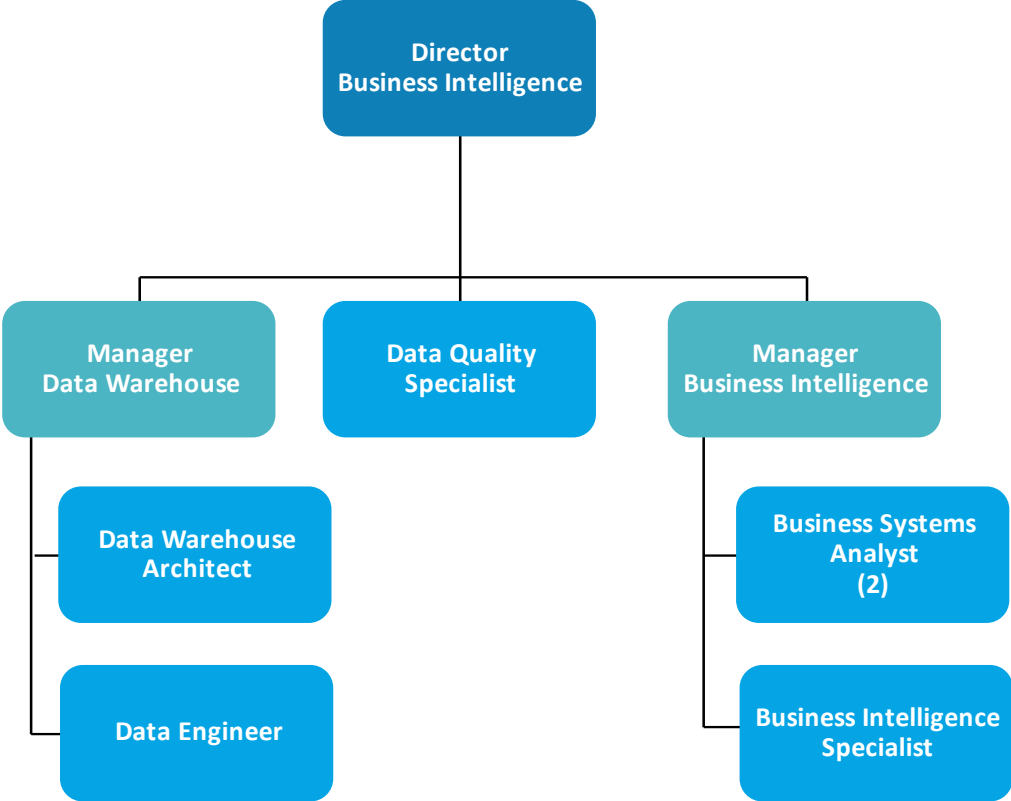


\*Other includes operating equipment & systems, employee development, etc.

**Figure 41 – FY 2026 Expense Conceptual Budget by Category**

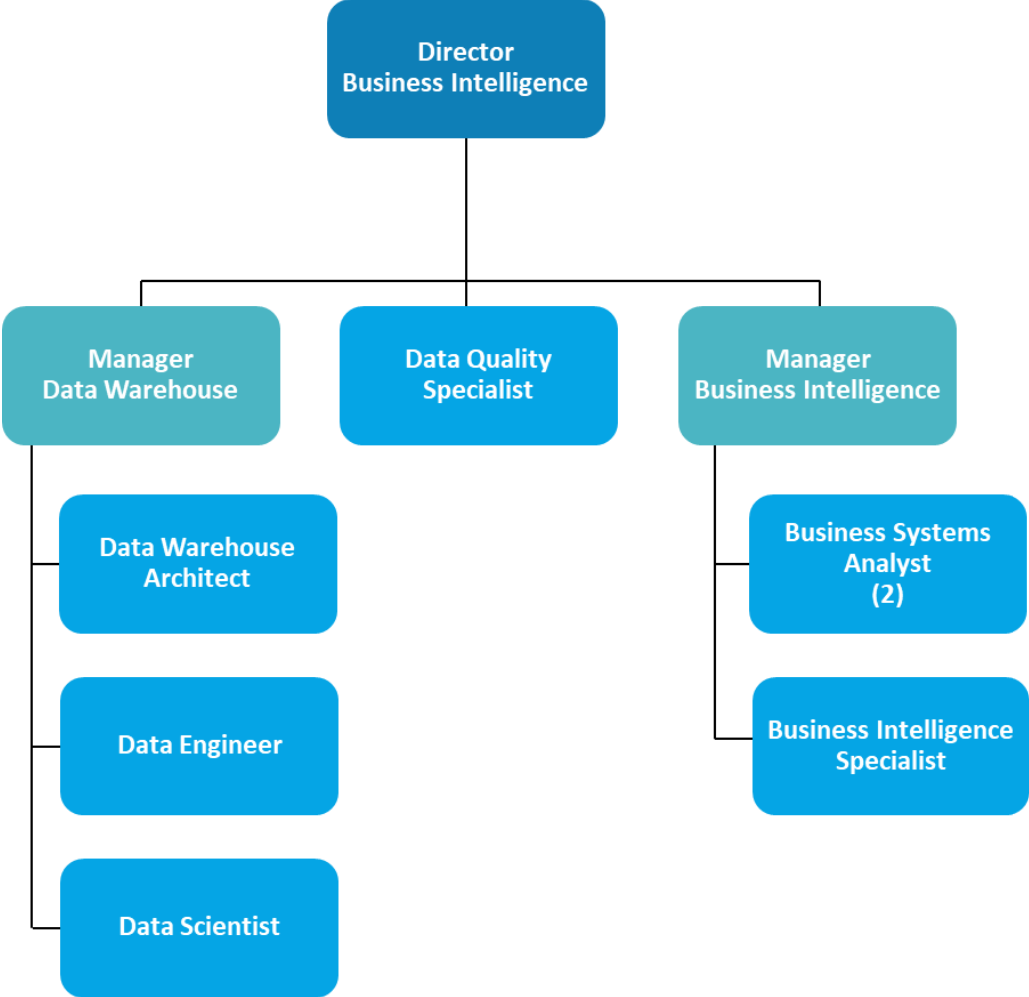
Revenue Management & Innovation Division – Business Intelligence

FY 2025 Organizational Structure



Revenue Management & Innovation Division – Business Intelligence

FY 2026 Organizational Structure





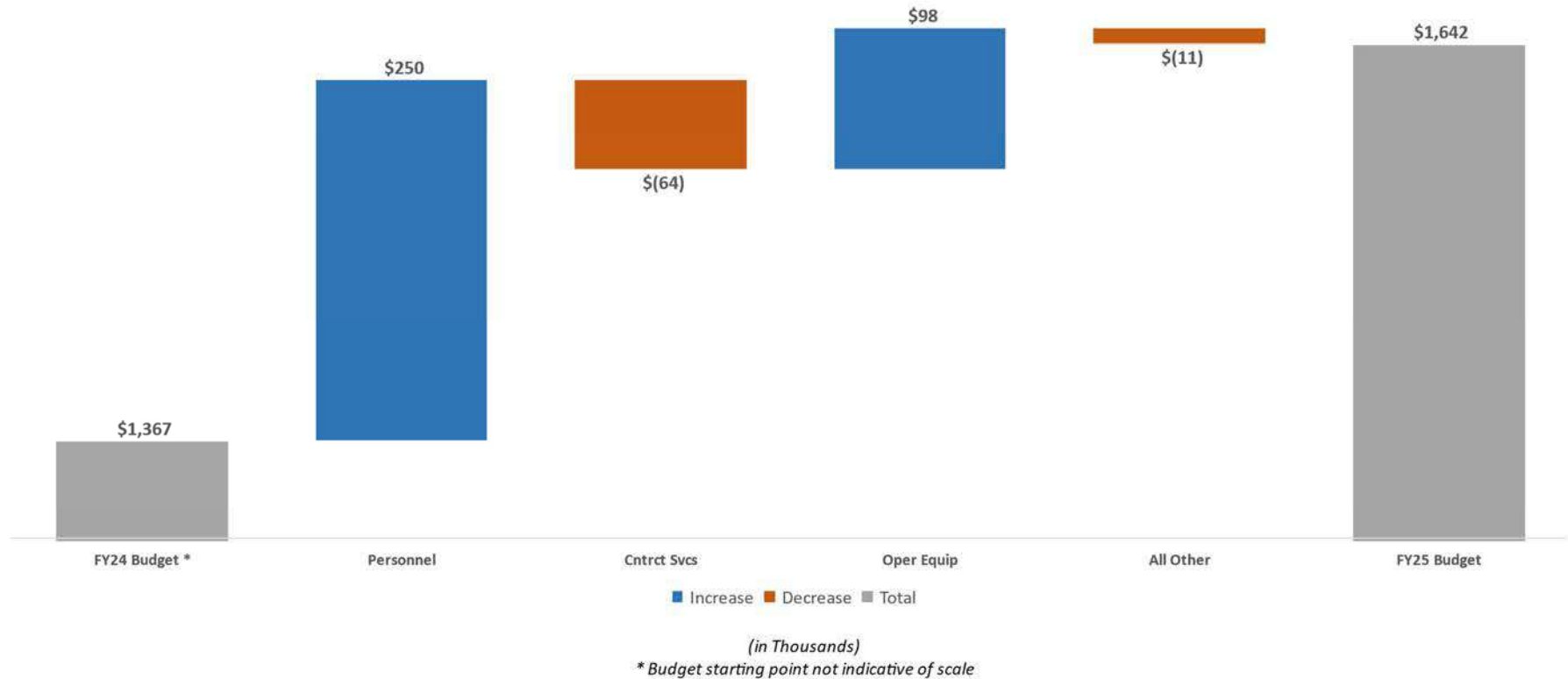
## Revenue Management & Innovation Division – Business Intelligence

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	396	847	1,043	197	23.2%	1,210	167	16.0%
Benefits	280	345	399	53	15.5%	485	86	21.6%
<b>Subtotal</b>	<b>676</b>	<b>1,192</b>	<b>1,442</b>	<b>250</b>	<b>21.0%</b>	<b>1,695</b>	<b>253</b>	<b>17.5%</b>
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>676</b>	<b>1,192</b>	<b>1,442</b>	<b>250</b>	<b>21.0%</b>	<b>1,695</b>	<b>253</b>	<b>17.5%</b>
Contractual Services	191	96	32	(64)	-66.3%	32	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	30	41	139	98	239.9%	169	30	21.3%
Operating Supplies	3	2	1	(2)	-62.5%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	1	26	22	(4)	-16.4%	22	0	0.6%
Business Development	24	5	5	(0)	-2.9%	5	-	0.0%
Equipment Rentals and Repairs	4	5	-	(5)	-100.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>253</b>	<b>176</b>	<b>200</b>	<b>24</b>	<b>13.7%</b>	<b>230</b>	<b>30</b>	<b>15.0%</b>
<b>Total Operating Expenses</b>	<b>929</b>	<b>1,367</b>	<b>1,642</b>	<b>274</b>	<b>20.1%</b>	<b>1,924</b>	<b>283</b>	<b>17.2%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>929</b>	<b>1,367</b>	<b>1,642</b>	<b>274</b>	<b>20.1%</b>	<b>1,924</b>	<b>283</b>	<b>17.2%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>929</b>	<b>1,367</b>	<b>1,642</b>	<b>274</b>	<b>20.1%</b>	<b>1,924</b>	<b>283</b>	<b>17.2%</b>

## Revenue Management & Innovation Division – Business Intelligence

### Major Drivers of FY 2024 Budget & FY 2025 Budget



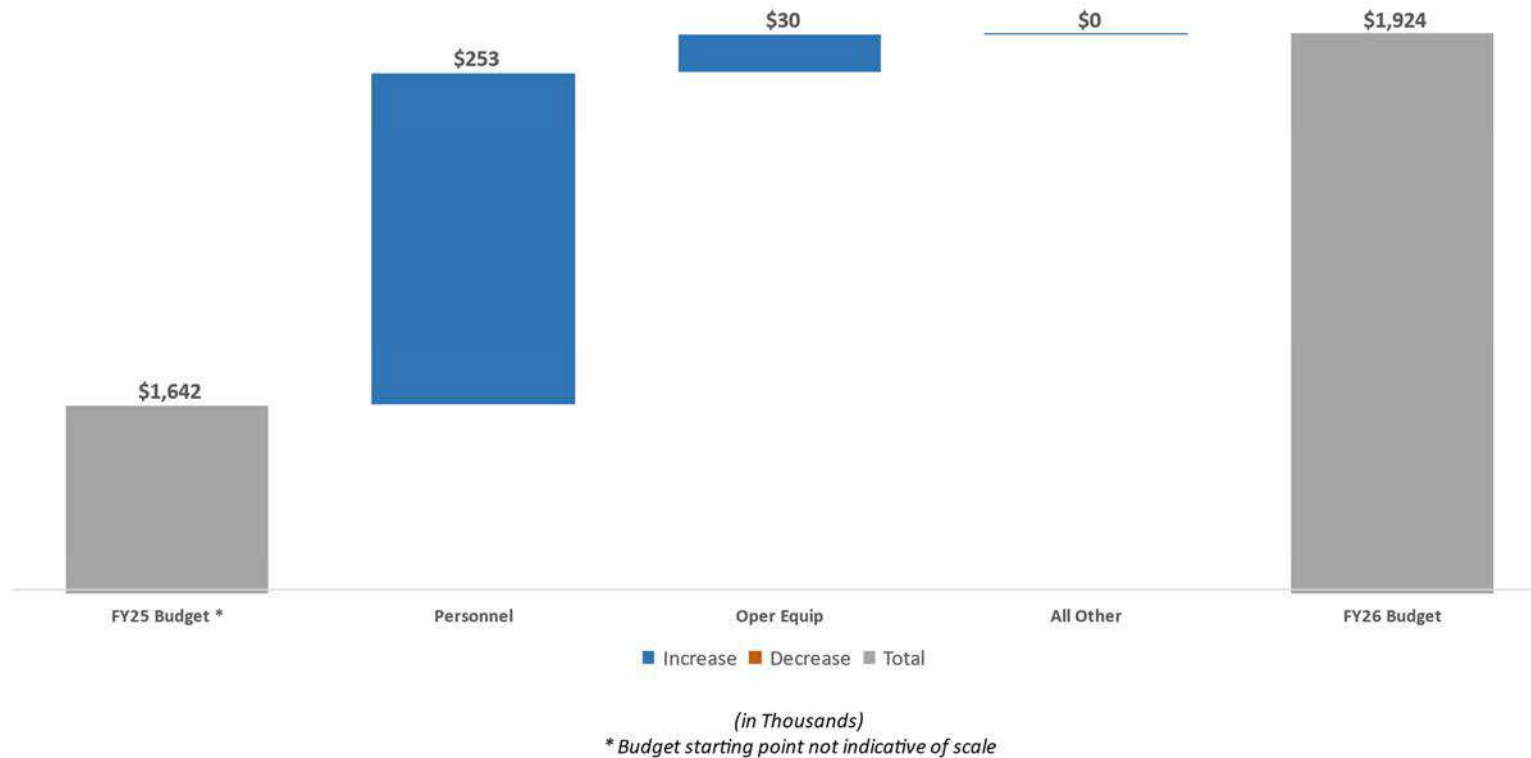
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Decreased consultants (\$64K)

**Operating Equipment:** Increasing \$98K for additional software

## Revenue Management & Innovation Division – Business Intelligence

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff. Added one (1) position.

**Operating Equipment:** Increase \$30K in software

## Revenue Management & Innovation Division – Business Intelligence

### FY 2024 Progress Report

1. Further promote a data-driven culture by helping business units improve their reporting capabilities and discover actionable insight from their data.

**Progress:** We have made notable strides in integrating key datasets, such as passenger and lease square footage data with concession sales data, which has significantly enhanced our reporting capabilities. Our efforts have also supported the audit team, demonstrating the practical impact of our Business Intelligence (BI) initiatives. Despite these successes, there remains substantial potential for further advancement in promoting a data-driven culture across the organization.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 4F. Train and develop business driven, agile and collaborative capabilities

2. Promote and train data literacy across the organization by creating data champions within business units who are data, subject matter experts.

**Progress:** There has been a positive response in developing data subject matter experts (SMEs) within various business units, indicating a growing enthusiasm for data literacy. However, the BI department recognizes the need for more proactive engagement. Initiatives such as lunch & learns, and office hours are planned to foster wider adoption of BI solutions. Progress in this area has been tempered by challenges including system acquisition bureaucracy and staffing delays, but we remain committed to advancing this goal.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3B. Solicit champions to tell our story

3. Support new programs and innovation by harnessing data and allowing business units to properly assess the project's effectiveness and potential.

**Progress:** The BI team currently possesses the capability to utilize data in evaluating the effectiveness and potential of new projects, albeit on an ad hoc basis. The development of a structured data warehouse, anticipated in the coming months, is expected to significantly enhance our ability to support new programs and innovation systematically. This development will be a critical step in achieving more consistent and comprehensive data analysis across business units.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

# Revenue Management & Innovation Division – Business Intelligence

## FY 2025 – FY 2026 Goals

### 1. Data Warehouse Development:

**Objective:** Implement a comprehensive data warehouse solution to centralize and streamline data management across the airport authority.

**Rationale:** Currently, our data management relies on ad hoc data sources. This fragmentation leads to inefficiencies, potential inaccuracies, and a labor-intensive process for data integration. By establishing a data warehouse, we aim to consolidate data from diverse domains like passenger traffic, gate utilization, concession sales, and TSA volume.

**Key Actions:**

ETL Process Implementation: Develop and deploy robust Extract, Transform, Load (ETL) processes to ensure efficient and error-free data integration.

Data Domain Integration: Aggregate data from multiple sources and domains into a unified warehouse, enabling more comprehensive analysis.

User Enablement: Train departmental analysts to effectively utilize the data warehouse, ensuring that data-driven decision-making becomes an integral part of all departments.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5E. Develop business plan that evaluates margins on non-airline operating revenue streams

### 2. Passenger Data Model

**Objective:** Create an integrated passenger data model to provide a unified view of passenger-related metrics and their impact on various airport operations.

**Rationale:** Passenger data, being sourced from disparate systems like TSA, airline forecasts, and financial models, needs to be harmonized into a single model. This consolidation will facilitate a deeper understanding of passenger behavior and its correlation with concession sales, road traffic, and airport gate activities.

**Key Actions:**

Data Integration: Combine data from various sources into a coherent passenger data model.

Analysis Enhancement: Enable detailed analysis of passenger data to identify trends, patterns, and potential areas for operational improvement.

Cross-Functional Impact Assessment: Evaluate the influence of passenger behavior on different airport operations to aid in strategic planning and resource allocation.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5E. Develop business plan that evaluates margins on non-airline operating revenue streams

### 3. Data Governance and Lineage

**Objective:** Establish a comprehensive data governance framework to ensure data accuracy, consistency, and trustworthiness across all BI systems.

**Rationale:** Trust in data is paramount for effective decision-making. Implementing robust data governance and lineage practices will ensure data integrity and build confidence among users in the BI systems.

**Key Actions:**

Governance Framework Development: Create policies and standards for data usage, quality, and security.

## Revenue Management & Innovation Division – Business Intelligence

Data Lineage Documentation: Implement tools and procedures to track data from its origin through its lifecycle, enhancing transparency and accountability.

Continuous Monitoring and Improvement: Regularly review and refine data governance practices to adapt to evolving data needs and technological advancements.

### **Strategic Plan Focus Area:**

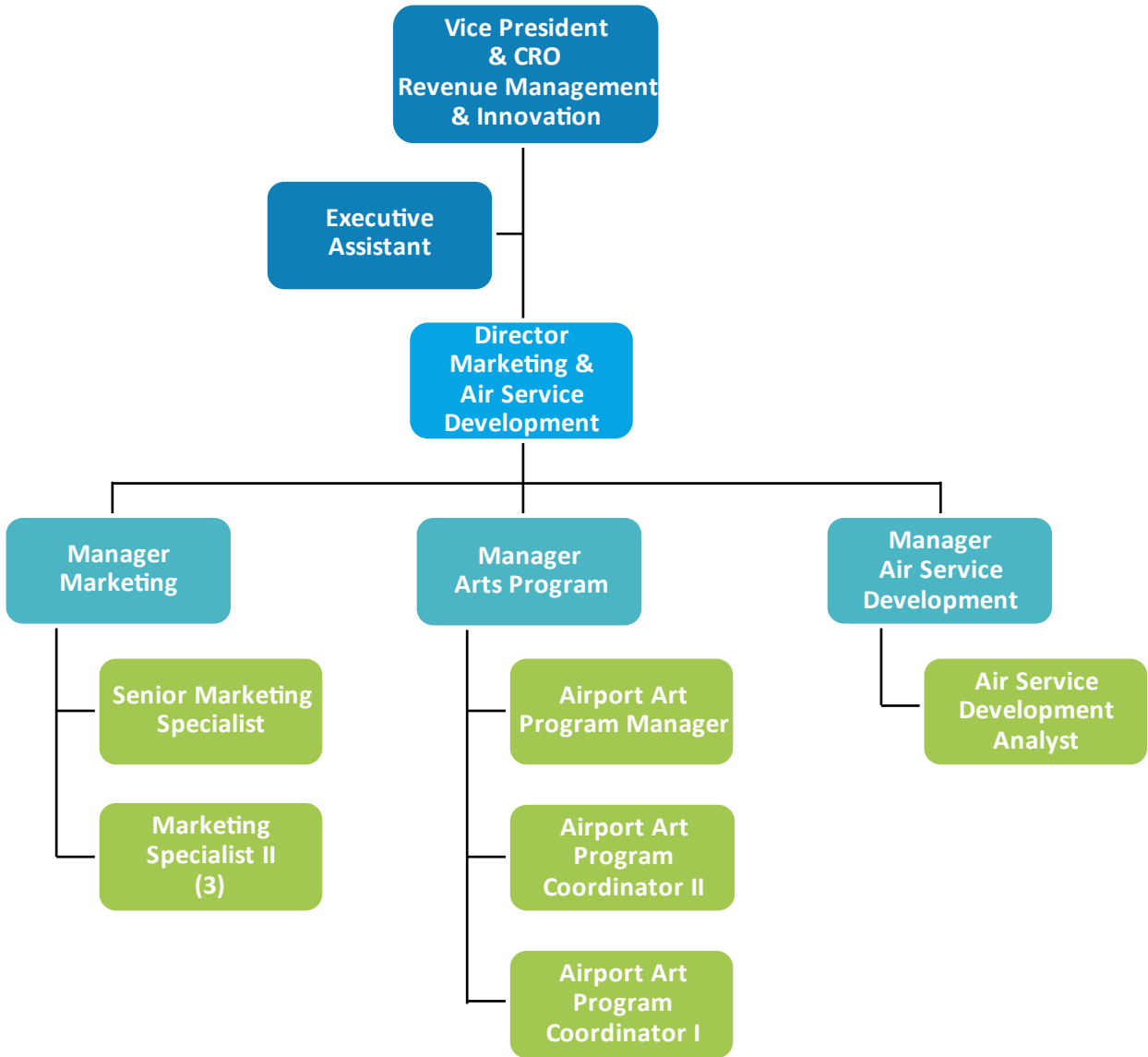
- Optimize Ongoing Business

### **Strategic Initiative:**

- 5E. Develop business plan that evaluates margins on non-airline operating revenue streams

# Revenue Management & Innovation Division – Marketing, Arts, & Air Service Development

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

## Revenue Management & Innovation Division – Marketing, Arts, & Air Service Development

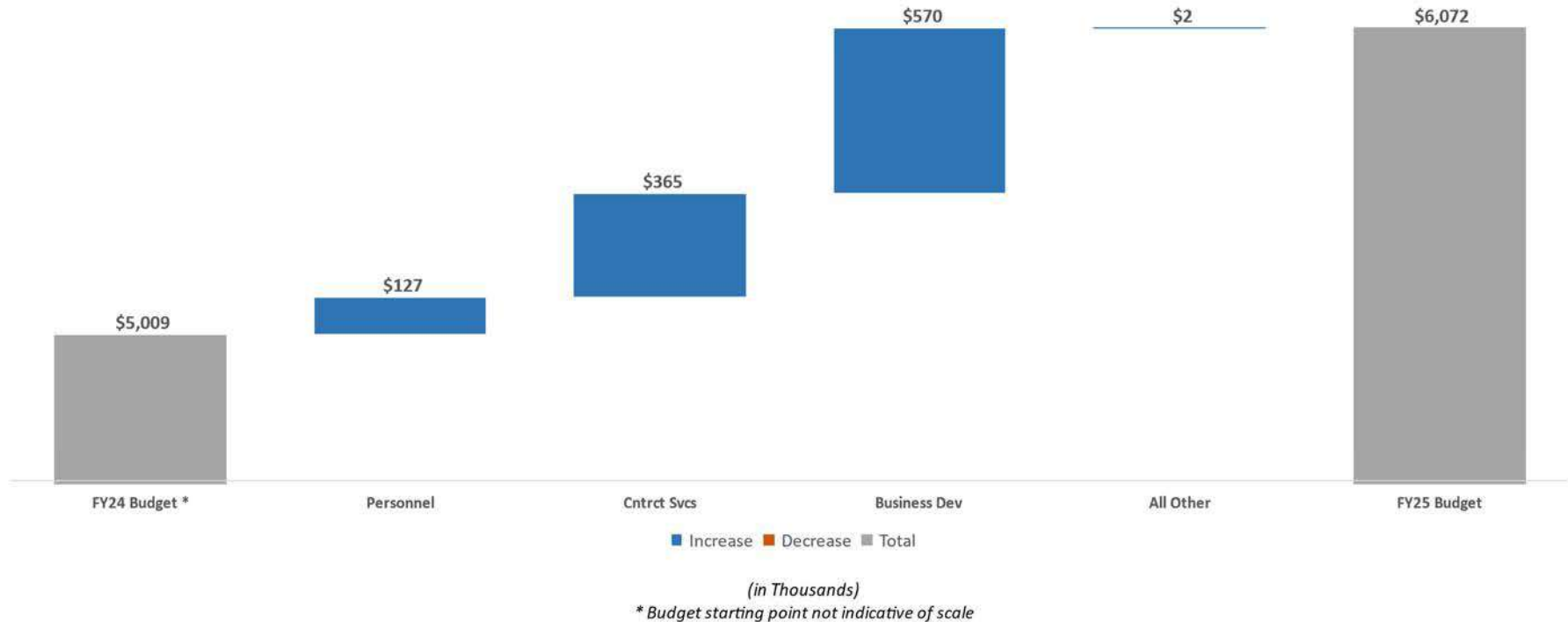
### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	1,360	1,634	1,650	16	1.0%	1,787	137	8.3%
Benefits	617	733	745	12	1.6%	845	101	13.6%
<b>Subtotal</b>	<b>1,977</b>	<b>2,367</b>	<b>2,394</b>	<b>28</b>	<b>1.2%</b>	<b>2,633</b>	<b>238</b>	<b>10.0%</b>
Less: Capitalized Labor Recharge	-	(99)	-	99	-100.0%	(113)	(113)	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>1,977</b>	<b>2,267</b>	<b>2,394</b>	<b>127</b>	<b>5.6%</b>	<b>2,519</b>	<b>125</b>	<b>5.2%</b>
Contractual Services	571	1,122	1,486	365	32.5%	1,963	477	32.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	(1)	-	-	-	0.0%	-	-	0.0%
Operating Supplies	2	4	1	(3)	-80.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	8	28	28	(1)	-1.8%	28	-	0.0%
Business Development	1,017	1,579	2,148	570	36.1%	2,360	212	9.9%
Equipment Rentals and Repairs	2	10	15	5	53.4%	16	1	3.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>1,599</b>	<b>2,742</b>	<b>3,678</b>	<b>936</b>	<b>34.1%</b>	<b>4,368</b>	<b>690</b>	<b>18.8%</b>
<b>Total Operating Expenses</b>	<b>3,577</b>	<b>5,009</b>	<b>6,072</b>	<b>1,063</b>	<b>21.2%</b>	<b>6,887</b>	<b>815</b>	<b>13.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>3,577</b>	<b>5,009</b>	<b>6,072</b>	<b>1,063</b>	<b>21.2%</b>	<b>6,887</b>	<b>815</b>	<b>13.4%</b>
<b>Equipment Outlay Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>750</b>	<b>750</b>	<b>0.0%</b>
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>3,577</b>	<b>5,009</b>	<b>6,072</b>	<b>1,063</b>	<b>21.2%</b>	<b>7,637</b>	<b>1,565</b>	<b>25.8%</b>



## Revenue Management & Innovation Division – Marketing, Arts, & Air Service Development

### Major Drivers of FY 2024 Budget & FY 2025 Budget



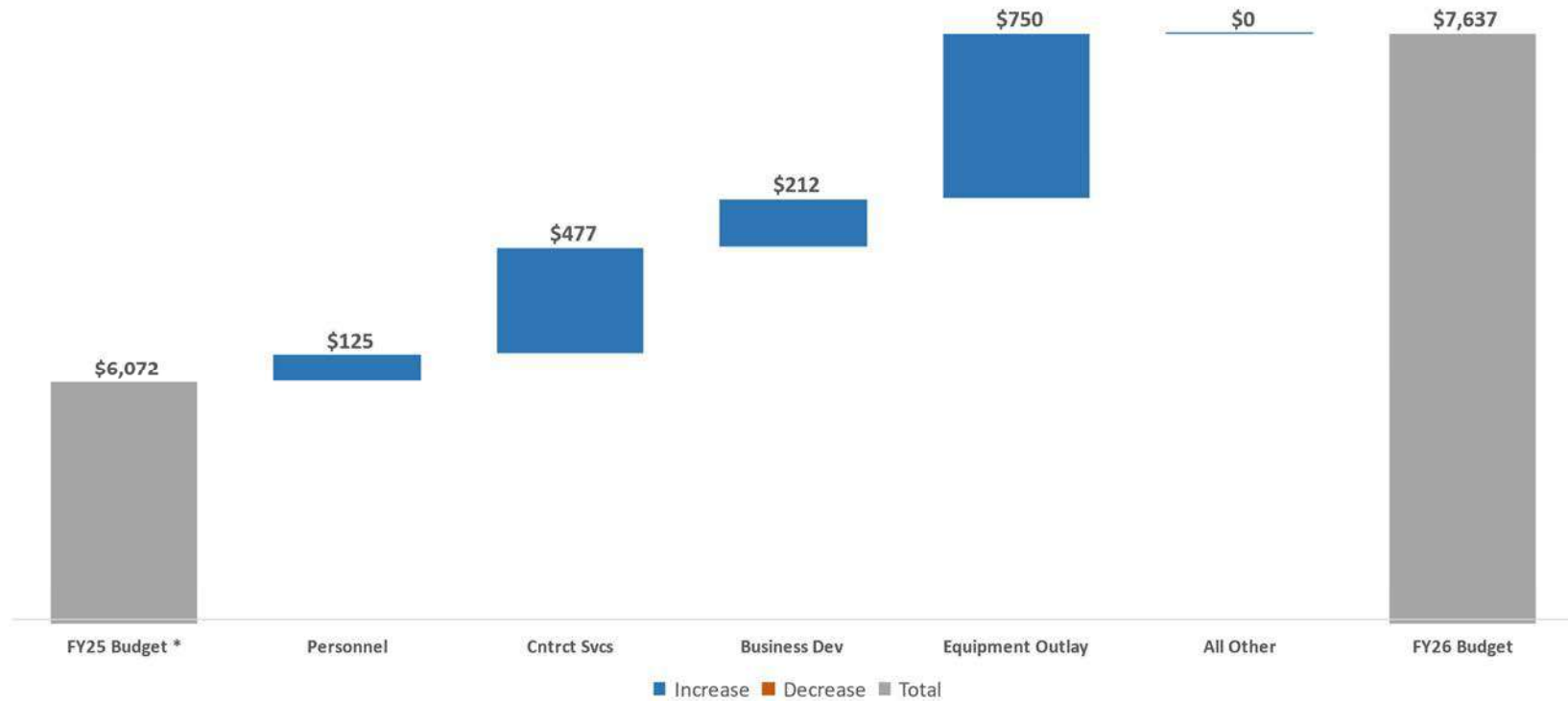
**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Increases \$100K for New T1 grand opening event, \$207K increase for website design, and \$50K increase for photo and video services

**Business Development:** Increase \$277K for air service advertising and New T1 advertising, \$100K increase New T1 promotional material, and \$175K increase for concessions marketing promotional activities

## Revenue Management & Innovation Division – Marketing, Arts, & Air Service Development

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)  
 \* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Increases \$550K for New T1 grand opening event, \$50K increase for marketing contractual services, \$25K increase for video and photography contracts, and (\$200K) reduction for website design

**Business Development:** Increases \$141K for air service advertising and \$100K for New T1 promotional advertising

**Equipment Outlay:** Increases \$750K for New T1 and T2W art cases

# Revenue Management & Innovation Division – Marketing, Arts, & Air Service Development

## FY 2024 Progress Report

1. Make progress toward new service from Latin America, and additional service to Europe and Asia.

**Progress:** Discussions with Latin American and European carriers have progressed. Advanced talks continue with several carriers on service to Latin America; British Airways announced increase to double-daily service in April 2024; Air Service Development team scheduled HQ visits to additional EU carriers late Spring 2024.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Raise community awareness of SAN's nonstop service (where we fly).

**Progress:** Marketing executed an air service awareness campaign Summer 2023, strengthening awareness of nonstops to Asia, Canada, and Europe. The campaign resulted in nearly 9 million impressions and 119,815 clicks from San Diego, Orange, and Riverside counties. More than 100,000 new users visited the three nonstop flight landing pages accounting for 23.92% of all traffic across san.org.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

3. Launch new concessions marketing program to raise awareness of and attract passengers into airport shops and restaurants.

**Progress:** The Marketing team launched its Seasons are Nicer at SAN campaign in 2023, executing on 2 of 3 seasonal campaigns in 2023—Summer and Holiday—with Spring 2024 to finish off its FY24 campaign in partnership with concessionaires. The team collaborated with the Arts team to deliver an experiential component in addition to paid media and on-campus channels to drive awareness of F&B and Retail offerings.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 5B. Invest/participate in innovation that improves efficiency or enhances revenue

4. Develop plan to deliver seamless brand experience for customers by the opening of Phase 1A of New T1.

**Progress:** Marketing developed its plan to deliver a seamless brand experience by the opening of New T1 in September 2025. The plan anchors on investments aligned with budget, beginning with the redesign of San.org in FY24-25. Future initiatives include the redesign of on-campus signage, the airport's shuttle fleet, and other airport-owned assets.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

## Revenue Management & Innovation Division – Marketing, Arts, & Air Service Development

5. Build excitement for NT1 by continuing to develop all related arts projects, including public art commissions, performance stages, Arts Zone, display cases, relocated artwork, and other amenities, while growing ongoing performing arts, temporary exhibitions, and public art programming for the enhanced experience of our customers, per the Arts Master Plan.

**Progress:** NT1 Public art commissions for Phase 1A have completed design development and are in the midst of producing construction documents for permitting with the City. All Phase 1A projects expected to be in fabrication by Summer 2024. The design of the Performance stages for NT1 has been completed and construction drawings are in progress. The Arts team also developed a strategic plan for New T1 temporary exhibition programming.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 3D. Further develop arts and cultural programming through strategic community partnerships that expand awareness

# Revenue Management & Innovation Division – Marketing, Arts, & Air Service Development

## FY 2025 – FY 2026 Goals

1. Make progress toward new service from Latin America, and additional service to Europe and Asia.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

2. Raise community awareness of SAN's nonstop service.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 1A. Attract domestic and international airlines and passengers

3. Execute the plan to deliver seamless brand experience for customers by the opening of Phase 1A of New T1.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

4. Make progress on all related arts projects for New T1, including installations and programming for public art commissions, performing arts, and temporary exhibitions.

**Strategic Plan Focus Area:**

- Transform the Customer Experience

**Strategic Initiative:**

- 3D. Further develop arts and cultural programming through strategic community partnerships that expand awareness

5. Develop a plan to celebrate the grand opening of New T1.

**Strategic Plan Focus Area:**

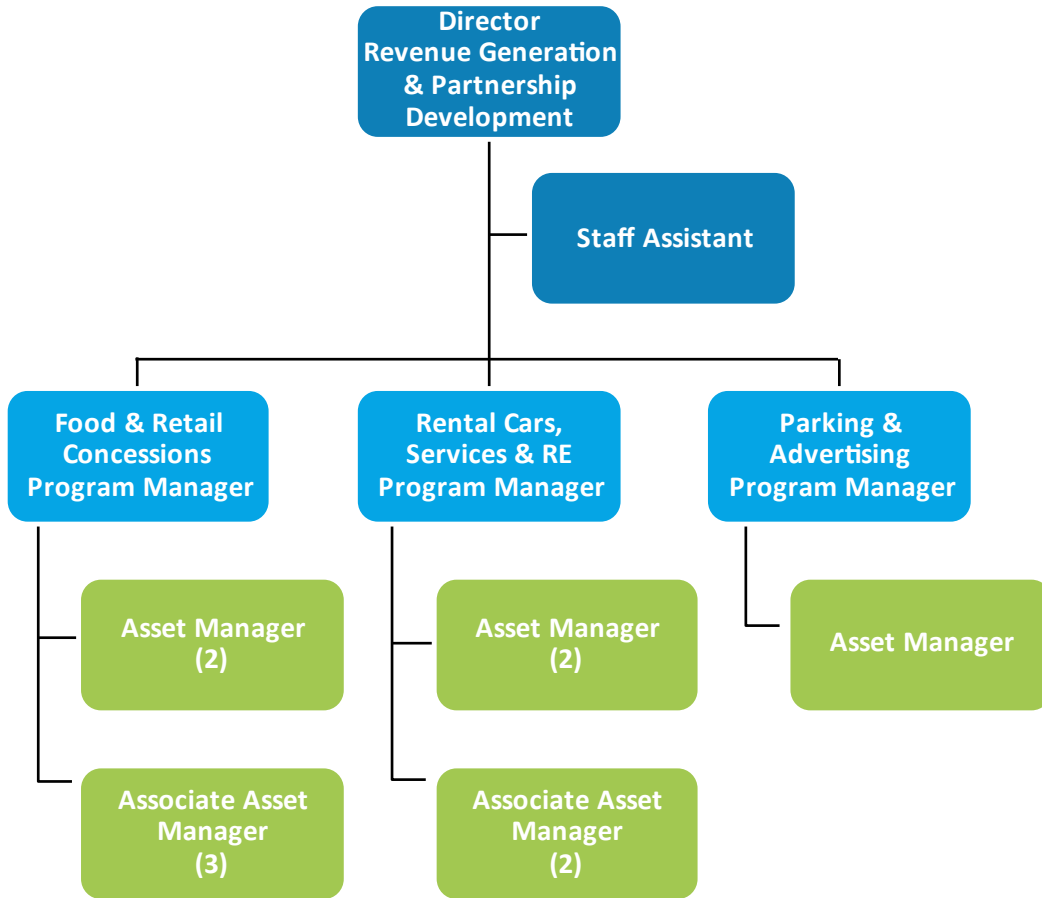
- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

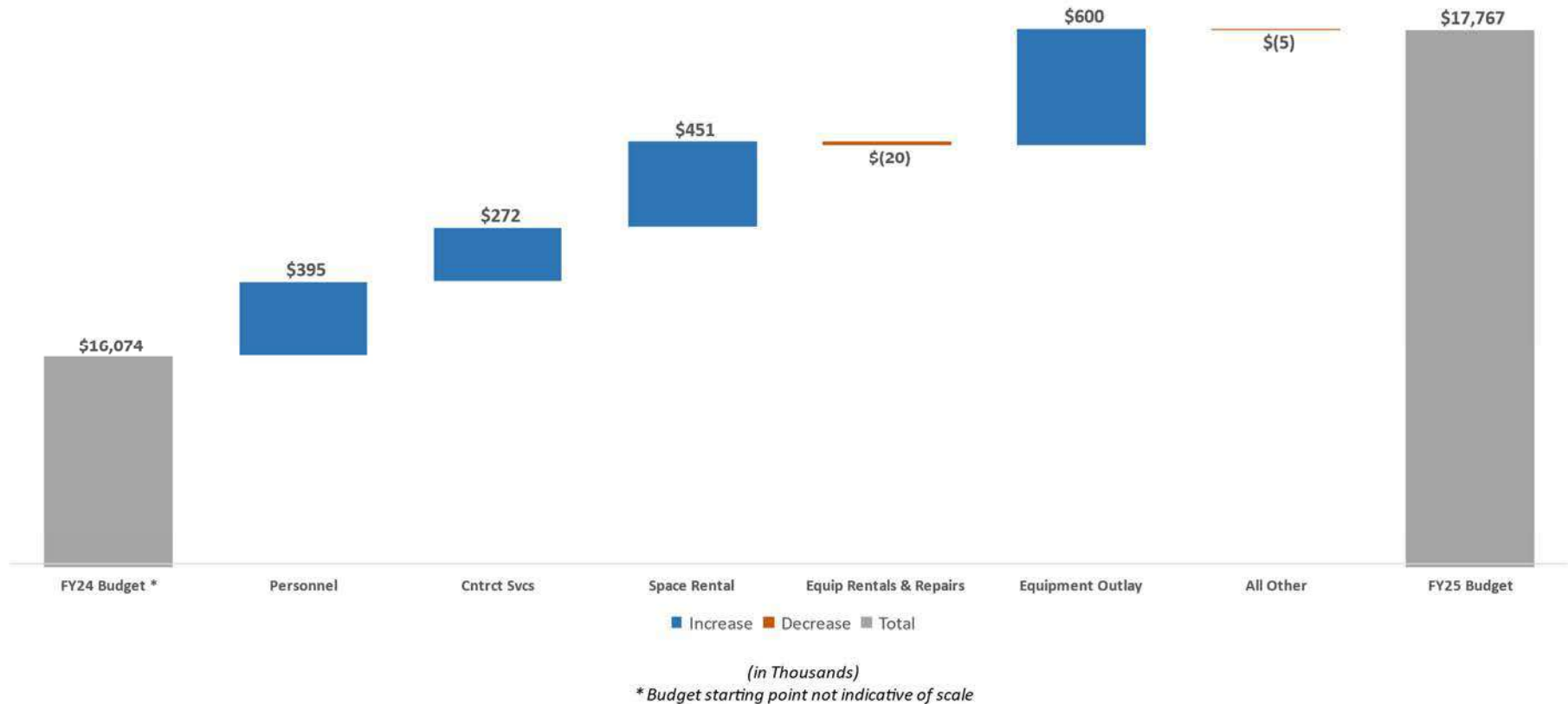
## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	1,554	1,959	1,944	(15)	-0.8%	2,022	78	4.0%
Benefits	832	823	785	(38)	-4.6%	854	69	8.8%
<b>Subtotal</b>	<b>2,386</b>	<b>2,782</b>	<b>2,729</b>	<b>(53)</b>	<b>-1.9%</b>	<b>2,876</b>	<b>147</b>	<b>5.4%</b>
Less: Capitalized Labor Recharge	-	(448)	-	448	-100.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>2,386</b>	<b>2,334</b>	<b>2,729</b>	<b>395</b>	<b>16.9%</b>	<b>2,876</b>	<b>147</b>	<b>5.4%</b>
Contractual Services	2,245	2,690	2,962	272	10.1%	3,300	338	11.4%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	10,791	10,561	11,012	451	4.3%	11,021	9	0.1%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	5	4	2	(2)	-47.9%	2	(0)	-3.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	34	36	38	2	6.2%	39	1	2.6%
Business Development	10	342	337	(5)	-1.5%	437	100	29.7%
Equipment Rentals and Repairs	155	107	87	(20)	-19.0%	97	10	11.5%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>13,241</b>	<b>13,740</b>	<b>14,438</b>	<b>698</b>	<b>5.1%</b>	<b>14,895</b>	<b>457</b>	<b>3.2%</b>
<b>Total Operating Expenses</b>	<b>15,627</b>	<b>16,074</b>	<b>17,167</b>	<b>1,094</b>	<b>6.8%</b>	<b>17,772</b>	<b>605</b>	<b>3.5%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>15,627</b>	<b>16,074</b>	<b>17,167</b>	<b>1,094</b>	<b>6.8%</b>	<b>17,772</b>	<b>605</b>	<b>3.5%</b>
Equipment Outlay Expenditures	-	-	600	600	0.0%	-	(600)	-100.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>15,627</b>	<b>16,074</b>	<b>17,767</b>	<b>1,694</b>	<b>10.5%</b>	<b>17,772</b>	<b>5</b>	<b>0.0%</b>

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### Major Drivers of FY 2024 Budget & FY 2025 Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Includes \$155K for Concessions Quality Assurance Program, \$90K increase for hood/vent cleaning, \$75K parking consultant, and \$33K increase for the Receiving Distribution Center

**Space Rental:** \$434K for the Navy Lease Parcel and \$17K for a full year leasing the North Harbor viewing lot

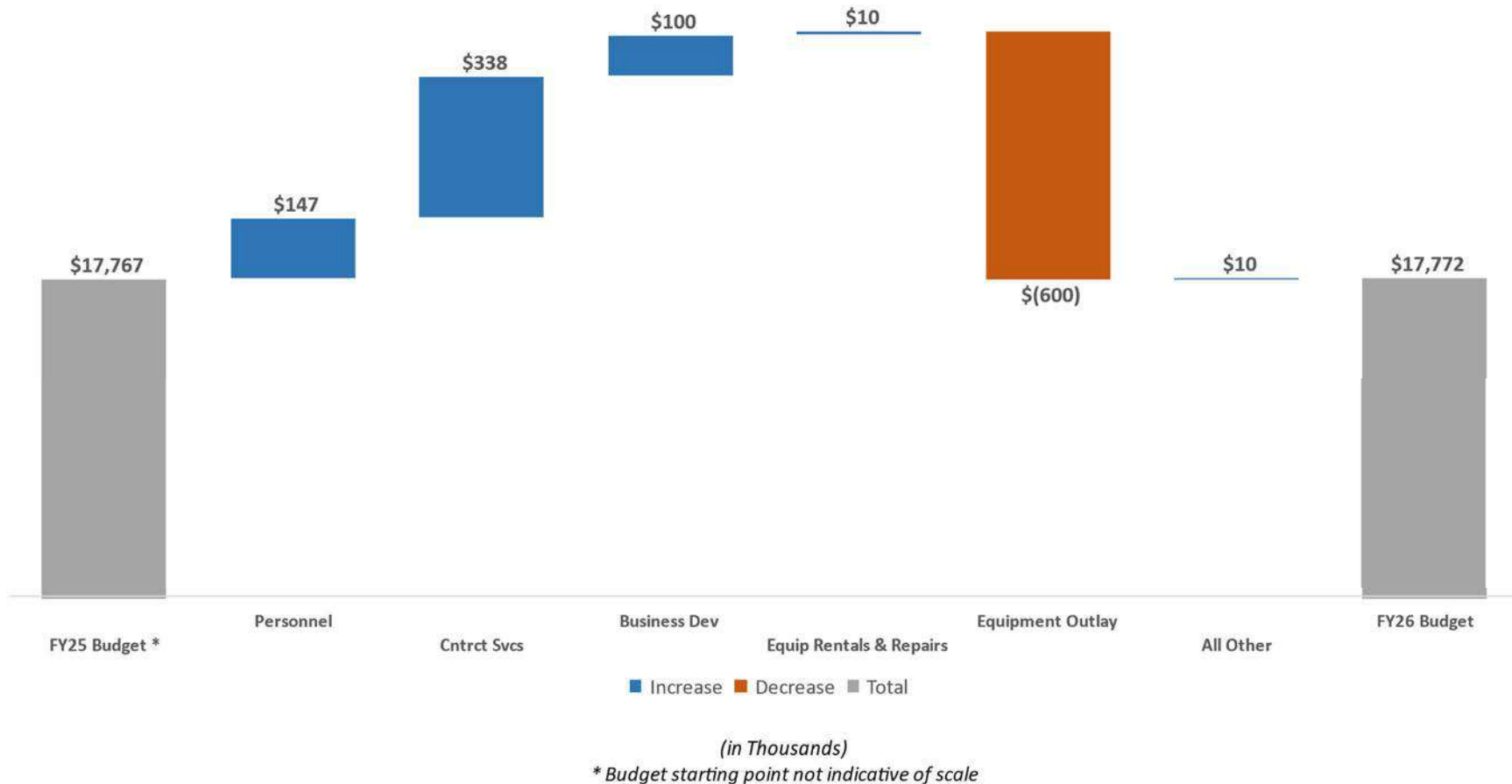
**Equipment Rental and Repair:** Reduction of (\$20K) for the tenant software upgrades completed in FY24

**Equipment Outlay:** Includes \$600K in screening equipment for the Receiving Distribution Center



## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Increase \$361K for the Receiving Distribution Center and (\$23K) reduction in hood/vent cleaning

**Business Development:** \$100K parking media advertising

**Equipment Outlay:** Reduction (\$600K) for a FY25 one-time spend on the screening equipment for the Receiving Distribution Center

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## FY 2024 Progress Report

1. Negotiate and execute new lease agreements for Terminal 1 food & Beverage, retail, common use lounge, indoor and outdoor advertising.

### Progress:

- Negotiations with all Terminal 1 food & beverage and retail agreements are concluded.
- Lease agreements for prime food & beverage concessionaires High Flying Foods & Areas are executed.
- Legal staff continues to work on ‘approved to form’ lease drafts for single unit F&B and retail concessionaires.
- Common use lounge received no RFP responses. Preparing to re-issue opportunity with reduced capital investment requirement
- Conducting industry outreach in February 2024 to determine market interest for limited number of outdoor advertising locations (potentially not viable as stand-alone opportunity). Objective is to mitigate risk of no responses if issued as an RFP
- Negotiating new in-terminal advertising contract with current provider to accommodate \$1.6M in new investment in new Terminal 1.

### Strategic Plan Focus Area:

- Advance the New T1

### Strategic Initiative:

- 2A. Align facilities to meet demand, both international and domestic

2. Execute new product development and marketing programs in accordance with the Parking Revenue Strategy, including providing guidance in solicitation/negotiations for new parking operations contract.

### Progress:

- Created flexibility to modulate price to demand in valet and drive-up parking.
- RFP for parking marketing program issued for award in April/May 2024.
- RGPD has provided significant support to the re-issuance of the parking marketing RFP in order to increase market interest in the opportunity, including definition of competing operators, revenue share provision. Issuance anticipated in early 2024.

### Strategic Plan Focus Area:

- Optimize Ongoing Business

### Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Initiate development of a strategic plan for phased transition and redevelopment of Terminal 2 concessions, including opportunities for small business participation.

### Progress:

- Participating in T2E PDD process to inform possibilities to redevelop T2E concessions as part of overall renewal.
- Focused on completion of existing program performance analysis in first half of 2024.
- Consultant support on-board; Task 1 Existing Conditions scope development is complete.
- Determined that viable small business concessions program will require amendment to Policy 6.01 to create more flexible competitive process for shorter term “incubator” opportunities.

## Revenue Management & Innovation Division – Revenue Generation & Partnership Development

### Strategic Plan Focus Area:

- Optimize Ongoing Business

### Strategic Initiative:

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

4. Collaborate with Marketing and contracted resources to execute a new concessions marketing program that will grow sales by increasing awareness of the restaurant and retail offering at SAN and creating experiences that promote incremental spending.

### Progress:

- In collaboration with Marketing, the concessions program marketing has improved dramatically with both increased promotional activity and terminal customer service efforts.
- Marketing plans to solicit for a new outside advertising agency in 2024 to support new campaigns which seek to promote resident traveler awareness of concession offerings.

### Strategic Plan Focus Area:

- Transform the Customer Experience

### Strategic Initiative:

- 1C. Define and deliver a seamless, unique, consistent airport and product experience

# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

## FY 2025 – FY 2026 Goals

1. New Terminal 1: Advance on-time opening of 15 new concessions locations in collaboration with ADC (design), City (permitting), ORAT (facility commissioning) and concessionaire businesses.

**Strategic Plan Focus Area:**

- Advance Airport Development

**Strategic Initiative:**

- 2A. Align facilities to meet demand, both international and domestic

2. Terminal 2E Planning: Advocate for sound planning decisions that will drive the ability for concessions to serve passengers and maintain/improve revenues during terminal renovation and post-completion.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

3. Terminal 2 Concessions Redevelopment: Develop next generation T2 Concessions to maximize revenue.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

4. Current Concessions Business: Manage and advocate for current lines of business to maximize revenues (F/B, retail, advertising)

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

5. Airport Terminal Parking: Transform airport parking to a methodically managed line of business capable of driving greater revenues.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

6. Transportation Concessions: Protect & grow revenues from transportation concessions (RACs, Turo, Off-site car rental)

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

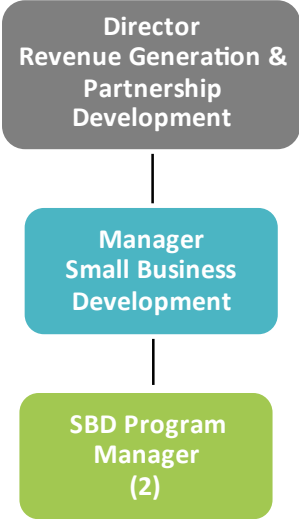
# Revenue Management & Innovation Division – Revenue Generation & Partnership Development

**Strategic Initiative:**

- 5D. Evaluate contracts and partnerships for opportunities to improve revenue and expense profile

# Revenue Management & Innovation Division – Small Business Development

## FY 2025 – FY 2026 Organizational Structure



*No personnel changes in FY 2026*

## Revenue Management & Innovation Division – Small Business Development

### FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Proposed Budget	Inc / (Dec) FY25 Budget vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Proposed	% Change
<b>Operating Expenses</b>								
Salaries	385	444	461	17	3.9%	479	18	4.0%
Benefits	159	181	199	18	10.2%	218	18	9.3%
<b>Subtotal</b>	<b>543</b>	<b>624</b>	<b>660</b>	<b>36</b>	<b>5.7%</b>	<b>697</b>	<b>37</b>	<b>5.6%</b>
Less: Capitalized Labor Recharge	(97)	(240)	(288)	(48)	20.0%	(305)	(16)	5.6%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
<b>Total Personnel Costs</b>	<b>446</b>	<b>384</b>	<b>372</b>	<b>(12)</b>	<b>-3.2%</b>	<b>392</b>	<b>21</b>	<b>5.6%</b>
Contractual Services	32	40	30	(10)	-25.0%	20	(10)	-33.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	-	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	1	0	(1)	-83.3%	0	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	10	25	19	(6)	-24.2%	20	1	5.3%
Business Development	21	44	47	3	7.7%	48	0	1.1%
Equipment Rentals and Repairs	35	45	46	1	2.2%	46	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Personnel Costs</b>	<b>99</b>	<b>154</b>	<b>142</b>	<b>(13)</b>	<b>-8.2%</b>	<b>133</b>	<b>(9)</b>	<b>-6.0%</b>
<b>Total Operating Expenses</b>	<b>544</b>	<b>538</b>	<b>513</b>	<b>(25)</b>	<b>-4.6%</b>	<b>525</b>	<b>12</b>	<b>2.4%</b>
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
<b>Total Non-Operating Expenses</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>544</b>	<b>538</b>	<b>513</b>	<b>(25)</b>	<b>-4.6%</b>	<b>525</b>	<b>12</b>	<b>2.4%</b>
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
<b>Total Authority Expenses Incl Equip Outlay</b>	<b>544</b>	<b>538</b>	<b>513</b>	<b>(25)</b>	<b>-4.6%</b>	<b>525</b>	<b>12</b>	<b>2.4%</b>

## Revenue Management & Innovation Division – Small Business Development

### Major Drivers of FY 2024 Budget & FY 2025 Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Higher capitalization rate

**Contractual Services:** Reduction includes (\$10K) due to small business consultant no longer needed

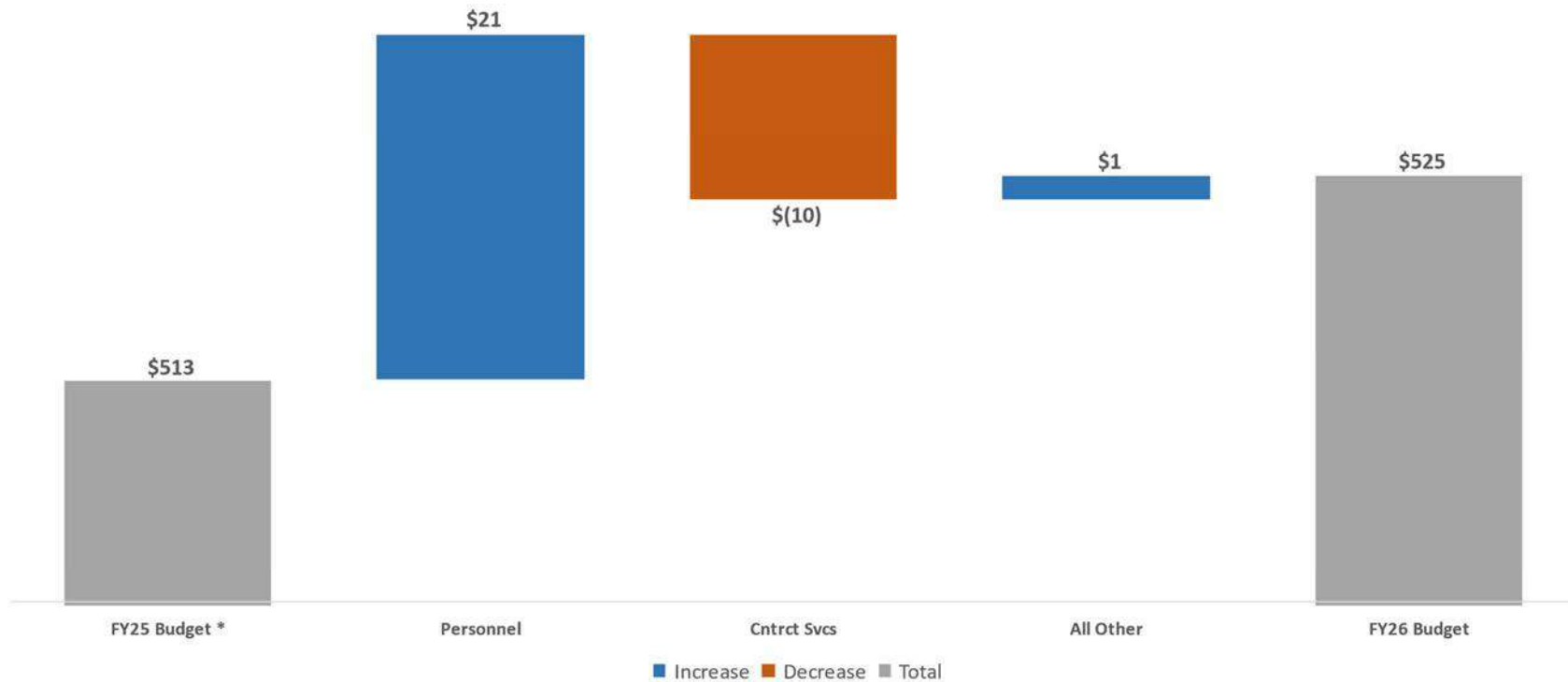
**Employee Development:** Decrease (\$6K) due to decrease seminars and training

**Business Development:** Increase \$3K due to adding an additional conference



## Revenue Management & Innovation Division – Small Business Development

### Major Drivers of FY 2025 Budget & FY 2026 Conceptual Budget



(in Thousands)

\* Budget starting point not indicative of scale

**Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

**Contractual Services:** Reduction includes (\$10K) due to New T1 small business consultant no longer needed

# Revenue Management & Innovation Division – Small Business Development

## FY 2024 Progress Report

1. Collaborate with New T1 contractors and other major projects to facilitate their Small Business, Local Business, Veteran Owned Small Business, and Disadvantaged Business Enterprise (DBE) goals.

**Progress:** In September, the Small Business Development Department (SBDD) hosted the annual Meet the Prime event, which brought 14 major contractors working on the New T1 project and over 200 small business owners to learn more about contracting opportunities. The SBD staff continues to work Turner Construction on the annual Turner School of Construction Management and co-hosted two training events with Sundt construction on small business compliance training.

**Strategic Plan Focus Area:**

- Advance the New T1

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

2. Continue to enhance and improve customer service, diversity equity and inclusion through education, outreach, and transparency to the business community.

**Progress:** The Small Business Development Department (SBDD) has participated in 13 outreach events to date in FY 23. Staff has made presentations on doing business with the Airport Authority to groups such as the Association of General Contractors, the Associated Subcontractors Alliance, and the Asian Business Association, as well as serving as a panelist at events hosted by our business association partners.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN’s role in economic growth

## Revenue Management & Innovation Division – Small Business Development

### FY 2025 – FY 2026 Goals

1. Partner with Prime Contractors to identify contract opportunities and conduct targeted opportunity awareness events for DBEs to increase participation on the New T1 (NT1) project and other federally funded projects.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

2. Develop and execute annual outreach plan which includes outreach to key business and community organizations as well as targeted outreach to specific skills and trades to increase DBE, Small, Local and Veteran businesses in airport construction projects.

**Strategic Plan Focus Area:**

- Optimize Ongoing Business

**Strategic Initiative:**

- 3A. Execute regional engagement and education plan to clearly communicate SAN's role in economic growth

# Debt Service



## Debt Service

### Overview

Capital projects are funded by a combination of sources, including short-term and long-term debt instruments. Debt service amounts appearing in the budget are based on payments of principal, interest, and fees for the revenue bonds and variable debt. Debt service expenses (which also include amortization of bond premiums and cost of issuance fees) are projected at \$214.6M for the FY 2025 Budget and \$251.5M for the FY 2026 Conceptual Budget (see *Debt Service by Source*).

### Allowed Purposes and Types of Debt

The Airport Authority does not have taxing power and, therefore, issues revenue bonds to finance the construction of airport projects. The bonds are called revenue bonds because their repayment is secured solely by revenues produced by the Airport system. The Airport Authority may also issue special facility obligations to finance capital projects. Such obligations must be secured by a defined revenue stream derived from or relating to discrete facilities.

### Debt Limit Policy

The Airport Authority's policy is to manage its current and future debt service requirements in compliance with all bond covenants while prudently meeting its capital needs. The Airport Authority does not have a legal debt limit but is constrained by its bond indenture requirement for debt service coverage, which requires that net revenues (generally defined as operating revenues less operating expenses) pledged to pay debt service exceed 125% (1.25x) of annual senior lien bond debt service and that subordinate net revenues shall exceed 110% (1.10x) of subordinate lien debt service. This acts as a cap on the annual debt service, not a cap on the amount of outstanding debt, and is a common provision in airport bond resolutions. A debt service coverage table is shown on page 271.

In addition, the Board has adopted a debt policy that calls for minimum debt service coverage of 140% (1.40x) for aggregate debt service coverage (senior and subordinate) calculated where PFCs used to pay debt service and federal relief applied to debt service, if any, are added to Net Revenues (rather than deducted from Debt Service). Other debt targets in the adopted debt policy include a debt per enplanement target of \$300-\$400 and a Net Debt to/Cash Flow Available to Debt Service (CFADS) target range of 8x to 11x. Net Debt to CFADS is the ratio of gross debt (including long-term capital leases) less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest, and PFCs available for debt service).

## Outstanding Debt

### Series 2023 Bonds – Senior Airport Revenue Bonds

On October 3, 2023, the Airport Authority issued \$1,061.98M of Series A and B Senior Airport Revenue Bonds (Series 2023 Bonds). The Senior Series 2023 Bonds were issued to finance the New T1 development at SAN, fund a portion of the interest accruing on the subordinate Series 2023 Bonds, fund the subordinate reserve fund, pay the costs of issuance of the subordinate Series 2023 Bonds, and to repay outstanding subordinate revolving obligations, and purchase \$40.4M outstanding Subordinate Airport Revenue Refunding Bonds, Series 2021C which were tendered by the holders. The Series 2023 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 5.0% to 5.25% and mature in fiscal years 2025 to 2059. Series 2023A were

## Debt Service

issued at a premium of \$2.8M and Series 2023B were issued at a discount of \$939M, the premium and discount are being amortized over the life of the bonds. Interest on the Senior Series 2023 Bonds is payable semiannually on January 1 and July 1, of each year.

### Series 2017, 2019, 2020 & 2021 Bonds – Subordinate Airport Revenue Bonds

On July 18, 2017, the Airport Authority issued \$291.2M of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds). The Subordinate Series 2017 Bonds were issued to finance certain capital improvements at SAN, including the Parking Plaza and the Federal Inspection Station (FIS) facility; fund a portion of the interest accruing on the subordinate Series 2017 Bonds; refund \$32.6M of the Airport Authority's outstanding variable rate debt; fund the subordinate reserve fund and pay the costs of issuance of the subordinate Series 2017 Bonds. The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2023 to 2048. The bonds were issued at a premium of \$48.4M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2017 Bonds is payable semiannually on January 1 and July 1 of each year.

On December 11, 2019, the Airport Authority issued \$463.7M of Series A and B Subordinate Airport Revenue Bonds (Series 2019 Bonds). The Subordinate Series 2019 Bonds were issued to finance certain capital improvements at SAN, including Airport Support Facilities, Storm Water Infiltration Beds, Baggage handling and Bag make-up upgrades; fund a portion of the interest accruing on the subordinate Series 2019 Bonds; refund \$34.3M of the Airport Authority's outstanding variable rate debt; fund the subordinate reserve fund; pay the costs of issuance of the subordinate Series 2019 Bonds and to refund the 2010 Series C bonds. The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2023 to 2050. The bonds were issued at a premium of \$96.9M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2019 Bonds is payable semiannually on January 1 and July 1, of each year.

On April 8, 2020, the Airport Authority issued \$241.6M of Series A, B and C Subordinate Airport Revenue Bonds (Series 2020 Bonds). The Subordinate Series 2020 Bonds were issued as forward delivery Bonds (the Bonds were priced concurrently with the 2019 Bonds in November 2019). The Series 2020 Bonds were issued to refund the Series 2010 A and B Bonds. The Series 2020 Bonds are structured as serial bonds that bear interest at a rate of 5.0% and mature in fiscal years 2023 to 2041. The bonds were issued at a premium of \$49.4M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2020 Bonds is payable semiannually on January 1 and July 1 of each year.

On December 8, 2021, the Airport Authority issued \$1,941.7M of Series A, B, and C Subordinate Airport Revenue Bonds (Series 2021 Bonds). The Subordinate Series 2021 Bonds were issued to finance The New T1 development at SAN, fund a portion of the interest accruing on the subordinate Series 2021 Bonds, fund the subordinate reserve fund, pay the costs of issuance of the subordinate Series 2021 Bonds, and to refund the 2013 Series A and B bonds. The Series 2021 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in Fiscal Years 2027 to 2057 and were issued at a premium of \$332.4M, which is being amortized over the life of the bonds. The Series 2021 C Bonds are Federally Taxable Bonds and are structured as serial and term bonds that bear interest at rates ranging from .45% to 3.1% and mature in fiscal years 2023 to 2037. Interest on the Subordinate Series 2021 Bonds is payable semiannually on January 1 and July 1, of each year.

## Debt Service

The Series 2017 Bonds, 2019 Bonds, 2020 and 2021 Bonds are payable solely from and secured by a pledge of “Subordinate Net Revenues.” Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority’s Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

### Series 2014 Bonds – Senior Special Facilities Revenue Bonds

On February 19, 2014, the Airport Authority issued \$305.3M in Senior Special Facilities Revenue Bonds. The Bond Proceeds were used to finance the construction of the Rental Car Center and certain CIP-related projects. The bonds were issued in the following series and amounts: Series A (non-AMT) \$29.4M; and Series B (Federally Taxable) \$275.9M.

The Series 2014 Bonds were structured as serial and term bonds that bear interest rates ranging from 2.5% to 5.6% maturing in Fiscal Years 2023-2045.

The Series 2014 Bonds are payable solely from and secured by a pledge of the “Trust Estate”, which includes Customer Facility Charges (CFCs) and bond funding supplemental consideration, payable by the rental car companies in the event that CFCs are insufficient to meet the Bond funding obligations.

## Debt Rating

The following table outlines the credit ratings for the Airport Authority’s outstanding bond issues.

Rating Agency	Standard & Poor’s	Moody’s	Fitch
Series 2023 (Senior)	N/A	A1	AA-
Series 2017, 2019, 2020 and 2021 (Subordinate)	A	A2	A+
Series 2014 (Special Facility)	BBB+	A3	N/A

## Variable Rate Debt

On July 18, 2024, The Airport Authority and Bank of America agreed to an Amended and Restated Revolving Credit Agreement. The Airport Authority is authorized to issue up to \$200.0M in subordinate revolving obligations. The revolving credit agreement is for a term of three (3) years. At the date of the Amended and Restated Agreement there were no Revolving Obligations outstanding. Obligations incurred under the Revolving Credit Agreement are payable solely from and secured by a pledge of “Subordinate Net Revenues.” Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority’s Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

## Debt Service

### Debt Service Coverage

The following table shows debt service coverage on the aggregate senior and subordinate lien debt.

(in thousands)

	FY 2023 Actuals	FY 2024 Budget	FY 2025 Budget	FY 2026 Conceptual Budget
Airport Revenues	\$ 409,432	\$ 448,980	\$ 527,719	\$ 540,873
Operations & Maintenance Expenses	(177,922)	(192,826)	(213,107)	(236,480)
Net Revenue available for Senior & Subordinate Lien Debt Service	231,510	256,154	314,612	304,393
Senior Bond Debt Service	-	-	4,186	53,791
PFCs used to pay Debt Service	-	-	-	(35,750)
Senior Bond Debt Service, Net of PFCs	\$ 0	-	\$ 4,186	18,042
Senior Bonds Debt Service Coverage (x)	N/A	N/A	75.15	16.87
Subordinate Net Revenues	\$ 231,510	\$ 256,128	\$ 310,425	\$ 286,351
Subordinate Lien Bond Debt Service	99,437	103,202	92,565	141,826
PFCs used to pay Debt Service	-	-	-	(55,250)
Subordinate Debt Service, Net of PFCs and BAB Subsidy	\$ 99,437	\$ 103,202	\$ 92,565	\$ 86,575
Subordinate Debt Service Coverage (x)	2.33	2.48	3.35	3.31
Aggregate (Senior and Subordinate Lien) Debt Service	\$ 99,437	\$ 103,202	\$ 96,751	\$ 195,617
PFCs used to pay Debt Service	-	-	-	(91,000)
Total Debt Service, Net of PFCs and BAB Subsidy	\$ 99,437	\$ 103,202	\$ 96,751	\$ 104,617
Total Debt Service Coverage (x)	2.33	2.48	3.25	2.91
Net Revenue (Including PFC, BAB Subsidy and CARES Act Grant)	\$ 99,437,373	\$ 103,201,816	\$ 96,750,837	\$ 195,617,118
Net Revenue (Including PFC, BAB Subsidy and Federal Relief)	\$ 231,510	\$ 256,154	\$ 314,612	\$ 395,393
Revenue Method - Debt Service Coverage on Aggregate Debt	2.33	2.48	3.25	2.02

The following table shows debt service coverage on the CFC bond debt.



## Debt Service

(in thousands)

	FY 2023 Actuals	FY 2024 Budget	FY 2025 Budget	FY 2026 Conceptual Budget
CFC Collections	\$ 34,375	\$ 34,544	\$ 35,438	\$ 36,147
Transfer From Stabilization Account	-	-	-	-
Interest Earnings	704	1,177	1,555	1,361
<b>Total Amounts Available</b>	<b>\$ 35,079</b>	<b>\$ 35,721</b>	<b>\$ 36,993</b>	<b>\$ 37,508</b>
Rolling Coverage Fund Balance	\$ 6,575	\$ 6,576	\$ 6,576	\$ 6,576
<b>Total Amounts Available, plus Rolling Coverage Fund Balance</b>	<b>\$ 41,654</b>	<b>\$ 42,296</b>	<b>\$ 43,569</b>	<b>\$ 44,084</b>
<b>Aggregate Annual Debt Service</b>	<b>\$ 21,917</b>	<b>\$ 21,919</b>	<b>\$ 21,920</b>	<b>\$ 21,919</b>
Coverage excluding Rolling Coverage Fund	1.60	1.63	1.69	1.71
Coverage including Rolling Coverage Fund	1.90	1.93	1.99	2.01

## Debt Service

### Outstanding Debt Service

(in thousands)

Aggregate Senior and Subordinate Debt Service							Special Facility Debt
Year Ended July 1	2017 Subordinate Bonds Principal and Interest	2019 Subordinate Bonds Principal and Interest	2020 Subordinate Bonds Principal and Interest	2021 Subordinate Bonds Principal and Interest	2023 Senior Bonds Principal and Interest	Total	2014 CFC Bonds
2023	18,915	27,994	25,864	98,471	0	171,244	21,917
2024	18,916	27,994	25,867	94,868	39,167	206,811	21,919
2025	18,912	26,889	20,337	93,716	56,800	216,654	21,920
2026	18,915	26,889	20,328	90,846	53,791	210,769	21,919
2027	18,916	26,894	20,331	90,851	53,791	210,784	21,919
2028	18,917	26,889	20,335	90,854	68,241	225,237	21,920
2029	18,915	26,889	20,338	90,851	68,239	225,231	21,920
2030	18,916	26,888	20,332	91,349	68,235	225,720	21,918
2031	18,918	36,720	18,008	100,806	69,454	243,905	21,922
2032	18,915	37,957	16,744	102,189	69,137	244,942	21,920
2033	18,917	37,939	16,816	101,003	70,046	244,721	21,920
2034	18,912	39,473	15,260	105,387	68,033	247,065	21,917
2035	18,915	43,905	10,809	109,035	68,034	250,697	21,918
2036	18,918	43,877	10,805	104,619	71,472	249,691	21,921
2037	18,916	43,845	10,812	108,328	68,128	250,030	21,918
2038	18,913	43,808	10,807	108,370	68,183	250,081	21,919
2039	18,913	43,769	10,811	108,400	68,237	250,129	21,919
2040	18,918	43,734	10,820	108,450	68,292	250,214	21,918
2041	18,918	18,423	-	139,955	72,346	249,642	21,921
2042	18,921	18,418	-	139,953	72,345	249,637	21,922
2043	18,915	18,418	-	139,957	72,349	249,639	21,922
2044	18,919	18,416	-	115,501	67,064	219,899	21,919
2045	18,916	18,417	-	115,508	67,069	219,910	-
2046	18,914	18,421	-	115,510	67,064	219,908	-
2047	18,916	18,418	-	115,502	67,066	219,901	-
2048	-	18,417	-	116,099	67,060	201,576	-
2049	-	18,417	-	116,101	67,061	201,579	-
2050	-	-	-	120,746	67,061	187,807	-
2051	-	-	-	120,746	67,059	187,805	-
2052	-	-	-	148,111	67,065	215,177	-
2053	-	-	-	148,101	67,064	215,165	-
2054	-	-	-	148,105	67,060	215,165	-
2055	-	-	-	148,105	67,064	215,168	-
2056	-	-	-	148,107	67,065	215,171	-
2057	-	-	-	-	67,065	67,065	-
2058	-	-	-	-	67,063	67,063	-
2059	-	-	-	-	-	-	-
2060	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 472,894</b>	<b>\$ 798,117</b>	<b>\$ 305,422</b>	<b>\$ 3,894,495</b>	<b>\$ 2,320,272</b>	<b>\$ 7,791,200</b>	<b>\$ 482,229</b>

## Debt Service

### Debt Service by Source

<i>(in thousands)</i>	FY2023 Actuals	FY2024 Budget	FY2025 Budget	Inc / (Dec) FY25 vs FY24 Budget	% Change	FY2026 Conceptual Budget	Inc / (Dec) FY26 Conceptual vs FY25 Budget	% Change
Principal on Variable Rate Debt	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
Variable Rate Debt Interest	2,439	3,000	800	(2,200)	-73.3%	800	-	0.0%
Principal on Revenue Bonds	43,385	44,840	38,915	(5,925)	-13.2%	34,500	(4,415)	-11.3%
Interest on Revenue Bonds	127,859	149,448	177,738	28,290	18.9%	212,549	34,811	19.6%
Principal on Special Facility Bonds	-	7,045	7,440	395	5.6%	7,855	415	5.6%
Interest on Special Facility Bonds	15,247	14,874	14,480	(394)	-2.6%	14,064	(416)	-2.9%
Principal & Interest Expense – Capitalized Leases	523	877	877	0	0.0%	877	(0)	0.0%
Cost of Issuance and other Fees	(492)	1,899	(512)	(2,411)	-126.9%	5,307	5,818	-1137.0%
Amortization of Bond Premiums	(26,690)	(26,072)	(25,125)	(947)	3.6%	(24,424)	701	-2.8%
<b>Total Debt Service</b>	<b>\$ 162,272</b>	<b>\$ 195,911</b>	<b>\$ 214,614</b>	<b>\$ 18,702</b>	<b>9.5%</b>	<b>\$ 251,527</b>	<b>\$ 36,914</b>	<b>17.2%</b>

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# Capital Program



## Capital Program

### Overview

The Capital Program at SAN consists of the Capital Improvement Program (CIP), which uses traditional (Design-Bid-Build) project delivery, as well as the New Terminal 1 (New T1) program, which is being implemented under an alternative project delivery method (Design-Build). The Capital Program is a rolling five-year program that provides critical improvements and asset preservation. The Capital Program includes capital improvement projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades, and development. Funding sources for the projects include the Federal Aviation Administration's Airport Improvement Program (AIP), Transportation Security Administration (TSA) reimbursable agreements, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport operating revenues, Airport revenue bonds, Special Facility Bonds and short-term borrowing using a revolving line of credit.

### Capital Program Process

The Capital Program is designed to incorporate a dynamic process. The annual development of the capital program begins with departments submitting project requests for their functional area. These project requests are reviewed and approved by the respective department's Vice President before submission to a capital program development team led by the Airport Design and Construction department and comprised of staff representatives from various Airport Authority departments.

After the request is submitted to the development team, interviews are conducted between Airport Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Considering the Airport Authority's Sustainability Policy, a complete review is performed focusing on developing a business case that includes total costs of ownership, project feasibility, and economic viability. In addition, the operational benefit and the Airport Authority's ability to provide natural resource conservation while being socially responsible are evaluated.

Following the interviews, the development team forwards evaluations of the proposed projects to the Airport Authority's Executive Leadership Team (ELT) consisting of the Vice Presidents and President/CEO who oversee the CIP. The ELT then selects projects to advance further to develop scope, schedule, budget, and identification of risks and proposed funding sources. The ELT then recommends projects to be included in the Capital Improvement Program, or they may revise the list of projects to be presented to the Airport Authority Board based on funding availability and project necessity. Following Airport Authority Board approval of the CIP, project teams begin project implementation as planned and approved. The ELT meets weekly, reviews all new project requests, changes project scopes, budgets, and schedules, and ensures the efficient use of the Airport Authority's capital resources to accommodate the ever-changing Airport environment and regulatory requirements.

# Capital Program

## Prioritization Criteria for Capital Projects

1	Required for Part 139 or other regulatory compliance
2	Maintain core building systems - IT, Fire/Life/Safety, Mechanical, Electrical, Plumbing
3	Maintain airport access roadways and parking infrastructure
4	Enhancement to customer service, revenue generation, cost savings
5	Enhancements to systems or facilities not required by regulation

## Program Summary

(in thousands)

	New T1	CIP	Total
<b>FY 2024 – 2028 Beginning Capital Program Budget</b>	<b>\$3,834,300</b>	<b>\$389,249</b>	<b>\$4,223,549</b>
FY 2024 - 2028 Project Closeouts /Adjustments	-	(24,534)	(24,534)
<b>FY 2024 - 2028 Ending Capital Program Balance</b>	<b>\$3,834,300</b>	<b>\$364,715</b>	<b>\$4,199,015</b>
FY 2025 - 2029 New Capital Projects/Allowances/Adjustments	-	65,325	65,325
<b>FY 2025 - 2029 Capital Program Budget</b>	<b><u>\$3,834,300</u></b>	<b><u>\$430,039</u></b>	<b><u>\$4,264,339</u></b>

# Capital Program

## Sources of Funds by Fiscal Year

(in thousands)

Capital Improvement Program	Pre FY2025	FY2025	FY2026	FY2027	FY2028	FY2029	Total
Airport Revenue Bonds	\$ 73,552	\$ 42,358	\$ 28,528	\$ -	\$ -	\$ 0	\$ 144,438
Airport Cash	14,875	46,678	51,981	32,067	15,354	28,757	189,713
Federal Grants	0	(0)	10,380	12,698	5,625	3,398	32,100
Major Maintenance Fund	7,109	27,501	19,964	4,857	204	469	60,104
Other	633	1,075	1,075	716	-	-	3,500
Passenger Facility Charges	185	-	-	-	-	-	185
<b>Subtotal Capital Improvement Program</b>	<b>\$ 96,354</b>	<b>\$ 117,613</b>	<b>\$ 111,927</b>	<b>\$ 50,338</b>	<b>\$ 21,183</b>	<b>\$ 32,624</b>	<b>\$ 430,039</b>

The New T1	Pre FY2025	FY2025	FY2026	FY2027	FY2028	FY2029	Total
Airport Revenue Bonds	\$ 1,532,468	\$ 661,504	\$ 401,868	\$ 378,024	\$ 195,116	\$ 30,510	\$ 3,199,489
Airport Cash	219,865	85,520	9,896	5,321	4,114	726	325,442
Federal Grants	170,572	49,717	48,778	27,562	-	-	296,630
Major Maintenance Fund	-	-	-	-	-	-	-
Other	-	-	7,137	-	5,603	-	12,739
<b>Subtotal The New T1</b>	<b>\$ 1,922,905</b>	<b>\$ 796,741</b>	<b>\$ 467,679</b>	<b>\$ 410,907</b>	<b>\$ 204,833</b>	<b>\$ 31,235</b>	<b>\$ 3,834,300</b>

<b>TOTAL SOURCES of FUNDS</b>	<b>\$ 2,019,259</b>	<b>\$ 914,354</b>	<b>\$ 579,607</b>	<b>\$ 461,244</b>	<b>\$ 226,016</b>	<b>\$ 63,859</b>	<b>\$ 4,264,339</b>
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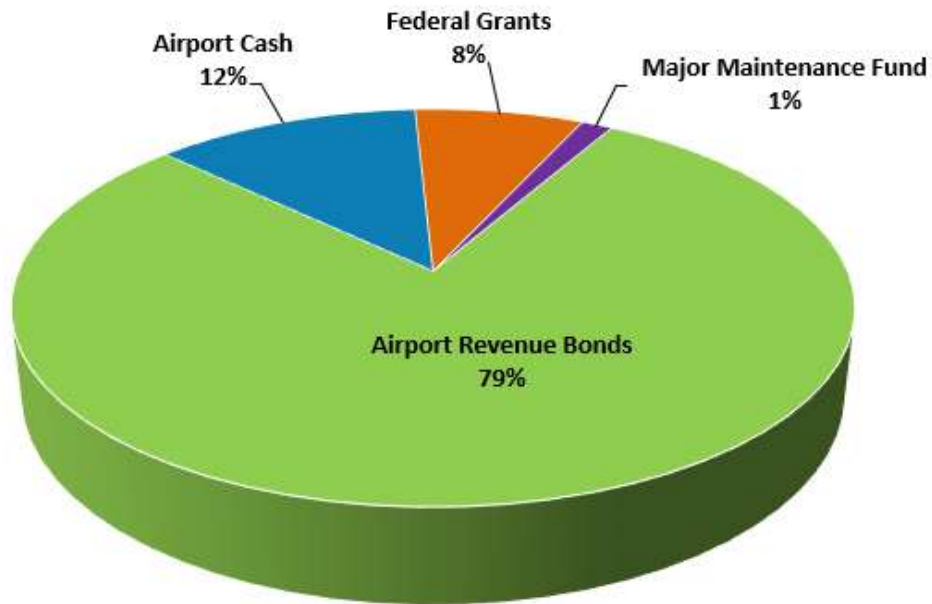


Figure 42 – Total Sources of Funds



## Capital Program

### Uses of Funds by Fiscal Year

(in thousands)

Capital Improvement Program	Pre FY2025	FY2025	FY2026	FY2027	FY2028	FY2029	Total
Terminal	\$ 31,061	\$ 37,518	\$ 34,203	\$ 10,461	\$ 4,278	\$ 5,500	\$ 123,021
Landside and Ancillary	\$ 47,773	\$ 20,666	\$ 47,544	\$ 20,848	-	-	\$ 136,831
Airside	\$ 14,202	\$ 21,937	\$ 19,075	\$ 9,999	\$ 9,100	\$ 19,200	\$ 93,513
Administrative	\$ 3,318	\$ 37,492	\$ 11,106	\$ 9,029	\$ 7,806	\$ 7,924	\$ 76,674
<b>TOTAL</b>	<b>\$ 96,354</b>	<b>\$ 117,613</b>	<b>\$ 111,927</b>	<b>\$ 50,338</b>	<b>\$ 21,183</b>	<b>\$ 32,624</b>	<b>\$ 430,039</b>

The New T1	Pre FY2025	FY2025	FY2026	FY2027	FY2028	FY2029	Total
Terminal	\$ 1,363,498	\$ 633,030	\$ 394,452	\$ 355,563	\$ 177,502	\$ 25,438	\$ 2,949,483
Landside and Ancillary	\$ 288,911	\$ 100,108	\$ 15,597	\$ 8,813	\$ 6,589	\$ 980	\$ 420,998
Airside	\$ 163,203	\$ 63,596	\$ 57,630	\$ 46,530	\$ 20,741	\$ 4,818	\$ 356,519
Administrative	\$ 107,293	\$ 7	-	-	-	-	\$ 107,300
<b>TOTAL</b>	<b>\$ 1,922,905</b>	<b>\$ 796,741</b>	<b>\$ 467,679</b>	<b>\$ 410,907</b>	<b>\$ 204,833</b>	<b>\$ 31,235</b>	<b>\$ 3,834,300</b>

<b>TOTAL USE OF FUNDS</b>	<b>\$ 2,019,259</b>	<b>\$ 914,354</b>	<b>\$ 579,607</b>	<b>\$ 461,244</b>	<b>\$ 226,016</b>	<b>\$ 63,859</b>	<b>\$ 4,264,339</b>
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## Funding

### Airport Improvement Program (AIP)

AIP grants are offered to the Airport Authority to provide funding assistance for eligible capital projects that meet the criteria of the federal program.

Title 49 United States Code (U.S.C.) authorizes the AIP. The objective of this federal program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public. The program provides not only funding for development projects but also Airport Planning and Noise Compatibility Programs. The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund to support the AIP. The U.S. Congress authorizes expenditures from this dedicated fund annually each year. The AIP includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passenger enplanements and cargo tonnage at each airport. Discretionary funds are set aside to provide the FAA the flexibility to fund various high-priority programs. The AIP typically provides funding up to 75% of eligible project costs. AIP grants must typically be expended within four years. As the Airport Authority expends funds for eligible capital projects, it is then reimbursed with grant proceeds.

Additional funding is being distributed through the AIP grant program, enabled by the Bipartisan Infrastructure Law. Approximately \$24 million per year over a five-year period will be allocated to SAN in entitlement funds. These grant funds will primarily be focused on airside projects. Competitive discretionary grants will also be available over the same five-year period through Airport Terminal Program grants.

Projected expenditures to be reimbursed by AIP grants are \$44.2M in FY 2025 and \$59.2M in FY 2026.

## Capital Program

### Passenger Facility Charge (PFC)

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies that manage commercial airports to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected are to preserve or enhance safety, security, and capacity; to reduce noise, or to enhance competition. The primary difference between AIP and PFCs is that the PFCs are a fee charged directly to the passenger, are administratively retained by the airport, and are considered local funds versus airport funds.

SAN began collecting a PFC of \$3.00 per enplaned passenger on October 1, 1995. Approved amendments to and applications for the Airport's PFC program occurred on December 16, 1997, and on June 5, 2001. The FAA approved the third passenger facility application on May 20, 2003. This established the Airport Authority's authorization to collect \$4.50 per eligible enplaned passenger effective August 1, 2003. Subsequent applications have maintained collections at the \$4.50 level. The FAA approved an eighth application in November 2010 for a total collection by Airport Authority of approximately \$1.1B in support of the Terminal Development Program. A ninth application for \$31.3M was approved in July 2012, and subsequently amended to \$27.8M. Most of this application provided funding for the QHP and the completed Rehabilitate Taxiway "C" project. The FAA approved a tenth PFC application in October 2016. This application provides \$43.8M to fund various airfield projects, passenger-boarding bridges, and the local match for future QHP phases. An eleventh PFC application was approved in FY 2020 to provide \$40.0M in funding for the Terminal 2 West FIS project. A subsequent amendment to this application was approved by the FAA in FY 2021 to apply an additional \$11.1M in PFC funding to the project, for a total of \$51.1M.

### Customer Facility Charge (CFC)

California state law authorizes an airport to collect fees for financing, designing, and constructing consolidated car rental facilities, constructing and operating a common-use transportation system, and terminal modifications to accommodate and provide customer access. The Board approved the implementation of CFCs at SAN in FY 2009. Board authorization for the use of CFCs for initial planning efforts was given in FY 2010. As allowed per state legislation, the CFC collection methodology changed in January 2012 from a charge of \$10.00 per rental car transaction to \$6.00 per rental day. Starting in January 2014, the rate increased from \$6.00 to \$7.50 per rental day. The rate subsequently increased to \$9.00 per rental day starting in January 2018. CFCs will support the debt service for the consolidated car rental facility and operating costs of the busing fleet.

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104251	Northside Apron Improvements	Project will rehabilitate asphalt and concrete pavements within the north cargo apron, mitigating foreign object debris (FOD), filling cracks, eliminating pavement distresses, and correcting ponding issues; includes coordination with Airside Operations, Facilities Management (FMD), on-call contractors, and cargo apron tenants.	\$15,200	Bonds / Major Maint.	Q4/2018	Q4/2028	None
104264	Runway Electrical Vault Upgrades	Project will install clean agent type fire suppression system in airfield lighting vault to protect runway lighting equipment and monitor 24/7 as are Airport's other fire systems. Replace runway vault lighting regulators and electrical gear including main switchboard, as required.	2,373	Bonds	Q1/2020	Q1/2025	None
104293	Airfield Stormwater Treatment Control BMPs	Project will design and install treatment control BMPs to reduce copper & zinc levels in water runoff and comply with State Industrial General Permit & San Diego County MS4 Permit to prevent pollution of San Diego bay & avoid fines for non-compliance.	5,506	Bonds	Q1/2021	Q3/2026	None
104298	Fuel Co. Hydrant Fueling Projects Development	Project will provide review of design plans and specifications by subject matter experts during approximately seven (7) fueling projects being designed and built by the SAN Fueling Company. It will also provide oversight in the field during the construction of these projects, including but not limited to safety and environmental compliance.	3,500	Other (Airline)	Q3/2021	Q3/2027	None
104303	Airfield Safety Area Manhole / Utility Vault Covers	Project will conduct a study of existing utility/stormwater vault covers in the Runway Safety Area & Taxiway Safety Area. As determined, rehabilitate the infrastructure to maintain compliance with FAA FAR Part 139 so the safety areas support loads of ARFF vehicles and aircraft without damage.	680	Bonds	Q1/2022	Q2/2029	None
104310	Replace P-01 Perimeter Access Gate	Project will replace existing sliding gate P-01 with high-speed bi-fold gate for contractor & security personnel, providing operational safety & security.	2,285	Bonds	Q1/2023	Q3/2025	None
104312	Rehabilitate Taxiways - Program Level Scope Definition	Project will study current conditions on Taxiways D and B7 - B10 and prepare concept layouts to direct a future construction project. The scope definition will meet FAA's current guidelines and conform with high-speed exit design standards.	400	Bonds	Q1/2023	Q4/2024	None

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104315	Access Control System at Perimeter Fence	Project will install Access Control System Infrastructure along the north side perimeter fence from the ILS area adjacent to cross taxiway B10 to the ARFF station, including fiber, rack room, CCTV and cameras.	3,000	Bonds	Q3/2023	Q2/2026	None
104316	Taxiway Alpha Extension Study	Project will provide a Program Study Document to evaluate design requirements for the Taxiway A extension. This will address possible design issues/conflicts including NT1 apron, cross taxiways, hydrant fueling extension, grading/drainage, utilities, lighting, etc.	1,000	Bonds	Q1/2024	Q4/2025	None
104317	Taxiway B Joint Seal Improvements	Project will rehabilitate Taxiway B1, as well as Taxiway B between Taxiways B6 to B10, to remove and replace concrete joint seals and deteriorating spall repairs/patches. This is regulatory preventative maintenance per FAA FAR Part 139 to maximize capacity and airfield operations to/from Runway 9/27.	3,800	Bonds	Q1/2024	Q2/2026	None
104321	Rehabilitate Aircraft Rescue & Fire Fighting (ARFF) Station	Project will rehabilitate ARFF station to comply with FAA AC 150/5310-15A requirements. This includes expansion of apparatus bay structure and associated storage facilities and maintenance workshop areas including additional building to support fitness & training.	11,270	AIP / Major Maint.	Q1/2024	Q3/2027	None
104326	Pavement Management Study	Project will conduct a Pavement Condition Index survey to provide pavement analysis in support of safe aircraft movement and FAA regulatory obligation. The survey will be performed in both fiscal years 2024 and 2027.	1,300	Bonds / Cash	Q2/2024	Q4/2028	None
104329	Taxiway B Asphalt Rehabilitation	Project will rehabilitate approximately 1,800 feet of easternmost asphalt section of Taxiway B with a 4" mill and overlay. This is regulatory preventative maintenance per FAA FAR Part 139 to maximize safety, capacity and airfield operations.	5,200	Cash	Q1/2025	Q2/2026	None
New 22-02	Noise Exposure Map (NEM) Update	Project will provide an updated NEM in 2026 to determine if 65 dB and greater noise contours have changed based on actual aircraft operation levels and flight paths. As part of the Board-approved mitigation measures for ADP, project will determine if boundaries of SAN's Quieter Home Program need to be adjusted.	500	AIP / Major Maint.	Q1/2027	Q4/2027	None

## Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 23-03	Upgrade Aircraft Noise Monitoring System	Upgrade system with new hardware/software on 23 existing sites and build a new permanent noise monitoring site offsite near east end of airfield. This will provide for improved noise monitoring capabilities for the Authority.	500	Major Maint.	Q1/2027	Q4/2027	None
New 23-05	Replace 2 ARFF Vehicles	Project will replace two SAN Aircraft Rescue & Fire Fighting Vehicles with vehicles equipped with 3,000 gallons water, 420 gallons of AFFF and 500 lbs. of dry chemical.	3,000	AIP / Major Maint.	Q3/2026	Q3/2027	None
New 24-12	Perimeter Fence Improvement	Project will install new perimeter fencing from FIS area westward to perimeter access gate P-30 in order to increase Airport security measures and ensure consistency of perimeter fencing.	2,100	Cash	Q1/2027	Q2/2028	None
<b>Subtotal - Current Airside CIP Projects</b>			<b>\$61,613</b>				

New Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 25-02	Northside Airfield & Facility Advanced Planning & Improvements Study	Project will provide a Program Study Document to allow for consolidation/expansion of northside operations & facilities, with planning to correct design standard deficiencies of Taxilane F, consolidate air cargo apron, expand northside stormwater & apron, relocate displaced threshold & Taxiway C4.	\$2,000	Bonds	Q1/2025	Q2/2026	None
New 25-03	Rehabilitate Taxiways B7-10 & D	Project will rehabilitate Taxiway exits B7-10 and D per current FAA design standards, including asphalt replacement.	31,200	AIP / Cash	Q3/2026	Q3/2028	None
<b>Subtotal - New Airside CIP Projects</b>			<b>\$33,200</b>				
<b>Total Airside CIP Projects</b>			<b>\$94,813</b>				

## Landside/Ancillary CIP Projects

(in thousands)

Current Landside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104197	Admiral Boland Way Murals - Public Art	Project provides an on-going opportunity for artistic design and enhancement to be integrated along the north end of the Admiral Boland Way.	\$75	Cash	Q2/2015	Q1/2025	None
104205	Widen Sassafras Street Intersection	Project will increase the width of Sassafras Street between Pacific Hwy and Kettner Boulevard up to the railroad crossing in order to mitigate traffic impacts due to RCC opening, increased FBO tenants and future cargo use.	7,000	Bonds	Q1/2015	Q1/2025	None
104252	Northside Utility Infrastructure - Mobile eGSE Chargers	Project will purchase three (3) mobile towable integrated carts containing eGSE chargers and battery storage that will provide a minimum of twenty (20) eGSE charging ports for the cargo carriers on the north side of the Airport.	2,500	Grant / Cash	Q4/2018	Q2/2027	None
104265	T2W Sidewalk & Crosswalk Improvements	Project will demolish and replace existing concrete sidewalk at Terminal 2 West; remove and replace existing electrical & communication conduits; and install new LED in-pavement lighting and outlets. Also, this project will provide safety and aesthetic enhancements at the primary pedestrian crosswalk in front of Terminal 2.	4,875	Bonds	Q4/2019	Q2/2026	None
104274	East Solid Waste Disposal and Recycling Facility	Project will replace the existing Solid Waste, Recycling, Triturator and Vehicle Wash Facility on the east side of the Airport. Provides containment for airport solid waste operations to ensure regulatory compliance for both stormwater and industrial waste permits.	26,101	Bonds / Cash	Q1/2020	Q1/2025	None
104274A	West Solid Waste Facility	Project will provide a facility that will partially replace the existing trash and recycling facility to the west side of the Airport. The existing facility is in the footprint of the new Terminal 1.	9,400	Bonds	Q1/2021	Q1/2025	None
104275	Parking Revenue Control System Upgrade	Project will upgrade the SKIDATA and HUB PARCS Systems to the latest version. This is required for maintaining a fully supported and PCI Compliant environment.	800	Bonds	Q1/2020	Q2/2025	None
104299	ADP Offsite Intersection / Roadway Segment Improvements	Project will participate in implementation of improvements and strategies identified in the Airport Connection Study to fulfill the ADP EIR Mitigation Measure (MM#4).	33,600	Bonds	Q1/2021	Q4/2026	None

## Landside/Ancillary CIP Projects

(in thousands)

Current Landside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104307	EVSE & Breakroom Interior Remodeling at Taxi/TNC Hold Lot	Project will provide infrastructure, procurement and installation of three (3) DC Fast Chargers at Taxi/TNC Hold Lot to support both the industry shift to electric and TNC operator requirements to meet California Air Resource Board regulations for emission reductions. It will also provide a mixed-use facility including interior wall reconfiguration, security office/system, electrical & plumbing upgrades, fire system, technology, cameras, etc.	2,450	Cash	Q1/2023	Q1/2026	None
104308	Parking Lot Technology Upgrade	Project will upgrade 20 parking lot cameras to digital format & DVR storage, along with servers, switches, workstations/monitors, software and licenses in Terminal 2 West and Economy/Employee Parking Lots to improve security and reduce liability.	2,150	Cash	Q1/2023	Q4/2025	None
New 18-08	Cell Phone Lot Relocation	Project will relocate existing Cell Phone Lot to an area identified by the Airport Planning Department.	1,181	Bonds	Q3/2025	Q1/2027	None
New 21-13	ZEV - Acquire RCC Buses - Phase 1	Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life.	19,200	AIP / Cash	Q3/2025	Q3/2026	None
New 21-14	ZEV - Acquire RCC Buses - Phase 2	Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life.	16,800	AIP / Cash	Q3/2026	Q3/2027	None
New 23-13	T2 Roadway Wayfinding Signage Upgrades	Project will replace signage along Terminal 2 roadways including Elevated Departure Roadway and Arrivals Roadway. This will provide consistent messaging for drivers in T2 to align and enhance customer experience & efficiency of curbside roadway system.	6,550	Major Maint.	Q3/2025	Q2/2027	None
New 24-12	T2 Transportation Island Enhancements	Project will design & construct ADA required Passenger Loading Zones at existing curb in order to address ADA compliance.	3,800	Cash	Q1/2025	Q2/2027	None
<b>Total - Current Landside/Ancillary CIP Projects</b>			<b>\$136,481</b>				

## Landside/Ancillary CIP Projects

(in thousands)

New Landside/Ancillary CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal - New Landside/Ancillary CIP Projects			\$0				
Total Landside/Ancillary CIP Projects			\$136,481				



## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104194B	Replace & Refurbish Passenger Boarding Bridges in T2 - Phase 2	Project supports Terminal 2 limited equipment refurbishment of fifteen (15) passenger boarding bridges (PBB). Also included is replacement of thirteen (13) Ground Power Units (GPU) and six (6) Preconditioned Air (PCA) units on the older JBT PPBs.	\$10,369	PFC / Bonds / Major Maint.	Q2/2015	Q3/2026	\$30
104254	AVSEC Network Redesign	Project will redesign the network infrastructure for the Aviation & Security network. Replace fiber cabling/network equipment in all terminals and airfield gates. Implement a network architecture that provides redundancy and high availability.	13,038	Bonds	Q3/2019	Q3/2025	None
104258	Fire Department Violations Remediation	Project will provide interior remodeling of Terminal 2 East & West as required to remediate remaining code compliance issues identified during the San Diego Fire Department 2018 site visit. The interior improvements under this project exclude areas affected by the new Terminal 1 program.	1,794	Major Maint.	Q3/2019	Q2/2026	None
104263	Electrical Modernization in T2E and T2W	Project will replace and modernize the outdoor electrical main switchboard (MSB) feeding Terminal 2 East and associated downstream electrical equipment located within the existing main electrical room; expand and construct a larger electrical room to meet latest code and safety requirements; and provide additional capacity, redundancy and system reliability to accommodate for terminal long term use.	7,355	Bonds	Q4/2015	Q1/2025	None
104272	Replace Baggage Handling System and Baggage Makeup Units in T2E	Project will modernize existing Terminal 2 East Baggage Handling System (BHS), remove abandoned conveyors, reconfigure main and sortation devices, resolve dieback and jamming issues, and optimize system performance, supporting current airline operations and future growth projections. The project will also modernize Terminal 2 BHS upper level controls servers and switches to comply with latest TSA cybersecurity mandates.	22,920	Major Maint.	Q1/2020	Q3/2027	None
104279	Server & Storage Hardware Refresh	Project will replace the computer hardware supporting the Terminal 2 systems that will no longer be supported including CUPPS, CUSS, IDS, workstations, directories, etc. The technology will match the new Terminal 1.	1,225	Major Maint.	Q1/2021	Q1/2025	None

## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104300	Hyoco LED Sign Replacement at Elevated Departure Roadway	Project will replace 18 existing Hyoco signs on the Elevated Departure Roadway with modern digital signage and replace proprietary Hyoco software with SITA's Common Use Airport Vision software.	2,300	Bonds	Q1/2022	Q4/2025	None
104314	Expand/Remodel T2E - Program Level Scope Definition & Design	Project will prepare design documents for the expansion/remodel of Terminal 2 East, including Gates 20/21, areas at New T1 connector, airside elements, hold rooms, concessions, structural, MEP, etc.	30,000	Cash / Major Maint.	Q4/2023	Q2/2027	None
104322	IT Terminal Hardware at Terminal 2	Project will replace end of life IT hardware in T2, including installation & configuring equipment for CUPPS, CUSS, bag tag printers, boarding pass printers/gate readers, display systems/monitors, etc.	6,300	Bonds / Major Maint.	Q1/2024	Q4/2026	None
104323	Aquatherm Chase Lounge & Verizon	Project will replace existing Aquatherm piping of the Chilled and Heating hot Water, including Domestic Cold, Hot and Hot Water Return systems as installed in the proposed Chase/Sapphire Lounge project space and the adjacent Verizon space with stainless-steel pipe and stainless-steel press fittings.	1,300	Cash	Q2/2024	Q1/2025	None
104324	Terminal 1 Structural Modifications	Project will support structural modifications as required to ensure integrity of the Terminal 1 structure along various seismic joints.	1,390	Bonds	Q2/2024	Q2/2025	None
104325	Truxton HVAC Replacement	Project will replace the HVAC equipment in the Truxton office space and outside mechanical yard.	350	Cash	Q2/2024	Q2/2025	None
104327	Gate Information Display Monitors at T2E	Project will provide Gate Information Display Monitors and the required power and data in hold rooms in T2E, specifically Alaska, Allegiant, and American Airlines hold rooms. This will provide consistency throughout Terminal 2 and improve customer service.	3,330	Major Maint.	Q3/2024	Q1/2026	None
104328	Baggage Claim Displays at T2E	Project will install monitors to display each airline baggage claim assignment by flight at the entrances of the stripping lanes tunnel in T2W where baggage claims 1-6 are located. Monitors will connect to the airport's Resource Mgmt. System for correct passenger display information and inform drivers unloading bags.	1,140	Major Maint.	Q3/2024	Q2/2026	None

## Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104330	Central Utility Plant Roof Replacement	Project will remove existing roof build-up and install a new Sika Sarnafil fully adhered White 80 mil PVC roof and replace existing structures. The roof will have a 30-year warranty.	550	Bonds	Q4/2024	Q2/2025	None
<b>Subtotal - Current Terminal CIP Projects</b>			<b>\$103,361</b>				

New Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
New 25-04	Restroom Upgrades T2E	Project will provide renovated restrooms in Terminal 2 East that improve functionality, leading to fewer repairs, less facilities maintenance labor costs, and passenger safety.	\$7,000	Cash	Q1/2025	Q4/2027	None
New 25-05	Restroom Upgrades T2W	Project will provide renovated restrooms in Terminal 2 West that improve functionality, leading to fewer repairs, less facilities maintenance labor costs, and passenger safety.	11,600	Cash	Q3/2026	Q2/2030	None
<b>Subtotal - New Terminal CIP Projects</b>			<b>\$18,600</b>				
<b>Total Terminal CIP Projects</b>			<b>\$121,961</b>				

## Administrative CIP Projects

(in thousands)

Current Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104041	Public Art Allowance	The Public Art Allowance is to provide a source of funds for inclusion of public art in conjunction with the appropriate CIP project.	\$2,798	Major Maint.	Q1/2025	Q4/2028	None
104069	Capital Project Allowance	The Capital Project Allowance is a program account to provide a source of funds for the design and construction of unforeseen projects during the course of implementing the Airport Capital Improvement Program.	20,000	Cash	Q1/2025	Q4/2025	None
104196	Exhibition Display Equipment - Public Art	Project provides for the purchase of equipment to become part of the Public Art Program's permanent cache of installation/display resources and provide flexibility for future art exhibits.	110	Major Maint.	Q2/2015	Q4/2028	None
104285	Landside Facilities Condition Assessment	Project will provide a condition assessment of the Airport roadways and bridges.	400	Major Maint.	Q1/2022	Q2/2025	None
104301	Fleet Conversion to Electric Vehicles	Project will procure new electric/hybrid vehicles as part of the EIR mitigation effort to convert 100% of gasoline fleet to hybrid or electrical by 2026 – includes 27 hybrid or electric vehicles.	1,081	Bonds	Q1/2022	Q3/2026	None
104306	Bird Deterrents at Solar Panels	Project will install bird deterrents on solar panels in both the NTC Lot and Washington St./Pac Hwy Lot. The deterrents will reduce health and safety concerns for Airport pedestrians and staff.	600	Bonds	Q1/2023	Q3/2025	None
104311	NT1 PV Panels & Battery Storage - RFP & PPA	Project will analyze install and operation of New T1 PV panels and battery storage including 4 MW PV solar panels and 4 MW of battery storage. This also includes preparation of RFP for a PPA.	1,360	Major Maint.	Q1/2023	Q2/2029	None
104318	Airport Electrical Infrastructure Expansion PDP	Project will provide design & construction documents to implement electrical infrastructure expansion in support of future Airport development to maintain cost effective utility operations.	5,200	Cash	Q1/2024	Q2/2026	None
104319	Airport IT Rooms Audit & Analysis	Project will provide an audit, analysis and report of air filtration/ventilation, HVAC, sensors, fire suppression, cabling identification, lighting, access control, and power in approximately 70 Airport IT rooms. This includes IT Rack Rooms, IDFs, and server rooms in order to address safety, security and operational concerns.	650	Cash	Q1/2024	Q2/2025	None

## Administrative CIP Projects

(in thousands)

Current Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104320	Campus-Wide Electric Sub-metering	Project will audit, design, install and commission electric utility meters in Terminal 2 West, Central Utility Plant, Terminal 2 Parking Plaza, USO & Smart Curb and connect to the SkySpark Energy Dashboard. This will save energy costs by identifying capacity issues at a system and sub-system level.	3,400	Cash	Q1/2024	Q4/2026	None
104331	Video Surveillance System Storage	Project will purchase and install 4 petabytes of additional storage & clusters to facilitate future camera expansions, CCTV coverage, bandwidth for additional features, and high-performance camera analytics. This will support future video surveillance storage needs for safety and security.	2,700	Cash	Q1/2025	Q2/2026	None
NEW 24-09	PMWeb Upgrade	Project will purchase PMWeb version 6.1 including licensing, support, and maintenance; audit existing integrations with Authority applications, and professional services for upgrade/migration. This will upgrade the Airport Design & Construction Department construction and program management software due to end-of-life.	400	Cash	Q3/2026	Q2/2027	None
109901	CIP Support	Professional staff support for the Capital Improvement Program	34,560	Cash	Q1/2025	Q4/2029	None
<b>Subtotal - Current Administrative CIP Projects</b>			<b>\$73,259</b>				

## Administrative CIP Projects

(in thousands)

New Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
NEW 25-01	IT Infrastructure Refresh	Project will replace end of life IT systems with a cloud or hosted offering to provide greater reliability and security, including network, backup, cybersecurity, power, server and storage infrastructure.	\$2,025	Bonds / Cash	Q1/2025	Q1/2029	None
NEW 25-06	Computerized Maintenance Management System (CMMS)	Project will provide a computerized system to centralize maintenance information by building a structured database including equipment, staffing, materials and other maintenance resources for effective maintenance operations.	1,500	Bonds	Q1/2025	Q4/2025	None
<b>Subtotal - New Administrative CIP Projects</b>			<b>\$3,525</b>				
<b>Total Administrative CIP Projects</b>			<b>\$76,784</b>				
<b>Subtotal FY 2025 CIP Budget</b>			<b>\$430,039</b>				

## New T1 Program

(in thousands)

New T1							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
411001	New T1 Airside	Project will design and construct the airside portions of the Terminal 1 Replacement Program which includes relocated Taxiway B, new Taxiway A, new taxilanes, RON and apron parking areas, and related utility infrastructure outside the new terminal building and within the Airport Operations Areas (AOA).	\$347,615	AIP / Bonds	Q3/2020	Q2/2030	None
413001	New T1 Terminal and Roadways	Project will design and construct a new Terminal 1 building with up to 30 gates, aircraft boarding bridges, new entry, circulation, arrival and departure roadways, pedestrian bridges, demolition of buildings, surface features and utilities, new and relocated utilities, storm drainage collection, storage and transmission facilities, parking structure and existing central utility plant upgrades.	3,185,200	AIP / Bonds / Airline Contribution / Cash	Q1/2021	Q4/2029	\$13,634
413002	New T1 Shuttle Lot Relocation	Project will construct an offsite facility for EV staging, storage, maintenance, recharging, etc. and a base of operations for parking lot operators. Phase 1 includes site improvements, EV charging stations, utilities, and installation & connection of three temporary trailers. Phase 2 includes demolition of building on California St., site improvements, installation & connection of a 6plex modular office building.	18,175	Bonds	Q1/2021	Q3/2025	None
414002	New T1 Administration Building	Project will design and build a new Airport Administration Building to replace the existing building which is in the footprint of the new Terminal 1.	99,979	Bonds	Q1/2021	Q1/2025	None
415001	New T1 Program Contingency	Project will provide contingency funds for the Airside, Landside and Terminal developments in the ADP Program	183,331	Bonds	Q1/2021	Q4/2029	None
<b>Subtotal FY 2025 New T1 Program Budget</b>			<b>\$3,834,300</b>				
<b>Total FY 2025 Capital Program Budget</b>			<b>\$4,264,339</b>				

# Performance Indicators

San Diego International Airport DEPARTURES					San Diego International Airport DEPARTURES					San Diego International Airport DEPARTURES					
GATE	DESTINATION	FLIGHT	TIME	STATUS	GATE	DESTINATION	FLIGHT	TIME	STATUS	GATE	DESTINATION	FLIGHT	TIME	STATUS	GATE
37	Detroit	399	3:01P	On Time	46	Newark	1532	12:39P	Cancelled		San Francisco	3441	7:55P	On Time	28A
47	Eugene	3477	2:30P	On Time	24	Newark	2644	8:54P	On Time	44	San Jose	3498	2:30P	On Time	28A
20	Fort Lauderdale	190	9:30P	On Time	34	Newark	2641	10:17P	On Time	42	San Jose	3444	6:55P	On Time	24
20	Fresno	3335	10:20A	Departed	28A	Orlando	396	10:50A	On Time	26	Santa Rosa	3334	3:30P	On Time	28B
34	Fresno	3472	6:45P	On Time	21	Paine Field	2134	11:05A	On Time	20	Seattle	1265	6:15A	Now At 2:15	26
	Houston-Bush	1788	10:28A	On Time	41	Phoenix	1949	10:13A	Now At 1:00	31	Seattle	1259	11:00A	On Time	21
46	Houston-Bush	EK 63	11:54A	Now At 2:20	43	Phoenix	JL 769	6:33P	On Time	27	Seattle	2558	11:18A	Now At 12:03	35
32	Houston-Bush	1696	1:43P	On Time	40	Portland	1177	11:50A	On Time	30	Seattle	1097	1:50P	On Time	26
31	Houston-Bush	2210	3:36P	Cancelled		Portland	1297	3:00P	On Time	21	Seattle	AF 23	1:52P	On Time	36
23	Kahului	829	11:35A	On Time	22	Portland	1245	7:25P	On Time	49	Seattle	2503	3:30P	On Time	47
	Kalispell	3497	11:00A	On Time	28B	Redmond	3378	12:30P	On Time	21	Seattle	1295	3:45P	On Time	22
	London Heath	272	7:00P	On Time	51	Sacramento	3487	2:00P	On Time	22	Seattle	1135	6:25P	On Time	26
	Angeles	5249	10:22A	Departed	42	Sacramento	3391	6:55P	On Time	22	Seattle	2428	6:55P	On Time	37
	Angeles	4091	2:37P	On Time	37	Salt Lake City	2895	1:25P	On Time	37	Seattle	1071	7:55P	On Time	26
	Angeles	WS 75	6:00P	On Time	36	Salt Lake City	2245	1:27P	On Time	35	Seattle	1199	8:55P	On Time	20
	Angeles	5482	8:14P	On Time	43	Salt Lake City			On Time	38	Spokane	1131		On Time	30
	AS 611	9:15P	On Time	27	San Francisco				Cancelled		Tokyo Narita			On Time	48
	Chicago	KL 67	11:16A	On Time	45	San Francisco			On Time	24	Toronto			On Time	50
	Chicago	KL 511	1:35P	On Time	45	San Francisco			On Time	44	Vancouver			On Time	50
	Chicago	2963	4:35P	On Time	46	San Francisco			On Time	30	Vancouver			On Time	50
	Chicago	467	5:15P	On Time	48	San Francisco			Now At 5:10	41	Washington			On Time	51
	FLA 84	1:00P	On Time	47	San Francisco				On Time	20	Washington			On Time	40
	190	1:35P	Now At 3:48	34											
	44	8:54P	Now At 12:15	39											





## Performance Indicators

The following performance indicators are a selection of the various operational and financial metrics that the Airport Authority monitors during the course of the year.

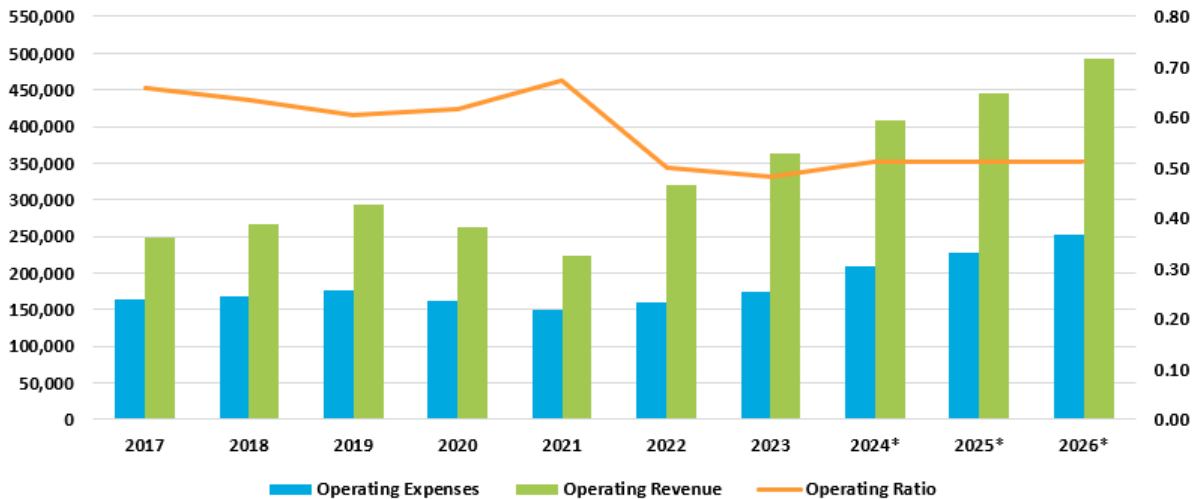
### Operating Ratio

This measure of operating efficiency compares operating expenses to operating revenue. Operating revenue must exceed operating expenses to provide a financial cushion and cover debt service expenses.

#### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Operating Expenses (\$) <sup>1</sup>	Operating Revenue (\$) <sup>1</sup>	Operating Ratio	% Change
2017	163,726	248,847	0.66	0.2%
2018	169,120	266,079	0.64	-3.4%
2019	177,219	293,679	0.60	-5.1%
2020	162,251	263,036	0.62	2.2%
2021	150,515	223,974	0.67	8.9%
2022	159,806	319,254	0.50	-25.5%
2023	174,455	362,623	0.48	-3.9%
2024*	208,703	408,474	0.51	6.2%
2025*	228,053	445,634	0.51	0.2%
2026*	252,097	492,047	0.51	0.1%

<sup>1</sup> in thousands



\* Budgeted FY 2024, FY 2025, & FY 2026

**Figure 43 – Operating Ratio**

Source: San Diego County Regional Airport Authority

## Performance Indicators

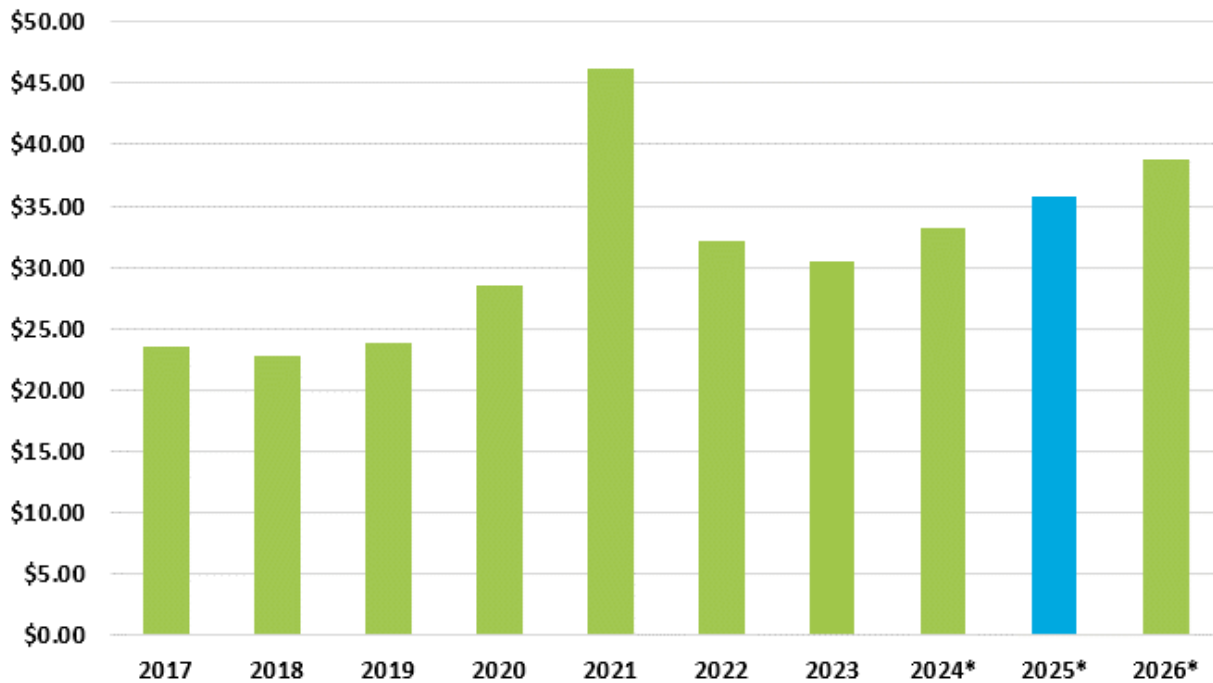
### Operating Revenue per Enplanement

This is a measure of operating revenues per enplaned passenger.

#### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Operating Revenue (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Revenue per Enplanement	% Change
2017	248,847	10,596	23.48	2.4%
2018	266,079	11,732	22.68	-3.4%
2019	293,679	12,356	23.77	4.8%
2020	263,036	9,235	28.48	19.8%
2021	223,974	4,861	46.08	61.8%
2022	319,254	9,953	32.08	-30.4%
2023	362,623	11,868	30.55	-4.7%
2024*	408,474	12,100	33.76	10.5%
2025*	445,634	12,472	35.73	5.8%
2026*	492,047	12,721	38.68	8.3%

<sup>1</sup> in thousands



\* Budgeted FY 2024, FY 2025, & FY 2026

**Figure 44 – Operating Revenue per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

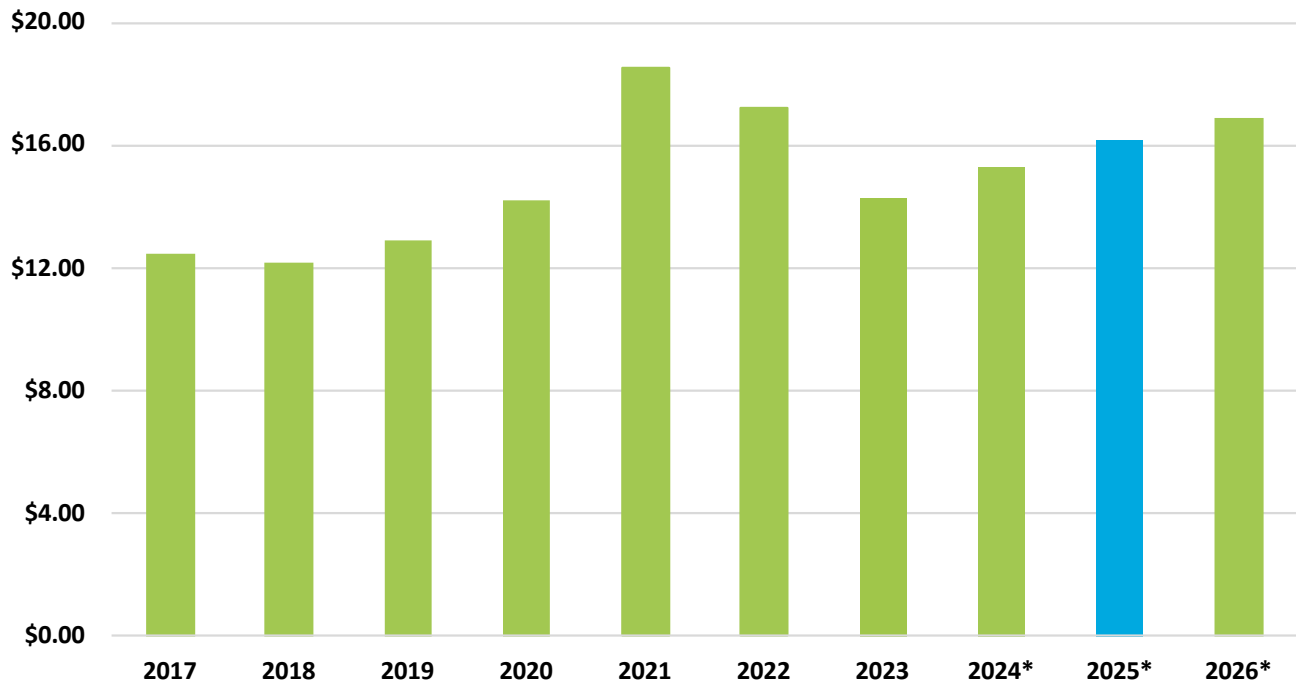
### Non-Airline Revenue per Enplanement

This is a measure of non-airline derived operating revenues per enplaned passenger. This includes terminal concessions, parking, and rental car and ground rental revenues divided by enplanements.

#### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Non-Airline Revenue (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Non-Airline Revenue per Enplanement	% Change
2017	132,465	10,596	12.50	4.8%
2018	142,922	11,732	12.18	-2.5%
2019	159,325	12,356	12.89	5.8%
2020	131,198	9,235	14.21	10.2%
2021	90,104	4,861	18.54	30.5%
2022	171,479	9,953	17.23	-7.1%
2023	169,826	11,868	14.31	-16.9%
2024*	184,955	12,100	15.29	6.8%
2025*	201,620	12,472	16.17	5.8%
2026*	215,256	12,721	16.92	4.7%

<sup>1</sup> in thousands



\* Budgeted FY 2024, FY 2025, & FY 2026

**Figure 45 – Non-Airline Revenue per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

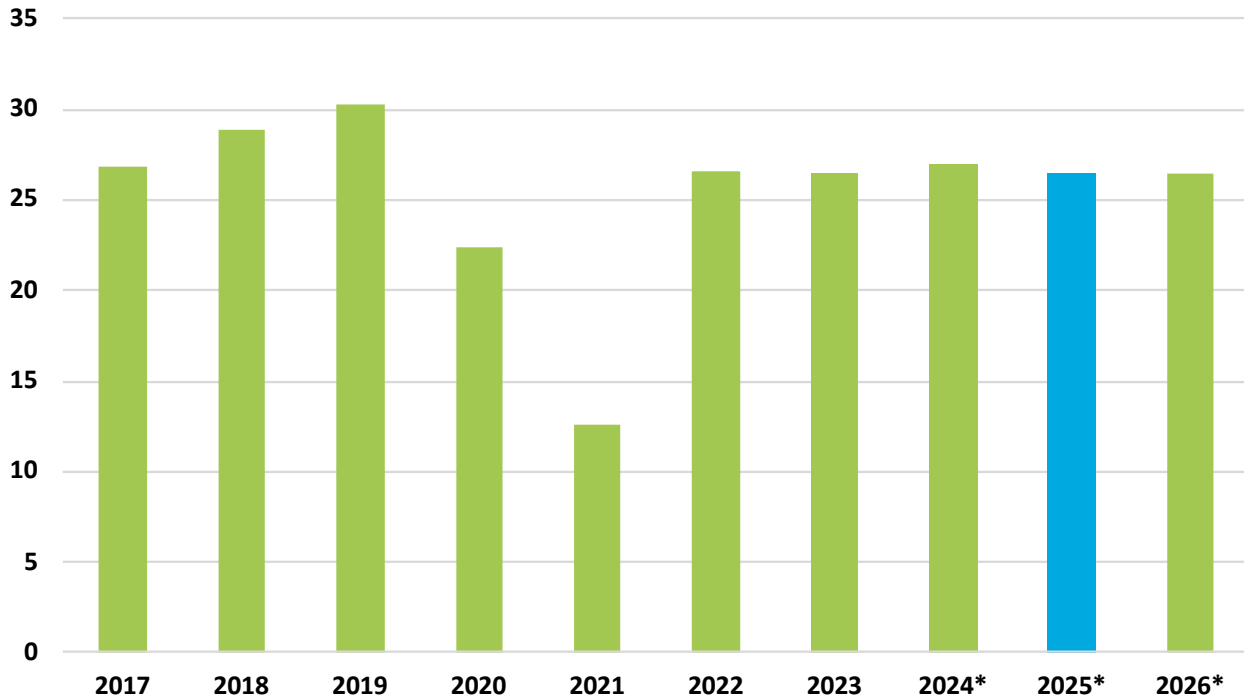
### Enplaned Passengers per Employee

This divides the number of employees by enplaned passengers and measures the Airport’s staffing productivity level.

#### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Employees	Enplaned Passengers <sup>1</sup>	Enplaned Passengers per Employee
2017	395	10,596	27
2018	406	11,732	29
2019	409	12,356	30
2020	413	9,235	22
2021	386	4,861	13
2022	376	9,953	26
2023	448	11,868	26
2024*	448	12,100	27
2025*	471	12,472	26
2026*	482	12,721	26

<sup>1</sup> in thousands



\* Budgeted FY 2024, FY 2025, & FY 2026

**Figure 46 – Enplaned Passengers per Employee**

Source: San Diego County Regional Airport Authority

## Performance Indicators

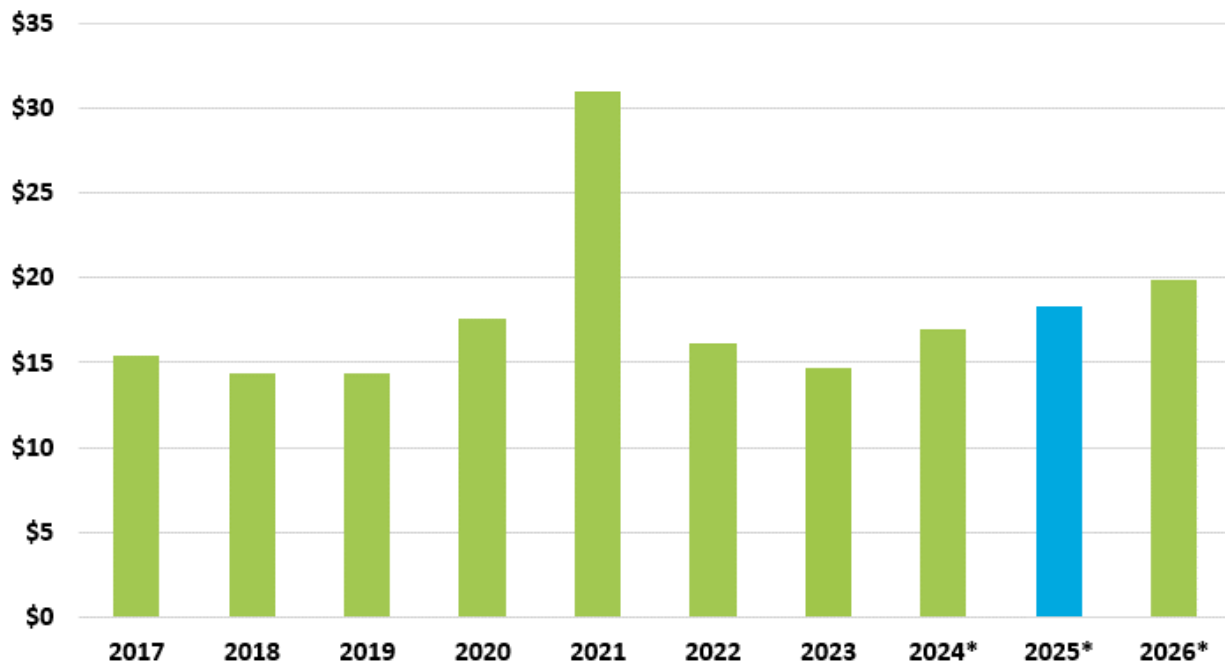
### Operating Expenses per Enplanement

This divides operating expenses by enplanement and measures the Airport Authority’s relative operating efficiency.

#### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Operating Expenses (\$) <sup>1</sup>	Enplaned Passengers <sup>1</sup>	Operating Expenses per Enplanement (\$)	% Change
2017	163,726	10,596	15.45	2.6%
2018	169,120	11,732	14.42	-6.7%
2019	177,219	12,356	14.34	-0.5%
2020	162,251	9,235	17.57	22.5%
2021	150,515	4,861	30.96	76.3%
2022	159,806	9,953	16.06	-48.1%
2023	174,455	11,868	14.70	-8.4%
2024*	208,703	12,100	17.25	17.3%
2025*	228,053	12,472	18.29	6.0%
2026*	252,097	12,721	19.82	8.4%

<sup>1</sup> in thousands



\* Budgeted FY 2024, FY 2025, & FY 2026

**Figure 47 – Operating Expenses per Enplaned Passenger**

Source: San Diego County Regional Airport Authority

## Performance Indicators

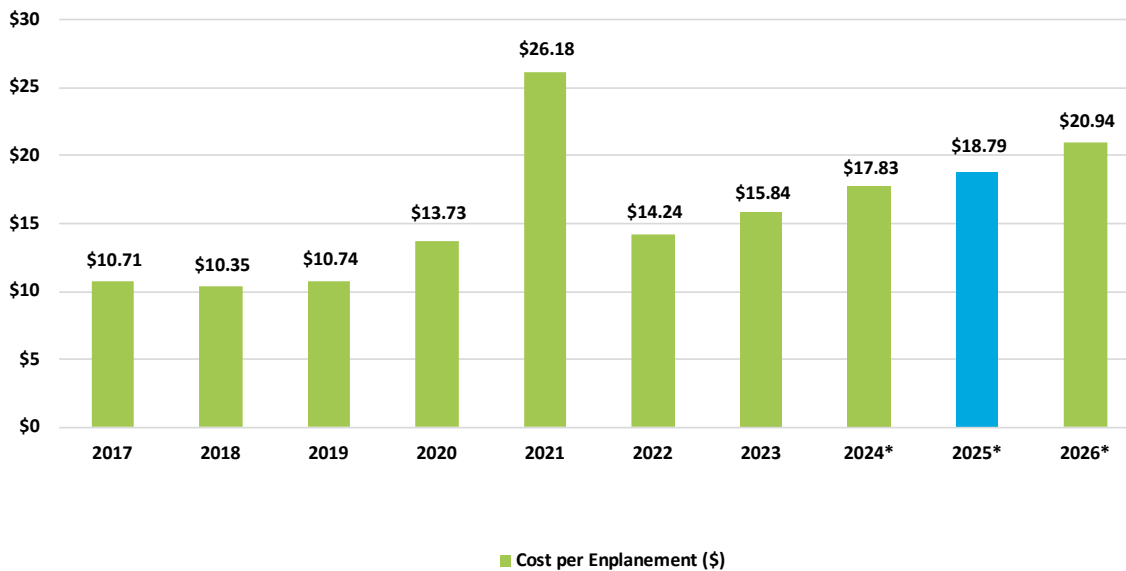
### Airline Cost per Enplaned Passenger

Airline cost per enplaned passenger (CPE) is the total annual cost of fees and charges paid by the airlines divided by the total fiscal year enplanements.

#### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Enplaned Passengers <sup>1</sup>	Cost per Enplanement (\$)
2017	10,596	\$ 10.71
2018	11,732	\$ 10.35
2019	12,356	\$ 10.74
2020	9,235	\$ 13.73
2021	4,861	\$ 26.18
2022	9,953	\$ 14.24
2023	11,868	\$ 15.84
2024*	12,100	\$ 17.83
2025*	12,472	\$ 18.79
2026*	12,721	\$ 20.94

<sup>1</sup> in thousands



\* Budgeted FY 2024, FY 2025, & FY 2026

**Figure 48 – Airline Cost per Enplaned Passenger**

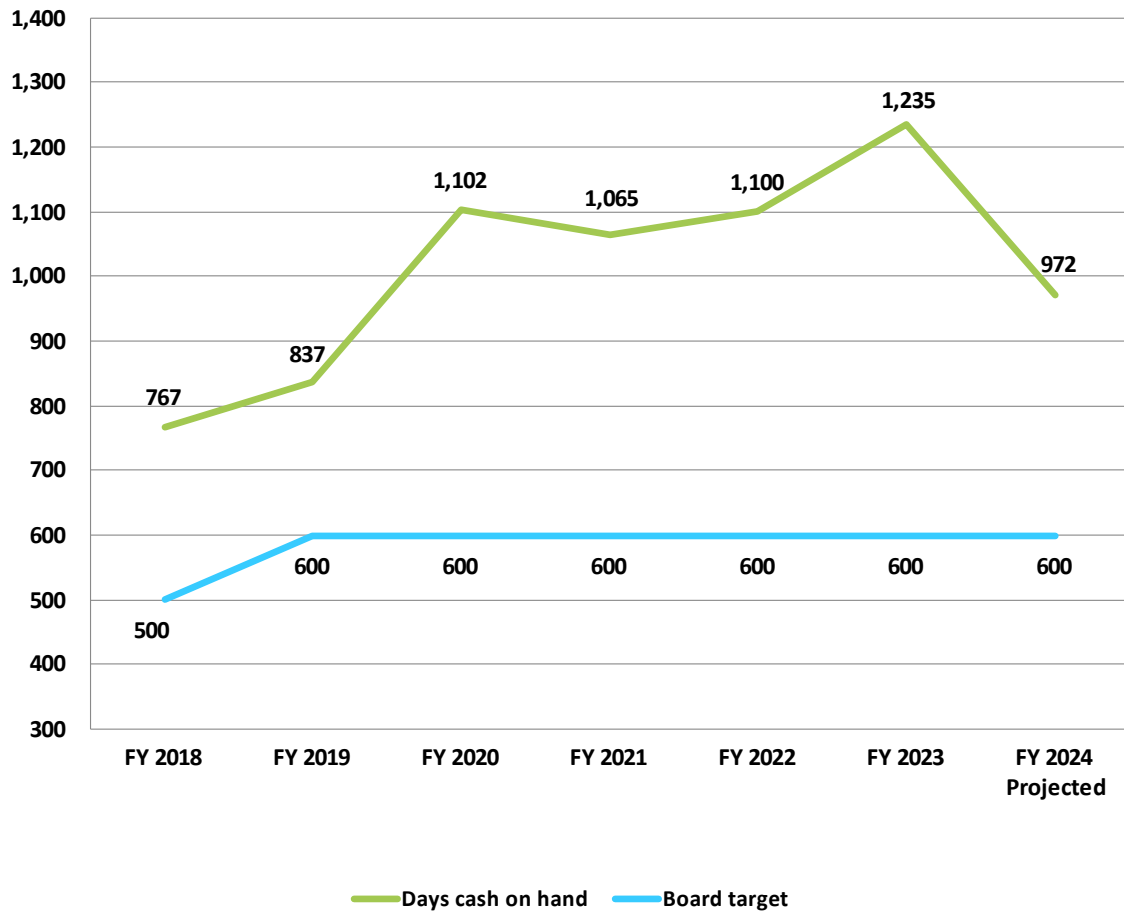
Source: San Diego County Regional Airport Authority

## Performance Indicators

### Days Cash on Hand

Recognizing the inherently volatile nature of the aviation industry, the Airport Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The Airport Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve, and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year.

**Days Cash on Hand Compared to Board-Approved Target**



**Figure 49 – Days Cash on Hand**

## Performance Indicators

### Net Debt to Cash Flow Available for Debt Service (CFADS)

Net Debt to CFADS (cashflow available for debt service) is the ratio of gross debt less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest and PFCs available for debt service). A lower ratio is preferred as that indicates more available cash flow to service a given amount of debt outstanding. The Authority has a Net Debt to CFADS target range of 8x to 11x.

	FY 2022	FY 2023	FY 2024*	FY 2025*	FY 2026*
Total Principal Outstanding	\$2,979,780	\$2,945,740	\$3,843,800	\$3,801,070	\$4,466,255
Less: Unrestricted Cash	(459,735)	(589,036)	(671,354)	(554,759)	(376,558)
Less: Debt Service Reserve Fund	(182,588)	(185,636)	(257,985)	(257,985)	(257,985)
Net Debt Outstanding	\$2,337,457	\$2,171,068	\$2,914,461	\$2,988,326	\$3,831,712
Net Revenues for Debt Service	\$275,967	\$231,510	\$299,686	\$314,612	\$395,393
Plus PFCs applied to Debt Service					91,000
Plus: Capitalized Interest	44,457	71,806	103,996	119,903	57,966
Total Net Revenues for Debt Service	\$320,425	\$303,317	\$403,681	\$434,515	\$544,358
<b>Net Debt/CFADS</b>	<b>7.3</b>	<b>7.2</b>	<b>7.2</b>	<b>6.9</b>	<b>7.0</b>

\* Estimated FY 2024, Budgeted FY 2025 & FY 2026

Figure 50 – Net Debt to CFADS



# Supplemental Data



## Supplemental Data

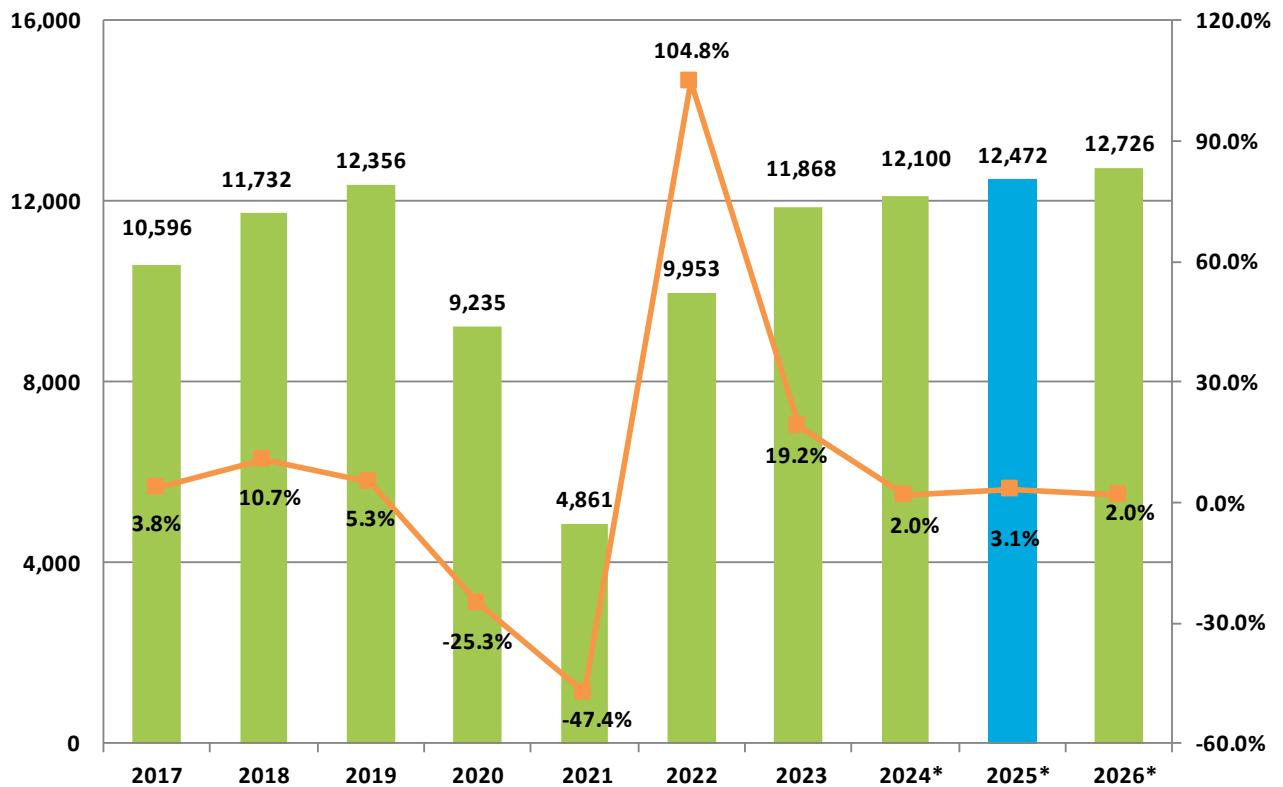
### Annual Enplaned Passengers

In FY 2025, enplaned passenger traffic at SAN is projected to reach 12.5M, representing an increase of 3.1% from the enplanements used in the FY 2024 Budget. Enplaned passengers are projected to increase by 2% to 12.7M in the FY 2026 Conceptual Budget.

### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Enplaned Passengers	% Change
2017	10,596	3.8%
2018	11,732	10.7%
2019	12,356	5.3%
2020	9,235	-25.3%
2021	4,861	-47.4%
2022	9,953	104.8%
2023	11,868	19.2%
2024*	12,100	2.0%
2025*	12,472	3.1%
2026*	12,726	2.0%

<sup>1</sup> in thousands



\* Budgeted FY 2024, FY 2025, & FY 2026

**Figure 51 – Annual Enplaned Passengers**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Airline Market Share FY 2017 – FY 2023

The more diverse an airport's airline market share, the less susceptible it is to the effects of an airline's financial position or changing service levels. Five carriers accounted for approximately 81% of the enplaned passengers.

Air Carrier	Enplanements (in thousands)							Market Share						
	2017	2018	2019	2020	2021	2022	2023	2017	2018	2019	2020	2021	2022	2023
Southwest Airlines	3,967	4,458	4,656	3,475	1,628	3,394	4,190	37.4%	38.0%	37.7%	37.6%	33.5%	34.1%	35.3%
United Airlines	1,266	1,406	1,481	1,043	553	1,257	1,412	11.9%	12.0%	12.0%	11.3%	11.4%	12.6%	11.9%
Delta Airlines	1,089	1,127	1,337	1,058	568	1,215	1,412	10.3%	9.6%	10.8%	11.5%	11.7%	12.2%	11.9%
Alaska Airlines <sup>1</sup>	919	1,032	1,253	976	474	1,100	1,351	8.7%	8.8%	10.1%	10.6%	9.8%	11.1%	11.4%
American Airlines	1,339	1,367	1,339	1,051	768	1,238	1,282	12.6%	11.6%	10.8%	11.4%	15.8%	12.4%	10.8%
Frontier Airlines	180	255	277	201	180	273	349	1.7%	2.2%	2.2%	2.2%	3.7%	2.7%	2.9%
Spirit Airlines	287	318	324	225	112	168	304	2.7%	2.7%	2.6%	2.4%	2.3%	1.7%	2.6%
JetBlue Airways	225	248	231	195	90	249	285	2.1%	2.1%	1.9%	2.1%	1.9%	2.5%	2.4%
Hawaiian Airlines	108	109	150	103	62	134	148	1.0%	0.9%	1.2%	1.1%	1.3%	1.3%	1.2%
Air Canada	93	111	130	90	-	43	135	0.9%	0.9%	1.1%	1.0%	-	0.4%	1.1%
British Airways	90	83	83	58	-	41	92	0.9%	0.7%	0.7%	0.6%	-	0.4%	0.8%
Allegiant Airlines	49	45	31	13	22	49	76	0.5%	0.4%	0.2%	0.1%	0.5%	0.5%	0.6%
Lufthansa	-	13	50	35	-	14	48	-	0.1%	0.4%	0.4%	-	0.1%	0.4%
Sun Country Airlines	40	41	40	37	23	36	42	0.4%	0.4%	0.3%	0.4%	0.5%	0.4%	0.4%
WestJet	41	39	43	29	-	12	32	0.4%	0.3%	0.3%	0.3%	-	0.1%	0.3%
Japan Airlines	60	62	67	44	1	13	31	0.6%	0.5%	0.5%	0.5%	0.0%	0.1%	0.3%
Swoop, Inc.	-	-	-	-	-	4	1	-	-	-	-	-	0.0%	0.0%
Condor	4	8	-	-	-	-	-	0.0%	0.1%	-	-	-	-	-
Edelweiss	1	7	6	2	-	-	-	0.0%	0.1%	0.1%	0.0%	-	-	-
Virgin America <sup>1</sup>	212	184	-	-	-	-	-	2.0%	1.6%	-	-	-	-	-
Volaris	4	-	-	-	-	-	-	0.0%	-	-	-	-	-	-
<b>Total Air Carrier</b>	<b>9,976</b>	<b>10,911</b>	<b>11,499</b>	<b>8,636</b>	<b>4,481</b>	<b>9,240</b>	<b>11,190</b>	<b>93.9%</b>	<b>94.1%</b>	<b>93.1%</b>	<b>93.5%</b>	<b>92.2%</b>	<b>92.8%</b>	<b>94.3%</b>
<b>Regional</b>														
Compass	195	251	296	161	-	-	-	1.8%	2.1%	2.4%	1.7%	-	-	-
Horizon Air	54	82	64	107	90	137	36	0.5%	0.7%	0.5%	1.2%	1.8%	1.4%	0.3%
Skywest Airlines	372	487	497	331	290	576	642	3.5%	4.2%	4.0%	3.6%	6.0%	5.8%	5.4%
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Regional</b>	<b>621</b>	<b>820</b>	<b>857</b>	<b>599</b>	<b>380</b>	<b>713</b>	<b>677</b>	<b>6.1%</b>	<b>5.9%</b>	<b>6.9%</b>	<b>6.5%</b>	<b>7.8%</b>	<b>7.2%</b>	<b>5.7%</b>
<b>Total Passengers</b>	<b>10,596</b>	<b>11,732</b>	<b>12,356</b>	<b>9,235</b>	<b>4,861</b>	<b>9,953</b>	<b>11,868</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018

Figure 52 – Airline Market Share

## Supplemental Data

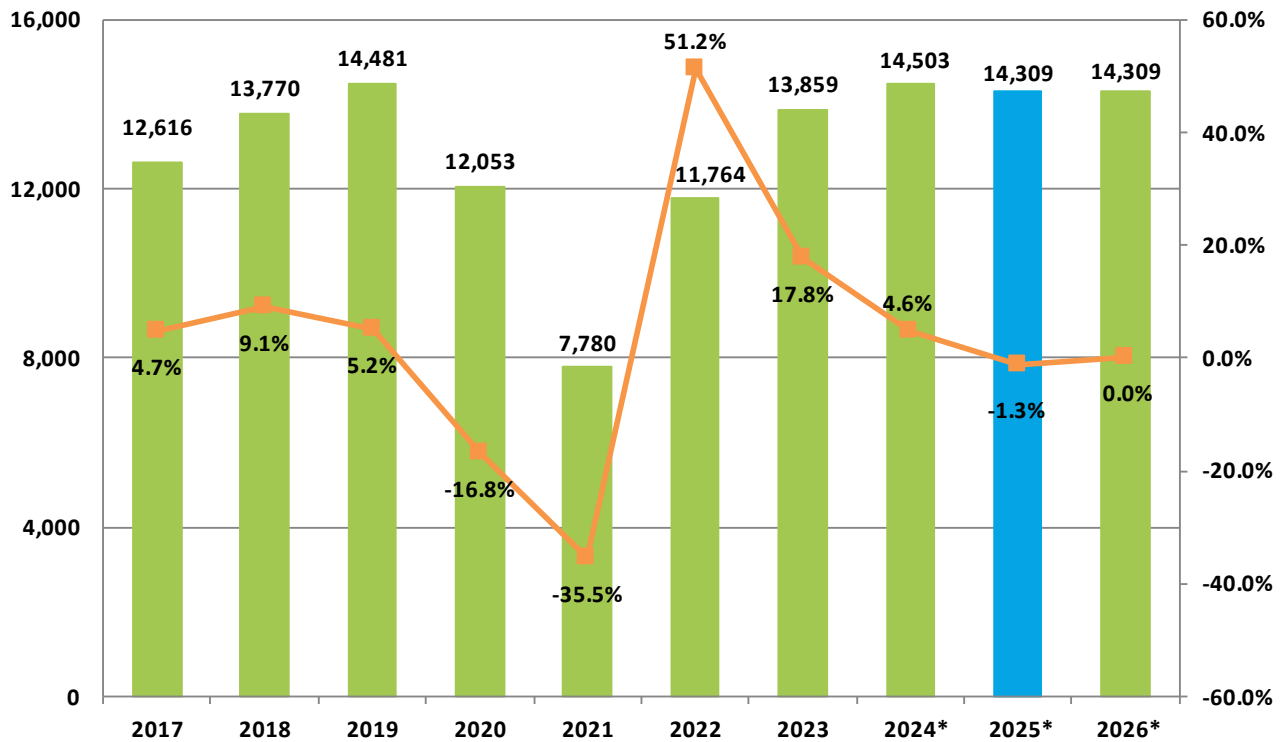
### Aircraft Landed Weight

Landed weight refers to the maximum gross certificated landed weight in one-thousand-pound units, as stated in the airline flight operations manual. Landed weight is used to calculate landing fees for airline and general aircraft operated at the Airport. In FY 2025, landed weight is estimated to decrease by 1.3% compared to the FY 2024 budget.

### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Landed Weight <sup>1</sup>	% Change
2017	12,616	4.7%
2018	13,770	9.1%
2019	14,481	5.2%
2020	12,053	-16.8%
2021	7,780	-35.5%
2022	11,764	51.2%
2023	13,859	17.8%
2024*	14,503	4.6%
2025*	14,309	-1.3%
2026*	14,309	0.0%

<sup>1</sup> in million pounds



\* Budgeted FY 2024, FY 2025, & FY 2026

Figure 53 – Aircraft Landed Weight

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Airline Landed Weight FY 2017 – FY 2023

Landed weight is the maximum gross certificated landed weight in one-thousand-pound units as stated in the airlines' flight operational manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at SAN.

Air Carrier	Landed Weight (in thousands)							Market Share						
	2017	2018	2019	2020	2021	2022	2023	2017	2018	2019	2020	2021	2022	2023
Southwest Airlines	4,470,104	4,924,451	5,180,064	4,422,096	2,277,011	3,688,292	5,001,008	35.4%	35.8%	35.8%	36.7%	29.3%	31.4%	36.1%
Delta Airlines	1,175,285	1,183,702	1,389,312	1,221,773	1,049,374	1,497,160	1,516,632	9.3%	8.6%	9.6%	10.1%	13.5%	12.7%	10.9%
United Airlines	1,355,185	1,492,873	1,566,148	1,201,192	694,980	1,260,134	1,450,512	10.7%	10.8%	10.8%	10.0%	8.9%	10.7%	10.5%
Alaska Airlines <sup>1</sup>	999,875	1,131,807	1,411,255	1,162,582	769,364	1,196,955	1,410,162	7.9%	8.2%	9.7%	9.6%	9.9%	10.2%	10.2%
American Airlines	1,428,538	1,471,318	1,415,134	1,201,659	917,691	1,238,946	1,317,772	11.3%	10.7%	9.8%	10.0%	11.8%	10.5%	9.5%
Skywest Airlines	465,023	627,038	637,117	481,705	504,012	709,412	755,828	3.7%	4.6%	4.4%	4.0%	6.5%	6.0%	5.5%
Federal Express	390,716	388,782	375,807	394,288	466,734	476,195	405,893	3.1%	2.8%	2.6%	3.3%	6.0%	4.0%	2.9%
JetBlue Airlines	244,364	293,160	281,715	260,940	171,957	292,311	316,168	1.9%	2.1%	1.9%	2.2%	2.2%	2.5%	2.3%
Frontier Airlines	167,590	232,794	247,145	204,924	199,836	264,830	311,884	1.3%	1.7%	1.7%	1.7%	2.6%	2.3%	2.3%
Spirit Airlines	286,162	328,424	331,366	230,911	125,589	165,464	288,873	2.3%	2.4%	2.3%	1.9%	1.6%	1.4%	2.1%
Hawaiian Airlines	147,568	161,486	237,560	155,345	122,574	211,844	209,839	1.2%	1.2%	1.6%	1.3%	1.6%	1.8%	1.5%
United Parcel	146,778	143,678	138,860	146,624	138,926	138,064	137,094	1.2%	1.0%	1.0%	1.2%	1.8%	1.2%	1.0%
Allegiant	57,227	47,516	31,927	19,387	38,889	53,883	75,345	0.5%	0.3%	0.2%	0.2%	0.5%	0.5%	0.5%
Horizon Air	54,799	100,303	82,650	146,100	145,050	166,950	41,325	0.4%	0.7%	0.6%	1.2%	1.9%	1.4%	0.3%
ABX Air	-	-	-	42,542	83,216	6,068	272	0.0%	0.0%	0.0%	0.4%	1.1%	0.1%	0.0%
<b>Subtotal</b>	<b>11,903,154</b>	<b>13,049,141</b>	<b>13,914,432</b>	<b>11,648,713</b>	<b>7,705,201</b>	<b>11,366,508</b>	<b>13,238,607</b>	<b>94.3%</b>	<b>94.8%</b>	<b>96.1%</b>	<b>96.6%</b>	<b>99.0%</b>	<b>96.6%</b>	<b>95.5%</b>
All Others	712,914	720,805	566,797	404,367	74,326	397,577	620,449	5.7%	5.2%	3.9%	3.4%	1.0%	3.4%	4.5%
<b>Total</b>	<b>12,616,068</b>	<b>13,769,945</b>	<b>14,481,229</b>	<b>12,053,080</b>	<b>7,779,528</b>	<b>11,764,085</b>	<b>13,859,056</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018, and began operating as Alaska Airlines on April 25, 2018

**Figure 54 – Top 15 Airlines Ranked by Landed Weight**

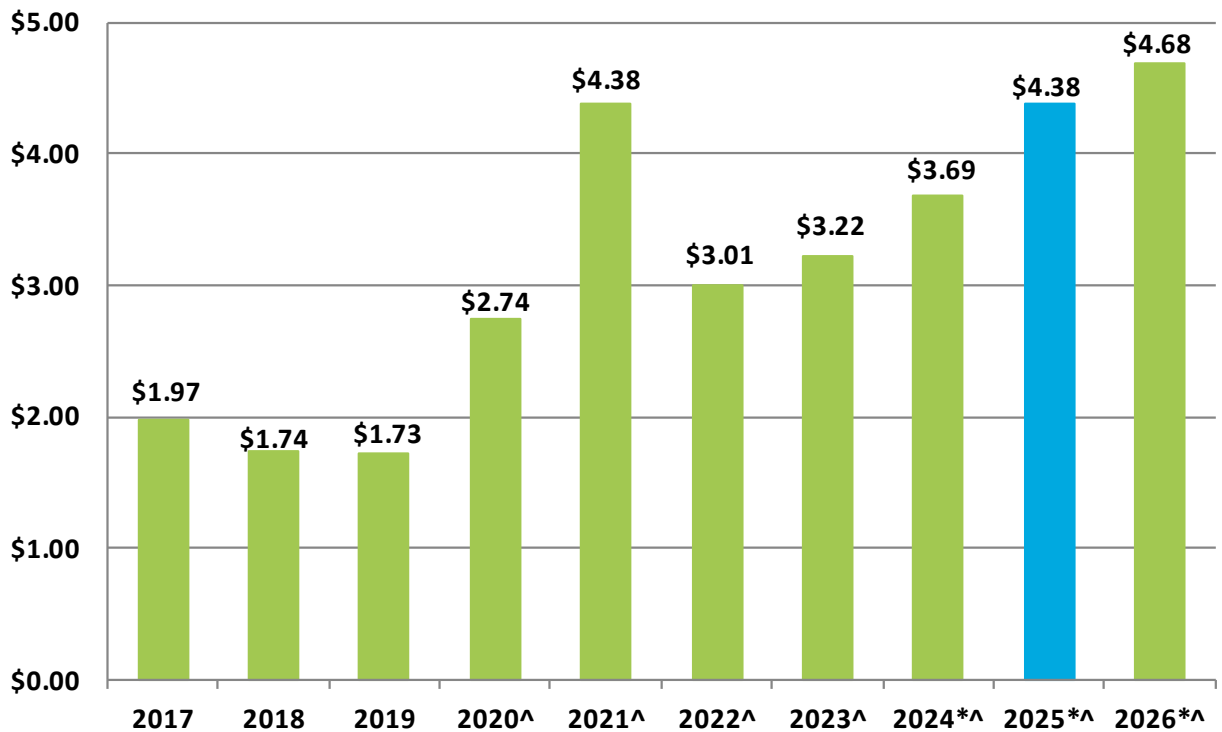
## Supplemental Data

### Landing Fees

Landing fees are revenues from passenger and cargo aircraft for commercial landings at the Airport. Beginning in FY 2020, landing fees include Airside Security.

#### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Landing Fees (\$) per 1,000 lbs	% Change
2017	1.97	-1.4%
2018	1.74	-11.5%
2019	1.73	-1.0%
2020 <sup>^</sup>	2.74	59.0%
2021 <sup>^</sup>	4.38	59.7%
2022 <sup>^</sup>	3.01	-31.4%
2023 <sup>^</sup>	3.22	7.1%
2024* <sup>^</sup>	3.69	14.6%
2025* <sup>^</sup>	4.38	18.7%
2026* <sup>^</sup>	4.68	6.8%



\* Budgeted FY 2024, FY 2025, & FY 2026

<sup>^</sup> Signatory Rate

Figure 55 – Landing Fees

Source: San Diego County Regional Airport Authority

## Supplemental Data

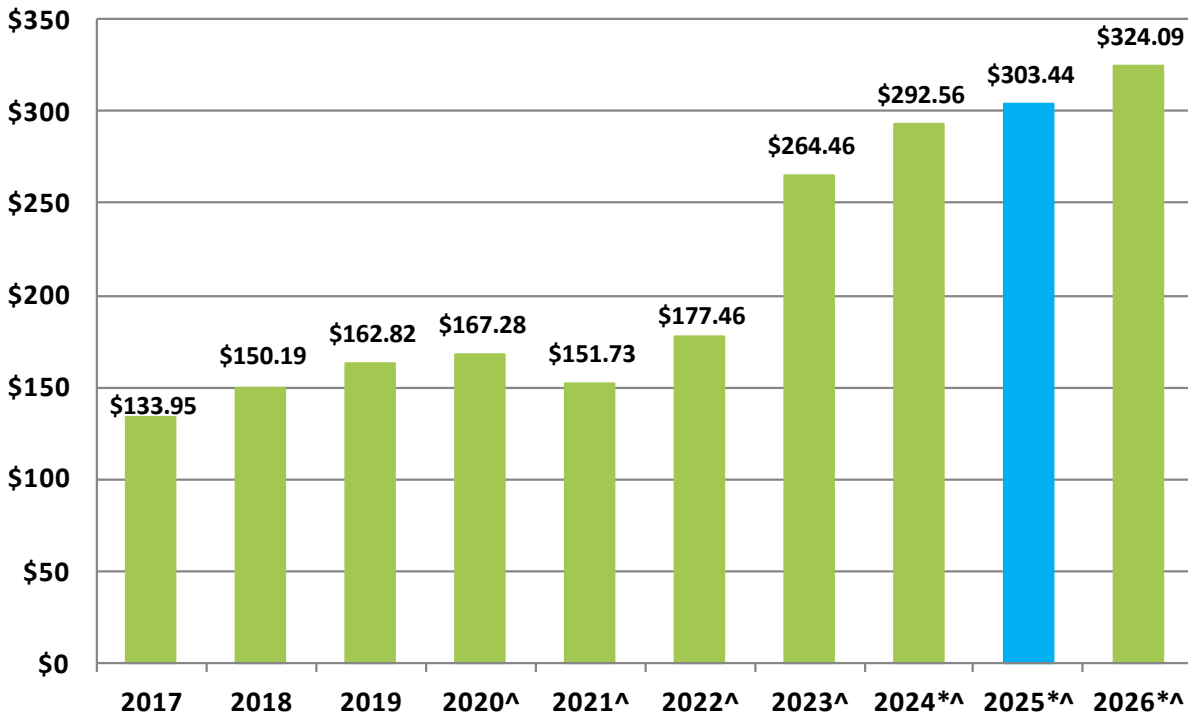
### Terminal Rates Billed to Airlines

Terminal rates are rates billed to airlines for the rent of terminal space on an annual per-square-foot basis.

#### Fiscal Years ended June 30, 2017 to 2026

Fiscal Year	Terminal Rates Per Sq. Ft. (\$)¹	% Change
2017	133.95	6.1%
2018	150.19	12.1%
2019	162.82	8.4%
2020 <sup>^</sup>	167.28	2.7%
2021 <sup>^</sup>	151.73	-6.8%
2022 <sup>^</sup>	177.46	6.1%
2023 <sup>^</sup>	264.46	74.3%
2024* <sup>^</sup>	292.56	64.9%
2025* <sup>^</sup>	303.44	14.7%
2026* <sup>^</sup>	324.09	10.8%

¹ Net of janitorial credit



\* Budgeted FY 2024, FY 2025, & FY 2026

<sup>^</sup> Signatory Rate

Figure 56 – Terminal Rates

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Aircraft Operations (Takeoffs and Landings)

Aircraft operations are the takeoffs and landings at SAN. They represent the level of demand for air service by the airlines operating at SAN.

Fiscal Year	Air Carriers	Air Taxi	General Aviation	Military	Total
2017	178,579	11,899	9,719	814	201,011
2018	196,253	11,903	9,816	699	218,671
2019	204,627	12,539	10,167	759	228,092
2020	170,757	10,990	8,174	825	190,746
2021	108,240	11,844	8,835	1,098	130,017
2022	161,150	15,547	12,611	1,177	190,485
2023	209,144	17,623	11,640	1,421	239,828

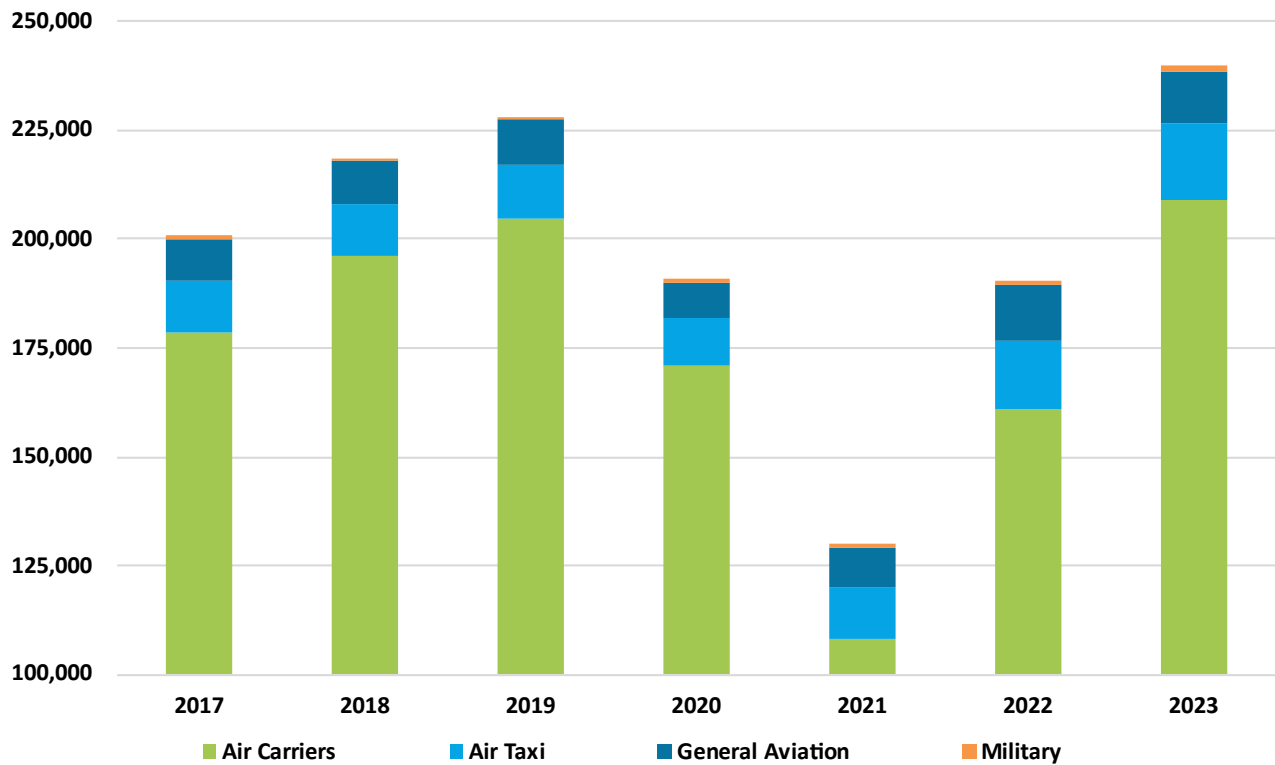


Figure 57 – Aircraft Operations

Source: FAA ATADS Report: Air Operations Standard Report (itinerant only)



## Supplemental Data

### Historical Revenue by Source

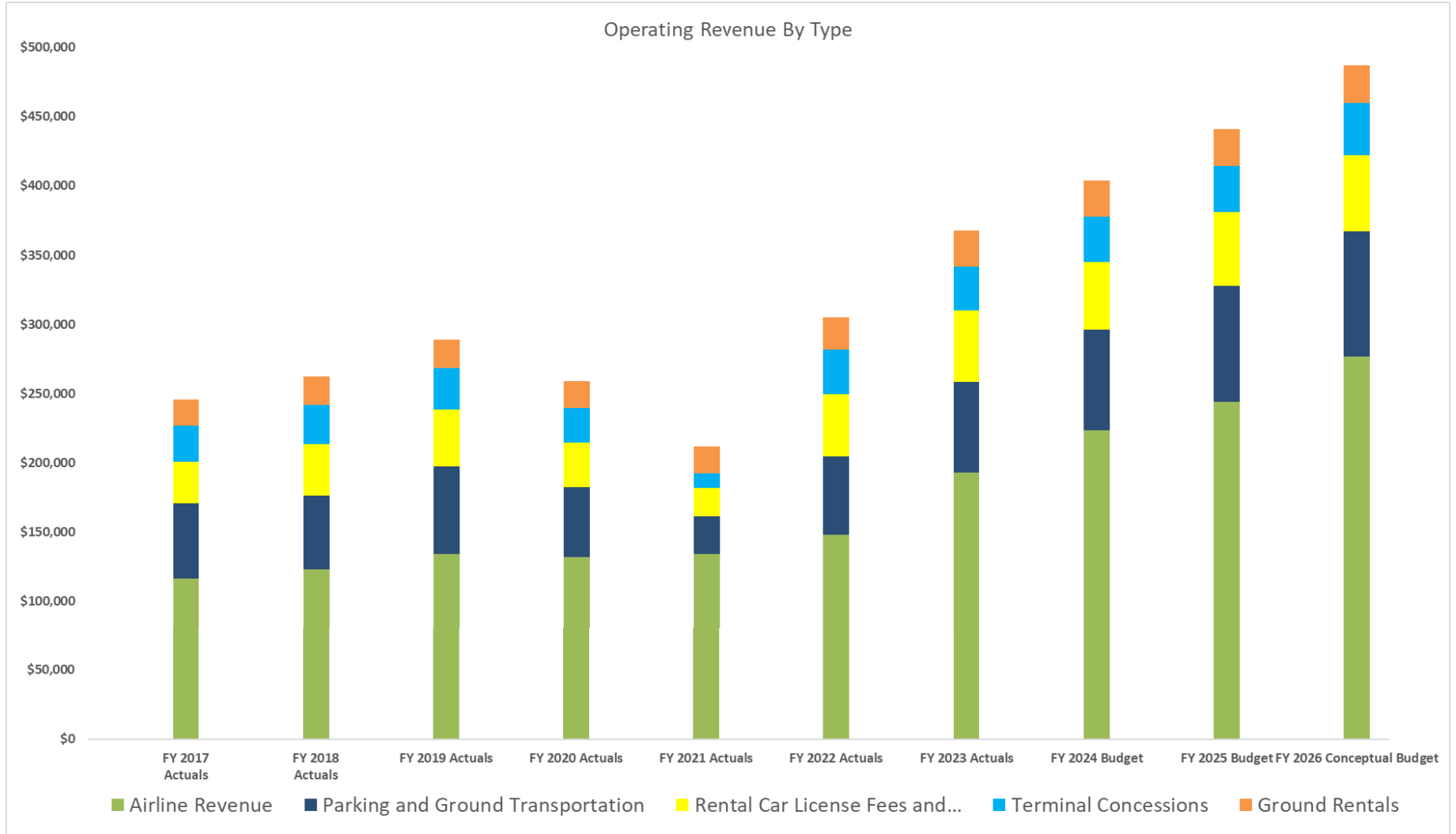
(in thousands)

Revenue by Major Sources	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Budget	FY 2025 Budget	FY 2026 Conceptual Budget
Airline Revenue	\$ 116,381	\$ 123,157	\$ 134,354	\$ 131,838	\$ 133,870	\$ 147,775	\$ 192,797	\$ 223,519	\$ 244,015	\$ 276,791
Interest Income	8,134	13,374	16,812	19,690	13,471	19,683	45,387	43,915	89,258	55,190
Parking and Ground Transportation	54,355	53,254	62,818	50,751	27,447	57,076	65,415	72,501	83,609	90,583
QHP & CIP Grants	3,318	21,468	19,763	16,228	26,225	27,351	71,311	85,597	64,188	70,918
Rental Car License Fees and License Fees - Other	30,162	37,247	41,155	32,245	20,342	44,973	51,785	49,251	53,383	54,752
Passenger Facility Charges	42,200	46,953	49,198	34,393	22,110	40,394	46,755	45,854	49,120	50,103
Customer Facility Charges	36,528	41,037	41,919	30,240	15,755	30,333	34,375	34,544	35,438	36,147
Terminal Concessions	26,146	28,363	30,102	24,999	10,754	31,992	31,850	32,697	33,281	37,837
Ground Rentals	18,497	20,073	20,647	18,925	19,260	23,301	26,195	25,832	26,741	27,278
Non-Airline Revenue - Other <sup>1</sup>	(13,581)	(9,227)	12,815	18,470	(5,139)	(68,872)	18,387	4,673	4,605	4,806
Federal Relief	-	-	-	36,895	77,219	78,922	-	-	-	-
BAB Interest Rebate	4,651	4,666	4,686	2,089	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 326,790</b>	<b>\$ 380,365</b>	<b>\$ 434,268</b>	<b>\$ 416,763</b>	<b>\$ 361,314</b>	<b>\$ 432,929</b>	<b>\$ 584,255</b>	<b>\$ 618,385</b>	<b>\$ 683,638</b>	<b>\$ 704,405</b>

<sup>1</sup> Non-Airline Revenue - Other includes Terminal Rent Non-Airline, Grant Reimbursements, Other Non-Operating Revenue and Other Operating Revenue, which includes finger printing fees, utilities reimbursements, service charges, equipment rental and miscellaneous revenues.

**Figure 58 – Historical Revenue by Source**

## Supplemental Data



**Figure 59 – Historical Operating Revenue by Source**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Airport Authority's Largest Sources of Revenues

(in thousands)

Tenant	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	% of Total Operating Revenue
Southwest Airlines	\$ 35,961	\$ 38,404	\$ 42,359	\$ 44,940	\$ 32,982	\$ 46,676	\$ 59,518	12.5%
Alaska Airlines <sup>1</sup>	11,705	16,353	17,436	20,633	19,163	25,230	29,361	6.7%
Delta Airlines	16,123	17,007	18,368	22,064	16,637	23,051	28,223	6.2%
United Airlines	16,227	17,520	18,335	20,204	16,630	19,809	26,968	5.3%
American Airlines	17,075	16,581	17,073	17,150	17,010	19,653	21,754	5.2%
Avis-Rent-A-Car <sup>2</sup>	-	-	-	8,447	4,666	14,247	15,715	3.8%
Enterprise Rent-A-Car	11,188	12,286	12,780	12,238	5,913	12,725	14,532	3.4%
Hertz Rent-A-Car	11,143	11,017	11,539	10,829	5,303	11,065	12,588	3.0%
Uber Technologies, Inc.	-	-	-	-	-	6,806	11,222	1.8%
SSP America	-	-	-	-	-	-	7,617	0.0%

<sup>1</sup> Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018, and began operating as Alaska Airlines on April 25, 2018

<sup>2</sup> Avis Budget Car Rental LLC entered into a purchase agreement on February 2, 2020, with BW-Budget-SDA LLC acquiring all agreements at SAN.

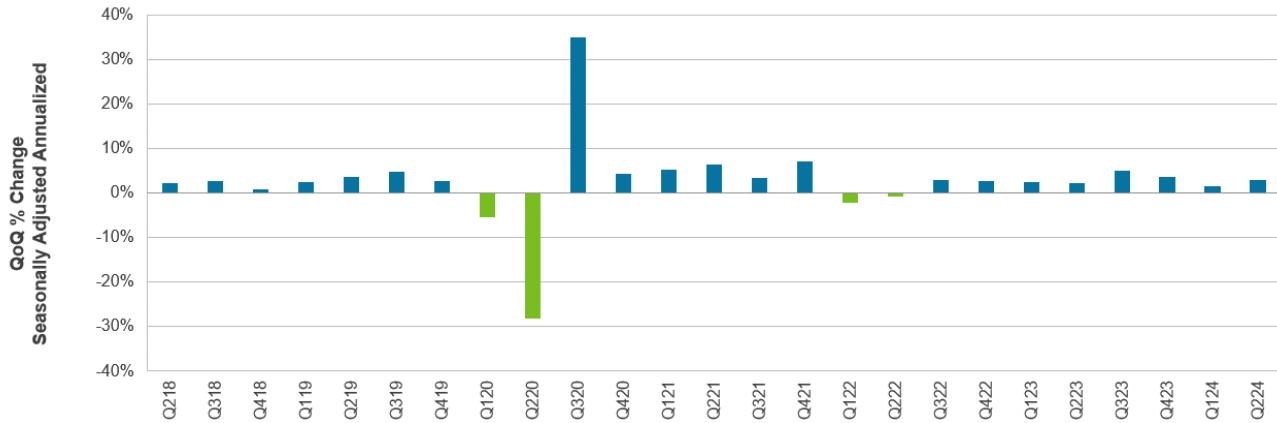
**Figure 60 – Airport Authority's Largest Sources of Revenues**

Source: San Diego County Regional Airport Authority

## Supplemental Data

### Economic and Operational Trends

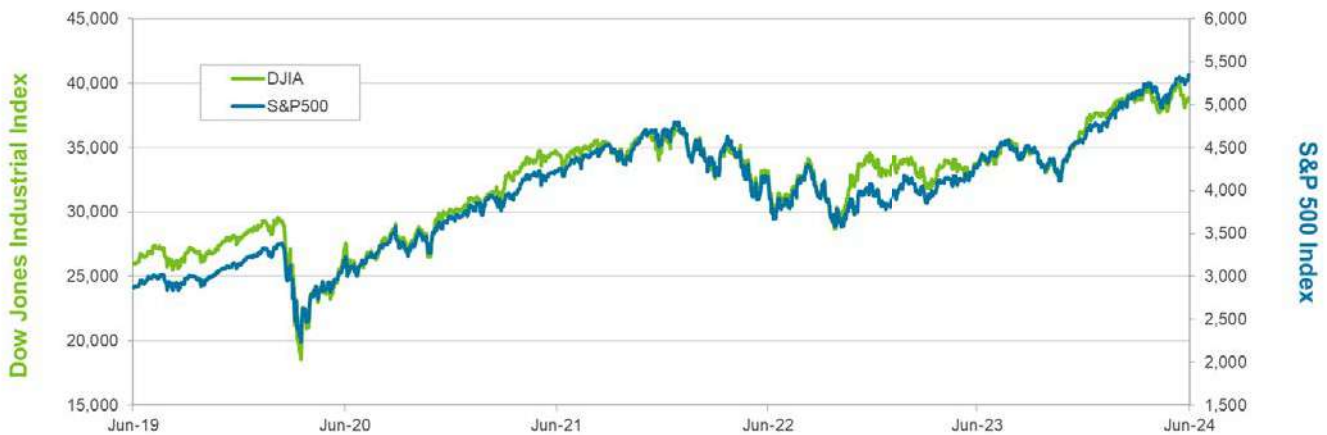
**U.S. Gross Domestic Product**  
Second Quarter 2018 – Second Quarter 2024



**Figure 61 – U.S. Gross Domestic Product**

Source: Bloomberg

**Dow Jones Industrial Average and S&P 500 Indices**  
June 7, 2018 – June 7, 2024



**Figure 62 – Dow Jones Industrial Average and S&P 500 Indices**

Source: Bloomberg

## Supplemental Data

### San Diego County Selected Employers

Organization	Location	Industry
32nd St Naval Station	San Diego	Federal Government National Security
Collins Aerospace	Chula Vista	Aircraft Components-Manufacturers
General Dynamics NASSCO	San Diego	Ship Builders & Repairers (mfrs)
Illumina Inc	San Diego	Biotechnology Products & Services
Kaiser Permanente Vandever Med	San Diego	Physicians & Surgeons
MCCS MCRD SN DIEGO-MRNE CORPS	San Diego	Military Bases
Merchants Building Maintenance	San Diego	Janitor Service
Naval Medical Ctr San Diego	San Diego	Hospitals
Page One Seo	San Diego	Mental Health Services
Rady Children's Hospital	San Diego	Hospitals
San Diego Community College	San Diego	Junior-Community College-Tech Institutes
San Diego County Sheriff	Santee	Police Departments
Scripps Mercy Hospital	San Diego	Hospitals
Scripps Research Institute	La Jolla	Laboratories-Research & Development
San Diego Gas & Electric	San Diego	Gas Companies
Seaworld San Diego	San Diego	Amusement & Theme Parks
Sharp Grossmont Hospital	La Mesa	Hospitals
Sharp Grossmont Rehab Ctr	La Mesa	Vocational Rehabilitation Services
Sharp Mary Birch Hospital	San Diego	Hospitals
Sharp Memorial Hospital	San Diego	Hospitals
Sony Electronics Inc	San Diego	Electronic Equipment & Supplies-Retail
UCSD-Neural Computation	La Jolla	University-College Dept/Facility/Office
University of California	La Jolla	University-College Dept/Facility/Office
University-California San Diego	La Jolla	Schools-Universities & Colleges Academic
VA San Diego Healthcare System	San Diego	Hospitals

**Figure 63 – Selected Employers**

Sources: America's Labor Market Information System (ALMIS) Employer Database, 2024 2nd Edition

*The list is not exhaustive. Employment levels are estimates.*

Supplemental Data

San Diego County Employment by Industry Sectors

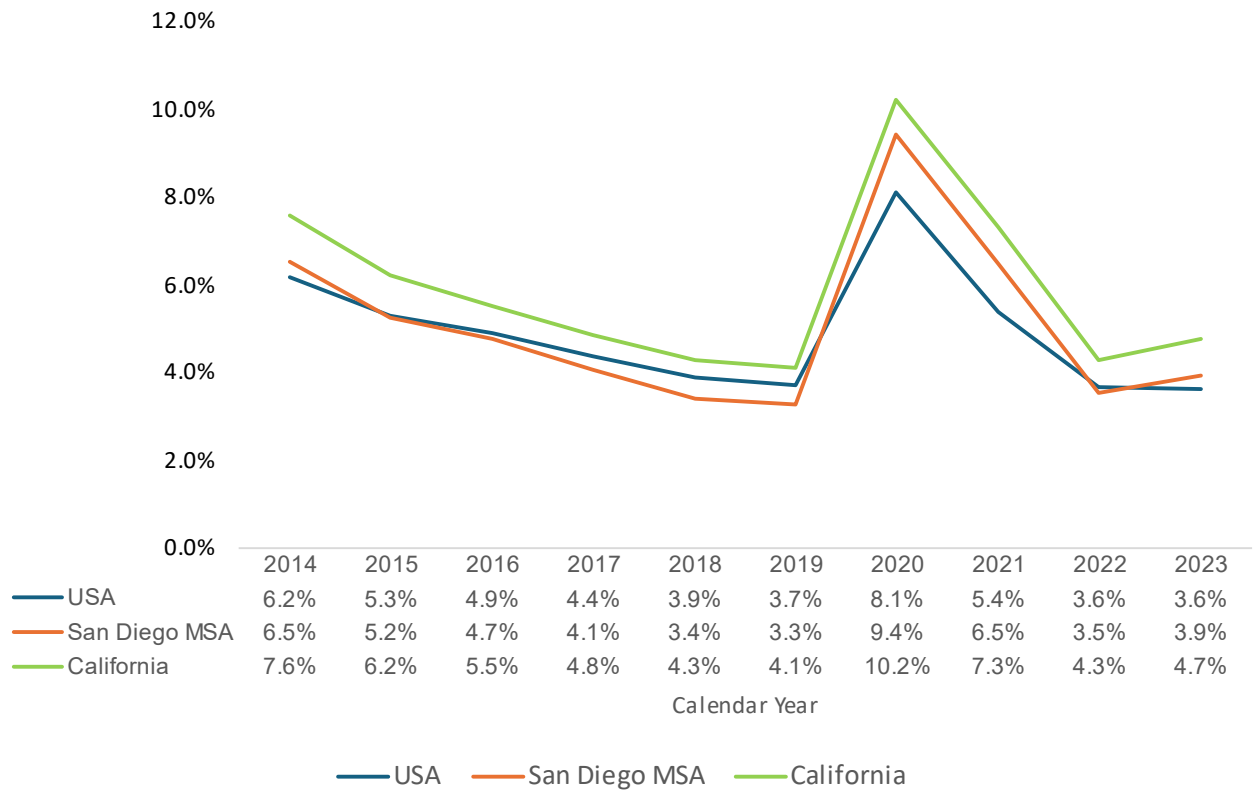
Industry Sectors	April 2024 Industry Employment	% of Total
Professional and Business Services	269,600	17.1%
Government	259,400	16.5%
Education and Health Services	255,700	16.3%
Trade, Transportation and Utilities	220,800	14.0%
Leisure and Hospitality	204,000	13.0%
Manufacturing	111,300	7.1%
Construction and Mining	91,800	5.8%
Financial Activities	71,100	4.5%
Other Services	58,000	3.7%
Information	20,800	1.3%
Agriculture	9,700	0.6%
<b>Total</b>	<b>1,572,200</b>	

Figure 64 – San Diego County Employment by Industry Sectors

Source: California Employment Development Department, Labor Market Information Division Employment & Labor Force

## Supplemental Data

### Annual Unemployment Rate



**Figure 65 – Annual Unemployment Rate**

Source: U.S. Bureau of Labor Statistics

## Supplemental Data

### Authority Position Range

Job Title	Position Range	
	Minimum	Maximum
Executive Assistant	\$ 62,741	\$ 100,385
Associate General Counsel II	\$ 116,776	\$ 204,358
Paralegal	\$ 66,212	\$ 105,940
Associate General Counsel III	\$ 141,556	\$ 247,724
Assistant General Counsel	\$ 186,563	\$ 326,485
Associate General Counsel I	\$ 77,154	\$ 123,446
Auditor	\$ 58,741	\$ 93,985
Senior Auditor	\$ 74,272	\$ 122,549
Manager, Audit Services	\$ 101,594	\$ 172,710
Customer Relations Manager	\$ 78,002	\$ 124,802
Sr Marketing Specialist	\$ 73,037	\$ 116,859
Marketing Specialist I	\$ 51,178	\$ 81,884
Marketing Specialist II	\$ 61,254	\$ 98,006
Airport Art Program Manager	\$ 83,574	\$ 133,718
Airport Art Program Coordinator II	\$ 56,892	\$ 91,026
Airport Art Program Coordinator I	\$ 55,004	\$ 88,006
Air Service Analyst	\$ 80,888	\$ 129,421
Senior Manager, Marketing	\$ 103,907	\$ 176,643
Senior Manager, Arts Program	\$ 93,113	\$ 158,291
Communication Specialist I	\$ 52,484	\$ 83,974
Communication Specialist II	\$ 60,685	\$ 97,097
Senior Communication Specialist	\$ 75,156	\$ 120,249
Director, Marketing Air Service Development	\$ 118,547	\$ 207,618
Air Service Program Manager	\$ 75,331	\$ 120,530
Manager, Air Service Development	\$ 110,115	\$ 181,691
Data Engineer	\$ 92,701	\$ 148,322
Business Intelligence Specialist	\$ 68,069	\$ 108,911
Data Warehouse Architect	\$ 88,765	\$ 142,025
Manager, Business Intelligence	\$ 113,063	\$ 180,901
Director, Communications	\$ 116,236	\$ 203,413
Director, Government Relations	\$ 132,217	\$ 231,381
Governmental Relations Specialist	\$ 75,735	\$ 121,177
Senior Director, External Relation	\$ 151,473	\$ 265,079
Manager, Government & Community Relations	\$ 104,581	\$ 172,558
External Relations Specialist	\$ 61,268	\$ 98,028
Manager, Arts Program	\$ 88,583	\$ 141,733
Director, Revenue Management	\$ 121,564	\$ 212,738
Asset Manager	\$ 91,685	\$ 151,281
Associate Asset Manager	\$ 72,480	\$ 115,969
Project Manager	\$ 101,636	\$ 172,781
Airport Properties Operations Coordinator	\$ 72,605	\$ 116,167



## Supplemental Data

Job Title	Position Range	
	Minimum	Maximum
Senior Construction Inspector	\$ 69,833	\$ 111,733
Construction Inspector	\$ 58,837	\$ 94,139
Document Control Coordinator	\$ 56,524	\$ 90,439
Project Assistant	\$ 52,076	\$ 83,321
Sr Engineering Technician	\$ 64,699	\$ 103,519
Sr Engineering Tech BIM/CAD II	\$ 71,169	\$ 113,871
Engineering Technician	\$ 56,513	\$ 90,420
Associate Engineer	\$ 68,587	\$ 109,738
Senior Cost Analyst	\$ 78,085	\$ 124,936
Quieter Home Program Coordinator	\$ 66,131	\$ 105,810
Cost Analyst	\$ 69,476	\$ 111,162
Construction Manager	\$ 105,624	\$ 174,279
Program Manager Concessions	\$ 106,378	\$ 186,161
Program Manager	\$ 103,823	\$ 181,689
Program Manager for Engineering & Construction	\$ 121,617	\$ 212,829
Manager, Procurement & Contract Services	\$ 97,631	\$ 165,972
Labor Compliance Technician I	\$ 48,915	\$ 78,265
Labor Compliance Technician II	\$ 60,779	\$ 97,247
Labor Compliance Supervisor	\$ 78,910	\$ 126,256
Contract Specialist	\$ 74,601	\$ 126,823
Construction Safety Program Manager	\$ 87,877	\$ 144,997
Administrative Services Manager	\$ 63,387	\$ 101,419
Quality Control Manager	\$ 117,456	\$ 193,120
GIS/CAD Systems Manager	\$ 95,715	\$ 157,930
Quality Control Coordinator	\$ 64,678	\$ 103,485
Project Analyst	\$ 67,649	\$ 108,238
Senior Manager, Construction Services	\$ 124,444	\$ 217,776
Document Control Manager	\$ 102,331	\$ 163,730
Manager, Safety & Labor Compliance	\$ 92,181	\$ 156,709
Aviation Syst Program Specialist	\$ 102,035	\$ 163,257
Technical Coordinator	\$ 74,787	\$ 119,659
Small Bus Dev Program Coord	\$ 55,199	\$ 88,318
Small Business Dev Program Manager	\$ 78,382	\$ 125,411
Manager, Small Business Dev	\$ 90,959	\$ 154,631
Manager, Ground Transportation	\$ 92,889	\$ 157,911
Manager, Terminal Operations	\$ 89,194	\$ 151,629
Terminal Operations Coord	\$ 64,182	\$ 102,691
Senior Terminal Operations Coord	\$ 73,929	\$ 118,286
Airside Operations Duty Mgr. I	\$ 56,578	\$ 90,526
Airside Ops Duty Manager II	\$ 73,227	\$ 117,243
Manager, Airside Operations	\$ 99,104	\$ 168,476
Director, Ground Transportation	\$ 113,460	\$ 198,556
Senior Airside Ops Duty Manager	\$ 82,550	\$ 132,080
Director, Terminal & Air Ops	\$ 134,049	\$ 234,587
Ground Transportation Specials	\$ 59,219	\$ 94,751

## Supplemental Data

Job Title	Position Range	
	Minimum	Maximum
Airside & Terminal Res Sys Manager	\$ 85,106	\$ 140,424
Senior Director of Operational Readiness	\$ 151,231	\$ 264,655
Senior Environmental Specialist	\$ 82,964	\$ 132,742
Senior Aircraft Noise Specialist	\$ 82,964	\$ 132,742
Aircraft Noise Specialist	\$ 57,494	\$ 91,990
Associate Environmental Specialist	\$ 69,556	\$ 111,289
Assistant Environmental Specialist	\$ 56,616	\$ 90,585
Manager, Environmental Affairs	\$ 101,398	\$ 167,306
Manager, Aircraft Noise	\$ 86,222	\$ 146,578
Director, Facilities Management	\$ 127,883	\$ 223,796
Manager, Facilities Management	\$ 84,317	\$ 143,338
Senior Maintenance Project Inspect	\$ 67,839	\$ 108,543
Maintenance Project Inspector	\$ 54,664	\$ 87,462
Inspector, Planner & Estimator	\$ 104,475	\$ 167,159
Manager, Energy & Water Mgt	\$ 79,093	\$ 134,458
Maintenance Projects Planner	\$ 73,195	\$ 117,111
Facilities Commissioning Coord	\$ 82,748	\$ 132,397
Computerized Maintenance Management System Administrator	\$ 97,278	\$ 155,645
Manager, Aviation Security & Law Enforcement	\$ 93,273	\$ 158,563
Security & Public Safety Analyst I	\$ 64,575	\$ 103,320
Security Specialist II	\$ 60,128	\$ 96,204
Security Specialist I	\$ 49,434	\$ 79,094
Manager, Emergency Preparedness & Public Safety	\$ 107,501	\$ 182,752
Senior Security Specialist	\$ 79,090	\$ 126,543
Security & Public Safety Analyst II	\$ 73,906	\$ 118,249
Airport Coordination Center Specialist	\$ 52,097	\$ 83,354
Senior Airport Communications Center Specialist	\$ 58,979	\$ 94,367
Security & Emergency Response Coordinator	\$ 53,175	\$ 85,080
Director, Aviation Security & Public Safety	\$ 121,811	\$ 213,169
Maintenance Project Inspector II	\$ 60,130	\$ 96,208
Manager, Airport Planning	\$ 98,521	\$ 167,485
Assistant Airport Planner	\$ 57,690	\$ 92,303
Associate Airport Planner	\$ 71,696	\$ 114,714
Senior Airport Planner	\$ 82,434	\$ 131,894
Strategic Planning Outreach Coord	\$ 49,402	\$ 79,042
Director, Airport Planning & Environmental Affairs	\$ 132,117	\$ 231,205
Assistant Authority Clerk II	\$ 81,554	\$ 130,486
Director, Authority Clerk	\$ 128,824	\$ 225,442
Assistant Authority Clerk I	\$ 65,243	\$ 104,389
Corporate Information Assist	\$ 38,771	\$ 62,034
Records & Info Management Specialist I	\$ 48,696	\$ 77,914
Records & Info Management Specialist II	\$ 56,524	\$ 90,439
Director, Human Resources	\$ 136,218	\$ 238,382
Human Resources Analyst II	\$ 68,184	\$ 109,095
Senior HR Business Partner	\$ 102,771	\$ 169,571

## Supplemental Data

Job Title	Position Range	
	Minimum	Maximum
HR Business Partner II	\$ 79,426	\$ 127,082
HR Business Partner I	\$ 63,432	\$ 101,491
Safety Analyst II	\$ 64,943	\$ 103,908
Safety Analyst I	\$ 57,795	\$ 92,472
Human Resources Assistant II	\$ 44,824	\$ 71,718
HRIS Analyst II	\$ 73,494	\$ 117,590
L&D Specialist	\$ 63,178	\$ 101,085
Senior L&D Specialist	\$ 78,970	\$ 126,352
Human Resources Analyst I	\$ 57,690	\$ 92,303
Senior Human Resources Analyst	\$ 84,157	\$ 134,651
Manager, Business Analytics	\$ 100,983	\$ 171,671
HRIS Analyst I	\$ 48,343	\$ 77,348
Senior HRIS Analyst	\$ 79,749	\$ 127,599
Manager HR Business Partnerships	\$ 101,001	\$ 171,703
Senior Safety Specialist	\$ 85,959	\$ 141,832
Talent Acquisition Partner	\$ 66,317	\$ 106,108
Talent Acquisition Partner I	\$ 50,004	\$ 80,007
Senior Talent Acquisition Partner	\$ 77,066	\$ 123,306
Manager, HR Operations	\$ 100,406	\$ 160,650
Director, Information & Technology Services	\$ 142,670	\$ 249,672
Senior Manager, IT	\$ 119,198	\$ 208,597
Database Administrator	\$ 94,005	\$ 150,407
Application Development Analyst	\$ 78,001	\$ 124,801
Systems Support Analyst II	\$ 71,695	\$ 114,711
Systems Support Analyst I	\$ 59,552	\$ 95,282
Senior Systems Support Analyst	\$ 85,686	\$ 137,097
Business Systems Analyst	\$ 76,013	\$ 121,621
Senior Applications Development Analyst	\$ 96,554	\$ 154,487
Manager, Business & Systems Application	\$ 113,263	\$ 192,547
Manager, Infrastructure Operations	\$ 107,804	\$ 183,267
Cyber Security Specialist	\$ 91,899	\$ 147,039
Manager, Service Desk & IT Terminal Operations	\$ 98,459	\$ 167,379
I&TS Project Coordinator	\$ 85,153	\$ 136,245
IT PROJECT MANAGER	\$ 102,075	\$ 168,424
ITS Administrator	\$ 68,330	\$ 109,329
ITS Engineer	\$ 81,463	\$ 130,340
ITS Senior Engineer	\$ 97,181	\$ 155,489
Director Business Intelligence	\$ 133,231	\$ 233,153
Director, Procurement	\$ 124,967	\$ 218,693
Manager, Contracts	\$ 103,036	\$ 170,009
Senior Procurement Analyst	\$ 78,727	\$ 125,964
Procurement Analyst I	\$ 51,545	\$ 82,471
Procurement Coordinator	\$ 44,922	\$ 71,876
P-Card Program Analyst	\$ 47,881	\$ 76,610
Procurement Analyst II	\$ 59,845	\$ 95,752

## Supplemental Data

Job Title	Position Range	
	Minimum	Maximum
Management Analyst	\$ 63,179	\$ 101,086
Senior Management Analyst	\$ 71,282	\$ 114,051
Staff Assistant	\$ 49,402	\$ 79,042
Administrative Assistant II	\$ 49,402	\$ 79,042
Administrative Assistant I	\$ 40,532	\$ 64,852
Director, Accounting	\$ 134,562	\$ 235,484
Accounting Manager	\$ 94,615	\$ 156,114
Senior Accountant	\$ 74,036	\$ 118,458
Accountant	\$ 61,680	\$ 98,688
Accounting Technician	\$ 51,790	\$ 82,865
Payroll Technician	\$ 66,145	\$ 105,831
Senior Manager, Accounting	\$ 125,617	\$ 200,987
Director, Financial Planning & Budget	\$ 137,951	\$ 241,415
Director Capital Financial Planning & Airline Relations	\$ 137,951	\$ 241,415
Financial Analyst II	\$ 77,169	\$ 123,471
Financial Analyst I	\$ 64,022	\$ 102,435
Senior Financial Analyst	\$ 81,719	\$ 134,837
Manager, Airport Finance	\$ 102,944	\$ 175,006
Risk Management Analyst II	\$ 67,658	\$ 108,252
Risk Management Analyst I	\$ 55,766	\$ 89,226
Sr. Risk Management Analyst	\$ 81,599	\$ 130,558
Manager, Insurance & Construction Risk	\$ 102,819	\$ 174,793
Director, Airport Design & Construction	\$ 151,577	\$ 265,259
Vice Presidents	\$ 187,546	\$ 337,582

Figure 66 – Authority Position Range

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# Glossary





## Glossary

**ACCRUAL BASIS OF ACCOUNTING** – Under this method, revenue is recorded when earned and expenses are recorded when liabilities are incurred.

**AIRCRAFT OPERATIONS** – The landing or takeoff of an aircraft.

**AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF)** – A special category of firefighting that involves the response, hazard mitigation, evacuation and possible rescue of passengers and crew of an aircraft (typically) involved in an airport ground emergency.

**AIRLINE OPERATING AND LEASE AGREEMENT (AOLA)** – Agreement with passenger airlines and cargo carriers operating at SAN. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport.

**AIRLINE SUPPORT BUILDING (ASB)** – Facility used by airlines to process belly cargo.

**AIRPORT AUTHORITY** – Refers to the San Diego County Regional Airport Authority (SDCRAA).

**AIRPORT AUTHORITY ACT** – California State Bill AB 93: Division 17: Chapter 1, dated January 11, 2001, which establishes the San Diego County Regional Airport Authority, as a local governmental entity.

**AIRPORT COUNCIL INTERNATIONAL (ACI)** – An organization of airport authorities aimed at uniting industry practices for airport standards.

**NEW TERMINAL 1** – Project name that defines phases and improvement for the new Terminal 1.

**AIRPORT IMPROVEMENT PROGRAM (AIP)** – The FAA's AIP provides both entitlement and discretionary grants for eligible airport projects. This program, authorized periodically by Congress, distributes the proceeds of the federal tax on airline tickets to airports, through grants, for eligible construction projects and land acquisition. See Federal Grants.

**AIRPORT LAND USE COMMISSION (ALUC)** – An agency required by state law to exist in counties served by a commercial and/or general aviation airport. The purpose of the ALUC is to protect public health, safety, and welfare by ensuring the orderly development of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports, to the extent that these areas are not already devoted to incompatible uses. The San Diego County Regional Airport Authority (SDCRAA) serves as the Airport Land Use Commission for airports in San Diego County.

**AIRPORT MASTER PLAN** – An airport master plan represents the approved actions to be accomplished for phased development of the airport. Master plans address the airfield, terminal, landside access improvements, modernization, and expansion of existing airports, and establish the premise for site selection and planning for a new airport.

**AIRPORT REVENUE BONDS** – Bonds issued by municipality or Airport Authority wherein airport revenues back the tax-exempt, lower interest rate bond.

**ALTERNATIVE MINIMUM TAX (AMT)** – A supplemental income tax imposed by the United States federal government required in addition to baseline income tax.

**AMERICA RESCUE PLAN ACT** – also called the COVID-19 Stimulus Package is an economic stimulus bill passed by the 117th United States Congress and signed into law on March 11, 2021, to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.

**AMORTIZATION** – An accounting technique used to periodically lower the book value of a loan or intangible asset over a set period.

**AUDIT** – An official inspection of an individual or organization's accounts, typically by an independent body.

## Glossary

**AUTHORITY FUND BALANCE** – The Airport Authority’s fund balance is generally defined as the difference between its assets and liabilities.

**BALANCED BUDGET** – The Airport Authority’s definition of a balanced budget is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds.

**BOND COVENANT** – An agreement with bondholders, which defines the priority of payment of debt service in the use of revenues, among other things.

**BONDS** – In finance, a bond is an instrument of indebtedness of the bond issuer to the holders. The most common types of bonds include municipal bonds and corporate bonds.

**BUDGET** – A financial plan for a specified period of time (FY) that matches planned expenses and revenues with planned services.

**BUDGET CALENDAR** – The schedule of key dates, or milestones, that the Airport Authority follows in the preparation, adoption, and administration of the annual budget.

**BUILD AMERICA BONDS (BAB)** – Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder.

**BROWN ACT** – mandates that every agenda for a regular meeting provide an opportunity for members of the public to directly address the legislative body on any matter that is within the subject matter jurisdiction of the legislative body.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)** – A project undertaken by a public agency or a private activity, which may cause either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment, must receive some discretionary approval from a government agency.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** – A rolling, near-term five-year program that provides for critical needed improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety improvement and enhanced revenue potential.

**CAPITALIZED LABOR** – Personnel salaries, taxes and benefits expenses that are associated with capital projects.

**CARES ACT GRANT** – Coronavirus Aid, Relief, and Economic Security Act approved by the United States Congress and signed by the President on March 27, 2020, is one of those legislative actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines.

**COMMERCIAL PAPER (CP)** – Short-term promissory note issued for periods up to 270 days, with maturities commonly at 30, 60 and 90 days. The Airport Authority currently has commercial paper programs with two series, AMT, and non-AMT.

**COMMON USE SYSTEM SUPPORT (CUSS)** – A shared service kiosk system used by multiple airlines that allow for convenient passenger check-in.

**CONCESSIONAIRE** – A person or company having a lease, contract, or operating permit arrangement with the Airport Authority, entitling them to do business at the airport.

**COST PER ENPLANED PASSENGER (CPE)** – The total annual cost of fees and charges paid by the airlines, divided by the total enplanements.

**CUSTOMER FACILITY CHARGE (CFC)** – Airport-required fees collected by car rental agencies and used to fund new car rental facilities.

**DEBT POLICY** – A framework by which decisions are made concerning the use and management of debt, with a comprehensive financial plan used in effecting strategic initiatives.

## Glossary

**DEBT SERVICE** – Principal and interest payments on bonds.

**DEBT SERVICE COVERAGE** – An amount equal to 125% of the portion of Debt Service attributable to bonds, plus other such amounts as may be established by any financial agreement.

**DEPRECIATION** – A reduction in the value of an asset with the passage of time, due in particular to wear and tear.

**DERIVATIVE** – A financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values.

**DISADVANTAGED BUSINESS ENTERPRISE (DBE)** – A for-profit small business where socially and economically disadvantaged individuals owning at least a 51% interest also control the management and daily business operations.

**DISCRETIONARY FUNDS** – See Federal Grants.

**ENGINEERED MATERIAL ARRESTING SYSTEM (EMAS)** – A bed of engineered materials built at the end of a runway to reduce the severity of the consequences of a runway excursion.

**ENPLANED PASSENGER** – Any revenue passenger boarding an aircraft at the Airport, including any passenger that previously disembarked from another aircraft.

**ENTERPRISE FUND** – In governmental accounting, a fund that provides goods and services to the public for a fee that makes the entity self-supporting.

**FEDERAL AVIATION ADMINISTRATION (FAA)** – The FAA is part of the Department of Transportation (DOT) and, within the airspace of the United States, promotes air safety, regulates air commerce, controls the use of navigable airspace, develops, and operates air navigation facilities, develops, and operates the air traffic control system and administers federal grants for the development of public-use airports.

**FEDERAL GRANTS** – Entitlement funds, determined by a formula according to enplanements at individual airports. The Airport Authority applies for discretionary grants of funds from the FAA through a Letter of Intent (LOI) process. Each LOI represents an intention to obligate funds from future federal budget appropriations. The issuance of a LOI is subject to receipt of Congressional appropriations for grants to airports and does not itself constitute a binding commitment of funds by the FAA. For planning purposes, the amounts in an approved LOI from the FAA are used by the Airport Authority as an estimate of federal discretionary grants to be received.

**FISCAL YEAR (FY)** – The annual period beginning July 1st and ending June 30th.

**FIXED BASE OPERATOR (FBO)** – Commercial business, at the Airport, authorized by the Airport Authority to sell aviation fuels and provide other aviation-related services, primarily to General Aviation.

**FLIGHT INFORMATION DISPLAY SYSTEM (FIDS)** – A computer system used in airports to display flight information to passengers.

**FULL-TIME EQUIVALENT (FTE)** – Employee working on average at least 30 hours of service per week in a given month.

**GENERAL AVIATION** – The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES** – Uniform minimum standards and guidelines for accounting and financial statement reporting.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)** – A group that represents public finance officials throughout the United States and Canada to promote excellence in state and local government financial management.

## Glossary

**INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA)** – An association that supports aviation with global standards for airline safety, security, efficiency and sustainability.

**INNOVATION LAB** – A physical and / or virtual space to enable and support Airport-related innovations.

**LANDED WEIGHT** – Refers to maximum gross certificated landed weight, in one-thousand-pound units, as stated in the airlines' flight operations manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at the Airport.

**LANDING FEES** – Revenues from passenger and cargo carriers for commercial aircraft landings at airports.

**LAW ENFORCEMENT OFFICERS (LEO)** – A public-sector employee whose duties primarily involve the enforcement of laws.

**LEGACY CARRIERS** – Refer to those airlines that flew interstate routes prior to the Airline Deregulation Act of 1978.

U.S. legacy carriers mainly include American, Delta, United, Alaska and Hawaiian Airlines.

**LOCAL BUSINESS ENTERPRISE (LBE)** – Locally owned business, which provides goods and / or services to SAN.

**LOW-COST CARRIERS** – Refer to airlines such as JetBlue, Frontier, Allegiant, Southwest, and Spirit.

**MAJOR MAINTENANCE FUND (MMF)** – Established to be used to fund Capital Projects in the airfield area, terminal area, common use systems, airline terminal support cost centers, and indirect cost centers.

**MAJOR MAINTENANCE PROGRAM (MMP)** – Includes projects that are defined as major repairs to existing buildings or structures and does not prolong or extend the estimated useful life of the asset. Major maintenance projects are generally not capitalized and are expensed in the operating budget.

**MINIMUM ANNUAL GUARANTEE (MAG)** – The minimum annual amount remitted to the Airport Authority by Tenants as consideration for the rights and privileges granted by the Tenant Lease agreement between the Airport Authority and Tenant. The MAG is typically paid as monthly rent and is adjusted upon commencement of each Fiscal Year as specified in the Tenant Lease.

**NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)** – A United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality.

**NET REVENUE** – Generally defined as operating revenue less operating expenses.

**PAYMENT CARD INDUSTRY (PCI) COMPLIANCE** – the technical and operational standards that businesses follow to secure and protect credit card data provided by cardholders and transmitted through card processing transactions.

**POLITICAL REFORM ACT** – voter-approved initiative on the 1974 primary election ballot. One of the major provisions of the Act requires the truthful and accurate disclosure of campaign contributions and expenditures during elections.

**PROCUREMENT CARD (P-CARD) PROGRAM** – A procurement card program assists in making payments to suppliers or merchants.

**QUIETER HOME PROGRAM (QHP)** – See Residential Sound Attenuation Program.

**REAL GROSS DOMESTIC PRODUCT (REAL GDP)** – An inflation-adjusted measure that reflects the value of all goods and services produced by an economy each year (expressed in base-year prices).

**RECEIVING AND DISTRIBUTION CENTER (RDC)** – A central warehouse for the delivery and distribution of goods at an airport. All supplies for the concessions within an airport, as well as Airport Authority supplies, will flow through this center.

## Glossary

**RENTAL CAR CENTER (RCC)** – A facility to house all rental car companies in a single building.

**RESIDENTIAL SOUND ATTENUATION PROGRAM** – Includes sound attenuation construction at all eligible single-family and multi-family dwellings, with six or fewer units, located in the Year 2000 70 decibels Community Noise Equivalent Contour.

**REQUEST FOR PROPOSAL (RFP)** – An open request for bids to complete a new project proposed by the company or other organization that issues it.

**SAN** – Three-letter geocode designated to San Diego International Airport by the International Air Transport Association (IATA).

**SDCRAA** – San Diego County Regional Airport Authority.

**SERVICE-DISABLED VETERAN SMALL BUSINESS (SDVSB)** – A business owned and controlled by a veteran with service-connected disability that has been determined by the Department of Veterans Affairs or Department of Defense.

**SERVICE LEVEL AGREEMENT** – Agreement between the San Diego Port District and the Airport Authority defining the services that the Airport Authority obtains from the Port.

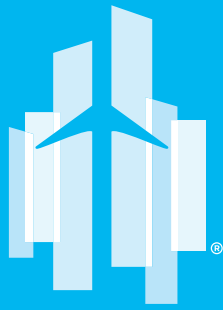
**SMALL BUSINESS ENTERPRISE (SBE)** – Independently owned and operated for profit US business contributing to US economy, not dominant in national industry and NAICS (North American Industry Classification System) qualifies size standards by industry.

**TELEDYNE-RYAN (TDY)** – Former Teledyne-Ryan property within the Airport footprint to be used in the SDIA Airport Development Program and Green Build project.

**TERMINAL DEVELOPMENT PROGRAM** – Planned series of various terminal and airfield improvements essential to accommodating the growing passengers' demands at SAN.

**TRANSPORTATION NETWORK COMPANY (TNC)** – Connects paying passengers with drivers who provide the transportation on their own non-commercial vehicles.

**TRANSPORTATION SECURITY ADMINISTRATION (TSA)** – An agency of the U.S. Department of Homeland Security that has authority over the security of the traveling public in the United States.



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